

# **NEXOPTIC TECHNOLOGY CORP.**

1500 – 409 Granville Street  
Vancouver, B.C. V6C 1T2

## **MANAGEMENT INFORMATION CIRCULAR FOR THE 2020 ANNUAL AND EXTRAORDINARY MEETING OF SHAREHOLDERS**

*This information is given as at October 26, 2020, unless otherwise indicated*

This Information Circular is furnished in connection with the solicitation of proxies by the management (the “**Management**”) of **NexOptic Technology Corp.** (the “**Company**” or “**NexOptic**”), for use at the Annual and Extraordinary Meeting (the “**Meeting**”), of the Shareholders of the Company, to be held at the time and place and for the purposes set forth in the accompanying Notice of Meeting and at any adjournment thereof.

### **PERSONS MAKING THIS SOLICITATION OF PROXIES**

This solicitation is made on behalf of Management of the Company. While it is expected that the solicitation of proxies will be primarily by mail, proxies may be solicited personally or by telephone by the regular employees of the Company at nominal cost. The Company may reimburse Shareholders’ nominees or agents (including brokers holding shares on behalf of clients) for the cost incurred in obtaining authorization from their principals to execute proxies. All costs of solicitation will be borne by the Company. None of the directors of the Company have advised that they intend to oppose any action intended to be taken by management as set forth in this Information Circular.

### **VIRTUAL MEETING**

This year to mitigate risks the health and safety of the Company's shareholders, employees and other stakeholders, the Company will be holding its meeting in a virtual only format. Shareholders will have an equal opportunity to participate at the Meeting online regardless of geographic location. Registered shareholders and proxyholders will be able to attend the virtual meeting and vote. Non-registered shareholders who have not duly appointed themselves as proxyholder will be able to attend the virtual Meeting as a guest, but will not be able to vote at the Meeting. This is because the Company and its transfer agent, do not have a record of the non-registered shareholders, and, as a result, will have no knowledge of their shareholdings or entitlement to vote unless they appoint themselves as proxyholder. Please see “Proxy Instructions” below.

The Meeting will be held via the Zoom meeting platform. In order to access the Meeting, shareholders will have two options, being via teleconference or through the Zoom application, which requires internet connectivity. Registered shareholders wishing to vote in person and any shareholders wishing to view materials that may be presented by the Management will need to utilize the Zoom application, but any shareholder may listen to the Meeting via teleconference. Registered shareholders participating via teleconference will not be able to vote in person at the Meeting as the Company's scrutineer must take steps to verify the identity of registered shareholders using the video features.

In order to dial into the Meeting, shareholders will phone 1-778-907-2071 and enter the Meeting ID and Password noted below.

In order to access the Meeting through Zoom, shareholders will need to download the application onto their computer or smartphone and then once the application is loaded, enter the Meeting ID and Password below or open the following link:

<https://us02web.zoom.us/j/86860611949?pwd=Y2tpOGNLOXp0Tk1xKzN4UFh0LzM2UT09>

Shareholders will have the option through the application to join the video and audio or simply view and listen.

Meeting ID: 868 6061 1949

Password: 967852

It is the shareholders responsibility to ensure connectivity during the meeting and the Company encourages its shareholders to allow sufficient time to log in to the Meeting before it begins.

## PROXY INSTRUCTIONS

### Appointment of Proxy

The individuals named in the accompanying form of proxy (the "Proxy") are directors or officers of the Company. **A SHAREHOLDER WISHING TO APPOINT SOME OTHER PERSON (WHO NEED NOT BE A SHAREHOLDER) TO ATTEND AND ACT FOR THE SHAREHOLDER AND ON THE SHAREHOLDER'S BEHALF AT THE MEETING HAS THE RIGHT TO DO SO, EITHER BY INSERTING SUCH PERSON'S NAME IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY AND STRIKING OUT THE TWO PRINTED NAMES, OR BY COMPLETING ANOTHER FORM OF PROXY.** A Proxy will not be valid unless the completed, dated and signed Proxy is received by Computershare Trust Company of Canada, Proxy Department, at 8th Floor, 100 University Avenue, Toronto, Ontario, Canada, M5J 2Y1 by 5:00p.m. (Toronto time) on November 30, 2020 or if the Meeting is adjourned or postponed, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the date to which the Meeting is adjourned or postponed. Telephone voting can be completed at 1-866-732-8683, voting by fax can be sent to 1-866-249-7775 or 416-263-9524 and Internet voting can be completed at [www.investorvote.com](http://www.investorvote.com).

Late proxies may be accepted or rejected by the Chairman of the Meeting at his discretion and the Chairman of the Meeting is under no obligation to accept or reject any particular late proxy. The Chairman of the Meeting may waive or extend the proxy cut-off without notice.

### Exercise of Discretion

If the instructions in a Proxy are certain, the shares represented thereby will be voted on any poll by the persons named in the Proxy and, where a choice with respect to any matter to be acted upon has been specified in the Proxy, the shares represented thereby will, on a poll, be voted or withheld from voting in accordance with the specifications so made. **If you do not provide instructions in your Proxy, the persons named in the enclosed Proxy will vote your shares FOR the matters to be acted on at the Meeting.**

The persons named in the enclosed Proxy will have discretionary authority with respect to any amendments or variations of these matters or any other matters properly brought before the Meeting or any adjournment or postponement thereof, in each instance, to the extent permitted by law, whether or not the amendment or other item of business that comes before the Meeting is routine or contested. The persons named in the enclosed Proxy will vote on such matters in accordance with their best judgment. At the time of the printing

of this Information Circular, the management of the Company knows of no such amendment, variation or other matter which may be presented to the Meeting.

### REVOCATION OF PROXIES

Any registered shareholder who has returned a proxy may revoke it at any time before it has expired. In addition to revocation in any other manner permitted by law, a Shareholder may revoke a proxy either by (a) signing a proxy bearing a later date and depositing it at the place and within the time aforesaid, or (b) signing and dating a written notice of revocation (in the same manner as the instrument of proxy is required to be executed as set out in the notes to the instrument of proxy) and either depositing it at the place and within the time aforesaid or with the Chairman of the Meeting on the day of the Meeting or on the day of any adjournment thereof, or (c) registering with the scrutineer at the Meeting as a Shareholder present in person, whereupon such proxy shall be deemed to have been revoked. **Only registered shareholders have the right to revoke a proxy. Non-Registered Holders (as defined below under “Non-Registered Holders of Common Shares”) who wish to change their vote must arrange for their respective intermediaries to revoke the proxy on their behalf.**

### NON-REGISTERED HOLDERS OF COMPANY’S SHARES

The information set out in this section is important to many Shareholders as a substantial number of Shareholders do not hold their shares in their own name.

**Only registered Shareholders or duly appointed proxyholders for registered Shareholders are permitted to vote at the Meeting. Most of the Shareholders of the Company are “non-registered” Shareholders because the shares they own are not registered in their names, but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the shares.**

More particularly, a person is not a registered Shareholder in respect of shares of the Company which are held on behalf of that person (the “Non-Registered Holder”) but which are registered either (a) in the name of an intermediary (the “Intermediary”) that the Non-Registered Holder deals with in respect of the shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans), or (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited) of which the Intermediary is a participant. In accordance with the requirements of National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“NI 54-101”) of the Canadian Securities Administrators, the Company has distributed copies of the Notice of Meeting, this Information Circular and the form of Proxy (collectively referred to as the “Meeting Materials”) to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders.

Intermediaries are required to forward the Meeting Materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Very often, Intermediaries will use service companies (such as Broadridge Investor Communication Solutions) to forward the Meeting Materials to Non-Registered Holders. Generally, if you are a Non-Registered Holder and you have not waived the right to receive the Meeting Materials you will either:

- (a) be given a form of **proxy which has already been signed by the Intermediary** (typically by a facsimile stamped signature) which is restricted to the number of shares beneficially owned by you, but which is otherwise not complete. Because the Intermediary has already signed the proxy, this proxy is not required to be signed by you when submitting it. In this case, if you wish to submit a proxy you should otherwise properly complete the executed proxy provided and deposit it with **Computershare Trust Company of Canada**, as provided above; or

- (b) more typically, a Non-Registered Holder will be given a voting instruction form which is not signed by the Intermediary, and which, when properly completed and signed by the Non-Registered Holder and **returned to the Intermediary or its service company**, will constitute voting instructions (often called a “proxy”, “proxy authorization form” or “voting instruction form”) which the Intermediary must follow. Typically, the voting instruction form will consist of a one-page pre-printed form. Sometimes, instead of the one-page printed form, the voting instruction form will consist of a regular printed proxy accompanied by a page of instructions that contains a removable label containing a bar-code and other information. In order for the proxy to validly constitute a voting instruction form, the Non-Registered Holder must remove the label from the instructions and affix it to the proxy, properly complete and sign the proxy **and return it to the Intermediary or its service company (not the Company or Computershare Trust Company of Canada)** in accordance with the instructions of the Intermediary or its service company.

In either case, the purpose of these procedures is to permit Non-Registered Holders to direct the voting of the shares that they beneficially own. If you are a Non-Registered Holder and you wish to vote at the Meeting in person as proxyholder for the shares owned by you, you should strike out the names of the management designated proxyholders named in the proxy authorization form or voting instruction form and insert your name in the blank space provided. **In either case, you should carefully follow the instructions of your Intermediary, including when and where the proxy, proxy authorization or voting instruction form is to be delivered.**

The materials with respect to the Meeting are being sent to both registered Shareholders and Non-Registered Holders who have not objected to the Intermediary through which their shares are held disclosing ownership information about themselves to the Company (“NOBOs”). If you are a NOBO, and the Company or its agent has sent these materials to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Intermediary on your behalf.

If you are a Non-Registered Holder who has objected to the Intermediary through which your shares are held disclosing ownership information about you to the Company (an “OBO”), you should be aware that the Company does not intend to pay for Intermediaries to forward the materials with respect to the Meeting, including proxies or voting information forms, to OBOs and therefore an OBO will not receive the materials with respect to the Meeting unless that OBO’s Intermediary assumes the cost of delivery.

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

Other than as disclosed elsewhere in this Information Circular, none of the directors or senior officers of the Company, no proposed nominee for election as a director of the Company, none of the persons who have been directors or senior officers of the Company since the commencement of the Company’s last completed financial year and no associate or affiliate of any of the foregoing persons 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.

#### **VOTING SHARES AND PRINCIPAL HOLDERS THEREOF**

The authorized capital of the Company consists of an unlimited number of common shares without par value. As at October 26, 2020, there are 147,286,150 common shares issued and outstanding. Each Common Share carries the right to one vote. At a general meeting of the Company, on a show of hands, every Shareholder present in person shall have one vote and, on a poll, every Shareholder shall have one vote for each share of which he is the holder.

Only Shareholders of record on the close of business on the 26<sup>st</sup> day of October, 2020, who either personally attend the Meeting or who complete and deliver an instrument of proxy in the manner and subject

to the provisions set out under the heading “Appointment and Revocation of Proxies” will be entitled to have his or her shares voted at the Meeting or any adjournment thereof.

To the knowledge of the directors and senior officers of the Company only the following own, directly or indirectly, or exercise control or direction over, shares carrying more than 10% of the voting rights attached to all outstanding shares of the Company.

NAME OF SHAREHOLDER	NUMBER OF SHARES	PERCENTAGE OF ISSUED AND OUTSTANDING SHARES
Darcy Daugela	38,098,950 <sup>(1)</sup>	25.9%

1. Shares are held by 3DB Inc., a private company controlled by Mr. Darcy Daugela. In addition, 3DB Inc. holds 1,702,637 conditional warrants at prices ranging from \$1.12 to \$1.75, with terms expiring from July 5, 2021 to June 7, 2022, but which may only be exercised as the associated warrants and stock options to which they are related have been exercised. Refer to the audited annual financial statements for the year ended December 31, 2019 for additional details with respect to the conditional warrants. As a result of the vesting terms, the conditional warrants have not been included in the partially diluted number.

### DOCUMENTS INCORPORATED BY REFERENCE

The following documents filed with the securities commissions or similar regulatory authorities in British Columbia and Alberta are specifically incorporated by reference into, and form an integral part of, this information circular:

- Unaudited Condensed Consolidated Interim Financial Statements and Management’s Discussion and Analysis for the period ended September 30, 2020.
- Unaudited Condensed Consolidated Interim Financial Statements and Management’s Discussion and Analysis for the period ended June 30, 2020;
- Unaudited Condensed Consolidated Interim Financial Statements and Management’s Discussion and Analysis for the period ended March 31, 2020;
- Audited Annual Financial Statements and Management’s Discussion and Analysis for the year ended December 31, 2019;

Copies of the documents incorporated herein by reference may be obtained by a shareholder upon request without charge from the Company’s registered and records offices at 2080-777 Hornby Street, Vancouver, B.C., V6Z 1S4. These documents are also available through the internet on SEDAR, which can be accessed at [www.sedar.com](http://www.sedar.com).

### AUDIT COMMITTEE

The audit committee has various responsibilities as set forth in National Instrument 52-110 (“**MI 52-110**”).

#### **Audit Committee Charter and Composition of the Audit Committee**

The audit committee’s charter is set out below:

##### **1. Purpose of the Committee**

- 1.1. The Audit Committee represents the Board in discharging its responsibility relating to the accounting, reporting and financial practices of the Company and its subsidiaries, and has general

responsibility for oversight of internal controls, accounting and auditing activities and legal compliance of the Company and its subsidiaries.

## **2. Members of the Committee**

- 2.1. The Audit Committee shall consist of no less than three Directors a majority of whom shall be “independent” as defined under National Instrument 52-110, while the Company is in the developmental stage of its business. The members of the Committee shall be selected annually by the Board and shall serve at the pleasure of the Board.
- 2.2. At least one Member of the Audit Committee must be “financially literate” as defined under National Instrument 52-110, having sufficient accounting or related financial management expertise to read and understand a set of financial statements, including the related notes, that present a breadth and level of complexity of the accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company’s financial statements.

## **3. Meeting Requirements**

- 3.1. The Committee will, where possible, meet on a regular basis at least once every quarter, and will hold special meetings as it deems necessary or appropriate in its judgment. Meetings may be held in person or telephonically and shall be at such times and places as the Committee determines. Without meeting, the Committee may act by unanimous written consent of all members which shall constitute a meeting for the purposes of this charter.
- 3.2. A majority of the members of the Committee shall constitute a quorum.

## **4. Duties and Responsibilities**

The Audit Committee’s function is one of oversight only and shall not relieve the Company’s management of its responsibilities for preparing financial statements which accurately and fairly present the Company’s financial results and conditions or the responsibilities of the external auditors relating to the audit or review of financial statements. Specifically, the Audit Committee will:

- a. have the authority with respect to the appointment, retention or discharge of the independent public accountants as auditors of the Company (the “**auditors**”) who perform the annual audit in accordance with applicable securities laws, and who shall be ultimately accountable to the Board through the Audit Committee;
- b. review with the auditors the scope of the audit and the results of the annual audit examination by the auditors, including any reports of the auditors prepared in connection with the annual audit;
- c. review information, including written statements from the auditors, concerning any relationships between the auditors and the Company or any other relationships that may adversely affect the independence of the auditors and assess the independence of the auditors;
- d. review and discuss with management and the auditors the Company’s audited financial statements and accompanying Management’s Discussion and Analysis of Financial Conditions (“**MD&A**”), including a discussion with the auditors of their judgments as to the quality of the Company’s accounting principles and report on them to the Board;
- e. review and discuss with management the Company’s interim financial statements and interim MD&A and report on them to the Board;
- f. pre-approve all auditing services and non-audit services provided to the Company by the auditors to the extent and in the manner required by applicable law or regulation. In no

- circumstances shall the auditors provide any non-audit services to the Company that are prohibited by applicable law or regulation;
- g. evaluate the external auditor's performance for the preceding fiscal year, reviewing their fees and making recommendations to the Board;
  - h. periodically review the adequacy of the Company's internal controls and ensure that such internal controls are effective;
  - i. review changes in the accounting policies of the Company and accounting and financial reporting proposals that are provided by the auditors that may have a significant impact on the Company's financial reports, and report on them to the Board;
  - j. oversee and annually review the Company's Code of Business Conduct and Ethics;
  - k. approve material contracts where the Board of Directors determines that it has a conflict;
  - l. establish procedures for the receipt, retention and treatment of complaints received by the Company regarding the audit or other accounting matters;
  - m. where unanimously considered necessary by the Audit Committee, engage independent counsel and/or other advisors at the Company's expense to advise on material issues affecting the Company which the Audit Committee considers are not appropriate for the full Board;
  - n. satisfy itself that management has put into place procedures that facilitate compliance with the provisions of applicable securities laws and regulation relating to insider trading, continuous disclosure and financial reporting;
  - o. review and monitor all related party transactions which may be entered into by the Company; and
  - p. periodically review the adequacy of its charter and recommending any changes thereto to the Board.

## **5. Miscellaneous**

- 5.1. Nothing contained in this Charter is intended to extend applicable standards of liability under statutory or regulatory requirements for the directors of the Company or members of the Committee. The purposes and responsibilities outlined in this Charter are meant to serve as guidelines rather than as inflexible rules and the Committee is encouraged to adopt such additional procedures and standards as it deems necessary from time to time to fulfill its responsibilities.

### **Composition of the Audit Committee**

The Audit Committee consists of three directors. Unless it is a 'venture issuer' (an issuer the securities of which are not listed or quoted on any of the Toronto Stock Exchange, a market in the United States of America other than the over-the-counter market, or a market outside of Canada and the U.S.A.) as of the end of its last financial year, NI 52-110 requires each of the members of the Audit Committee to be independent and financially literate. Since the Company is a 'venture issuer', it is exempt from this requirement. In addition, The Company's governing corporate legislation requires NexOptic to have an Audit Committee composed of a minimum of three directors, a majority of whom are not officers or employees of NexOptic.

The members of NexOptic's audit committee are Ms. Stephen Petranek, Mr. Mel Klohn, and Mr. Arch Meredith. All members are considered independent members of the Audit Committee. All members are considered to be financially literate.

A member of the audit committee is independent if the member has no direct or indirect material relationship with NexOptic. A material relationship means a relationship which could, in the view of NexOptic's board of directors, reasonably interfere with the exercise of a member's independent judgment.

A member of the audit committee is considered financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by NexOptic.

### **Relevant Education and Experience**

The education and experience of each member of the Audit Committee relevant to the performance of his responsibilities as an Audit Committee member and any education or experience that would provide the member with:

1. an understanding of the accounting principles used by NexOptic 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 NexOptic 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, are as follows:

**Arch Meredith** – Mr. Meredith is the Managing Partner of a private venture capital firm with a focus in the technology sector. He has served as Chief Financial Officer of an advanced technology development company. He received his B.A degree from Stanford University and his M.B.A. from the Stanford Graduate School of Business.

**Stephen Petranek** – Mr. Petranek is the former editor-in-chief of the world's largest scientific magazine, Discover, and was the senior editor for sciences at Life Magazine. Earlier in his career Petranek was the editor of The Washington Post's magazine and editor-in-chief of The Miami Herald's Sunday magazine. Mr. Petranek is also a recipient of the prestigious John Hancock Award for Business and Financial Writing.

**Mel Klohn** – Mr. Klohn, is a Washington State Licensed Geologist who is also a member of the SEG, the SME and the CIM, and is an independent QP as defined by Canadian National Instrument 43-101. Mr. Klohn holds a Masters of Science degree, Geology, from the University of Oregon. Mr. Klohn currently serves as a senior-level consultant for various mid-tier and junior company clients for gold, polymetallic, and energy fuel deposits throughout the world.

### **Audit Committee Oversight**

The audit committee has not made any recommendations to the board of directors to nominate or compensate any external auditor.

### **Reliance of Certain Exemptions**

The Company's auditors have not provided any material non-audited services.



### Pre-Approval Policies on Certain Exemptions

The audit committee has not adopted specific policies and procedures for the engagement of non-audit services.

### External Auditor Service Fees

The audit committee has reviewed the nature and amount of the services provided by Smythe LLP, Chartered Professional Accountants (“**Smythe LLP**”), to the Company to ensure auditor independence. Fees incurred with Smythe LLP for audit services in the last two fiscal years are outlined below:

Nature of Services	Fees Paid to Auditor in Year Ended December 31, 2019	Fees Paid to Auditor in Year Ended December 31, 2018
Audit Fees <sup>(1)</sup>	\$27,000	\$26,000
Audit Related Fees <sup>(2)</sup>	\$-	\$-
Tax Fees <sup>(3)</sup>	\$10,500	\$10,000
All other Fees <sup>(4)</sup>	\$-	\$-
Total	\$37,500	\$36,000

- (1) “Audit Fees” include fees necessary to perform the annual audit and quarterly reviews of the Company’s consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) “Audit-Related Fees” include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) “Tax Fees” include fees for all tax services other than those included in “Audit Fees” and “Audit-Related Fees”. This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) “All Other Fees” includes all other non-audit services”.

### Reliance on Exemptions in NI 52-110 regarding Audit Committee Composition and Reporting Obligations

Since the Company is a venture issuer, it relies on the exemption contained in section 6.1 of NI 52-110 from the requirements of Part 3 Composition of the Audit Committee (as described in ‘*Composition of the Audit Committee*’ above) and Part 5 Reporting Obligations of NI 52-110 (which requires certain prescribed disclosure about the Audit Committee in this Circular).

## CORPORATE GOVERNANCE

### General

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the Shareholders and considers the role of the individual members of management who are

appointed by the Board and who are charged with the day-to-day management of NexOptic. National Policy 58-201 *Corporate Governance Guidelines* establishes corporate governance guidelines which apply to all public companies. These guidelines are not intended to be prescriptive but to be used by issuers in developing their own corporate governance practices. The Board is committed to sound corporate governance practices, which are both in the interest of its Shareholders and contribute to effective and efficient decision making.

Pursuant to National Instrument 58-101 *Disclosure of Corporate Governance Practices*, NexOptic is required to disclose its corporate governance practices, as summarized below. The Board will continue to monitor such practices on an ongoing basis and, when necessary, implement such additional practices as it deems appropriate.

### **Board of Directors**

The Board has responsibility for the stewardship of the Company including responsibility for strategic planning, identification of the principal risks of the Company's business and implementation of appropriate systems to manage these risks, succession planning (including appointing, training and monitoring senior management), communications with investors and the financial community and the integrity of the Company's internal control and management information systems.

The Board sets long term goals and objectives for the Company and formulates the plans and strategies necessary to achieve those objectives and to supervise senior management in their implementation. The Board delegates the responsibility for managing the day-to-day affairs of the Company to senior management but retains a supervisory role in respect of, and ultimate responsibility for, all matters relating to the Company and its business. The Board is responsible for protecting Shareholders interests and ensuring that the incentives of the Shareholders and of management are aligned.

As part of its ongoing review of business operations, the Board reviews, as frequently as required, the principal risks inherent in the Company's business including financial risks, through periodic reports from management of such risks, and assesses the systems established to manage those risks. Directly and through the Audit Committee, the Board also assesses the integrity of internal control over financial reporting and management information systems.

In addition to those matters that must, by law, be approved by the Board, the Board is required to approve any material dispositions, acquisitions and investments outside the ordinary course of business, long-term strategy, and organizational development plans. Management of the Company is authorized to act without board approval, on all ordinary course matters relating to the Company's business.

The Board also monitors the Company's compliance with timely disclosure obligations and reviews material disclosure documents prior to distribution.

The Board is responsible for selecting and appointing senior management and for monitoring their performance.

The Board considers that the following directors are "independent" in that they are free from any interest and any business or other relationship which could or could reasonably be perceived to, materially interfere with the director's ability to act with the best interests of the Company, other than interests and relationships arising from shareholding: Richard Geruson, Stephen Petranek, Arch Meredith and Mel Klohn. The Board considers that Paul McKenzie, the President and Chief Executive Officer is not an independent because he is a member of management or have been within the past four years.

## Directorships

The following table sets forth the directors of NexOptic who currently hold directorships in other reporting issuers:

Name of Director	Other Issuer
Paul McKenzie	DeepMarkit Corp. Doxa Energy Ltd.

## Orientation and Continuing Education

When new directors are appointed, they receive orientation, commensurate with their previous experience, on the Company's business and industry and on the responsibilities of directors. Board meeting may also include presentations by the Company's management and employees to give the directors additional insight into the Company's business.

## Ethical Business Conduct

The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual directors' participation in decisions of the board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company. Further, the Company's auditor has full and unrestricted access to the audit committee at all times to discuss the audit of the Company's financial statements and any related findings as to the integrity of the financial reporting process.

## Nomination of Directors

The Board considers its size each year when it considers the number of directors to recommend to the Shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience.

The Board does not have a nominating committee, and these functions are currently performed by the Board as a whole. However, if there is a change in the number of directors required by the Company, this policy will be reviewed.

## Compensation

The Board delegates the oversight of compensation for the Company's officers to a Compensation Committee comprised of Mr. Arch Meredith, Mr. Geruson and Mr. Stephen Petranek. All members are independent.

The Compensation Committee has not adopted a formal charter and considers industry standards and the Company's financial situation.

## Other Board Committees

The Board has no committees other than the Audit Committee as described under the heading "*Audit Committee*" and Compensation Committee as described under the headings "*Executive Compensation*".

## Assessments

The Board regularly assesses its own effectiveness and the effectiveness and contribution of each Board committee member and director.

## EXECUTIVE COMPENSATION

For the purpose of this information circular:

“CEO” of the Company means an individual who acted as Chief Executive Officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year;

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

“Executive Officer” of an entity means an individual who is:

- a. the chair of the Company, if any;
- b. the vice-chair of the Company, if any;
- c. the president of the Company;
- d. a vice-president of the Company in charge of a principal business unit, division or function including sales, finance or production;
- e. an officer of the Company (or subsidiary, if any) who performs a policy-making function in respect of the Company; or
- f. any other individual who performs a policy-making function in respect of the Company;

“Named Executive Officers or NEOs” means:

- a. the CEO of the Company;
- b. the CFO of the Company;
- c. each of the Company’s three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000;
- d. any additional individuals for whom disclosure would have been provided under paragraph (i) above except that the individual was not serving as an executive officer of the Company, nor in a similar capacity, as at the end of the most recently completed financial year end.

As of December 31, 2019, the Company had three “Named Executive Officers”, namely Richard Geruson, Chairman, Paul McKenzie, CEO, and Samantha Shorter, CFO of the Company.

## Director and Named Executive Officer Compensation

The following table (presented in accordance with National Instrument Form 51-102F6V, is a summary compensation (excluding compensation securities)) paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, to the directors and NEOs for each of the Company's two most recently completed financial years.

Table of compensation excluding compensation securities							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Paul McKenzie <sup>(1)</sup> , President, CEO and Director	2019	180,000	Nil	Nil	Nil	Nil	180,000
	2018	180,000	Nil	Nil	Nil	Nil	180,000
Samantha Shorter, CFO <sup>(2)</sup>	2019	122,476	Nil	Nil	Nil	Nil	122,476
	2018	106,014	Nil	Nil	Nil	Nil	106,014
Richard Geruson <sup>(3)</sup> , Chairman and Director	2019	86,362	Nil	Nil	Nil	Nil	86,362
	2018	Nil	Nil	Nil	Nil	Nil	Nil
G. Arnold Armstrong <sup>(4)</sup> , Former Chairman and Director	2019	Nil	Nil	Nil	Nil	Nil	Nil
	2018	10,000	Nil	Nil	Nil	Nil	10,000
Mel Klohn, Director	2019	10,000	Nil	Nil	Nil	Nil	10,000
	2018	10,000	Nil	Nil	Nil	Nil	10,000
John Daugela <sup>(5)</sup> , Former CEO and Director	2019	190,000	Nil	Nil	Nil	228,000	418,000
	2018	228,000	Nil	Nil	Nil	Nil	228,000
Stephen Petranek, Director	2019	10,000	Nil	Nil	Nil	Nil	10,000
	2018	10,000	Nil	Nil	Nil	Nil	10,000
Arch Meredith, Director	2019	10,000	Nil	Nil	Nil	Nil	10,000
	2018	10,000	Nil	Nil	Nil	Nil	10,000
Darcy Daugela <sup>(6)</sup> ,	2019	283,333	Nil	Nil	Nil	345,000	628,333

<b>Table of compensation excluding compensation securities</b>							
<b>Name and position</b>	<b>Year</b>	<b>Salary, consulting fee, retainer or commission (\$)</b>	<b>Bonus (\$)</b>	<b>Committee or meeting fees (\$)</b>	<b>Value of perquisites (\$)</b>	<b>Value of all other compensation (\$)</b>	<b>Total compensation (\$)</b>
Former Chairman and Director	2018	345,000	Nil	Nil	Nil	Nil	345,000
Karen Fleming <sup>(7)</sup> , Former Director	2019	10,000	Nil	Nil	Nil	Nil	10,000
	2018	10,000	Nil	Nil	Nil	Nil	10,000
Dr. Robert D. Braun <sup>(8)</sup> , Former Director	2019	10,000	Nil	Nil	Nil	Nil	10,000
	2018	10,000	Nil	Nil	Nil	Nil	10,000

## Notes:

- Mr. McKenzie resigned as Chief Executive Officer of the Company on November 7, 2017 and was re-appointed as the Chief Executive Officer on April 23, 2019.
- Ms. Shorter provides services to the Company through Red Fern Consulting Ltd. Compensation paid to Ms. Shorter includes the provision of bookkeeping staff.
- Mr. Geruson was appointed as a director of the Company on March 21, 2019.
- Mr. Armstrong resigned as a director on January 31, 2019.
- Mr. John Daugela resigned as Chief Executive Officer and Director on April 23, 2019 and served as VP of Business Development until October 31, 2019.
- Mr. Darcy Daugela resigned as Chairman and a Director on April 23, 2019 and served as VP of Technology Development until October 31, 2019.
- Ms. Fleming did not stand for election at the annual general meeting on December 3, 2019.
- Dr. Braun was appointed as Director on June 26, 2018 and resigned on December 24, 2019.
- Other compensation accrued to John Daugela and Darcy Daugela includes accrued severance liability pursuant to their dismissal as at October 31, 2019. Effective May 15, 2020, the Company entered into indemnity and settlement agreements ("Settlement Agreements") which provide for the severance liability to be settled over a 36-month period and to be offset, on a monthly basis, by proceeds from sales of the Company's securities as held by 3DB. 3DB is restricted under a Voting Support Agreement (filed on SEDAR May 26, 2020) to dispose of the lesser of 25,000 shares or 10% of the aggregate trading valued on the TSX-V on the prior trading day, subject to certain conditions. The severance liability is non-interest bearing and is secured by promissory notes.

**External Management Companies**

Mr. John Daugela provided services through 3DB Inc. until June 30, 2018 at which time he became a direct employee.

Ms. Shorter provides services through Red Fern Consulting Ltd.

### Stock Options and Other Compensation Securities

The following table discloses all compensation securities granted or issued to each NEO or director by the Company or its subsidiaries in the year ended December 31, 2019, 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	Number of compensation securities, number of underlying securities, and percentage of class <sup>(11)</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
Paul McKenzie <sup>(1)</sup> , President, CEO and Director	Stock Options	Nil	N/A	N/A	N/A	N/A	N/A
Samantha Shorter, CFO	Stock Options	200,000 (0%)	Jan 30, 2019	\$0.65	\$0.64	\$0.40	Jan 30, 2024
Richard Geruson <sup>(2)</sup> , Chairman and Director	Stock Options	Nil	N/A	N/A	N/A	N/A	N/A
G. Arnold Armstrong <sup>(3)</sup> , Former Director Chairman	Stock Options	Nil	N/A	N/A	N/A	N/A	N/A
Mel Klohn, Director	Stock Options	200,000 (0%)	Jan 30, 2019	\$0.65	\$0.64	\$0.40	Jan 30, 2024
John Daugela <sup>(4)</sup> , Former CEO and Director	Stock Options	Nil	N/A	N/A	N/A	N/A	N/A
Stephen Petranek, Director	Stock Options	200,000 (0%)	Jan 30, 2019	\$0.65	\$0.64	\$0.40	Jan 30, 2024
Arch Meredith, Director	Stock Options	200,000 (0%)	Jan 30, 2019	\$0.65	\$0.64	\$0.40	Jan 30, 2024
Darcy Daugela <sup>(5)</sup> , Former Chairman and Director	Stock Options	Nil	N/A	N/A	N/A	N/A	N/A
Karen Fleming <sup>(6)</sup> , Former Director	Stock Options	200,000 (0%)	Jan 30, 2019	\$0.65	\$0.64	\$0.40	Jan 30, 2024
Dr. Robert Braun <sup>(7)</sup> , Former Director	Stock Options	200,000 (0%)	Jan 30, 2019	\$0.65	\$0.64	\$0.40	Jan 30, 2024

## Notes:

1. Mr. McKenzie resigned as Chief Executive Officer of the Company on November 7, 2017 and was re-appointed in this role on April 23, 2019.
2. Mr. Geruson was appointed as a director of the Company on March 21, 2019.
3. Mr. Armstrong resigned as a director on January 31, 2019.
4. Mr. John Daugela resigned as Chief Executive Officer and a Director on April 23, 2019 and served as VP of Business Development until October 31, 2019.
5. Mr. Darcy Daugela resigned as Chairman and a Director on April 23, 2019 and served as VP of Technology Development until October 31, 2019.
6. Ms. Fleming did not stand for election at the annual general meeting on December 3, 2019.
7. Dr. Braun was appointed as Director on June 26, 2018 and resigned on December 24, 2019.
8. Class of shares is outstanding shares 135,924,298 and stock options 9,322,000 as at December 31, 2019 totaling 145,246,298.

The following table discloses the total amount of compensation securities held by the NEOs and directors as at the Company's financial year ended December 31, 2019 and as at June 30, 2020.

<b>Name and Position</b>	<b>Number of Options as at December 31, 2019</b>	<b>Number of Options as at June 30, 2020</b>
Paul McKenzie <sup>(1)</sup> , Director, President, CEO	2,165,000	4,415,000
Samantha Shorter, CFO	915,000	2,040,000
Rich Geruson <sup>(2)</sup> , Chairman and Director	Nil	2,875,000
G. Arnold Armstrong <sup>(3)</sup> , former Director and Chairman	Nil	Nil
Mel Klohn, Director	415,000	915,000
John Daugela <sup>(4)</sup> , former CEO and Director	Nil	Nil
Stephen Petranek, Director	675,000	1,675,000
Arch Meredith, Director	600,000	1,850,000
Darcy Daugela <sup>(5)</sup> , former Chairman and Director	Nil	Nil
Karen Fleming <sup>(6)</sup> , former Director	600,000	600,000
Dr. Robert Braun <sup>(7)</sup> , former Director	600,000	600,000

## Notes:

1. Mr. McKenzie resigned as Chief Executive Officer of the Company on November 7, 2017 and was re-appointed as the Chief Executive Officer on April 23, 2019.



2. Mr. Geruson was appointed as a director of the Company on March 21, 2019.
3. Mr. Armstrong resigned as Chairman of the Company on November 7, 2017 and as a director on January 31, 2019.
4. Mr. John Daugela resigned as Chief Executive Officer and a Director on April 23, 2019 and served as VP of Business Development until October 31, 2019.
5. Mr. Darcy Daugela resigned as Chairman and a Director on April 23, 2019 and served as VP of Technology Development until October 31, 2019.
6. Ms. Fleming resigned as Director on April 23, 2019.
7. Dr. Braun was appointed as Director on June 26, 2018 and resigned on December 24, 2019.

No compensation securities were re-priced, cancelled and replaced, had their term extended, or otherwise materially modified in the Company's financial year ended December 31, 2019.

There are no restrictions or conditions for converting, exercising or exchanging the compensation securities.

The following table discloses the exercise of compensation securities by NEOs and directors during the financial year ended December 31, 2019:

Compensation Securities							
Name and position	Type of compensation security	Number of underlying securities exercised	Exercise price per security (\$)	Date of exercise	Closing price of security or underlying security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on date of exercise (\$)
G. Arnold Armstrong, Former Director Chairman	Stock Options	805,000	\$0.15	Apr 25, 2019	\$0.51	\$0.36	\$289,800

### Stock option plans and other incentive plans

#### *Stock option plan*

At the Company's last annual general meeting, the Shareholders ratified an incentive stock option plan for the Company (the "**Fixed Plan**") under which the Directors were authorized to grant options to purchase up to 26,434,860 (together with any other stock option plans or option grants of the Company) of the Company's common shares from time to time. The purpose of Fixed Plan is to attract and motivate directors, officers and employees of and consultants to the Company and its subsidiaries and thereby advance the Company's interests by affording such persons with an opportunity to acquire an equity interest in the Company through the stock options.

The Company is currently listed on Tier 2 of the TSX Venture Exchange (the "**TSXV**").

Under the policies of the TSXV options granted under the Plan are not required to have a vesting period, although the directors may continue to grant options with vesting periods, as the circumstances require. The Plan authorizes the Board of Directors to grant stock options to the Optionees on the following terms:

1. The number of shares subject to each option is determined by the Board of Directors provided that the Plan, together with all other previously established or proposed share compensation arrangements may not, during any 12-month period, result in:
  - (a) the number of shares reserved for issuance pursuant to stock options granted to any one person exceeding 5% of the issued shares of the Company;
  - (b) the issuance, within a one-year period, to insiders of the Company of a number of shares exceeding 10%, or to one insider of a number exceeding 5%, or to a consultant of a number exceeding 2%; or to all employees (as defined by the Exchange) who provide Investor Relations services of a number exceeding 2% of the issued shares of the Company.
2. The aggregate number of shares which may be issued pursuant to options granted under the Fixed Plan may not exceed 26,434,860 shares of the Company.
3. The exercise price of an option may not be set at less than the closing market price during the trading day immediately preceding the date of grant of the option less a maximum discount of 25% if the Company is listed on Tier 2, TSXV or without any allowable discount if the Company is listed on Tier 1, TSXV or on the TSX.
4. The options may be exercisable for a period of up to 10 years.
5. The options are non-assignable, except in certain circumstances. The options can only be exercised by the optionee as long as the optionee remains an eligible optionee pursuant to the Plan or within a period of not more than 90 days (30 days for providers of investor relations services) after ceasing to be an eligible optionee or, if the optionee dies, within one year from the date of the optionee's death.
6. On the occurrence of a takeover bid, issuer bid or going private transaction, the Board of Directors will have the right to accelerate the date on which any option becomes exercisable.

The Company is proposed amendments to the Plan this year as outlined below at “*Approval of Amendments to Stock Option Plan*” to increase the number of shares which are reserved under the Fixed Plan to 27,921,716.”

#### *Long Term Incentive Plan*

At the Company's last annual general meeting, the Shareholders ratified a long term incentive plan for the Company (the “**Incentive Plan**”) under which the Directors were authorized to grant Stock appreciation rights (“SARs”), DSUs, RSUs and other share-based awards (each an “Award”) for the issuance of up to

750,000 Common Shares The purpose of the Incentive Plan is to advance the interests of the Company and its affiliates by: (a) attracting, rewarding and retaining highly competent persons as directors, officers, employees and consultants of the Company; (b) providing additional incentives to such persons by aligning their interests with those of the Shareholders; and (c) promoting the success of the Company's business.

Stock appreciation rights ("SARs"), DSUs, RSUs and other share-based awards (each an "Award") may be issued pursuant to the Incentive Plan, while stock options would continue to be issued under the Company's stock option plan. The aggregate number of shares which may be issued pursuant to Awards granted under the Incentive Plan, may not exceed 750,000 shares of the Company.

#### *Purpose of the Incentive Plan*

The purpose of the Incentive Plan is to advance the interests of the Company and its affiliates by: (a) attracting, rewarding and retaining highly competent persons as directors, officers, employees and consultants of the Company; (b) providing additional incentives to such persons by aligning their interests with those of the Shareholders; and (c) promoting the success of the Company's business.

#### *Administration of the Incentive Plan*

The Incentive Plan is administered by the Board of Directors which has the power, subject to the specific provisions of the Incentive Plan to, among other things: (a) establish policies, rules and regulations for carrying out the purposes, provisions and administration of the Incentive Plan; (b) interpret, construe and determine all questions arising out of the Incentive Plan and any Award; (c) determine those persons considered Eligible Persons (being directors, officers, employees, management company employees or consultants of the Company or its affiliates); (d) grant and determine the number of Awards; (e) determine the exercise criteria, Option Price (as defined below) of a stock appreciation right (a "SAR") (provided it not be less than the last closing price of the Common Shares on the TSXV on the last trading date immediately preceding the relevant date ("Market Price")), time when Awards will be exercisable or redeemable and whether the Common Shares that are subject to an Award will be subject to any restrictions upon the exercise or redemption thereof; (f) prescribe the form of the instruments or award agreements relating to the Awards; (g) correct any defect or omission, or reconcile any inconsistency in the Incentive Plan and any award agreement; (h) authorize withholding arrangements; and (i) take all other actions necessary or advisable for administering the Incentive Plan. The Board has delegated the administration of the Incentive Plan to the Compensation Committee, but has the authority to revoke or amend such delegation.

#### *Eligible Persons*

The Incentive Plan authorizes the Board (or a committee of the Board if so authorized by the Board) to grant Awards to Eligible Persons. Eligible Persons who have received Awards are referred to herein as "Participants".

#### *Description of Awards*

Pursuant to the Incentive Plan, the Company is authorized to issue Awards to Eligible Persons, which may be settled in shares issued from treasury, or in cash. The Incentive Plan also gives the Board discretion to make other equity incentive awards, subject to the approval of the TSXV.

#### (a) SARs

A SAR is a right to receive a cash payment equal to the difference between the Option Price and the Market Price of a Common Share on the date of exercise (the "SAR Amount"). A SAR may be granted in relation

to an Option or on a stand-alone basis. SARs granted in relation to an Option shall be exercisable only at the same time, by the same persons and to the same extent, that the related Option is exercisable. SARs granted on a stand-alone basis shall be granted on such terms as shall be determined by the Board and set out in the Award agreement, provided that the Option Price shall not be less than the Market Price of the Common Shares on the date of grant. SARs may be settled in cash or (at the election of the Company) Common Shares with an aggregate Market Price equal to the SAR Amount.

(b) RSUs

An RSU is a right to receive a Common Share issued from treasury or, if the award agreement so provides, the Participant may elect to have some or all of such person's RSUs settled by a cash payment equal to the Market Price of a Common Share redeemable after the passage of time, the achievement of performance targets or both. RSUs shall be granted on terms determined by the Board based on its assessment, for each Participant, of the current and potential contribution of such person to the success of the Company. The Board shall determine the effective date of the grant and the number of RSUs granted. The Board shall also determine the applicable term, the vesting terms and the exercise criteria of each RSU.

(c) DSUs

A DSU is a right, redeemable only after the Participant has ceased to hold all positions with the Company or has otherwise ceased to be an Eligible Person, to a cash payment equal to the Market Price of a Common Share on the termination date of a Participant or, if applicable, to one fully paid and non-assessable Share issued from treasury. Participants have no right or ability to exercise, receive or otherwise demand payment of the value of DSUs granted to them prior to ceasing to hold all positions with the Company or to otherwise cease to be an Eligible Person.

(d) All Awards and Other Awards

Awards may be granted alone, in addition to, or in tandem with any other Award or any award granted under another plan of the Company or an affiliate. Awards granted in addition to or in tandem with other Awards may be granted either at the same time or at different times. The date of grant, the number of Common Shares, the vesting period and any other terms and conditions of Awards granted pursuant to the Incentive Plan are to be determined by the Board, subject to the express provisions of the Incentive Plan. The Board may also grant other share-based awards to Eligible Persons pursuant to the Incentive Plan. All such awards shall be granted on terms determined by the Board and shall be subject to the approval of the TSXV, if required.

*Share Purchase Program*

The Board may institute a share purchase program (the "SPP") for designated Eligible Persons (each a "SPP Eligible Person"). Pursuant to the SPP, the Board could grant to each SPP Eligible Person one Option and/or one SAR for each Common Share purchased by such person up to a maximum number of Options and/or SARs for each Eligible Person as may be determined from time to time by the Board. Any such Options for SPP Eligible Persons will be granted under and governed by the Option Plan.

*Restrictions on Awards*

The aggregate number of Common Shares issuable: (a) to insiders of the Company within any one year period under the Incentive Plan, together with any other security-based compensation arrangement, cannot exceed 10% of the outstanding Common Shares (on a non-diluted basis); and (b) at any time under the

Incentive Plan, together with any other security-based compensation arrangement, cannot exceed 10% of the outstanding Common Shares (on a non-diluted basis). Additionally:

- no Eligible Person (being directors, officers, employees, management company employees or consultants of the Company or its affiliates) may be granted Awards and/or stock options (“Options”) to acquire more than 5% of the issued and outstanding Common Shares (on a non-diluted basis, calculated as at the time of the grant of such Awards and/or Options) in any 12-month period unless the Company has obtained disinterested shareholder approval in connection therewith;
- no consultant may be granted Awards and/or Options to acquire more than 2% of the issued and outstanding Common Shares (on a non-diluted basis, calculated as at the time of the grant of such Awards and/or Options) in any 12-month period; and
- the aggregate number of Awards and/or Options granted to Eligible Persons retained to provide investor relations activities shall not exceed 2% of the issued and outstanding Common Shares (on a non-diluted basis, calculated as at the time of the grant of such Awards and/or Options) in any 12-month period.

Furthermore, the aggregate number of Common Shares to be reserved for issuance upon the exercise or redemption of all Awards granted under the Incentive Plan shall not exceed 7500,000 shares or such number as may be approved by the TSXV and the Shareholders from time to time.

#### *Substitute Awards*

Subject to TSXV approval, the Board may grant Awards under the Incentive Plan in substitution for share and share-based awards held by employees, directors, consultants or advisors of an Acquired Company (as defined below) in connection with a merger, consolidation or similar transaction involving such Acquired Company and the Company (or an affiliate thereof) or the acquisition by the Company (or an affiliate thereof) of property or stock of the Acquired Company.

#### *Termination*

Subject to the provisions of the Incentive Plan, any express resolution passed by the Board and the terms of any award agreement, all Awards, and all rights to acquire Common Shares pursuant thereto, granted to a Participant shall expire and terminate immediately upon such person’s termination date. If, however, before the expiry of an Award, a Participant ceases to be an Eligible Person for any reason, other than termination by the Company for cause, such Award may be exercised or redeemed, as applicable, by the holder thereof at any time within 90 days following their termination date or, if the person is deceased, at any time within six months following his or her death, subject to the provisions of the Incentive Plan, the terms set out in the applicable award agreement and any determination made by the Board to accelerate the vesting of or to extend the expiry of an Award. In any event, the exercise or redemption of an Award must occur prior to any applicable expiry date. In addition, an Award is only exercisable or redeemable to the extent that the Participant was otherwise entitled to exercise or redeem the Award unless otherwise determined by the Board. If a Participant is terminated for cause, all unexercised or unredeemed Awards (vested or unvested) shall be terminated immediately.

#### *Adjustments*

If a formal bid for the Common Shares is made (an “Offer”), all Common Shares subject to outstanding Awards not then exercisable or redeemable shall become exercisable or redeemable and a Participant shall be entitled to exercise or redeem all or any part of the Award and tender the Common Shares acquired

into the Offer. In the event of any stock dividend, stock split, combination or exchange of shares, merger, amalgamation, acquisition, divestiture, consolidation, spin-off or other distribution (other than normal cash dividends) of the Company's assets to Shareholders, or any other change in the capital of the Company affecting Common Shares, the Board will, subject to TSXV approval, make such proportionate adjustments, if any, to outstanding Awards as the Board in its discretion may deem appropriate to reflect such change.

#### *Change of Control*

In the event of a change of control ("CoC") of the Company or of an affiliate of which a Participant is an employee, with respect to all RSU grants, SARs and DSUs that are outstanding for such Participant on the date of the CoC (the "CoC Date"), (i) all vesting criteria and exercise criteria, if any, applicable to such RSUs, SARs and DSUs shall be deemed to have been satisfied as of the CoC Date; and (ii) except as may be otherwise provided under the terms of any other employee benefit plan approved by the Board, each Participant who has received any such RSU grants or SARs shall be entitled to receive, in full settlement of such RSU grants or SARs, a cash payment equal (A) in the case of a RSU, the Special Value (as defined herein); and (B) in the case of a SAR, the difference between the Special Value and the Option Price in respect of such SAR, in each case, payable on the date which is ten business days following the CoC Date. In the event of a CoC, the right of a Participant to receive a payment in respect of a DSU will not be triggered prior to such Participant's termination date. As used herein, the term "Special Value" means (i) if any Common Shares are sold as part of the transaction constituting the CoC, the weighted average of the prices paid for such shares by the acquirer, provided that if any portion of the consideration is paid in property other than cash, then the Board shall determine the fair market value of such property for purposes of determining the Special Value; and (ii) if no Common Shares are sold, the Market Price of a Common Share on the day immediately preceding the date of the CoC.

#### *Acceleration of Awards*

Notwithstanding any other provision of the Incentive Plan, the Board may at any time give notice to Participants advising that their respective Awards (other than a DSU) are all immediately exercisable or redeemable and may be exercised or redeemed only within 30 days of such notice or such other period as determined by the Board and will otherwise terminate at the expiration of such period.

#### *Amendment Procedure*

The Incentive Plan contains a formal amendment procedure. The Board may amend certain terms of the Incentive Plan without requiring the approval of the Shareholders, unless specifically required by the TSXV. Amendments not requiring Shareholder approval include, without limitation: (a) altering, extending or accelerating Award vesting terms and conditions; (b) amending the termination provisions of an Award; (c) determining adjustments pursuant to the provisions of the Incentive Plan concerning corporate changes; (d) amending the definitions contained in the Incentive Plan; (e) amending or modifying the mechanics of exercising or redeeming Awards; (f) amending provisions relating to the administration of the Incentive Plan; (g) making "housekeeping" amendments, such as those necessary to cure errors or ambiguities contained in the Incentive Plan; (g) effecting amendments necessary to comply with the provisions of applicable laws; and (h) suspending or terminating the Incentive Plan.

The Incentive Plan specifically provides that the following amendments require Shareholder approval: (a) increasing the number of Common Shares issuable under the Incentive Plan; (b) amending the Incentive Plan if such amendment could result in the aggregate number of Common Shares issued to insiders within any one year period or issuable to insiders at any time under the Incentive Plan, together with any other security-based compensation arrangement, exceeding 10% of the outstanding Common Shares; (c) amending the class of Eligible Persons which would have the potential of broadening or increasing

participation in the Incentive Plan by insiders; (d) amending the formal amendment procedures of the Incentive Plan; and (g) making any amendments to the Incentive Plan required to be approved by the Shareholders under applicable law.

#### *Other Terms*

Except as provided or with the consent of the Company and any applicable regulatory authority, all Awards under the Incentive Plan will be non-assignable.

The Company is proposed amendments to the Incentive Plan this year as outlined below at “*Approval of Amendments to Incentive Plan*” to increase the number of shares which are reserved under the Incentive Plan to 1,500,000.”

#### **Employment, consulting and management agreements**

Except as described below, the Company does not have any contracts, agreements, plans or arrangements that provides for payments to a director or NEO at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Company or a change in an NEO’s responsibilities.

The Company entered into an employment agreement (“**McKenzie Agreement**”) with Paul McKenzie on January 1, 2018 in connection with his acting as Chief Business Officer of the Company. Under the McKenzie Agreement, the Company agrees to pay Mr. McKenzie an annual salary of \$180,000, reimburse all reasonable out-of-pocket expenses and grant incentive stock options from time to time. Mr. McKenzie has resigned as CBO as at April 23, 2019, and was re-appointed as Chief Executive Offer, on same date. In the event of a change in control Mr. McKenzie will be entitled to receive from the Company, 12 months’ compensation, plus accrued but unused vacation to the date of termination. The McKenzie Agreement will be effective until terminated pursuant to the terms and conditions of the McKenzie Agreement.

#### **Oversight and Description of Director and Named Executive Officer Compensation**

The objective of the Company’s compensation program is to compensate the executive officers for their services to the Company at a level that is both in line with the Company’s fiscal resources and competitive with companies at a similar stage of development. The Company has a Compensation Committee comprised of Mr. Arch Meredith, Mr. Rich Geruson and Mr. Stephen Petranek. All members are independent. The Compensation Committee has not adopted a formal charter.

The Company does not have a formal compensation program. The Compensation Committee meets to discuss and determine management compensation, without reference to formal objectives, criteria or analysis. The general objectives of the Company’s compensation strategy are to (a) compensate management in a manner that encourages and rewards a high level of performance and results with a view to increasing long-term shareholder value; (b) align management’s interests with the long-term interests of shareholders; (c) provide a compensation package that is commensurate with other junior venture companies to enable the Company to attract and retain talent; and (d) ensure that the total compensation package is designed in a manner that takes into account the constraints that the Company is under by virtue of the fact that it is a junior venture company without a history of earnings. The Board, as a whole, ensures that total compensation paid to all NEOs is fair and reasonable. The Board relies on the education and experience of its members and of its Compensation Committee, as officers and directors with other companies, in assessing compensation levels.

Compensation for this fiscal year and prior fiscal years have historically been based upon a negotiated salary, with stock options and bonuses potentially being issued and paid as an incentive for performance.

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

### Pension Disclosure

The Company does not have any pension or retirement plan which is applicable to the NEOs or directors. The Company has not provided compensation, monetary or otherwise, to any person who now or previously has acted as an NEO of the Company, in connection with or related to the retirement, termination or resignation of such person, and the Company has provided no compensation to any such person as a result of a change of control of the Company.

### SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The only equity compensation plans which the Company has in place is its stock option plan and its long term incentive plan which were previously approved by the Shareholders on October 24, 2019. Each of the stock option plan and long term incentive plan are described more particularly above at "Executive Compensation – Stock Option Plan and Other Incentive Plans". The number of shares issuable under the stock option plan is fixed at 26,434,860 and the number of shares issuable under the incentive plan is fixed at 750,000.

#### Equity Compensation Plan Information as at December 31, 2019

—Plan Category	Number of securities to be issued upon exercise of outstanding options	Weighted-average exercise price of outstanding options	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by securityholders	9,322,000 common shares	\$0.95	17,862,860 common shares
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	9,322,000 common shares	\$0.95	17,862,860 common shares

### INDEBTEDNESS OF DIRECTORS, EXECUTIVE OFFICERS AND SENIOR OFFICERS

No person who is or at any time during the most recently completed financial year was a director, executive officer or senior officer of the Company, no proposed nominee for election as a director of the Company, and no associate of any of the foregoing persons has been indebted to the Company at any time since the commencement of the Company's last completed financial year. No guarantee, support agreement, letter



of credit or other similar arrangement or understanding has been provided by the Company at any time since the beginning of the most recently completed financial year with respect to any indebtedness of any such person.

### **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

Other than as previously disclosed in an Information Circular, no informed person (a director, officer or holder of 10% or more of the Shares) or proposed nominee for election as a director of the Company or any associate or affiliate of any such informed person or proposed nominee, has any material interest, direct or indirect, in any material transaction since the commencement of the Company's last completed financial year or in any proposed transaction, which, in either case, has materially affected or will materially affect the Company.

### **MANAGEMENT CONTRACTS**

There are no management functions of the Company, which are to any substantial degree performed by a person or company other than the directors or senior officers of the Company.

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

#### **A. Receipt of Financial Statements**

The Financial Statements of the Company for the financial year ended December 31, 2019 and the auditors' report thereon will be presented to the Meeting. A copy is available online at [www.sedar.com](http://www.sedar.com)

#### **B. Appointment of Auditors**

Unless otherwise specified, the persons named in the enclosed instrument of proxy will vote for the reappointment of Smythe LLP, Chartered Professional Accountants, of Vancouver, B.C. as auditor of the Company for the ensuing year, at a remuneration to be fixed by the directors. Smythe LLP was first appointed auditor of the Company in 2010.

#### **C. Election of Directors**

Management intends to propose for adoption an ordinary resolution that the number of directors of the Company be fixed at six. If there are more nominees for election than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected until all such vacancies have been filled.

Each director of the Company is elected annually and holds office until the next Annual General Meeting of the Shareholders unless that person ceases to be a director before then. You can vote for all of these Directors, vote for some of them and withhold for others, or withhold for all of them. **Unless otherwise instructed, the named proxyholders will vote FOR the election of each of the proposed nominees set forth above as Directors of the Company.**

The following table sets out the names of the persons to be nominated for election as directors, the positions and offices which they presently hold with the Company, their respective principal occupations and the number of shares of the Company which each beneficially owns, directly or indirectly, or over which control or direction is exercised as of the date of this Information Circular:

<b>Name of Nominee and Present Offices Held</b>	<b>Present Principal Occupation <sup>(1)</sup></b>	<b>Director Since</b>	<b>Shares Beneficially Owned or Controlled <sup>(2)</sup></b>
Paul McKenzie, Vancouver, BC, Director, President and Chief Executive Officer	President and Director of NexOptic Technology Corp. from July 2016, prior thereto, CEO of Elissa Resources Ltd. from August 2010 to November 7, 2017	March 19, 2010	1,857,625
Richard Geruson <sup>(4)</sup> , Los Gatos, California, Director, Chairman	Currently Managing Director and General Partner Fifth Floor Venture Partners. Also CEO and Chairman of Global Board Services & Investments. Former CEO, Lexmark International.	April 24, 2019	Nil
Mel Klohn <sup>(3)</sup> , Spokane Valley, WA, Director	Former Senior Geological Research Specialist, Exxon Corp.  Former Vice President Exploration, Yamana Gold Inc.  Former Vice President Exploration, Aura Gold, Inc.  Former Executive Vice President, Nevoro, Inc.  Senior Geological Consultant and Advisor from 2010 to present.	March 10, 2010	100,000

Name of Nominee and Present Offices Held	Present Principal Occupation <sup>(1)</sup>	Director Since	Shares Beneficially Owned or Controlled <sup>(2)</sup>
Stephen Petranek <sup>(3)(4)</sup> , Leesburg, VA, Director	Managing Partner, Ocean Zero LLC., investing to decarbonize sea transportation. Director, Candela Speedboat AB, Sweden. Creator/Science consultant, "Mars 2080," an Imax film being produced by Ron Howard's Imagine Group Entertainment; Science Consultant for Imagine Group's unnamed TV series for Nickelodeon; Co-Executive Producer, National Geographic MARS TV Series 2015-2019; Author, "How We'll Live on Mars," Simon & Schuster. Editor-in-Chief, Breakthrough Technology Alert at Agora Financial 2013-2017. Former editor-in-chief: The Washington Post Magazine, Discover Magazine, Weider History Magazines.	January 10, 2017	25,000
Arch Meredith <sup>(3)(4)</sup> , Woodside, CA, Director	Managing Partner, Kite Hill Capital	October 23, 2017	295,160

## Notes:

1. The information as to principal occupation, business or employment and Shares beneficially owned or controlled is not within the knowledge of the management of the Company and has been furnished by the respective nominees. Each nominee has held the same or similar principal occupation with the organization indicated or a predecessor thereof for the last five years.
2. The approximate number of Shares of the Company carrying the right to vote in all circumstances beneficially owned directly or indirectly, or over which control or direction is exercised by each proposed nominee as at the date hereof is based on information furnished by the transfer agent of the Company and by the nominees themselves.
3. Member of the Audit Committee.
4. Member of the Compensation Committee.

Pursuant to the provisions of the *Business Corporations Act* of British Columbia, the Company is required to have an audit committee which, at the present time, is comprised of Mel Klohn, Stephen Petranek, and Arch Meredith. For additional information regarding the Company's Audit Committee, please see below. The Company does not have an executive committee.

As at the date of this Information Circular and within the ten years before the date of this Information Circular, no proposed director:

- (a) is or has been a director or executive officer of any company (including the Company), that while that person was acting in that capacity:

- i. was the subject of a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;
  - ii. was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;
  - iii. within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has within 10 years before the date of the Information Circular become 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 the assets of the director, officers or shareholders.

#### **D. Approval of Amendments to Incentive Plan**

##### *Current Incentive Plan*

At the Company's last annual general meeting, the Shareholders ratified a long term incentive plan for the Company (the "**Incentive Plan**") under which the Directors were authorized to grant Stock appreciation rights ("SARs"), DSUs, RSUs and other share-based awards (each an "Award") for the issuance of up to 750,000 Common Shares. The purpose of the Incentive Plan is to advance the interests of the Company and its affiliates by: (a) attracting, rewarding and retaining highly competent persons as directors, officers, employees and consultants of the Company; (b) providing additional incentives to such persons by aligning their interests with those of the Shareholders; and (c) promoting the success of the Company's business.

See "*Executive Compensation – Stock Option Plans and Other Incentive Plans*" for further details concerning the Incentive Plan.

##### *Proposed Amendments to Incentive Plan*

The Board proposes to amend the Incentive Plan to incorporate the changes described below. The proposed amendments to the current Incentive Plan are subject to approval by the disinterested shareholders at the Meeting and by the Exchange.

At the Meeting, disinterested Shareholders will be asked to consider and, if deemed advisable, amend the current Incentive Plan to:

- (a) increase the maximum number of Common Shares in respect of which Awards may be outstanding under the Incentive Plan at from 750,000 Common Shares to 1,500,000, which together with the Common Shares reserved under the Fixed Plan is approximately 20% of the total number of Common Shares issued and outstanding as at the Record Date; and
- (b) effect certain clerical and housekeeping amendments that are not substantive in nature.

The full text of the Incentive Plan, which incorporates the proposed amendments set forth above is available for review by any Shareholder up until the day preceding the Meeting at the Company's registered and records offices at 2080 –777 Hornby Street, Vancouver, British Columbia. Shareholders are urged to review the Incentive Plan in its entirety.

#### *Shareholder Approval*

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, to approve, with or without variation, a resolution (the "Incentive Plan Resolution") confirming and approving the amendments to the Incentive Plan. The text of the Incentive Plan Resolution is as follows:

"RESOLVED AS AN ORDINARY RESOLUTION THAT:

1. The amendments to the Incentive Plan are hereby approved, confirmed and ratified.
2. Up to 1,500,000 Common Shares that are issuable pursuant to the Incentive Plan are hereby allotted, set aside and reserved for issuance pursuant thereto.
3. Any director or officer of the Company is hereby authorized and directed, for and on behalf of the Company, to do all things and execute and deliver all such agreements, documents and instruments necessary or desirable in connection with the foregoing."

In the absence of contrary instructions, the Management nominees named as proxyholders in the enclosed Proxy Instrument intend to vote FOR the Incentive Plan Resolution. The Incentive Plan Resolution must be approved by the affirmative vote of at least a majority of the votes cast by Shareholders present in person or represented by proxy at the Meeting other than votes attaching to Common Shares owned by insiders and their associates to whom Awards may be granted pursuant to the Incentive Plan.

#### **D. Amendments to Stock Option Plan**

##### *Current Stock Option Plan*

At the Company's last annual general meeting, the Shareholders ratified an incentive stock option plan for the Company (the "**Fixed Plan**") under which the Directors were authorized to grant options to purchase up to 26,434,860 (together with any other stock option plans or option grants of the Company) of the Company's common shares from time to time. The purpose of Fixed Plan is to attract and motivate directors, officers and employees of and consultants to the Company and its subsidiaries and thereby advance the Company's interests by affording such persons with an opportunity to acquire an equity interest in the Company through the stock options..

See "*Executive Compensation – Stock Option Plans and Other Incentive Plans*" for further details concerning the Option Plan.

##### *Proposed Amendments to Fixed Plan*

The Board proposes to amend the Fixed Plan to incorporate the changes described below. The proposed amendments to the current Fixed Plan are subject to approval by the disinterested shareholders at the Meeting and by the Exchange.

At the Meeting, disinterested Shareholders will be asked to consider and, if deemed advisable, amend the current Fixed Plan to:

- (c) increase the maximum number of Common Shares in respect of which options may be outstanding under the Fixed Plan at from 26,434,860 Common Shares to 27,921,716, which together with the Common Shares reserved under the Incentive Plan is approximately 20% of the total number of Common Shares issued and outstanding as at the Record Date; and
- (d) effect certain clerical and housekeeping amendments that are not substantive in nature.

The full text of the Fixed Plan, which incorporates the proposed amendments set forth above is available for review by any Shareholder up until the day preceding the Meeting at the Company's registered and records offices at 2080 –777 Hornby Street, Vancouver, British Columbia. Shareholders are urged to review the Amended Plan in its entirety.

#### *Shareholder Approval*

At the Meeting, Shareholders will be asked to consider, and, if deemed appropriate, approve, with or without variation, a resolution (the "Option Plan Resolution") confirming and approving the amendments to the Fixed Plan. The text of the Option Plan Resolution is as follows:

"RESOLVED AS AN ORDINARY RESOLUTION THAT:

1. The amendments to the Fixed Plan are hereby confirmed and approved.
2. Up to 27,921,716 Common Shares that are issuable pursuant to the Fixed Plan are hereby allotted, set aside and reserved for issuance pursuant thereto.
3. Any director or officer of the Company is hereby authorized and directed, for and on behalf of the Company, to do all things and execute and deliver all such agreements, documents and instruments necessary or desirable in connection with the foregoing."

In the absence of contrary instructions, the Management nominees named as proxyholders in the enclosed Proxy Instrument intend to vote FOR the Option Plan Resolution. The Option Plan Resolution must be approved by the affirmative vote of at least a majority of the disinterested votes cast by Shareholders present in person or represented by proxy at the Meeting.

#### **OTHER MATTERS TO BE ACTED UPON**

It is not known that any other matters will come before the Meeting other than as set forth above and in the Notice of Meeting, but if such should occur the persons named in the accompanying form of proxy intend to vote on them in accordance with their best judgment exercising discretionary authority with respect to amendments or variations of matters identified in the Notice of Meeting and other matters which may properly come before the meeting or any adjournment thereof.

#### **ADDITIONAL INFORMATION**

The audited financial statements of the Company for the year ended December 31, 2019 and the report of the auditor thereon will be placed before the Meeting. The consolidated audited financial statements, report of the auditor and management's discussion and analysis are being mailed to those shareholders who have indicated to the Company that they wish to receive same pursuant to the 2018 Request for Financial Statements.

Additional information relating to the Company is on SEDAR at [www.sedar.com](http://www.sedar.com). Shareholders may contact the Company at its registered offices at Suite 2080-777 Hornby Street, Vancouver, British Columbia, V6Z

1S4 to request copies of the Company 's financial statements and MD&A. Financial information is provided in the Company's comparative financial statements and MD&A for its most recently completed financial year which are filed on SEDAR.

**BOARD APPROVAL**

The Directors are not aware of any other matters which they anticipate will come before the Meeting as of the date of mailing of this Information Circular.

The contents of this Information Circular have been approved and its mailing has been authorized by the directors of the Company.

DATED at Vancouver, British Columbia, this 26<sup>th</sup> day of October, 2020.

**BY ORDER OF THE BOARD**

***"Paul McKenzie"***

Paul McKenzie, Chief Executive  
Officer