



MANAGEMENT INFORMATION CIRCULAR
FOR THE
ANNUAL GENERAL AND SPECIAL MEETING
OF SHAREHOLDERS

To be held in virtual format via a live audio webcast at:
<http://iqueue.iqconferencecall.com/>
Meeting Number: 13707146

Participant / Guest (Toll-Free): 1-877-407-2991
or
1-201-389-0925 (Toll Number)

On September 25, 2020
at
11:00 am (Pacific Time)

Dated August 7, 2020

KAIZEN DISCOVERY

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the Annual General and Special Meeting (the “**Meeting**”) of the shareholders (the “**Shareholders**”) of Kaizen Discovery Inc. (the “**Company**”) will be held virtually using the details located below on Friday, September 25, 2020 at 11:00 a.m. (Pacific Time) for the following purposes:

1. to receive and consider the audited financial statements of the Company for the financial year ended December 31, 2019, together with the report of the auditors thereon;
2. to set the number of directors at three (3) for the forthcoming year;
3. to elect three (3) directors for the forthcoming year;
4. to re-appoint Deloitte LLP as auditors for the ensuing year and to authorize the directors to fix their remuneration;
5. to consider, and, if deemed appropriate, to pass, with or without variation an ordinary resolution approving the Company’s existing stock option plan, as more particularly described in the accompanying management information circular of the Company dated August 7, 2020 (the “**Circular**”); and
6. to transact any other business as may properly be brought before the Meeting.

The board of directors of the Company (the “**Board**”) has fixed the close of business on Friday, August 7, 2020 as the record date, being the date for the determination of the registered holders of Common Shares entitled to receive notice of, and to vote at the Meeting and any adjournment or postponement thereof.

In light of the ongoing public health concerns related to COVID-19 and the challenges and uncertainties that it brings and in order to comply with the measures imposed by the federal and provincial governments, the Company will be hosting the Meeting in virtual format. In order to streamline the virtual meeting process, the Company encourages Shareholders to vote in advance of the Meeting using the form of proxy of voting instruction form mailed to them with the Meeting materials. Registered Shareholders and duly appointed proxyholders will be able to attend, participate and vote at the virtual Meeting by calling the number below and instructions will be provided as to how Shareholders entitled to vote at the Meeting may participate and vote at the Meeting. Registered Shareholders and duly appointed proxyholders will not be able to vote at the Meeting through the webcast link provided below. Beneficial Shareholders who have not duly appointed themselves will be able to attend the virtual Meeting as guests, but guests will not be able to vote or ask questions at the Meeting.

Participant Access: 1-877-407-2991 (toll free number) or 1-201-389-0925 (Toll Number)

Live audio webcast: <http://iqueue.iqconferencecall.com/> - Meeting Number: 13707146

INSTRUCTIONS FOR ATTENDING THE WEBCAST: To ensure technical success, we encourage Shareholders to sign into the webcast 15 minutes before the scheduled start time to review and test the connection to the webcast. This also works from any mobile device. Please connect to the webcast using the following link: <http://iqueue.iqconferencecall.com/>. The meeting numbers is: **13707146**. If you do not

hear sound, please check that your speakers are on, your computer audio is not set on mute and the volume is turned up. If the audio webcast is interrupted please try closing all other browsers, tabs and programs on your computer and only have the webcast open. You may also call in to the Meeting toll-free at +1 877-407-2991, INCOMM EVENT 14.

As noted above, we encourage you to complete and return the enclosed form of proxy indicating your voting instructions. Please complete, date and sign your form of proxy and return it to Computershare Investor Services Inc., attention: Proxy Tabulation Unit, 8th Floor, 100 University Avenue, Toronto, Ontario, Canada M5J 2Y1 (facsimile numbers: within North America 1-866-249-7775; outside North America 1-416-263-9524) – or vote by telephone or through the internet following the instructions on the form of proxy. To be valid, a completed form of proxy must be received by our transfer agent by no later than 11:00 am (Pacific Time) on Wednesday, September 23, 2020 or, if the Meeting is adjourned, by no later than 48 hours (excluding Saturdays, Sundays and holidays) prior to the time of the adjourned meeting.

The Company reserves the right to take any additional precautionary measures in relation to the Meeting in response to further developments in respect of the COVID-19 outbreak that the Company considers necessary or advisable including changing the time, date or location of the Meeting. Changes to the Meeting, time, date or location and/or means of holding the Meeting may be announced by way of news release. Please monitor the Company's news releases as well as its website at www.kaizendiscovery.com for updated information. The Company advises you to check its website one week prior to the Meeting date for the most current information. The Company does not intend to prepare or mail an amended Circular in the event of changes to the Meeting format.

Notice-and-Access

The Company is utilizing the notice-and-access mechanism (the “**Notice-and-Access Provisions**”) under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* and National Instrument 51-102 – *Continuous Disclosure Obligations*, for distribution of proxy-related materials to registered and beneficial shareholders.

The Notice-and-Access Provisions are a set of rules that allow reporting issuers to post electronic versions of proxy-related materials (including management proxy circulars) financial statements of the Company and related management discussion and analysis (“**MD&A**”) via the System for Electronic Document Analysis and Retrieval (“**SEDAR**”) and one other website, rather than mailing paper copies of such materials to shareholders. Electronic copies of the Notice of Annual General and Special Meeting, the Circular, the audited financial statements for the financial year ended December 31, 2019, together with the report of the auditors thereon, and the related MD&A may be found on the Company's SEDAR profile at www.sedar.com and the Company's website at www.kaizendiscovery.com. Shareholders may request a paper copy of the Circular and the above noted documents be sent to them by contacting the Company as set out under *Part I– Voting – Notice-and-Access* in the accompanying Circular.

The Company will not use the procedures known as “stratification” in relation to the use of Notice-and-Access Provisions. Stratification occurs when a reporting issuer using the Notice-and-Access Provisions provides a paper copy of the Circular to certain shareholders with the notice package.

Please see *Part 1 – Voting – Notice-and-Access* in the accompanying Circular.

SHAREHOLDERS ARE REMINDED TO REVIEW THE CIRCULAR BEFORE VOTING.

Dated at Vancouver, British Columbia this 7th day of August 2020.

BY ORDER OF THE BOARD OF DIRECTORS OF KAIZEN DISCOVERY INC.

“Eric Finlayson”

Eric Finlayson
Interim Chairman of the Board

“Rona Sellers”

Rona Sellers
Corporate Secretary

MANAGEMENT INFORMATION CIRCULAR

Unless otherwise indicated, the information contained in this management information circular (the “**Circular**”) is as of August 7, 2020 and all dollar amounts referenced herein are expressed in Canadian dollars.

This Circular is being mailed by the management of Kaizen Discovery Inc. (hereinafter referred to as “**Kaizen**” or the “**Company**”) to everyone who was a shareholder of record of Kaizen (the “**Shareholders**”) on August 7, 2020, the date that has been fixed by our Board of Directors as the record date (the “**Record Date**”) to determine Shareholders who are entitled to receive notice of the annual and special meeting of shareholders (the “**Meeting**”) and to vote at the Meeting and any adjournment or postponement thereof.

This Circular is furnished in connection with the solicitation of proxies by and on behalf of management of the Company for use at the Meeting of the Shareholders of Kaizen on Friday, September 25, 2020, at the time and place and for the purposes set forth in the accompanying “Notice of Annual General and Special Meeting” and any adjournment thereof.

In light of the ongoing public health concerns related to COVID-19 and the challenges and uncertainties that it brings and in order to comply with the measures imposed by the federal and provincial governments, the Company will be hosting the Meeting in virtual format. In order to streamline the virtual meeting process, the Company encourages Shareholders to vote in advance of the Meeting using the form of proxy of voting instruction form mailed to them with the Meeting materials. Registered Shareholders (as defined below) and duly appointed proxyholders will be able to attend, participate and vote at the virtual Meeting by calling the number below and instructions will be provided as to how Shareholders entitled to vote at the Meeting may participate and vote at the Meeting. Registered Shareholders and duly appointed proxyholders will not be able to vote at the Meeting through the webcast link provided below. Beneficial Shareholders (as defined below) who have not duly appointed themselves will be able to attend the virtual Meeting as guests, but guests will not be able to vote or ask questions at the Meeting.

Participant Access: 1-877-407-2991 (toll free number) or 1-201-389-0925 (toll number)

Live audio webcast: <http://iqueue.iqconferencecall.com/> - Meeting Number: 13707146

INSTRUCTIONS FOR ATTENDING THE WEBCAST: To ensure technical success, we encourage Shareholders to sign into the webcast 15 minutes before the scheduled start time to review and test the connection to the webcast. This also works from any mobile device. Please connect to the webcast using the following link: <http://iqueue.iqconferencecall.com/>. The meeting numbers is: **13707146**. If you do not hear sound, please check that your speakers are on, your computer audio is not set on mute and the volume is turned up. If the audio webcast is interrupted, please try closing all other browsers, tabs and programs on your computer and only have the webcast open. You may also call in to the Meeting toll-free at +1 877-407-2991, INCOMM EVENT 14.

The Company reserves the right to take any additional precautionary measures in relation to the Meeting in response to further developments in respect of the COVID-19 outbreak that the Company considers necessary or advisable including changing the time, date or location of the Meeting. Changes to the Meeting, time, date or location and/or means of holding the Meeting may be announced by way of news release. Please monitor the Company’s news releases as well as its website at www.kazendiscovery.com for updated information. The Company advises you to check its website one week prior to the Meeting date for the most current information. The Company does not intend to prepare or mail an amended Circular in the event of changes to the Meeting format.

Under the Company's Articles (as that term is defined herein), a quorum for the transaction of business at any meeting of Shareholders exists if, at the commencement of the meeting, there are two (2) persons present who are, or who represent by proxy, Shareholders who, in the aggregate, hold at least 5% of the issued Common Shares entitled to vote at the meeting.

All references to Shareholders in this Circular are to Registered Shareholders (as hereinafter defined), unless specifically stated otherwise.

PART 1 - VOTING

As noted above, in light of ongoing concerns regarding the spread of COVID-19, the Company will hold its Meeting this year in a virtual format. The Company is strongly encouraging Shareholders to attend the Meeting through the use of the virtual platform.

Only Registered Shareholders and duly appointed proxyholders may attend and vote at the Meeting. Registered Shareholders and duly appointed proxyholders who participate at the virtual Meeting will be able to listen to the Meeting, ask questions and vote, all in real time, provided they are connected to the conference line and comply with all of the requirements set out in this Circular. A Registered Shareholder or a Beneficial Shareholder (as defined below) who has appointed themselves or a third-party proxyholder to represent them at the Meeting, will appear on a list of Shareholders prepared by Computershare (defined below). To have their Common Shares voted at the Meeting, each Registered Shareholder or duly appointed proxyholder will be required to enter their control number or other passcode prior to the start of the Meeting.

Beneficial Shareholders who have not duly appointed themselves as proxyholders may attend the Meeting as guests. Guests will be able to listen to the Meeting, but will not be able to vote or ask questions at the Meeting. This is because the transfer agent, Computershare, does not have a record of Beneficial Shareholders of and, as a result, will have no knowledge of shareholdings or entitlement to vote, unless the Beneficial Shareholder appoints itself as proxyholder.

If you are a Beneficial Shareholder and wish to vote at the Meeting, you must (i) appoint yourself as proxyholder by inserting your own name in the space provided for appointing a proxyholder on the voting instruction form sent to you and follow all of the applicable instructions, including the deadline, provided by the Intermediary (as defined below).

In order to streamline the virtual Meeting process, the Company encourages Shareholders to vote in advance of the Meeting using the Proxy or voting instruction form mailed to them with the Meeting materials. Shareholders wishing to attend the virtual Meeting may do so by calling the number provided above and instructions will be provided as to how shareholders entitled to vote at the Meeting may participate and vote at the Meeting. A live audio webcast of the Meeting will be available at the link provided above. If you attend the virtual Meeting, it is important that you remain connected to the conference line for the duration of the Meeting in order to vote when balloting commences. It is your responsibility to ensure that you remain connected. The Meeting will begin promptly at 11:00 am (Pacific Time) on Friday, September 25, 2020, unless otherwise adjourned or postponed. You should allow ample time for the virtual check-in procedures prior to the start of the Meeting.

A summary of the information Shareholders will need to attend the virtual Meeting is provided below:

- **Registered Shareholders** must call in prior to the start of the Meeting, and provide the control number located on the form of proxy.

- **Duly appointed proxyholders** will obtain from Computershare a passcode after the proxy voting deadline has passed and the duly appointed proxyholder has been duly appointed.
- **Guests, including Beneficial Shareholders who have not duly appointed themselves as proxyholder** can listen to the Meeting, but will not be able to vote or ask questions.

If a Registered Shareholder calls into the virtual Meeting, they must notify the operator if they wish to revoke any previously submitted proxies. In such a case, the Registered Shareholder will be provided the opportunity to vote by ballot or poll on the matters put forth at the Meeting.

United States Beneficial Shareholders: To attend and vote at the Meeting, you must first obtain a valid legal proxy from your broker, bank or other agent and then register in advance to attend the Meeting. Follow the instructions from your broker or bank included with these materials, or contact your broker or bank to request a legal proxy form. After first obtaining a valid legal proxy from your broker, bank or other agent, to then register to attend the Meeting, you must submit a copy of your valid legal proxy to Computershare. Requests for registration should be directed to:

Computershare
100 University Avenue
8th Floor
Toronto, Ontario
M5J 2Y1

OR

Email at uslegalproxy@computershare.com

Requests for registration must be labeled as “Legal Proxy” and be received no later than 11:00 a.m. (Pacific Time) on Wednesday, September 23, 2020. You will receive a confirmation of your registration by email after we receive your registration materials. You may attend the Meeting and vote during the Meeting. Please note that you are required to register your appointment at <http://www.computershare.com/KaizenDiscovery>.

Revocation of Proxies

A Shareholder who has given a proxy may revoke it at any time before it is exercised by providing an instrument in writing: (a) executed by that Shareholder or by that Shareholder’s attorney authorized in writing or, where the Shareholder is a corporation, by a duly authorized officer of, or attorney for, the corporation; and (b) delivered either: (i) to the Company at its registered address at Suite 654, 999 Canada Place, Vancouver, British Columbia, V6C 3E1 or to the address of Computershare set forth in the Notice of Annual General and Special Meeting, at any time up to and including 11:00 am (Pacific Time) on Wednesday, September 23, 2020 or, if adjourned, at any reconvening thereof, or if postponed, at the commencement of the Meeting, or (ii) to the Chairman of the Meeting prior to the vote on matters covered by the proxy on the day of the Meeting or, if adjourned, any reconvening thereof, or at the commencement of the Meeting in the case of a postponement, or (iii) by voting again by telephone, email or on the internet before 11:00 am (Pacific Time) on Wednesday, September 23, 2020; (iv) in any other manner provided by law.

Also, a proxy will automatically be revoked by either: (i) attendance at the Meeting and participation in a poll (ballot) by a Shareholder (but not by the proxyholder of such Shareholder), or (ii) submission of a

subsequent proxy in accordance with the foregoing procedures. A revocation of a proxy does not affect any matter on which a vote has been taken prior to any such revocation.

Only Registered Shareholders have the right to revoke a proxy. Beneficial Shareholders (as such term is defined in the Circular) that wish to change their voting instructions must, in sufficient time in advance of the Meeting, contact Computershare or their broker or other intermediary to arrange to change their voting instructions.

Management Solicitation

The solicitation of proxies will be conducted by management, primarily by mail and may be supplemented by telephone, electronic or other personal contact to be made without special compensation by the directors, officers and regular employees of the Company. The Company does not reimburse Shareholders, nominees or agents for costs incurred in obtaining from their principals, authorization to execute forms of proxy except in such circumstances that the Company has requested brokers and nominees who hold stock in their respective names to furnish this proxy material to their customers, and the Company will reimburse such brokers and nominees for their related out-of-pocket expenses. No solicitation will be made by specifically engaged employees or soliciting agents. The cost of solicitation will be borne by the Company. No person has been authorized to give any information or to make any representation other than as contained in this Circular in connection with the solicitation of proxies. If given or made, such information or representations must not be relied upon as having been authorized by the Company.

This Circular does not constitute the solicitation of a proxy by anyone in any jurisdiction in which such solicitation is not authorized, or in which the person making such solicitation is not qualified to do so, or to anyone to whom it is unlawful to make such a solicitation.

Notice-and-Access

The Company is utilizing the notice-and-access mechanism (the “**Notice-and-Access Provisions**”) under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”) and National Instrument 51-102 – *Continuous Disclosure Obligations* (“**NI 51-102**”), for distribution of proxy-related materials to Registered and Beneficial Shareholders.

Under the Notice-and-Access Provisions, instead of receiving printed copies of the Circular, Registered and Beneficial Shareholders will receive the Notice of Annual General and Special Meeting with information on the Meeting date, location and purpose, as well as information on how they may access the Circular electronically and how they may vote. Electronic copies of the Notice of Annual General and Special Meeting, the Circular, the audited financial statements of the Company for the financial year ended December 31, 2019, together with the report of the auditors thereon, and the related MD&A may be found on the Company’s SEDAR profile at www.sedar.com and the Company’s website at www.kaizendiscovery.com as of August 18, 2020.

The Company will not use the procedure known as “stratification” in relation to the use of Notice-and-Access Provisions. Stratification occurs when a reporting issuer using the Notice-and-Access Provisions provides a paper copy of the Circular to certain Shareholders with the notice package.

Obtaining Paper Copies of Materials

The Company anticipates that using the Notice-and-Access Provisions for delivery will directly benefit the Company through a substantial reduction in postage and material costs, and also promote environmental responsibility by decreasing the large volume of paper documents generated by printing proxy-related

materials. Shareholders with questions about the Notice-and-Access Provisions can call the Company's transfer agent, Computershare, toll-free within North America - **1-866-962-0498** or direct, from outside of North America - **+1-514-982-8716** (which is not a toll-free number).

Shareholders may obtain paper copies of the Circular, the audited financial statements of the Company for the financial year ended December 31, 2019, together with the report of the auditors thereon, and the related MD&A free of charge by calling the Company toll-free within North America at 1-888-571-4545 or direct, from outside of North America at +1-604-669-6446 (which is not a toll-free number) or by email at info@kaizendiscovery.com.

Requests for paper copies of the Circular, the audited financial statements of the Company for the financial year ended December 31, 2019, together with the report of the auditors thereon, and the related MD&A which are required in advance of the Meeting, should be sent so that the request is received by the Company or Computershare, as applicable, at least ten (10) days before the Meeting in order to allow sufficient time for Shareholders to receive the paper copies and to return their proxies or voting instruction forms to intermediaries not later than 48 hours (excluding Saturdays, Sundays and statutory holidays in the City of Vancouver, British Columbia) prior to the time set for the Meeting or any adjournments or postponements thereof.

PROXIES AND VOTING RIGHTS

Appointment of Proxy

A Shareholder whose name appears on the certificate(s) (a "**Registered Shareholder**") representing the Company's common shares (the "**Common Shares**") are entitled to notice of, and to vote, at the Meeting. A Shareholder is entitled to one vote for each Common Share that such Shareholder held on the Record Date on the resolutions to be voted upon at the Meeting, and any other matter to properly come before the Meeting.

The persons named as proxyholders (the "**Designated Persons**") in the enclosed form of proxy are directors and/or officers of the Company.

A SHAREHOLDER HAS THE RIGHT TO DESIGNATE A PERSON OR COMPANY (WHO NEED NOT BE A SHAREHOLDER), OTHER THAN THE DESIGNATED PERSONS, TO ATTEND AND ACT FOR OR ON BEHALF OF THAT SHAREHOLDER AT THE MEETING.

SUCH RIGHT MAY BE EXERCISED BY STRIKING OUT THE PRINTED NAMES AND INSERTING THE NAME OF SUCH OTHER PERSON AND, IF DESIRED, AN ALTERNATE TO SUCH PERSON, IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY. SUCH SHAREHOLDER SHOULD NOTIFY THE NOMINEE OF THE APPOINTMENT, OBTAIN THE NOMINEE'S CONSENT TO ACT AS PROXY AND SHOULD PROVIDE INSTRUCTION TO THE NOMINEE ON HOW THE SHAREHOLDER'S COMMON SHARES SHOULD BE VOTED. THE NOMINEE SHOULD BRING PERSONAL IDENTIFICATION TO THE MEETING. IF THE NOMINEE IS A COMPANY, THE COMPANY MUST PROVIDE THE INSTRUMENT APPOINTING THE OFFICER OR ATTORNEY WHO CAN VOTE ON BEHALF OF THE COMPANY AS PROXYHOLDER, AS THE CASE MAY BE, OR A NOTARIZED OR CERTIFIED COPY THEREOF.

In order to be voted, the completed form of proxy must be received by the Company's registrar and transfer agent, Computershare Investor Services Inc. ("**Computershare**") at their offices located at Proxy Tabulation Unit, 8th Floor, 100 University Avenue, Toronto, Ontario, Canada, M5J 2Y1, by mail or fax, or

online via: www.investorvote.com, by 11:00 am (Pacific Time) on Wednesday, September 23, 2020 or at least 48 hours (excluding Saturdays, Sundays and statutory holidays in the Province of British Columbia) prior to the scheduled time of the Meeting, or any adjournments or postponements thereof.

A proxy is not valid unless it is dated and signed by the Shareholder who is giving it or by that Shareholder's attorney duly authorized in writing or, in the case of a corporation, dated and executed by a duly authorized officer or attorney for the corporation. If a form of proxy is executed by an attorney for an individual Shareholder or joint Shareholders, or by an officer or attorney for a corporate Shareholder, the instrument so empowering the officer or attorney, as the case may be, or a notarized certified copy thereof, must accompany the form of proxy.

If not dated, the proxy will be deemed to have been dated the date it is mailed to Shareholders.

REGISTERED SHAREHOLDERS

If you are a Registered Shareholder of the Company and are unable to attend the Meeting in person, please complete, date and sign the accompanying form of proxy and deposit it with Computershare Investor Services Inc., Attention: Proxy Tabulation Unit, 8th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1, by fax to **1-866-249-7775** (toll-free) or **1-416-263-9524** (outside Canada and the US), by telephone at **1-866-732-8683** or **online via: www.investorvote.com**, by 11:00 am (Pacific Time) on Wednesday, September 23, 2020 or at least 48 hours (excluding Saturdays, Sundays and holidays recognized in the Province of British Columbia) before the time that the Meeting is to be reconvened after any adjournments of the Meeting or 48 hours (excluding Saturdays, Sundays and holidays recognized in the Province of British Columbia) before the commencement of any postponed Meeting.

Voting of Common Shares and Proxies and Exercise of Discretion by Designated Persons

A Shareholder may indicate the manner in which the Designated Persons are to vote with respect to a matter to be voted upon at the Meeting by marking the appropriate space. If the instructions as to voting indicated in the proxy are certain, the Common Shares represented by the proxy will be voted or withheld from voting in accordance with the instructions given in the proxy. If the Shareholder specifies a choice in the proxy with respect to a matter to be acted upon, then the Common Shares represented will be voted or withheld from the vote on that matter accordingly.

The Common Shares represented by a proxy will be voted or withheld from voting in accordance with the instructions of the Shareholder on any ballot that may be called for, and if the Shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly.

If no choice is specified in the proxy with respect to a matter to be acted upon, the proxy confers discretionary authority with respect to that matter upon the Designated Persons named in the form of proxy. It is intended that the Designated Persons will vote the Common Shares represented by the proxy in favour of each matter identified in the proxy and for the director nominees put forward by the company's Board.

The enclosed form of proxy confers discretionary authority upon the Designated Persons with respect to other matters which may properly come before the Meeting, including any amendments or variations to any matters identified in the Notice of Annual General and Special Meeting, and with respect to other matters which may properly come before the Meeting. At the date of this Circular, management of the Company is not aware of any such amendments, variations, or other matters to come before the Meeting.

In the case of abstentions from, or withholding of, the voting of the Common Shares on any matter, the Common Shares that are the subject of the abstention or withholding will be counted for determination of a quorum, but will not be counted as affirmative or negative on the matter to be voted upon.

BENEFICIAL SHAREHOLDERS

The information set out in this section is of significant importance to those Shareholders who do not hold Common Shares in their own name. Shareholders who do not hold Common Shares in their own name (referred to in this Circular as “Beneficial Shareholders”) should note that only proxies deposited by Shareholders whose names appear on the records of the Company as of the Record Date as the registered holders of Common Shares can be recognized and acted upon at the Meeting.

If you are a Beneficial Shareholder of the Company and received this Notice of Annual General and Special Meeting and accompanying materials through a broker, a financial institution, a participant, a trustee or administrator of a self-administered retirement savings plan, retirement income fund, education savings plan or other similar self-administered savings or investment plan registered under the *Income Tax Act* (Canada), or a nominee of any of the foregoing that holds your security on your behalf (the “**Intermediary**”), please complete and return the materials in accordance with the instructions provided to you by your Intermediary.

If Common Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those Common Shares will not be registered in the Shareholder’s name on the records of the Company. Such Common Shares will more likely be registered under the names of the Shareholder’s broker or an agent or nominee of that broker. In the United States, the vast majority of such Common Shares are registered under the name of Cede & Co., a specialist United States financial institution that processes transfers of stock certificates on behalf of The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks), and in Canada, under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms).

Beneficial Shareholders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate person well in advance of the Meeting.

Only Registered Shareholders as of the Record Date or their duly appointed proxyholders are permitted to vote at the Meeting. Most Shareholders of the Company are “non-registered” or “beneficial” Shareholders because the Common Shares they own are not registered in their names but are instead registered in the name of a brokerage firm, bank or other Intermediary or in the name of a clearing agency.

Beneficial Shareholders fall into two (2) categories – those who object to their identity being known to the issuers of securities which they own (“**Objecting Beneficial Owners**”, or “**OBOs**”) and those who do not object to their identity being made known to the issuers of the securities they own (“**Non-Objecting Beneficial Owners**”, or “**NOBOs**”). Subject to the provisions of NI 54-101, issuers may request and obtain a list of their NOBOs from Intermediaries via their transfer agents and use this NOBO list for distribution of “proxy-related materials” (as such term is defined in NI 54-101) directly to NOBOs.

In accordance with the requirements as set out in NI 54-101, the Company has distributed copies of the Notice of Annual General and Special Meeting, this Circular and the form of proxy to Intermediaries for onward distribution to NOBOs and OBOs. The Company does not intend to pay for Intermediaries to deliver the Meeting materials to OBOs. An OBO will therefore not receive the Meeting materials unless such OBO’s Intermediary assumes the cost of delivery.

Intermediaries are required to forward the Meeting materials to Beneficial Shareholders unless a Beneficial Shareholder has waived the right to receive them. Very often, Intermediaries will use service companies to forward the Meeting materials to Beneficial Shareholders. Generally, Beneficial Shareholders who have not waived the right to receive the Meeting materials 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 as to the number of Common Shares beneficially owned by the Beneficial Shareholder but which is otherwise not completed. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Beneficial Shareholder when submitting the proxy. If the Beneficial Shareholder does not wish to attend and vote at the virtual Meeting in person (or have another person attend and vote on the holder's behalf), the Beneficial Shareholder must complete the form of proxy and deposit it with Computershare, as provided above; or
- (b) be given a voting instruction form which is not signed by the Intermediary, and which, when properly completed and signed by the Beneficial Shareholder and returned to the Intermediary or its service company, will constitute voting instructions (often called a "proxy authorization form") which the Intermediary must follow. Typically, the proxy authorization form will consist of a one page pre-printed form. Sometimes, instead of the one page pre-printed form, the proxy authorization form will consist of a regular printed proxy form accompanied by a page of instructions, which contains a removable label containing a barcode and other information. In order for the form of proxy to validly constitute a proxy authorization form, the Beneficial Shareholder must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and return it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company. If the Beneficial Shareholder does not wish to attend and vote at the virtual Meeting in person (or have another person attend and vote on the holder's behalf), the voting instruction form must be completed, signed and returned in accordance with the directions on the form.

In either case, the purpose of this procedure is to permit a Beneficial Shareholder to direct the voting of the Common Shares which they beneficially own. Beneficial Shareholders should carefully follow the instructions of their Intermediary, including those regarding when and where the proxy or proxy authorization form is to be delivered. Only Registered Shareholders have the right to revoke a proxy. A Beneficial Shareholder who wishes to change its vote must arrange for its Intermediary to revoke its proxy on its behalf.

Beneficial Shareholders who wish to vote at the virtual Meeting must insert their own name in the blank space provided on the voting instruction form or form of proxy, follow the applicable instructions provided by the Intermediary.

Interest of Certain Persons or Companies in Matters to be Acted Upon

Except as otherwise disclosed in this Circular, none of the directors or executive officers of the Company, no nominee for election as a director of the Company, none of the persons who have been directors or executive officers of the Company since the commencement of the Company's last completed financial year 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 of special business to be acted upon at the Meeting other than the Stock Option Resolution (as defined below).

PART 2 - VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The Company has an authorized share capital consisting of an unlimited number of common shares without par value (the “**Common Shares**”), and 100,000,000 Class A Preferred shares with a per share par value of \$1.00. The holders of Common Shares are entitled to receive notice of, and to attend all meetings of Shareholders and to have one vote for each Common Share held, except to the extent specifically limited by the *Business Corporations Act* (British Columbia) (the “**BCBCA**”).

Each Shareholder of record on the Record Date will be entitled to vote at the Meeting or at any adjournment thereof, either in person or by proxy. As of the Record Date, the Company had 317,254,821 Common Shares and no Class A Preferred shares outstanding. Each Common Share carries the right to one vote. The outstanding Common Shares are listed on the TSX Venture Exchange (“**TSXV**”) under the symbol “**KZD**”.

To the knowledge of the directors and executive officers of the Company as of the Record Date, no person beneficially owns, controls or directs, directly or indirectly, 10% or more of the voting rights attached to the Common Shares, other than as set out below:

Name	Number of Voting Shares Beneficially Owned ⁽²⁾	% of Shares Outstanding
HPX TechCo Inc. ⁽¹⁾	225,420,798 ⁽³⁾	71.05%

Notes:

- (1) HPX TechCo Inc. is an affiliate of and wholly owned by High Power Exploration Inc.
- (2) The information as to Common Shares beneficially owned, controlled or directed not being within the knowledge of the Company, its directors or officers, has been furnished by the Shareholder, as supplemented by a review of the central securities register maintained by Computershare and from insider reports available at www.sedi.ca.
- (3) HPX TechCo Inc. also has the right to acquire 22,100,000 Common Shares that are issuable upon the exercise of outstanding share purchase warrants. 2,100,000 share purchase warrants are currently exercisable into Kaizen Common Shares at a price of \$.155 until January 11, 2022; and 20,000,000 share purchase warrants are exercisable into Kaizen Common Shares at a per share price of \$0.12 until July 11, 2021. These share purchase warrants may therefore be deemed outstanding for certain purposes under securities laws, and are in addition to the Common Shares reported in the table above.

VOTES NECESSARY TO PASS RESOLUTIONS

Pursuant to the articles of the Company (the “**Articles**”), a quorum for the transaction of business at any meeting of Shareholders exists if, at the commencement of the meeting, there are two (2) persons present who are, or who represent by proxy, Shareholders who, in the aggregate, hold at least 5% of the issued Common Shares entitled to vote at the meeting.

Under the BCBCA, ordinary resolutions must be passed by a simple majority, that is, if more than half of the votes that are cast by Shareholders at the Meeting are in favour, then the resolution is passed. In the event a motion proposed at the Meeting requires “Disinterested Shareholder Approval” (as required under the TSX Venture Exchange (“**TSXV**”) Corporate Finance Manual), Common Shares held by Shareholders of the Company who have an interest in the subject matter, will be excluded from the count of votes cast on such motion. There are no special resolutions currently proposed at the Meeting.

PART 3 – THE BUSINESS OF THE MEETING

FINANCIAL STATEMENTS

The annual audited consolidated financial statements of the Company for the fiscal year ended December 31, 2019, as well as Management’s Discussion and Analysis for fiscal 2019 together with the auditor’s report thereon have been electronically filed by the Company on March 16, 2020 with regulators and are

available for viewing through the internet on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com under Kaizen's Issuer Profile.

ELECTION OF DIRECTORS

Number of Directors

At the Meeting, Shareholders will be asked and, if deemed advisable, to pass, with or without variation an ordinary resolution fixing the number of directors at three (3) for the ensuing year.

The management representatives named in the attached form of proxy (the "Management Nominees") intend to vote the Common Shares represented by such proxy in favour of this resolution, unless a Shareholder specifies in the proxy that his or her Common Shares are to be voted against the resolution.

Nominees for Election

Directors are elected for a term of one year, and the term of office of each of the current directors of the Company will expire at the Meeting. We currently have three (3) directors, all of whom are standing for re-election at the Meeting. Management is proposing that the following three (3) current nominees (the "**Nominees**") named in the table below, be nominated for election as directors at the Meeting. Each of the Nominees, if elected, will serve as a director until the close of the next annual general meeting of Shareholders, unless such director resigns or otherwise vacates the office in accordance with the Company's Articles.

At the Meeting, Shareholders will be asked to elect the Nominees as directors to the Board. On any ballot or poll that may be called for in the election of directors, the persons named in the enclosed form of proxy intend to cast the votes to which the Common Shares represented by such proxy are entitled for the Nominees unless the Shareholder who has given such proxy has directed that the Common Shares be otherwise voted or withheld from voting in respect of the election of directors. Management does not contemplate that any of the Nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, the persons named in the enclosed form of proxy reserve the right to vote for other nominees at their discretion.

The Management Nominees intend to vote the Common Shares represented by such proxy in favour of the election of the Nominees listed below, unless a Shareholder specifies in the proxy that his or her Common Shares are to be withheld from voting in respect of such resolution.

The following table sets out the name of each of the Nominees, all positions and offices in the Company held by each of them, the principal occupation or employment of each of them for the past five (5) years, the year in which each was first elected a director of the Company and the approximate number of Common Shares that each has advised are beneficially owned or subject to his or her control or direction (directly or indirectly) if any:



DAVID BOEHM
Hong Kong, China
Age:63

Director Since: June 2016

Director Status: Independent⁽¹⁾

Areas of Experience:
CEO/Board
International Finance
Mining Industry
Public Capital Markets

Committees:
Audit

Mr. Boehm has served as the Chairman of Wolmar Investments Ltd. since November 2001 and is the co-founder and CEO of Miskawaan Health Group Limited in Hong Kong. He has extensive experience on financing and tax structuring of public companies as well as expertise in venture capital, project planning, international trade and finance, private banking and foreign currencies. Mr. Boehm has assisted companies intending to secure listings on Asian, North American and European stock exchanges.

Mr. Boehm currently serves as a Director of Ivanhoe Industries LLC, an affiliate of HPX TechCo Inc., the Company's majority Shareholder. Mr. Boehm was a Senior Partner of Grant Thornton Hong Kong from 1986 to 1996 and served as the President of the Australian Association of Hong Kong and the Victoria Toastmasters Club, Hong Kong. He was a Director of the Australian Chamber of Commerce in Hong Kong from 1992 to 1995.

Mr. Boehm is a Fellow of the Institute of Chartered Accountants in Australia. He is a Member of the Hong Kong Institute of Certified Public Accountants since 1982 and qualified as a Chartered Accountant with Peat Marwick Mitchell & Co. in Sydney in 1981.

Principal Occupation, Business or Employment⁽²⁾

Chairman, Wolmar Investments Ltd. (securities brokerage) (November 2001 to present)

Common Shares Beneficially Owned, Controlled or Directed^{(2);}

Common Shares	472,667
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Other Public Board Membership:

Company:	Since:
N/A	

Options Held:

Date Granted	Expiry Date	Number Granted	Vested/ Unvested	Exercise Price	Total Unexercised	Value of Options Unexercised ⁽³⁾
Aug. 26, 2019	Aug. 26, 2024	800,000	266,667/533,333	\$0.05	800,000	Nil
Jan. 30, 2017	Jan. 30, 2022	150,000	150,000/0	\$0.20	150,000	Nil
Aug. 29, 2016	Aug. 29, 2021	150,000	150,000/0	\$0.24	150,000	Nil



ERIC FINLAYSON
British Columbia, Canada
Age: 59

Director Since: June 2016

Director Status: Non-Independent⁽⁴⁾

Eric Finlayson, a geologist with over 35 years of global exploration experience, brings to Kaizen his commitment to technology-driven mineral exploration and his extensive knowledge of the mining industry that has spanned multiple countries and commodities. Mr. Finlayson has served as Kaizen's Interim Chairman since September 2018 and served as Kaizen's Interim Chief Executive Officer from April 2016 to January 2017, and November 30, 2019 to present. Mr. Finlayson has also been the President and Chief Executive Officer of Cordoba Minerals Corp. since April 2019, a director of Sama Resources Inc. since June 2018 and a director of Clean TeQ Holdings Limited since September 2015. He joined High Power Exploration Inc., a private, technology-focused mineral exploration company, as a senior advisor in October 2013 and became President in December 2015.


After working in a variety of exploration roles with NL Petroleum Services, the British Civil Uranium Procurement Organisation and the Geological Survey of PNG, Mr. Finlayson joined Rio Tinto in 1989. Following a succession of management roles in Australia, Canada and the UK, Mr. Finlayson was appointed Global Head of Exploration for Rio Tinto in 2007. In July 2011, he was appointed to the role of Chief Executive Officer of Rio Tinto Coal Mozambique based in Maputo, Mozambique and served in that capacity until late July 2013.

Mr. Finlayson graduated in 1982 with a degree in Applied Geology from the University of Strathclyde in Glasgow.

Principal Occupation, Business or Employment⁽²⁾

President of High Power Exploration Inc. (mining company) (December 2015 to present).

Areas of Experience: CEO/Board International Finance International Projects Management Mining Industry Public Capital Markets	Common Shares Beneficially Owned, Controlled or Directed⁽²⁾:		Other Public Board Membership:				
			Company:			Since:	
	Common Shares	Nil	Clean TeQ Holdings Limited (ASX) Cordoba Minerals Corp. (TSXV; OTCQB) Sama Resources Inc. (TSXV: SME)			2015 2015 2018	
	Options Held:						
	Date Granted	Expiry Date	Number Granted	Vested/ Unvested	Exercise Price	Total Unexercised	Value of Options Unexercised ⁽³⁾
	Jan. 30, 2017	Jan. 30, 2022	150,000	150,000/0	\$0.20	150,000	Nil
	Aug. 29, 2016	Aug. 29, 2021	150,000	150,000/0	\$0.24	150,000	Nil

 <p>TERRY JOHN KREPIAKEVICH British Columbia, Canada Age: 68</p> <p>Director Since: March 2011⁽⁵⁾</p> <p>Director Status: Independent⁽¹⁾</p> <p>Areas of Experience: CEO/Board International Finance Mining Industry Public Capital Markets International Project Management Accounting</p> <p>Committees: Audit, Chair</p>	<p>Terry Krepiakovich, CPA, CA, ICD.D, was the Interim Chief Executive Officer of Kaizen's predecessor, Concordia Resource Corp., from March 2013 until the transaction that created Kaizen in December 2013. He was the Chief Executive Officer of Meryllion Resources Corporation from December 2013 to December 2014. Mr. Krepiakovich was Chief Financial Officer of SouthGobi Resources Ltd., a Mongolia-focused coal company, from July 2006 to July 2011 and was the Chief Financial Officer and Director of Extreme CCTV Inc., a publicly traded company on the TSX involved in manufacturing high tech surveillance equipment, from November 2000 to June 2006. Prior to joining Extreme CCTV, Mr. Krepiakovich served as Vice-President Finance and Chief Financial Officer of Maynards Industries Ltd., a private firm specializing in retailing, auctioneering, liquidating, and mergers and acquisition services, from July 1988 to June 2000.</p> <p>Mr. Krepiakovich is the Chairman of Kaizen's Audit Committee and he has served as a Director of Alexco Resource Corp. since July 2009, and a Director of Metalla Royalty & Streaming Ltd since January 2020.</p> <p>Mr. Krepiakovich holds a CPA, CA designation and is a member of the Chartered Professional Accountants of British Columbia and the Institute of Corporate Directors. Mr. Krepiakovich received a B.A. degree in History from the University of British Columbia in 1974.</p>							
	Principal Occupation, Business or Employment⁽²⁾							
	Independent Financial Advisor (July 2011 to present).							
	Common Shares Beneficially Owned, Controlled or Directed⁽²⁾:		Other Public Board Membership:					
			Company:				Since:	
	Common Shares	70,000	Alexco Resource Corp. (TSX; NYSE American) Metalla Royalty & Streaming Ltd (TSXV; NYSE American)				2009 2020	
	Options Held:							
		Date Granted	Expiry Date	Number Granted	Vested/ Unvested	Exercise Price	Total Unexercised	Value of Options Unexercised ⁽³⁾
		Aug. 26, 2019	Aug. 26, 2024	800,000	266,667/533,333	\$0.05	800,000	Nil
		Jan. 30, 2017	Jan. 30, 2022	150,000	150,000/0	\$0.20	150,000	Nil
	Aug. 29, 2016	Aug. 29, 2021	150,000	150,000/0	\$0.24	150,000	Nil	

Notes:

- (1) “Independent” refers to the standards of independence established under Canadian Securities Administrators’ National Instrument 58-101 – *Disclosure of Corporate Governance Practices*.
- (2) The information as to principal occupation, business or employment of and shares beneficially owned, controlled or directed by a nominee is not within the knowledge of the management of the Company and has been furnished by the nominee.
- (3) The “Value of Options Unexercised” is calculated on the basis of the difference between the closing price of the Common Shares on the TSX Venture Exchange on August 7, 2020 and the exercise price of the options multiplied by the number of unexercised options on August 7, 2020, vested and unvested.
- (4) See *Part 7 - Corporate Governance Disclosure* below for a description of the reasons why the Company does not consider this Director to be independent.
- (5) Initially elected to the board of directors of Concordia, prior to the combination of certain assets of Concordia and certain assets acquired from HPX TechCo Inc. In December 2013, Concordia changed its name to Kaizen.

Cease Trade Orders and Bankruptcy

None of the proposed Nominees for election as director of Kaizen is, or has been, within ten years before the date of this Circular:

1. a director or executive officer of any company (including Kaizen) that, while that person was acting in that capacity:
 - (a) was subject to:
 - (i) a cease trade or an order (including any management cease trade order which applied to directors or executive officers of a company, whether or not the person is named in the order), or
 - (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 (an “**Order**”); or

- (b) was subject to an Order that was issued, after the proposed director or executive officer ceased to be a director or executive officer which resulted from an event that occurred while that person was acting as director or executive officer of that company; or
2. a director or executive officer of any company (including Kaizen) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Personal Bankruptcy

None of the proposed Nominees for election as director of Kaizen has, within the ten years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

APPOINTMENT OF AUDITORS

The directors propose to nominate Deloitte LLP, the present auditors of the Company, as the auditors of the Company to hold office until the close of the next annual general meeting of Shareholders. Deloitte LLP has been the Company's auditors since October 2014.

In order to appoint Deloitte LLP as auditors of the Company to hold office until the close of the next annual general meeting of Shareholders, and authorize the directors to fix the remuneration thereof, a majority of the votes cast at the Meeting must be voted in favour thereof.

The Management Nominees intend to vote in favour of the appointment of Deloitte LLP as auditors of the Company and in favour of authorizing the directors to fix the remuneration of the auditors, unless a Shareholder specifies in the proxy that his or her Common Shares are to be withheld from voting in respect of such resolution.

ANNUAL APPROVAL OF STOCK OPTION PLAN

The Company's existing stock option plan (the "**Stock Option Plan**") was last approved by Shareholders on June 28, 2019. The Board approved of amendments to fix typographical errors and amendments to clarify existing provisions of the Stock Option Plan that do not have the effect of altering the scope, nature and intent of provisions of the Stock Option Plan on August 12, 2020. The Company is seeking approval of the Stock Option Plan from Shareholders.

The purpose of the Stock Option Plan is to assist in attracting, retaining and motivating directors, officers, employees and consultants of the Company and to closely align the personal interest of such persons with those of shareholders by providing them with the opportunity, through stock options, to acquire a Common Shares.

The Stock Option Plan is in the form of a rolling stock option plan reserving for issuance upon the exercise of options granted pursuant to the Stock Option Plan, from time to time, together with Common Shares reserved for issuance under all other security-based compensation arrangements of Kaizen, a maximum of 10% of the issued and outstanding Common Shares of the Company.

Any options granted under the Company's previous stock option plan will remain outstanding and governed by the terms and conditions of that plan.

Eligible Participants

Persons eligible to participate are "Directors", "Employees" and "Consultants" (as such terms are defined TSXV Corporate Financial Manual) in of the Company or of a subsidiary ("**Eligible Participants**").

Limits of Issuance

The following limitations apply to grants under the Stock Option Plan:

- (i) the aggregate number of options granted to any one "Person" (as that term is defined in the TSXV Corporate Financial Manual), and companies wholly owned by that "Person", in a 12-month period must not exceed 5% of the issued and outstanding Common Shares, calculated on the date an option is granted to the "Person" (unless Kaizen has obtained the requisite "Disinterested Shareholder Approval");

- (ii) the aggregate number of options granted to any one “Consultant” in a 12-month period must not exceed 2% of the issued and outstanding Common Shares, calculated at the date an option is granted to the “Consultant”;
- (iii) the aggregate number of options granted to all “Persons” retained to provide “Investor Relations Activities” (as that term is defined in the TSXV Corporate Finance Manual) must not exceed 2% of the issued and outstanding Common Shares in any 12-month period, calculated at the date an option is granted to any such “Person”;
- (iv) the aggregate number of Common Shares reserved for issuance under stock options granted to “Insiders” (as that term is defined in the TSXV Corporate Financial Manual) (as a group) at any point in time shall not exceed 10% of the issued and outstanding Common Shares;
- (v) “Insiders” (as a group) shall not be granted options exceeding 10% of the issued and outstanding Common Shares in any 12-month period calculated at the date an option is granted to an “Insider”;
and
- (vi) the number of Common Shares which may be issued under the Stock Option Plan, together with Common Shares reserved for issuance under all other security-based compensation arrangements of Kaizen, shall not exceed 10% of the issued and outstanding Common Shares.

Options Terms and Exercise Price

The Board may, at any time, authorize the granting of options to such Eligible Participants as it may select, for the number of Common Shares that it shall designate subject to the provisions of the Stock Option Plan. The term of any options granted shall be fixed no later than the date such option is granted, which shall not be more than ten (10) years from the grant date. The exercise price per Common Share of any options may not be less than the “Discounted Market Price” as defined in the TSXV Corporate Finance Manual, which, subject to certain exceptions, generally means the most recent closing price of the Company’s Common Shares on the TSXV before the date of grant, less a discount ranging from 15% to 25%, depending on the trading price of the Company’s Common Shares.

Effect of Termination of Employment or Death

Unless otherwise determined by the Board, if an Eligible Participant ceases to be employed by, or act as, a “Director” of the Company or its affiliate: (i) as a result of death, any option held by such Eligible Participant at the date of death shall be exercisable only to the extent that the Eligible Participant was entitled to exercise the option at the date of their death and only for 12-months after such date or the expiration of the option, whichever is sooner; (ii) for any reason other than death or cause, any option held by such Eligible Participant at the effective date thereof shall become exercisable, only to the extent that the Eligible Participant was entitled to exercise the option at the date, for a period of up to 90 days thereafter or the expiration of the option, whichever is sooner; or (iii) for cause, no option held by such Eligible Participant will be exercisable following the date on which such Eligible Participant ceased to be employed or to be a “Director”, as the case may be.

Amendments

Subject to applicable regulatory compliance, the Board may from time to time, and without Shareholder approval, amend the Stock Option Plan amend any provision or terminate the Stock Option Plan, that is an amendment to fix typographical errors or amendments to clarify the existing provisions of the Stock Option Plan that do not substantively alter the scope, nature and intent of the provisions of the Stock Option Plan.

The Company may amend the terms of an option without TSXV acceptance, provided the Company issues a news release outlining the terms of the amendment, (i) to reduce the number of Common Shares under an option; (ii) to increase the exercise price of an option; and (iii) to cancel an option. Any other amendment shall require the approval of the TSXV.

A copy of the Company's Stock Option Plan is set out below as Schedule "B" and available for inspection at the Company's registered office in Vancouver during regular business hours.

Securities Issued and Unissued under the Stock Option Plan

As at the Record Date, there were 317,254,821 Common Shares of the Company issued and outstanding. The Common Shares reserved for issuance under the Stock Option Plan (and based on the current outstanding Common Shares of the Company), are as follows:

	Number of Common Shares	% of Issued and Outstanding Common Shares
Common Shares reserved for future issuance pursuant to issued and unexercised options under the Stock Option Plan	3,290,000	1.04%
Unissued Common Shares available for future option grants under the Stock Option Plan ⁽²⁾	28,435,482	8.96%
Maximum number of Common Shares available for issuance under the Stock Option Plan	31,725,482	10.00%

Note:

- (1) As at December 31, 2019, 4,775,000 options were outstanding under the Stock Option Plan, 26,950,482 Common Shares were available for future option grants under the Stock Option Plan at that time.
- (2) This number will be reduced by the total number of Common Shares underlying awards that may be granted under the RSU Plan. No RSUs have been granted at the date of this Circular.

Shareholders will be asked at the Meeting to pass an ordinary resolution, the text of which will be substantially the form as follows (the "**Stock Option Resolution**"):

"BE IT RESOLVED THAT:

1. *the Stock Option Plan (as defined and described in the Company's management information circular dated August 7, 2020 (the "**Circular**")), in the form attached as Schedule "B" to the Circular, and the reservation for issuance thereunder of up to 10% of the aggregate number of common shares as are issued and outstanding, less any common shares issued pursuant to the Company's restricted share unit plan, is hereby authorized, approved, ratified and confirmed;*
2. *the Stock Option Plan be authorized, approved, ratified and confirmed as the stock option plan of the Company, subject to any limitations imposed by applicable regulations, laws, rules and policies; and*
3. *any officer or director of the Company is authorized and directed to execute and deliver, under corporate seal or otherwise, all such documents and instruments and to do all such acts as in the opinion of such officer or director may be necessary or desirable to give effect to the foregoing resolutions."*

If the Stock Option Resolution is approved, the Stock Option Plan will remain in full force and all stock options granted under the Stock Option Plan to-date will remain outstanding, in each case without any amendment to their terms.

The Management Nominees intend to vote in favour of the Stock Option Resolution, unless a

Shareholder specifies in the proxy that his or her Common Shares are to be voted against the resolution.

PART 4 - STATEMENT OF EXECUTIVE COMPENSATION

The following discussion sets out the statement of executive compensation of the Company for the financial year ended December 31, 2019, prepared in accordance with Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers*.

Interpretation

A term used herein that is not defined in this Statement of Executive Compensation has the meaning ascribed to it under National Instrument 14-101 *Definitions*.

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

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

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

“**named executive officer**” or “**NEO**” means each of the following individuals:

- (a) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief executive officer, including an individual performing functions similar to a chief executive officer;
- (b) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief financial officer, including an individual performing functions similar to a chief financial officer;
- (c) in respect of the Company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) above at the end of the most recently completed financial year whose total compensation was more than \$150,000, for that financial year;
- (d) each individual who would be a NEO under paragraph (c) but for the fact that the individual was not an executive officer of the Company, and was not acting in a similar capacity, at the end of that financial year;

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

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

In 2019, the NEOs were deemed to be Tom Peregoodoff (former President and Chief Executive Officer), Eric Finlayson (interim President and Chief Executive Officer), Gregory Shenton (former Chief Financial Officer) and Gustavo Zulliger (Vice President Exploration).

Director and Named Executive Officer Compensation, Excluding Compensation Securities

The following table sets forth all direct and indirect compensation (excluding compensation securities) paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, by the Company to each NEO and each director of the Company, in any capacity, including, for greater certainty, all plan and non-plan compensation, direct and indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite paid, payable, awarded, granted, given or otherwise provided to the NEO or director for services provided and for services to be provided, directly or indirectly, to the Company, for each of the Company's two (2) 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 ⁽¹⁾ (\$)	Value of all other Compensation (\$)	Total Compensation (\$)
Tom Peregoodoff ⁽²⁾ <i>(former CEO)</i>	2019	196,572	N/A	N/A	N/A	N/A	196,572
	2018	186,146	N/A	N/A	N/A	N/A	186,146
Eric Finlayson ⁽³⁾ Interim President, CEO & Chairman	2019	Nil	N/A	N/A	N/A	N/A	Nil
	2018	12,000	N/A	2,000	N/A	N/A	14,000
Gregory Shenton ⁽⁴⁾ <i>(former CFO)</i>	2019	123,810	N/A	N/A	N/A	N/A	123,810
	2018	96,487	N/A	N/A	N/A	N/A	96,487
David Garratt ⁽⁵⁾ <i>(former CFO)</i>	2019	N/A	N/A	N/A	N/A	N/A	N/A
	2018	100,191	N/A	N/A	N/A	N/A	100,191
Gustavo Zulliger ⁽⁶⁾ VP Exploration	2019	297,226	N/A	N/A	N/A	N/A	297,226
	2018	256,193	N/A	N/A	N/A	N/A	256,193
David Boehm Director	2019	N/A	N/A	N/A	N/A	N/A	N/A
	2018	12,000	N/A	4,000	N/A	N/A	16,000
Richard Cohen ⁽¹⁰⁾ <i>(former Director)</i>	2019	N/A	N/A	N/A	N/A	N/A	N/A
	2018	12,000	N/A	4,000	N/A	N/A	16,000
David Huberman ⁽⁷⁾ <i>(former Director)</i>	2019	N/A	N/A	N/A	N/A	N/A	N/A
	2018	12,000	N/A	9,000	N/A	N/A	21,000
David Korbin ⁽⁸⁾ <i>(former Director)</i>	2019	N/A	N/A	N/A	N/A	N/A	N/A
	2018	12,000	N/A	4,000	N/A	N/A	16,000
Terry Krepiakevich Director	2019	N/A	N/A	N/A	N/A	N/A	N/A
	2018	12,000	N/A	10,000	N/A	N/A	22,000
Ignacio Rosado ⁽⁹⁾ <i>(former Director)</i>	2019	N/A	N/A	N/A	N/A	N/A	N/A
	2018	12,000	N/A	3,000	N/A	N/A	15,000

Notes:

- (1) Perquisites have not been included as they do not reach the prescribed value thresholds of \$15,000 or more, or 10% or more of total salary of the NEOs for the financial year.
- (2) Mr. Peregoodoff was appointed as President and Chief Executive Officer effective January 4, 2017 and resigned on November 30, 2019. Mr. Peregoodoff's annual salary was derived from a formula that paid him based on the percentage of working time allocated to the Company. See "Employment, Consulting and Management Agreements" below for additional details of compensation arrangements.
- (3) Mr. Finlayson served as the Interim Chief Executive Officer from April 1, 2016 to January 4, 2017 and again from December 1, 2019 to present. He was appointed to the Board on June 30, 2016. Mr. Finlayson's annual salary was derived from a formula that paid him based on the percentage of working time allocated to the Company. See section entitled "Employment, Consulting and Management Agreements" for additional details of compensation arrangements. In 2019, Mr. Finlayson received \$Nil from the Company for serving as Interim Chief Executive Officer, and \$Nil for serving as a Director.
- (4) Mr. Shenton was appointed as Chief Financial Officer, effective April 16, 2018 and resigned on March 31, 2020.
- (5) Mr. Garratt resigned as Chief Financial Officer, effective April 15, 2018. These amounts include vacation payout of \$13,385 (2018).

- (6) Mr. Zulliger was appointed Vice President Exploration on April 1, 2017. Mr. Zulliger's compensation is paid in U.S. dollars, and has been converted to Canadian dollars using an average exchange rate of 1.3269 for 2019 and 1.2957 for 2018.
- (7) Mr. Huberman resigned as Director, Chairman and Lead Independent Director effective September 17, 2018.
- (8) Mr. Korbin resigned as Director effective December 13, 2018.
- (9) Mr. Rosado resigned as Director effective March 31, 2019.
- (10) Mr. Cohen resigned as Director effective June 28, 2019.

Stock Options and Other Compensation Securities

For the financial year ended December 31, 2019, there were 800,000 options granted to each independent director by the Company for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries. The options were granted on August 26, 2019, and are exercisable at a per share price of \$0.05 until August 26, 2024. The closing price was \$0.05 on the date of the grant, and \$0.04 at December 31, 2019.

For the financial year ended December 31, 2019, the total amount of compensation securities, and underlying securities, held by each NEO or director is as follows:

- Mr. Peregoodoff resigned as President and Chief Executive Officer on November 30, 2019 and held a total of 500,000 options exercisable at a per share price of \$0.20 entitling the purchase of 500,000 Common Shares until February 28, 2020. All 500,000 options expired un-exercised.
- As at December 31, 2019, Mr. Finlayson held a total of 300,000 options entitling the purchase of 300,000 Common Shares of the Company. 150,000 options are exercisable at a per share price of \$0.24 until August 29, 2021, and 150,000 options are exercisable at a per share price of \$0.20 until January 30, 2022. Mr. Finlayson's options are fully vested.
- As at December 31, 2019, Mr. Shenton did not hold any options.
- As at December 31, 2019, Mr. Boehm held a total of 1,100,000 options, entitling the purchase of 1,100,000 Common Shares. 150,000 of the options are exercisable at a per share price of \$0.24 until August 29, 2021, 150,000 of the options are exercisable at a per share price of \$0.20 until January 30, 2022 and 800,000 of the options are exercisable at a per share price of \$0.05 until August 24, 2024. 566,667 options of Mr. Boehm's are vested.
- As at December 31, 2019, Mr. Krepiakevich held a total of 1,200,000 options, entitling the purchase of 1,200,000 Common Shares. 100,000 options were exercisable at a per share price of \$0.30 and expired on January 20, 2020, 150,000 options are exercisable at a per share price of \$0.24 until August 29, 2021, 150,000 options are exercisable at a per share price of \$0.20 until January 30, 2022, and 800,000 options are exercisable at a per share price of \$0.05 until August 26, 2024. 566,667 options of Mr. Krepiakevich's are vested.
- As at December 31, 2019, Mr. Gustavo held a total of 250,000 options, entitling the purchase of 250,000 Common Shares at a per share price of \$0.215 until April 1, 2022. Mr. Gustavo's options are fully vested.

Exercise of Compensation Securities by Directors and NEOs

There were no compensation securities exercised by a director or NEO of the Company during the most recent financial year ended December 31, 2019.

INCENTIVE PLANS

Stock Option Plan

See above *Part 3 – The Business of the Meeting – Annual Approval of the Stock Option Plan* for summary of the Stock Option Plan.

Restricted Share Unit Plan

The Company's RSU Plan was approved by Shareholders on May 21, 2015.

Pursuant to the RSU Plan, the Board may, from time to time, grant to eligible participants, unit awards, with each unit award granted entitling an eligible participant to receive one (1) RSU. Each RSU represents the right of an eligible participant to receive one (1) Common Share or a cash payment equal to the equivalent thereof.

Purpose

The purpose of the RSU Plan is to secure for the Company and its Shareholders the benefits of incentives inherent in share ownership by the employees, officers and directors of the Company and its affiliates who, in the judgment of the Board and a Compensation Committee, if any, will be largely responsible for the Company's future growth and success. Eligible participants under the RSU Plan include directors, officers, employees and consultants of the Company and any of its affiliates, each who participate in the RSU Plan voluntarily.

Limits of Issuance

The aggregate maximum number of Common Shares that may be issued pursuant to the RSU Plan is fixed and limited to 1,600,000 Common Shares. No RSUs have been granted at the date of this Circular.

Participation Limits

The number of options granted under the Stock Option Plan and unit awards granted under the RSU Plan, to any one person in any 12-month period must not exceed 5% of the issued Common Shares calculated as at the first such grant date.

The aggregate number of options granted under the Stock Option Plan and unit awards granted under the RSU Plan, to any one consultant in any 12-month period must not exceed 2% of the issued Common Shares calculated at the first such grant date.

The aggregate number of options granted under the Stock Option Plan and unit awards granted under the RSU Plan to all persons retained to provide Investor Relations Activities (as defined under the TSXV Corporate Finance Manual) must not exceed 2% of the issued Common Shares in any 12-month period calculated at the first such grant date. Unit awards granted to any person retained to provide Investor Relations Activities must vest in a period of not less than 12 months from the date of grant of the unit award and with no more than 25% of the unit awards vesting in any three (3) month period.

RSU Terms

The Board, or if authority is delegated to a Compensation Committee, that committee, may at any time authorize the grant of unit awards to such eligible participants as it may select for the number of unit awards

that it shall designate subject to the provisions of the RSU Plan. Each grant of a unit award shall specify the performance period and may (but is not required to) specify performance conditions attaching to it, with such conditions to be set by the Board or a Compensation Committee. Performance conditions are additional conditions that may be imposed on a unit award that are required to be satisfied or discharged before a unit award shall vest.

Vesting

Except as otherwise provided in the RSU Plan or unless otherwise determined by the Board or a Compensation Committee at the time of the grant of the unit award and subject to satisfaction of any performance conditions which may be attached to the unit award during the relevant performance period, unit awards shall vest in one-third ($\frac{1}{3}$) increments, commencing on the one year anniversary of the date of grant and on each of the two anniversaries thereafter.

Settlement

Provided a “blackout period” is not then in effect, and that the eligible participant does not otherwise have knowledge of a material fact or material change pertaining to the Company at the time of election, the eligible participant shall, within three (3) business days of the date of grant, notify the Company of their election to settle their unit awards on (i) a cash-basis, (ii) share-basis, or (iii) both a cash-basis and share-basis. If an eligible participant fails to make an election, the eligible participant will be deemed to have elected to settle their RSU awards on a share-basis.

If cash settlement is elected, the Company would issue that number of vested Common Shares to which the eligible participant is entitled to a licensed securities broker, who would then sell such shares in the public market and deliver the net proceeds thereof to the eligible participant. If share settlement is elected, the Company will cause the vested Common Shares to be issued in certificated form to the eligible participant within five (5) business days of vesting.

All settlement elections are irrevocable once made and may not be modified, amended or varied by either the eligible participant or the Company (unless the election becomes subsequently unlawful).

No unit award shall be settled more than ten years following its initial grant date.

Effect of Termination

If an eligible participant ceases to be employed by, or act as, an officer or a director of the Company or its affiliates (or a consultant) for any reason (including death, termination for cause, termination without cause, resignation or retirement): (i) any unvested unit awards held by such eligible participant at the date the eligible participant ceases to be an employee, officer or director of the Company or its affiliates (or a consultant) shall be terminated as of such date; and (ii) any vested unit awards held by such eligible participant at the date the eligible participant ceases to be an employee, officer or director of the Company or its affiliates (or a consultant) and which has not yet been settled, shall be settled within thirty (30) days of such date. If a unit award has performance conditions attached to it which remain unsatisfied at the date an eligible participant ceases to be an employee, officer or director of the Company or its affiliates (or a consultant), then such unit awards shall be deemed to not have vested.

Transferability

Any unit awards or RSUs accruing to any eligible participant shall not be transferable except by will or by the laws of descent and distribution. All benefits and rights granted under the RSU Plan may only be

exercised by the eligible participant during their lifetime.

Amendments

The Board may amend the terms of the RSU Plan without Shareholder approval, including for the purposes of changes of a clerical or grammatical nature; changes regarding the persons eligible to participate in the RSU Plan; changes to the vesting, provisions of unit awards, performance conditions or performance period; changes to the authority and role of a Compensation Committee under the RSU Plan; and any other matter relating to the RSU Plan and the unit awards granted thereunder.

The Compensation Committee, if any, also has the power to amend the terms of the RSU Plan without Shareholder approval, for the purposes of: changes of a clerical or grammatical nature; changes regarding the persons eligible to participate in the RSU Plan; and changes to the vesting, provisions of unit awards, performance conditions or performance period.

Notwithstanding the foregoing, the powers of the Board and the Compensation Committee, if any, shall be limited in those circumstances set forth in the RSU Plan as requiring Shareholder approval or approval of the TSXV.

Any amendment to the RSU Plan or a unit award requires prior approval of the TSXV, unless the amendment imposes additional performance conditions. As well, any amendment to an outstanding unit award or RSU held by an insider requires “Disinterested Shareholder Approval”.

Securities Issued and Unissued under the RSU Plan

As at the Record Date, there were 317,254,821 Common Shares of the Company issued and outstanding. Pursuant to the RSU Plan, Common Shares reserved for issuance under the RSU Plan would be as follows:

	Number of Common Shares	% of Issued and Outstanding Common Shares
Common Shares reserved for future issuance pursuant to issued and unvested RSUs under the RSU Plan	Nil	Nil
Unissued Common Shares available for future RSU grants under the RSU Plan ⁽¹⁾	1,600,000	0.50%
Maximum number of Common Shares available for issuance under the RSU Plan ⁽¹⁾	1,600,000	0.50%

Note:

- (1) The aggregate number of Common Shares that may be reserved for issuance under the RSU Plan, together with any other securities-based compensation arrangement of the Company in effect from time to time, in this case the Stock Option Plan, shall not exceed 10% of the issued and outstanding Common Shares from time to time.

Employment, Consulting and Management Agreements

NEO Agreements

Tom Peregoodoff

Mr. Peregoodoff joined the Company as President and Chief Executive Officer on January 4, 2017 and resigned on November 30, 2019. Mr. Peregoodoff’s employment agreement with the Company (the “**Peregoodoff Agreement**”) was administered by Global Mining Management (“**GMM**”)⁽¹⁾.

¹ The Company is a shareholder of GMM which provides shared services to a number of private and publicly listed companies.

Mr. Peregoodoff was entitled to a base salary of \$390,000 on a full-time annual basis (the “**Annual CEO Salary**”), with the actual amount payable derived from a formula that pays him based on the percentage of working time he allocates to the Company. In addition to the Annual CEO Salary, Mr. Peregoodoff was entitled to receive four weeks paid annual vacation per annum and will be reimbursed for all reasonable expenses incurred in the course of performing his duties as Chief Executive Officer. Under the Peregoodoff Agreement the Company had the option to terminate the Peregoodoff Agreement with six months’ notice in writing and likewise, Mr. Peregoodoff had the option to terminate the Peregoodoff Agreement on six months’ notice in writing.

Greg Shenton

Mr. Shenton was appointed as Chief Financial Officer on April 16, 2018 and resigned on March 31, 2020. Mr. Shenton’s employment agreement with the Company (the “**Shenton Agreement**”) was administered by GMM. Mr. Shenton was entitled to a base salary of \$275,000 on an annual basis, with the actual amount payable derived from a formula that pays him based on the percentage of working time he allocates to the Company. Mr. Shenton was entitled to receive five weeks paid annual vacation per annum and was to be reimbursed for all reasonable expenses incurred in the course of performing his duties as Chief Financial Officer. Either the Company or Mr. Shenton had the option terminate the Shenton Agreement with six months’ notice in writing to the other.

Eric Finlayson

Mr. Finlayson was appointed interim President and Chief Executive Officer on December 1, 2019 and entered into an employment agreement with the Company (the “**Finlayson Agreement**”) administered by GMM. Mr. Finlayson is entitled to a base salary of \$405,600.00 on an annual basis, with the actual amount payable derived from a formula that pays him based on the percentage of working time he allocates to the Company. Mr. Finlayson is entitled to receive five (5) weeks paid annual vacation per annum and will be reimbursed for all reasonable expenses incurred in the course of performing his duties as Chief Executive Officer. Either the Company or Mr. Finlayson may terminate the Finlayson agreement with six months’ notice in writing to the other.

Gustavo Zulliger

Mr. Zulliger was appointed Vice President Exploration on April 1, 2017, and performs his functions for the Company pursuant to a consulting agreement with GMM, HPX and the Company (the “**Zulliger Agreement**”). The Zulliger Agreement is administered by GMM through a monthly invoice submitted by by Mr. Zulliger to GMM detailing the amount time worked and services performed for each Company. Mr. Zulliger is entitled to a fee equal to US\$20,833.00 per month for providing his services.

The Zulliger Agreement is for an indefinite term, but may be terminated by Mr. Zulliger with a thirty (30) days written notice, and by the Company with a three (3) months written notice.

Oversight and Description of Director and NEO Compensation

Objectives of Compensation Program

The Board recognizes that the Company’s performance depends on the quality of its directors and executives. To achieve its operating and financial objectives, the Company must attract, motivate and retain highly skilled directors and executives. The Board further recognizes that there must be a link between compensation and business strategy and that remuneration at the Company should be comparable with that offered by companies of comparable size operating in the mineral exploration and development industry in

order to ensure that the Company can retain its executives and promote a culture aimed at achieving its business objectives.

Executive compensation packages are designed to attract, motivate and retain executives of the calibre necessary to manage the Company's operations and to align the executives' interests with the interests of the Company's Shareholders and reward them for enhancing Shareholder value.

Compensation Philosophy and Goals

The Board has the overall responsibility for the Company's compensation program. The Board may delegate certain research and oversight responsibilities to the Compensation Committee, if any, but retains final authority over the compensation program and process, including approval of material amendments to or the adoption of new equity-based compensation plans and the review and approval of any Compensation Committee recommendations.

The Compensation Committee would base its recommendations to the Board on its compensation philosophy and the Compensation Committee's assessment of corporate and individual performance, recruiting and retention needs. In implementing its compensation philosophy, the Compensation Committee and the Board are mindful that:

- compensation should be guided by a pay for performance philosophy;
- compensation should be market-competitive to attract and retain the leadership talent required to drive business results;
- compensation should be linked to corporate objectives, and individual performance in achieving those corporate objectives, while not encouraging excessive or inappropriate risk taking in order to maximize Shareholder return; and
- compensation should motivate high performers to achieve exceptional levels of performance through rewards tied to performance.

Role of the Compensation Committee

The Compensation Committee of the Board currently stands vacant. This is as a result of the reduction in the size of the Board and reduced operating activity of the company. The Board may reconstitute the committee in the future depending on prevailing corporate activity involving the Board and the addition of new members.

NEO Compensation

The most significant element of compensation awarded to NEOs in the most recently completed financial year was base salary (see tables above). NEO compensation was not tied to any performance criteria or goal. There were no events that occurred during the most recently completed financial year that have significantly affected NEO compensation. Currently, no formal peer group is used to determine NEO compensation.

For additional information on NEO compensation, see this *Part 4 – Statement of Executive Compensation – Employment, Consulting and Management Agreements*.

Compensation Decisions for 2019

The Company's policy for determining the nature and amount of remuneration for the Company's directors and NEOs is assessed from time to time with reference to the mineral exploration and development industry marketplace, comparable market compensation levels for individuals in positions with similar responsibilities and experience. With respect to 2019, given current market conditions and the limited cash resources of the Company, no bonus awards were paid to executive management.

No long-term incentives were granted during 2019, but the Board places significantly more emphasis on incentivizing executive management through the grant of stock options, from time to time, in order to better align long term executive interest with long term Shareholder value.

Director Compensation

The Board's policy is to remunerate non-executive directors for their commitment of time, duties and responsibilities at market rates for similar companies in comparable industries. The Board reviews on an annual basis the remuneration to non-executive directors and makes determinations thereon based on market practice, workload and accountability. Independent external advice is sought when required. Prior to mid-2018, non-executive directors received a modest cash retainer for serving on the Board, along with additional cash amounts for serving as chair or on a committee. Effective in June 2018, the Company ceased all cash payments to Board members in order to conserve cash resources. No other fees are payable to non-executive directors at this time, however directors are able to participate in the Stock Option Plan and RSU Plan.

No Changes to Compensation Policies

Except as disclosed, no significant changes to the Company's compensation policies have been made during or after December 31, 2019 that could or will have an effect on director or NEO compensation.

PART 5 - SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Equity participation is accomplished through the Company's Stock Option Plan. The Company also established its Restricted Share Unit Plan ("RSU Plan") dated June 30, 2015, last approved by the shareholders on May 21, 2015, which provides for the issuance of Common Shares upon the vesting of restricted share units ("RSUs").

Equity Compensation Plan Information

Set forth below is a summary of securities issued and issuable under all equity compensation plans of the Company as at December 31, 2019.

Plan Category	Number of securities to be issued upon exercise of outstanding options, RSUs⁽¹⁾, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by the security holders	4,775,000 ⁽¹⁾	\$0.18	26,950,482 ⁽²⁾
Equity compensation plans not approved by the security holders	N/A	N/A	N/A

Total	4,775,000	\$0.18	26,950,482
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Note:

- (1) 1,600,000 RSUs could be issued pursuant to the RSU Plan however no RSUs are outstanding at the date of this Circular.
- (2) Calculated based upon 10% of an aggregate of 317,254,821 Kaizen Shares issued and outstanding as of December 31, 2019, less the aggregate of 4,775,000 stock options outstanding under the Stock Option Plan.

Summaries of the Stock Option Plan and the RSU Plan are included in this Circular under *Part 3 – The Business of the Meeting – Annual Approval of the Stock Option Plan* and *Part 4 – Statement of Executive Compensation – Incentive Plans*, respectively. A copy of the Stock Option Plan is included with this Circular as Schedule “B”.

As of the date of this Circular, there are options granted and outstanding under the Stock Option Plan entitling the purchase of an aggregate 3,290,000 Common Shares with a weighted average exercise price of \$0.14.

Indebtedness of Directors, Executive Officers and Employees

No individual who is, or at any time during the most recently completed financial year of the Company was, a director, executive officer, employee or former director, executive officer or employee of the Company, a Nominee, or any of their associates, is indebted to the Company or any subsidiary of the Company, or was so indebted at any time during the last completed fiscal year of the Company, nor have any such individuals been or are they currently indebted to another entity where such indebtedness is or has been the subject of a guarantee, support agreement, letter of credit or other similar arrangement provided by the Company or any subsidiary of the Company.

Interest of Informed Persons in Material Transactions

Except as described below, no proposed nominee for election as a director, and no director or officer of the Company who has served in such capacity since the beginning of Kaizen’s financial year ended December 31, 2019 and to the date of this Circular, and no person or company who beneficially owns, or controls or directs, directly or indirectly, more than 10% of Kaizen’s outstanding Common Shares, and none of the respective associates or affiliates of any of the foregoing, had or has any interest in any transaction with Kaizen since the beginning of the financial year ended December 31, 2019 and to the date of this Circular, or in any proposed transaction, that has materially affected Kaizen or any subsidiary of Kaizen or is likely to do so. Each of the material change reports referenced below are incorporated by reference herein and are available on the Company’s SEDAR profile at www.sedar.com.

- On December 23, 2019, the Company received a short-term loan of US\$2,150,000 under an unsecured promissory loan provided by Kaizen’s majority shareholder HPX TechCo Inc., as described in a material change report dated January 2, 2020.
- On July 8, 2019, the Company announced a non-brokered private placement of up to 50,000,000 units (each a “Unit”) at a price of \$0.05 per Unit, for gross proceeds of up to \$2,500,000. Each Unit comprised on one common share and one common share purchase warrant. HPX TechCo Inc. subscribed for 20,000,000 Units, for an investment of approximately \$1,000,000.

At the same time, the Company agreed with HPX TechCo Inc. to convert the full amount of the principle and interest owing on the Promissory Note into 20,488,185 shares of the Company, as described in a material change report dated July 16, 2019.

- On February 4, 2019, the Company received loan financing of US\$750,000 under an unsecured promissory note provided by HPX TechCo Inc., as described in a material change report dated February 13, 2019.

PART 6 - AUDIT COMMITTEE

National Instrument 52-110 *Audit Committees* (“**NI 52-110**”) requires the Company, as a venture issuer, to disclose annually in its Circular certain information concerning the constitution of the Company’s audit committee (the “**Audit Committee**”) and its relationship with its independent auditor, as set out below.

The Audit Committee Charter

The Company’s Audit Committee is governed by an audit committee charter. A copy of the Company’s Audit Committee Charter is attached hereto as Schedule “A” – Audit Committee Charter.

Composition of the Audit Committee

The Company’s Audit Committee is comprised of three directors: Terry Krepiakevich (Chair), Eric Finlayson and David Boehm, two of whom are independent, as that term is defined in NI 52-110. Eric Finlayson is not independent because he is the President of HPX, an affiliate of HPX TechCo Inc., the Company’s majority Shareholder. All of the Audit Committee members are “financially literate”, as that term is defined in NI 52-110, and all have the industry experience necessary to understand and analyze financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company’s financial statements.

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

Relevant Education and Experience of Members of the Audit Committee

Each of Messrs. Krepiakevich, Boehm and Finlayson have education and experience that is relevant to the performance of their responsibilities as Audit Committee members, and such education and experience is disclosed below in accordance with NI 52-110.

Terry Krepiakevich, Chair

Mr. Krepiakevich, CPA, CA, has more than 34 years of management, finance and accounting experience. He has extensive experience in the areas of audit committees and financial risk assessment. He was the Chief Executive Officer of Meryllion Resources Corporation from December 2013 to December 2014. Mr. Krepiakevich was the Interim Chief Executive Officer of the Company's predecessor, Concordia Resource Corp., from March 2013 until the transaction that created the Company in December 2013. Mr. Krepiakevich held the office of Chief Financial Officer at SouthGobi Resources Ltd. from 2006 to 2011, at Extreme CCTV Inc. from 2000 to 2006 and at Maynards Industries Ltd. from 1988 to 2000. Mr. Krepiakevich received a B.A. degree in History from the University of British Columbia in 1974.

Eric Finlayson

Mr. Finlayson was interim CEO for Kaizen from April 2016 until January 2017 and November 30, 2019 to present, and was appointed as a member of the Audit Committee in February 2019. He is currently the President of HPX, an affiliate of Kaizen's majority Shareholder, HPX TechCo Inc. and he has served as the Senior Advisor of Business Development of HPX since 2013. Prior to joining HPX, Mr. Finlayson spent 24 years with Rio Tinto including 5 years as Rio Tinto's Global Head of Exploration. He received his undergraduate degree from the University of Strathclyde.

David Boehm

Mr. Boehm is a Fellow of the Institute of Chartered Accountants in Australia. He is a Member of the Hong Kong Institute of Certified Public Accountants since 1982 and qualified as a Chartered Accountant with Peat Marwick Mitchell & Co. in Sydney in 1981. Mr. Boehm has served as the Chairman of Wolmar Investments Ltd. since November 2001 and is the co-founder and CEO of Miskawaan Health Group Limited in Hong Kong. He has extensive experience on financing and tax structuring of public companies as well as expertise in venture capital, project planning, international trade and finance, private banking and foreign currencies. Mr. Boehm has assisted companies intending to secure listings on Asian, North American and European stock exchanges.

Audit Committee Oversight

Since the commencement of the Company's most recently completed financial year, the Company's Board has not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

Reliance on Certain Exemptions

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 provides an exemption from the requirement that the Audit Committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the financial year in which the non-audit services were provided;
2. the exemption in section 6.1.1(4) (*Circumstance Affecting the Business or Operations of the Venture Issuer*) of NI 52-110, which exempts the Audit Committee until the earlier of the next annual general meeting or the expiry of six months from the requirement that a majority of the committee not be executive officers or employees if the business or operations of the issuer would be affected and would be best addressed by a member of the committee becoming an executive officer or employee;
3. the exemption in section 6.1.1(5) (*Events Outside Control of Member*) of NI 52-110, which exempts the Audit Committee until the earlier of the next annual general meeting or the expiry of six months from the requirement that a majority of the committee not be control persons if a member of the committee becomes a control person for reasons outside of the member's reasonable control;
4. the exemption in section 6.1.1(6) (*Death, Incapacity or Resignation*) of NI 52-110, which exempts the Audit Committee until the earlier of the next annual general meeting or the expiry of six months

from the requirement that the committee consist of three directors if a vacancy arises from the death, incapacity or resignation of a member of the committee; 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.

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as set out in the Audit Committee Charter of the Company. A copy of the Company’s Audit Committee Charter is attached hereto as Schedule “A” – Audit Committee Charter.

External Auditor Service Fees

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

The aggregate fees billed by the Company’s external auditor in the last two financial years, by category, are as follows:

Financial Year-Ended December 31	Audit Fees ⁽¹⁾	Audit Related Fees	Tax Fees	All Other Fees ⁽²⁾
2019	56,500	52,500	\$Nil	\$Nil
2018	55,000	62,000	\$Nil	\$Nil

Notes:

- (1) Represents the aggregate estimated fees to be billed by the Company’s external auditor in each of the last two financial years for audit services.
- (2) Represents the aggregate fees billed in each of the last two financial years by the Company’s external auditor for products and services not included under the headings “Audit Fees”, “Audit Related Fees” and “Tax Fees”.

Exemption

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

PART 7 - CORPORATE GOVERNANCE DISCLOSURE

National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (the “**NI 58-101**”) requires the Company to annually disclose its corporate governance practices in accordance with Form 58-101F2.

The following is a discussion of each of the Company’s corporate governance practices for which disclosure is required by the NI 58-101. Unless otherwise indicated, the Board believes that its corporate governance practices are consistent with the guidance of National Policy 58-201 – *Corporate Governance Guidelines*.

Director Independence

Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A “material relationship” is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director’s independent judgement.

The Company has a Board that is comprised of a majority of independent directors.

Independent Directors

The Board is currently comprised of three directors, two of whom are independent. The Board has determined that David Boehm and Terry Krepiakovich are independent directors.

Non-Independent Directors

The Board has determined that Eric Finlayson is not an independent director because Mr. Finlayson served as Kaizen’s Interim Chief Executive Officer from April 2016 to January 2017, and November 30, 2019 to present. Mr. Finlayson is also the President of High Power Exploration Inc. (“HPX”), an affiliate of HPX TechCo Inc., the Company’s majority Shareholder.

The fact that the majority of Board members are and, if all of management’s nominees are elected as directors at the Meeting, will continue to be independent facilitates the Board’s exercise of independent supervision over management. At this time, the independent directors do not hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. However, the Board will, in appropriate circumstances, meet separately from non-independent directors and the independent directors will have open and candid discussions among themselves.

The Board has assumed responsibility for the stewardship of the Company and has adopted a formal mandate setting out its stewardship responsibilities. A copy of the Board mandate may be obtained, without charge, upon request to the Company’s Corporate Secretary at Suite 654 - 999 Canada Place, Vancouver, British Columbia, Canada V6C 3E1, or by calling toll-free within North America at **1-888-571-4545** or direct, from outside of North America at **+1-604-669-6446** (not a toll-free number) or by email at info@kaizendiscovery.com.

Other Directorships

Certain of the Company’s directors are directors of other reporting issuers (or the equivalent in Canada or foreign jurisdictions), as set out in the following table:

Name of Director	Other Reporting Issuer (or equivalent in a foreign jurisdiction)
David Boehm	Miskawaan Health Group Limited, Hong Kong
Eric Finlayson	Clean TeQ Holdings Limited (ASX) Cordoba Minerals Corp. (TSXV; OTCQB) Sama Resources Inc. (TSXV)
Terry Krepiakovich	Alexco Resource Corp. (TSX; NYSE American) Metalla Royalty & Streaming Ltd (TSXV; NYSE American)

Orientation and Continuing Education

The Board is responsible for ensuring that all new directors receive a comprehensive orientation, that they fully understand the role of the Board and its committees, and that they understand the nature and operation of the Company's business. In addition, the Board is responsible for providing continuing education opportunities designed to maintain or enhance the skills and abilities of the directors and to ensure that their knowledge and understanding of the business remains current.

Management provides each new director with an orientation handbook containing up-to-date information regarding the Company including, but not limited to, the Board mandate and committee charters, Company policies, guidelines and governance practices, Company organizational documents, information on the Company's share capital and security based compensation arrangements, approved budget(s) and the annual Board and committee meeting calendar. Directors, including new Board members, regularly are provided an opportunity to interact with management to discuss key operational, financial and industry matters regarding the Company's business.

Management informs and educates the Board on a continuing basis as necessary to keep the directors up-to-date with the Company, its business and the environment in which it operates. In addition, directors are encouraged to take courses relevant to the Company and its business, particularly with respect to corporate governance and the mining industry, at the Company's expense.

Ethical Business Conduct

The directors encourage and promote a culture of ethical business conduct through communication and supervision as part of their overall stewardship responsibility. The Company has adopted a Code of Business Conduct and Ethics (the "**Code**") which addresses the Company's continuing commitment to integrity and ethical behaviour. The Code is applicable to all employees, consultants, officers and directors regardless of their position in the organization, at all times and everywhere the Company does business. The Code provides that the Company's employees, consultants, officers and directors will uphold its commitment to a culture of honesty, integrity, accountability and respect for the communities in which the Company operates. The Company requires the highest standards of professional and ethical conduct from its employees, consultants, officers and directors.

Certain members of the Board are directors or officers of, or have shareholdings in, other mineral resource companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. Where such a conflict involves a particular Board member (i.e., where a Board member has an interest in a material contract or material transaction involving the Company), such Board member will be required to disclose his or her interest to the Board and refrain from voting at the Board meeting of the Company considering such contract or transaction in accordance with applicable law. It is not always easy to determine whether a conflict of interest exists, so any potential conflicts of interest are encouraged to be reported immediately to a member of senior management who is independent of the potential conflict and who will assess the issue with the advice of legal counsel. If deemed appropriate, the Company may establish a special committee of independent directors to review a matter in which several directors, or management, may have a conflict.

In addition, the Board has adopted a whistleblower policy (the "**Whistleblower Policy**") which provides a procedure for the receipt, review and handling of complaints or concerns, made in writing, by telephone or online using the Company's confidential and anonymous whistleblower reporting system, with respect to questionable ethical, moral, accounting, internal accounting controls or auditing matters. The Board has mandated the Audit Committee to oversee and administer the Whistleblower Policy.

Each of the Company's directors, management and senior employees have completed or are in the process of completing an online e-learning training course relating to anti-corruption and anti-bribery.

A copy of the Code and the Whistleblower Policy may be obtained, without charge, upon request to the Company's Corporate Secretary at 654 - 999 Canada Place, Vancouver, British Columbia, Canada V6C 3E1, or by calling toll-free within North America at **1-888-571-4545** or direct, from outside of North America at **+1-604-669-6446** (not a toll-free number) or by email at info@kaizendiscovery.com.

Nomination of Directors

The Board has had a Nominating and Corporate Governance Committee (the "NCGC") for several years. This NCGC consisted of independent directors and operated under a defined charter. In 2018, the Board determined to allow the positions on this committee to stand vacant, in light of the reduction in the size of the Board and reduced operating activity of the company. The Board may reconstitute the committee in the future depending on prevailing corporate activity involving the Board and the addition of new members.

The Board and the NCGC, if any, are responsible for the appointment and assessment of directors.

While there are no specific criteria for Board membership, the Company attempts to attract and maintain directors with business knowledge and a particular knowledge of mineral exploration and development or other areas (such as finance) which provide knowledge which would assist in guiding the officers of the Company. As such, nominations tend to be the result of recruitment efforts by management who make recommendations to the NCGC, who in turn provides its recommendations to the Board as a whole for its consideration.

A copy of the NCGC's charter may be obtained upon request to the Company's Corporate Secretary, Suite 654 - 999 Canada Place, Vancouver, British Columbia, V6C 3E1, or by calling toll-free within North America at **1-888-571-4545** or direct, from outside of North America at **+1-604-669-6446** (not a toll-free number) or by email at info@kaizendiscovery.com.

Compensation

Refer to section titled "*Oversight and Description of Director and NEO Compensation*" in *Part 4 – Statement of Executive Compensation* in this Circular for a description of the process by which the Board determines the compensation for the Company's directors and officers.

Other Board Committees

The Company has no other committees other than those described above.

Assessments

The Company undertakes a formal process for assessing the effectiveness of the Board as a whole, its committees and individual directors on an annual basis, which in the past was managed by the NCGC. As part of this process, directors complete a detailed questionnaire which provides for quantitative and qualitative ratings of their individual performance in key areas and seeks subjective comment in each of those areas.

The Board waived the self-assessment process for 2019, which would have included individual director self-assessments, a Board assessment and committee performance reviews. The Board does plan to conduct the self-assessment process in 2020 on the same basis.

Summary of Board and Committee Meetings Held

The following table summarizes the meetings of the Board and the committees held during the year ended December 31, 2019:

	Number of Meetings
Board of Directors	7
Audit Committee	4
Compensation Committee	0
Nominating and Corporate Governance Committee	0

During 2019, all seven (7) meetings of the Board were held by teleconference. Four (4) resolutions were passed in writing by the Board in lieu of meetings.

PART 8 - ADDITIONAL INFORMATION

Additional information relating to the Company is available free of charge through the Company's website at www.kaizendiscovery.com or through the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com. This includes financial information, which is provided in the Company's comparative financial statements and management's discussion and analysis for its most recently completed quarter and financial year, and which may be viewed on the SEDAR website. Shareholders may contact the Company directly to receive copies of information relating to it, including its financial statements and management's discussion and analysis, without charge, upon request to Rona Sellers, Corporate Secretary, Suite 654 - 999 Canada Place, Vancouver, British Columbia, V6C 3E1, by telephone at **1-888-571-4545** (which is a toll-free number) or **+1-604-669-6446** (which is not a toll-free number) or by email at info@kaizendiscovery.com.

Other Matters

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

Approval

The contents and the sending of this Circular have been approved by the directors of the Company.

Dated at Vancouver, British Columbia this 7th day of August, 2020.

BY ORDER OF THE BOARD OF DIRECTORS OF KAIZEN DISCOVERY INC.

"Eric Finlayson"
Eric Finlayson
Interim President and Chief Executive Officer

"Rona Sellers"
Rona Sellers
Corporate Secretary

SCHEDULE “A” – AUDIT COMMITTEE CHARTER

KAIZEN DISCOVERY INC. (the “Company”)

AUDIT COMMITTEE CHARTER

I. Purpose

The primary objective of the Audit Committee (the “**Committee**”) of Kaizen Discovery Inc. (the “**Company**”) is to act as a liaison between the Board of Directors (the “**Board**”) and the Company’s independent auditors (the “**Auditors**”) and to assist the Board in fulfilling its oversight responsibilities with respect to (a) the financial statements and other financial information provided by the Company to its shareholders, the public and others, (b) the Company’s compliance with legal and regulatory requirements, (c) the qualification, independence and performance of the Auditors and (d) the Company's risk management and internal financial and accounting controls, and management information systems.

Although the Committee has the powers and responsibilities set forth in this Charter, the role of the Committee is oversight. The members of the Committee are not full-time employees of the Company and may or may not be accountants or auditors by profession or experts in the fields of accounting or auditing and, in any event, do not serve in such capacity. Consequently, it is not the duty of the Committee to conduct audits or to determine that the Company’s financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the Auditors.

The responsibilities of a member of the Committee are in addition to such member’s duties as a member of the Board.

II. Organization

The Committee shall consist of three or more directors, the majority of which shall be independent directors, and shall satisfy the laws governing the Company and the independence, financial literacy, expertise and experience requirements under applicable securities law, stock exchange and any other regulatory requirements applicable to the Company.

The members of the Committee and the Chair of the Committee shall be appointed by the Board on the recommendation of the Nominating & Corporate Governance Committee. A majority of the members of the Committee shall constitute a quorum. A majority of the members of the Committee shall be empowered to act on behalf of the Committee. Matters decided by the Committee shall be decided by majority votes. The chair of the Committee shall have an ordinary vote.

Any member of the Committee may be removed or replaced at any time by the Board and shall cease to be a member of the Committee as soon as such member ceases to be a director.

The Committee may form and delegate authority to subcommittees when appropriate.

III. Meetings

The Committee shall meet as frequently as circumstances require, but not less frequently than four times per year. The Committee shall meet at least quarterly with management, the Company’s Chief Financial Officer and the Auditors in separate in-camera sessions to discuss any matters that the Committee or each of the Chief Financial Officer or Auditors believe should be discussed privately.

The Chair of the Committee shall be an independent chair who is not Chair of the Board. In the absence of the appointed Chair of the Committee at any meeting, the members shall elect a chair from those in

attendance at the meeting. The Chair shall set the frequency of each meeting and the agenda of items to be addressed at each upcoming meeting.

The Committee will appoint a recording secretary who will keep minutes of all meetings. The recording secretary may be the Company's Corporate Secretary or another person who does not need to be a member of the Committee. The recording secretary for the Committee can be changed by simple notice from the Chair.

The Chair shall ensure that the agenda for each upcoming meeting of the Committee is circulated to each member of the Committee as well as the other directors in advance of the meeting.

The Committee may invite, from time to time, such persons as it may see fit to attend its meetings and to take part in discussion and consideration of the affairs of the Committee. The Company's accounting and financial officer(s) and the Auditors shall attend any meeting when requested to do so by the Chair of the Committee.

IV. Authority and Responsibilities

The Board, after consideration of the recommendation of the Committee, shall nominate the Auditors for appointment by the shareholders of the Company in accordance with applicable law. The Auditors report directly to the Audit Committee. The Auditors are ultimately accountable to the Committee and the Board as representatives of the shareholders.

The Committee shall have the following responsibilities:

(a) Auditors

1. Recommend to the Board the independent auditors to be nominated for appointment as Auditors of the Company at the Company's annual meeting; approve the remuneration to be paid to the Auditors for services performed; approve all auditing services to be provided by the Auditors; be responsible for the oversight of the work of the Auditors, including the resolution of disagreements between management and the Auditors regarding financial reporting; and recommend to the Board and the shareholders the termination of the appointment of the Auditors, if and when advisable.
2. When there is to be a change of the Auditor, review all issues related to the change, including any notices required under applicable securities law, stock exchange or other regulatory requirements, and the planned steps for an orderly transition.
3. Review the Auditor's audit plan and discuss the Auditor's scope, staffing, materiality, and general audit approach.
4. Review on an annual basis the performance of the Auditors, including the lead audit partner.
5. Take reasonable steps to confirm the independence of the Auditors, which include:
 - (a) Ensuring receipt from the Auditors of a formal written statement in accordance with applicable regulatory requirements delineating all relationships between the Auditors and the Company;
 - (b) Considering and discussing with the Auditors any disclosed relationships or services, including non-audit services, that may impact the objectivity and independence of the Auditors;
 - (c) Approving in advance any non-audit related services provided by the Auditor to the Company, and the fees for such services, with a view to ensure independence of the Auditor, and in accordance with applicable regulatory standards, including applicable stock exchange

requirements with respect to approval of non-audit related services performed by the Auditors;
and

(d) As necessary, taking or recommending that the Board take appropriate action to oversee the independence of the Auditors.

6. Review and approve any disclosures required to be included in periodic reports under applicable securities law, stock exchange and other regulatory requirements with respect to non-audit services.
7. Confirm with the Auditors and receive written confirmation at least once per year (i) indicating that the Auditors are a member in good standing with the Canadian Public Accountability Board (“CPAB”) and comparable bodies elsewhere to the extent required and disclosing any sanctions or restrictions imposed by the CPAB and such other comparable bodies; and (ii) responding to any other reasonable request of the Audit Committee for confirmation as to their qualifications to act as the Company’s Auditors.
8. Consider the tenure of the lead audit partner on the engagement in light of applicable securities law, stock exchange or applicable regulatory requirements.
9. Review all reports required to be submitted by the Auditors to the Committee under applicable securities laws, stock exchange or other regulatory requirements.
10. Receive all recommendations and explanations which the Auditors place before the Committee.

(b) Financial Statements and Financial Information

11. Review and discuss with management and the Auditors, the Company’s annual audited financial statements, including disclosures made in management’s discussion and analysis, prior to filing or distribution of such statements and recommend to the Board, if appropriate, that the Company’s audited financial statements be included in the Company’s annual reports distributed and filed under applicable laws and regulatory requirements.
12. Review and discuss with management and the Auditors, the Company’s interim financial statements, including management’s discussion and analysis, and the Auditor’s review of interim financial statements, prior to filing or distribution of such statements.
13. Review any earnings press releases of the Company before the Company publicly discloses this information.
14. Be satisfied that adequate procedures are in place for the review of the Company’s disclosure of financial information extracted or derived from the Company’s financial statements and periodically assess the adequacy of these procedures.
15. Discuss with the Auditor the matters required to be discussed by applicable auditing standards requirements relating to the conduct of the audit including:
 - (a) the adoption of, or changes to, the Company’s significant auditing and accounting principles and practices;
 - (b) the management letter provided by the Auditor and the Company’s response to that letter;
and

- (c) any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to requested information, or personnel and any significant disagreements with management.
- (3) 16. Discuss with management and the Auditors major issues regarding accounting principles used in the preparation of the Company's financial statements, including any significant changes in the Company's selection or application of accounting principles. Review and discuss analyses prepared by management and/or the Auditors setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative approaches under international financial reporting standards.
- 17. Prepare any report under applicable securities law, stock exchange or other regulatory requirements, including any reports required to be included in statutory filings, including in the Company's annual proxy statement.
- (c) **Ongoing Reviews and Discussions with Management and Others**
- 18. Obtain and review an annual report from management relating to the accounting principles used in the preparation of the Company's financial statements, including those policies for which management is required to exercise discretion or judgments regarding the implementation thereof.
 - 19. Periodically review separately with each of management and the Auditors; (a) any significant disagreement between management and the Auditors in connection with the preparation of the financial statements, (b) any difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information and (c) management's response to each.
 - 20. Periodically discuss with the Auditors, without management being present, (a) their judgments about the quality and appropriateness of the Company's accounting principles and financial disclosure practices as applied in its financial reporting and (b) the completeness and accuracy of the Company's financial statements.
 - 21. Consider and approve, if appropriate, significant changes to the Company's accounting principles and financial disclosure practices as suggested by the Auditors or management and the resulting financial statement impact. Review with the Auditors and/or management the extent to which any changes or improvements in accounting or financial practices, as approved by the Committee, have been implemented.
 - 22. Review and discuss with management, the Auditors and the Company's independent counsel, as appropriate, any legal, regulatory or compliance matters that could have a significant impact on the Company's financial statements, including applicable changes in accounting standards or rules, or compliance with applicable laws and regulations, inquiries received from regulators or government agencies and any pending material litigation.
 - 23. Enquire of the Company's Chief Financial Officer and the Auditors on any matters which should be brought to the attention of the Committee concerning accounting, financial and operating practices and controls and accounting practices of the Company.
 - 24. Review the principal control risks to the business of the Company, its subsidiaries and joint ventures; and verify that effective control systems are in place to manage and mitigate these risks.

25. Review and discuss with management any earnings press releases, including the use of “pro forma” or “adjusted” non-IFRS information, as well as any financial information and earnings guidance provided to analysts and rating agencies. Such discussions may be done generally (i.e. discussion of the types of information to be disclosed and the types of presentations made).
26. Review and discuss with management any material off-balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationships of the Company with unconsolidated entities or other persons, that may have a material current or future effect on financial condition, changes in financial condition, results of operations, liquidity, capital resources, capital reserves or significant components of revenues or expenses.
27. Obtain explanations from management of all significant variances between comparative reporting periods.
28. Review and discuss with management the Company’s major risk exposures and the steps management has taken to monitor, control and manage such exposures, including the Company’s risk assessment and risk management guidelines and policies.

(d) Risk Management and Internal Controls

29. Review, based upon the recommendation of the Auditors and management, the scope and plan of the work to be done by the Company’s financial and accounting group and the responsibilities, budget and staffing needs of such group.
30. Approve and recommend to the Board for adoption, policies and procedures on risk oversight and management to establish an effective system for identifying, assessing, monitoring and managing risk.
31. Periodically review the Company’s internal control over financial reporting and discuss the responsibilities, budget and staffing needs of the Company’s financial and accounting group.
32. Oversee and administer the Company’s policies for the receipt and review of complaints regarding accounting matters:
 - (a) *Accounting.* Establish procedures for (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
 - (b) *Other.* Receive complaints under the Company’s policy on the *Handling of Complaints – Whistle-Blowing* and determine if such complaints are within the scope of (a) and if so address such complaints, and if beyond the scope of (a), direct such complaints to management or the appropriate committee of the Board; and
 - (c) Review these procedures annually.
33. Review the appointment of the Chief Financial Officer and any key financial executives involved in the financial reporting process and recommend to the Board any changes in such appointment.

(e) Other Responsibilities

34. Review, on a quarterly basis, approve and report to the Board for ratification, all related party transactions.

35. Review and approve (a) any change or waiver in the Company's Code of Business Conduct and Ethics applicable to senior financial officers and (b) any disclosures made under applicable securities law, stock exchange or other regulatory requirements regarding such change or waiver.
36. Establish, review and approve policies for the hiring of employees or former employees of the Company's Auditors.
37. Review and reassess the duties and responsibilities set out in this Charter annually and recommend to the Nominating and Corporate Governance Committee and to the Board any changes deemed appropriate by the Committee.
38. Review its own performance annually, seeking input from management and the Board.
39. Perform any other activities consistent with this Charter, the Company's articles and by-laws and governing law, as the Committee or the Board deems necessary or appropriate.

V. Reporting

The Committee shall report regularly to the Board on the proceedings and deliberations of the Committee at such times and in such manner as the Board may require. The Committee shall review with the Board any issues that have arisen with respect to the quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, the performance or independence of the Auditors or the performance of the Company's financial and accounting group.

VI. Resources and Access to Information

The Committee has the authority to retain independent legal, accounting and other consultants to advise the Committee as it deems necessary.

The Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities. The Committee has direct access to anyone in the organization and may request any officer or employee of the Company or the Company's outside counsel or the Auditors or the Internal Auditors to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee with or without the presence of management. In the performance of any of its duties and responsibilities, the Committee shall have access to any and all books and records of the Company necessary for the execution of the Committee's obligations.

The Committee shall consider the extent of funding necessary for payment of compensation to the Auditors for the purpose of rendering or issuing the annual audit report and recommend such compensation to the Board for approval. The Audit Committee shall determine the funding necessary for payment of compensation to any independent legal, accounting and other consultants retained to advise the Committee.

Date approved by the Board: January 25, 2012

Date amended by the Board: August 23, 2016

SCHEDULE “B” – STOCK OPTION PLAN

KAIZEN DISCOVERY INC.

STOCK OPTION PLAN

Dated June 30, 2016

Amended August 12, 2020

1. PURPOSE

The purpose of this Stock Option Plan (the “**Option Plan**”) is to provide Kaizen Discovery Inc. (“**Kaizen**”) and its subsidiaries, present and future with the means to encourage, attract, retain and motivate certain Eligible Participants by granting such Eligible Participants stock options to purchase common shares (“**Common Shares**”) in Kaizen’s capital thus giving them an on-going proprietary interest in Kaizen.

2. DEFINITIONS

Unless otherwise defined herein, the following terms have the following meanings:

“**affiliate**” has the meaning given to “affiliated companies” in the British Columbia *Securities Act*.

“**black-out period**” means any period established under a disclosure, insider trading or similar policy of Kaizen during which officers, directors and employees may not exercise options.

“**Board**” means the board of directors of Kaizen, and, where applicable, includes a committee of the board of directors authorized to administer this Option Plan pursuant to section 3(a).

“**Consultant**” has the meaning given such term in TSXV Policy 4.4, and if such term is undefined in such policy then it shall mean an individual (other than an Employee or a Director of Kaizen) or company that:

- (a) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to Kaizen or to an affiliate of Kaizen, other than services provided in relation to a distribution of securities;
- (b) provides the services under a written contract between Kaizen or an affiliate and the individual or the company, as the case may be;
- (c) in the reasonable opinion of Kaizen, spends or will spend a significant amount of time and attention on the affairs and business of Kaizen or an affiliate of Kaizen; and
- (d) has a relationship with Kaizen or an affiliate of Kaizen that enables the individual to be knowledgeable about the business and affairs of Kaizen.

“**Discounted Market Price**” means the Market Price less the following maximum discounts based on closing price (and subject, notwithstanding the application of any such maximum discount, to a minimum price per share of \$0.05): closing price up to \$0.50 (25%), closing price up from \$0.51 to \$2.00 (20%), closing price above \$2.00 (15%).

“**Director**” has the meaning given such term in TSXV Policy 4.4 and at the date of this Option Plan means a director, senior officer or Management Company Employee of Kaizen, or a director, senior officer or Management Company Employee of any of the subsidiaries of Kaizen.

“Eligible Participant” means a Director, Employee or Consultant of Kaizen or of a subsidiary.

“Employee” has the meaning given such term in TSXV Policy 4.4, and if such term is undefined in such policy then it shall mean:

- (a) an individual who is considered an employee of Kaizen or a subsidiary under the *Income Tax Act* (Canada) (and for whom income tax, employment insurance and CPP deductions must be made at source);
- (b) an individual who works full-time for Kaizen or a subsidiary providing services normally provided by an employee and who is subject to the same control and direction by Kaizen or a subsidiary over the details and methods of work as an employee of Kaizen or a subsidiary, but for whom income tax deductions are not made at source; or
- (c) an individual who works for Kaizen or a subsidiary on a continuing and regular basis for a minimum amount of 20 hours per week providing services normally provided by an employee and who is subject to the same control and direction by Kaizen or a subsidiary over the details and methods of work as an employee of Kaizen or a subsidiary, but for whom income tax deductions are not made at source.

“Exchange Hold Period” has the meaning given in TSXV Policy 1.1 but if not defined under such policy such term shall mean a four month resale restriction imposed by the Exchange on incentive stock options granted by Kaizen to any Person with an exercise price that is less than the applicable Market Price.

“Exchange Rules” means the Corporate Finance Policies of the TSXV.

“Insider” means an insider as defined in the British Columbia *Securities Act* and under TSXV Policy 1.1

“Investor Relations Activities” has the meaning given such term in TSXV Policy 4.4 but if undefined in such policy then such term shall mean any activities, by or on behalf of Kaizen or a shareholder of Kaizen, that promote or reasonably could be expected to promote the purchase or sale of securities of Kaizen, but does not include:

- (a) the dissemination of information provided, or records prepared, in the ordinary course of business of Kaizen:
 - (i) to promote the sale of products or services of Kaizen, or
 - (ii) to raise public awareness of Kaizen, that cannot reasonably be considered to promote the purchase or sale of securities of Kaizen;
- (b) activities or communications necessary to comply with the requirements of:
 - (i) applicable securities laws;
 - (ii) Exchange Rules or the by-laws, rules or other regulatory instruments of any other self-regulatory body or exchange having jurisdiction over Kaizen;
- (c) communications by a publisher of, or writer for, a newspaper, magazine or business or financial publication, that is of general and regular paid circulation, distributed only to subscribers to it for value or to purchasers of it, if:
 - (i) the communication is only through the newspaper, magazine or publication, and
 - (ii) the publisher or writer receives no commission or other consideration other than for acting in the capacity of publisher or writer; or
- (d) activities or communications that may be otherwise specified by the Exchange,

and for this purpose Persons retained to perform Investor Relations Activities shall include any Consultant that performs Investor Relations Activities and any Employee or Director whose role and duties primarily consist of Investor Relations Activities.

“**Issued Common Shares**” means that number of Common Shares issued and outstanding, on a non-diluted basis, at any point in time as confirmed by the transfer agent and registrar for the Common Shares.

“**Management Company Employee**” has the meaning given such term in TSXV Policy 4.4 and if such term is undefined in such policy then it shall mean an individual employed by a Person providing management services to Kaizen, which are required for the ongoing successful operation of the business enterprise of Kaizen, but excluding a Person engaged in Investor Relations Activities.

“**Market Price**” has the meaning given such term in TSXV Policy 1.1.

“**Person**” means a company or an individual.

“**senior officer**” has the meaning given such term in the British Columbia *Securities Act*.

“**subsidiary**” has the meaning given to such term in National Instrument 45-106 – *Prospectus and Registration Exemptions* (“**NI 45-106**”), and any instrument in amendment thereto or replacement thereof.

“**TSXV**” or “**Exchange**” means the TSX Venture Exchange.

3. ADMINISTRATION

- (a) This Option Plan shall be administered by the Board, or any committee of the Board (a “**Committee**”) appointed by the Board to administer this Option Plan, which Committee may take any action in administering this Option Plan by means of consent resolution or majority vote of the Committee members. Without limiting the generality of the foregoing, where a Committee has been appointed by the Board to administer this Option Plan pursuant to a general resolution passed by the Board, such Committee has authority to:
 - (i) grant to Eligible Participants up to the number of options specified by the Board in the resolution appointing the Committee or in any other subsequent resolution(s) of the Board, the whole on the terms set out in such resolution(s);
 - (ii) exercise rights reserved to Kaizen under this Option Plan;
 - (iii) determine vesting terms and conditions for options granted under this Option Plan in accordance with the terms and conditions of this Option Plan; and
 - (iv) make all other determinations and take all other actions as it considers necessary or advisable for implementation and administration of this Option Plan.
- (b) The interpretation, construction and application of this Option Plan shall be made by the Board and shall be final and binding on all holders of options granted under this Option Plan and all persons eligible to participate under the provisions of this Option Plan.
- (c) No member of the Board or Committee shall be liable for any action or determination taken or made in good faith in the administration, interpretation, construction or application of this Option Plan or any options granted under it.

4. COMMON SHARES SUBJECT TO THE OPTION PLAN

- (a) Subject to subsection 4(b), the maximum number of Common Shares which may be issued under options granted under this Option Plan, from time to time, together with Common Shares reserved

for issuance under all other security based compensation arrangements of Kaizen, shall be equal to 10% of the Issued Common Shares at the time of grant.

- (b) The following limitations apply to grants of options under this Option Plan:
 - (i) the aggregate number of options granted to any one Person (and companies wholly owned by that Person) in a 12 month period must not exceed 5% of the Issued Common Shares, calculated on the date an option is granted to the Person (unless Kaizen has obtained the requisite Disinterested Shareholder Approval);
 - (ii) the aggregate number of options granted to any one Consultant in a 12 month period must not exceed 2% of the Issued Common Shares, calculated at the date an option is granted to the Consultant;
 - (iii) the aggregate number of options granted to all Persons retained to provide Investor Relations Activities must not exceed 2% of the Issued Common Shares in any 12 month period, calculated at the date an option is granted to any such Person;
 - (iv) the aggregate number of Common Shares reserved for issuance under stock options granted to Insiders (as a group) at any point in time shall not exceed 10% of the Issued Common Shares;
 - (v) Insiders (as a group) shall not be granted options exceeding 10% of the Issued Common Shares in any 12 month period calculated at the date an option is granted to an Insider;
 - (vi) the number of Common Shares which may be issued under this Option Plan, together with Common Shares reserved for issuance under all other security based compensation arrangements of Kaizen, shall not exceed 10% of the Issued Common Shares.
- (c) Common Shares in respect of which an option is granted under this Option Plan but not exercised prior to the termination of such option, due to the expiration, termination or lapse of such option or otherwise, shall be available for options to be granted thereafter pursuant to the provisions of this Option Plan. All Common Shares issued pursuant to the exercise of the options granted under this Option Plan shall be so issued as fully paid and non-assessable Common Shares.
- (d) This Option Plan is an “evergreen” plan and, accordingly, any exercise of options will, subject to the overall limit provided for at subsection 4(a) above, make new grants available hereunder effectively resulting in a reloading of the number of options available to grant hereunder.

5. ELIGIBILITY AND GRANT OF OPTIONS

- (a) Options shall be granted only to Eligible Participants or to a registered retirement savings plan established and controlled by an Eligible Participant and provided that in each case, the Eligible Participant is an Eligible Participant at the time of the grant.
- (b) Subject to the foregoing, the Board shall have full and final authority to determine the Eligible Participants who are to be allocated and granted options under this Option Plan and the number of Common Shares subject to each option grant. Subject to section 14, stock options granted under this Option Plan shall be for the purchase of Common Shares only, and for no other security.
- (c) Unless limited by the terms of this Option Plan or any regulatory or stock exchange requirement, the Board shall have full and final authority to determine the terms and conditions attached to any grant of options under this Option Plan.
- (d) Kaizen may only grant options pursuant to resolutions of the Board.

- (e) Kaizen may not grant any options while there is an undisclosed material change or undisclosed material fact relating to Kaizen.
- (f) In determining options to be granted to Eligible Participants, the Board shall give due consideration to the value of each such Eligible Participant's present and potential contribution to the success of Kaizen.
- (g) Any option granted under this Option Plan shall be subject to the requirement that, if at any time Kaizen shall determine that the listing, registration or qualification of the Common Shares subject to such option, or such option itself, upon any securities exchange or under any law or regulation of any jurisdiction, or the consent or approval of any securities exchange or any governmental or regulatory body, is necessary as a condition of, or in connection with, the grant or exercise of such option or the issuance or purchase of Common Shares thereunder, such option may not be granted, accepted or exercised in whole or in part unless such listing, registration, qualification, consent or approval shall have been effected or obtained on conditions acceptable to the Board (which for these purposes does not include a reference to a Committee). For certainty, it is expressly stated that Kaizen may only grant options, and issue Common Shares on exercise thereof, to Eligible Participants resident in jurisdictions in Canada where NI 45-106 has been complied with. However, nothing herein shall be deemed or construed to require Kaizen to apply for or to obtain such listing, registration, qualification, consent or approval.
- (h) For options granted to Employees, Consultants or Management Company Employees, Kaizen and the Eligible Participant are responsible for ensuring and confirming that the Eligible Participant is a bona fide Employee, Consultant or Management Company Employee, as the case may be.
- (i) The Board shall complete and file, in accordance with applicable law, or shall cause to be completed and filed, all notices, reports, filings or other documentation required by applicable law, regulatory requirement or stock exchange rule, in connection with a grant of options or an issuance or purchase of Common Shares thereunder.

6. PRICE

- (a) The option exercise price per Common Share that is subject of any option shall be fixed by the Board (which for these purposes does not include a reference to a Committee) when such option is granted.
- (b) The option exercise price per Common Shares shall not be less than the Discounted Market Price. If Kaizen does not issue a news release to fix the exercise price pursuant to TSXV Policy 4.4, the Discounted Market Price is calculated using the last closing price before the date of the grant (less the applicable discount).
- (c) Where the exercise price of an option is at a discount to Market Price, all such stock options and any Common Shares issued under such options exercised prior to the expiry of the Exchange Hold Period shall be legended with the Exchange Hold Period commencing on the date the stock options were granted.
- (d) The Board shall not set the exercise price of any option on the basis of a Market Price which does not reflect material information of which the directors and senior officers of Kaizen are aware but which has not been generally disclosed to the public.
- (e) The option price per share will be expressed in Canadian dollars.

7. PERIOD OF OPTION AND RIGHTS TO EXERCISE

- (a) Subject to the provisions of this section 7 and sections 8 and 9 below, options will be exercisable in whole or in part, and from time to time, at any time following the date of grant and prior to the

expiry of their term, but provided that if an option expires during a black-out period (including expiry of an option under subsections 8(a) and 8(b) below but not including expiry of an option if the Eligible Participant shall cease to be an Eligible Participant for cause), then the option shall remain exercisable until the period ending up to 10 trading days after the end of such black-out period, notwithstanding the expiry of its term, except that in no event may such exercise occur more than ten years after the initial grant date of the option.

- (b) Options shall not be granted for a term exceeding ten years (but subject to extension in the case of black-out period as described in subsection 7(a) above).
- (c) Subject to the Board's sole discretion in modifying the vesting of options, from time to time, options granted shall vest, and become exercisable, upon and subject to such terms, conditions and limitations as contained herein and otherwise as the Board may from time to time determine with respect to each option except that options issued to Persons retained to provide Investor Relations Activities must vest in stages over a period of not less than 12 months and no more than 25% of such options can vest in any three month period.
- (d) The Common Shares to be purchased upon each exercise of an option shall be paid for in full in cash by the Eligible Participant at the time of exercise.
- (e) Except as provided in sections 8 and 9 below, no option which is held by an Eligible Participant may be exercised unless the Eligible Participant is then an Eligible Participant, and in the case of an Employee, the Employee has been continually employed by Kaizen since the date of the grant of the option, but provided that an authorized absence of leave shall not be considered an interruption of employment for purposes of this Option Plan.

8. CESSATION OF PROVISION OF SERVICES

- (a) **Death of an Eligible Participant.** In the event of the death of a Eligible Participant during the term of the Eligible Participant's option, the option theretofore granted to the Eligible Participant shall be exercisable within, but only within, the period of one year next succeeding the Eligible Participant's death, and in no event after the expiry date of the option. Before expiry of an option under this section 8(a), the Board shall notify the Eligible Participant's representative in writing of such expiry no less than twenty (20) days prior to its expiry.
- (b) **Termination of Employment or Office.** Subject to the discretion of the Board to determine otherwise (which for these purposes does not include a reference to a Committee), and this section 8, if any Eligible Participant shall cease to be an Eligible Participant of, or to, Kaizen, for any reason, other than for cause or death, he or she may exercise any vested option issued under this Option Plan that is then exercisable, but only within the period that is 90 days from the date that he or she ceases to be an Eligible Participant. Options shall no longer continue to vest during such 90-day period. In the event that an Eligible Participant ceases to be an Eligible Participant because of termination for cause, the options of the Eligible Participant not exercised at such time shall immediately be cancelled on the date of such termination and be of no further force or effect whatsoever notwithstanding anything to the contrary in this Option Plan.
- (a) **Other.** If any Eligible Participant shall cease to be an Eligible Participant for any reason other than provided for in this section 8, the options of the Eligible Participant not exercised at such time shall immediately be cancelled and be of no further force or effect whatsoever.

9. EXTENSION OF OPTION

In addition to the provisions of section 8, the Board (which for these purposes does not include a reference to a Committee) may extend the period of time within which an option may be exercised by an Eligible Participant who has ceased to be an Eligible Participant but such an extension shall not be granted beyond the original expiry date of the option. Any extensions of options granted under this Option Plan are subject to any applicable regulatory or stock

exchange approvals required at such time and the limitations imposed by TSXV Policy 4.4.

10. NON-TRANSFERABILITY OF OPTION

Subject to applicable law, no option granted under this Option Plan shall be assignable or transferable otherwise than:

- (a) by will or by the laws of descent and distribution, and such option shall be exercisable, during a Eligible Participant's lifetime, only by the Eligible Participant (subject to subsection 8(a)); or
- (b) to a Eligible Participant's registered retirement savings plan ("RRSP") or registered retirement income fund ("RRIF"), provided that the Eligible Participant is, during the Eligible Participant's lifetime, the sole beneficiary of the RRSP or RRIF.

11. AMENDMENT AND TERMINATION OF THE OPTION PLAN

- (a) Subject to subsection 11(b), the Board (which for these purposes does not include a reference to a Committee) may at any time, and from time to time, and without shareholder approval, amend any provision or terminate this Option Plan, that is an amendment to fix typographical errors or amendments to clarify the existing provisions of this Option Plan that do not substantively alter the scope, nature and intent of the provisions. Any other amendment shall require the approval of the Exchange except as provided in subsection 11(c).
- (b) Notwithstanding subsection 11(a) and any Exchange approval to an amendment, the Board (nor the Committee) shall not be permitted to amend:
 - (i) subsection 4(a) to increase the percentage of Common Shares issuable under this Option Plan;
 - (ii) the limitations in subsection 4(b); or
 - (iii) the exercise price of any option issued under this Option Plan to an Insider where such amendment reduces the exercise price of such option.;

in each case without first having obtained the approval of a majority of the holders of Common Shares voting at a duly called and held meeting of holders of Common Shares (excluding votes held by any Insider benefiting from the proposed amendment) ("**Disinterested Shareholder Approval**").

- (c) Kaizen may amend the terms of a stock option without the acceptance of the Exchange in the following circumstances, but provided Kaizen issues a news release outlining the terms of the amendment:
 - (i) to reduce the number of Common Shares under option;
 - (ii) to increase the exercise price of an option; or
 - (iii) to cancel an option.
- (d) Any amendment or termination shall not alter the terms or conditions of any option or impair any right of any optionholder pursuant to any option granted prior to such amendment or termination.
- (e) Notwithstanding the foregoing, this Option Plan will automatically terminate when, and if, any of the authorizations required to authorize this Option Plan shall cease.

12. EVIDENCE OF OPTIONS

Following the grant of an option in accordance with this Option Plan, Kaizen shall forward to such Eligible Participant, a Notice of Grant (the “**Notice**”) substantially in the form established by Kaizen from time to time as may be applicable, which Notice shall evidence the grant of the option under this Option Plan.

13. EXERCISE OF OPTION

- (a) An option may be exercised from time to time by delivering to Kaizen a written notice of exercise specifying the number of Common Shares with respect to which the option is being exercised and accompanied by payment for the full amount of the purchase price of the Common Shares then being purchased.
- (b) Upon receipt of a certificate of an authorized officer directing the issue of Common Shares purchased under this Option Plan, the transfer agent of Kaizen is authorized and directed to issue and countersign share certificates for the purchased Common Shares in the name of the Eligible Participant or the Eligible Participant’s legal personal representative or as may otherwise be directed in writing by the Eligible Participant, including into a book-entry system, if requested.
- (c) Notwithstanding section 5(g), Kaizen shall not, upon the exercise of any option, be required to register, issue or deliver any Common Shares prior to (a) the listing of such Common Shares on any stock exchange on which the Common Shares may then be listed, and (b) the completion of such registration or other qualification of such Common Shares under any law, rules or regulation as Kaizen shall determine to be necessary or advisable (including, without limitation, NI 45-106). If any Common Shares cannot be registered, issued or delivered to any Eligible Participant for whatever reason, the obligation of Kaizen to issue such Common Shares shall terminate and any option exercise price paid to Kaizen shall be returned to the Eligible Participant without deduction or interest.
- (d) If Kaizen or a subsidiary or affiliate is required under the *Income Tax Act* (Canada) or any other applicable law to make source deductions in respect of any stock option benefits and to remit to the applicable governmental authority an amount on account of tax on the value of the taxable benefit associated with the issuance of Common Shares on exercise of options, then the Eligible Participant shall:
 - (i) pay to Kaizen or the subsidiary or affiliate, in addition to the exercise price for the options, sufficient cash as is reasonably determined by Kaizen to be the amount necessary to permit the required tax remittance; or
 - (ii) permit Kaizen or the subsidiary or affiliate to sell or cause to be sold by a broker or agent engaged by Kaizen, on behalf of the Eligible Participant, such number of Common Shares issuable to the Eligible Participant on the exercise of such options as is sufficient to fund Kaizen’s or the subsidiary or affiliate’s obligations to make source deductions; or
 - (iii) make other arrangements acceptable to Kaizen to fund the required tax remittance.
- (e) The sale of Common Shares by Kaizen, or by a broker or agent engaged by Kaizen or a subsidiary or affiliate in accordance with subsection 13(d)(ii), will be made on the exchange on which the Common Shares are then listed for trading. The Eligible Participant consents to such sale and grants to Kaizen an irrevocable power of attorney to effect the sale of such Common Shares on his or her behalf and acknowledges and agrees that:
 - (i) the number of Common Shares sold shall, at a minimum, be sufficient to fund Kaizen or the subsidiary or affiliate’s obligations to make source deductions, net of any selling costs, which costs are the responsibility of the Eligible Participant and which the Eligible Participant hereby authorizes to be deducted from the proceeds of such sale;
 - (ii) in effecting the sale of any such Common Shares, Kaizen or the subsidiary or affiliate or

the broker or agent will exercise its sole judgement as to the timing and the manner of sale and will not be obligated to seek or obtain any minimum price;

- (iii) neither Kaizen nor the subsidiary or affiliate, nor the broker or agent will be liable for any loss arising out of any sale of such Common Shares, including any loss relating to the pricing, manner of timing of such sales or any delay in transferring any Common Shares to a Eligible Participant or otherwise; and
- (iv) the sale price of Common Shares will fluctuate with the market price of the Common Shares and no assurance can be given that any particular price will be received upon any sale.
- (f) It is the responsibility of the Eligible Participant to ensure that they adhere to tax legislation in their jurisdiction regarding the reporting of benefits derived from the exercise of options.
- (g) In the event any taxation authority should reassess Kaizen or a subsidiary or affiliate for failure to have withheld income tax, or other similar payments from the Eligible Participant, pursuant to the provisions herein, the Eligible Participant shall reimburse and save harmless Kaizen, the subsidiary or affiliate for the entire amount assessed, including penalties, interest and other charges.

14. ADJUSTMENTS IN SHARES SUBJECT TO THE OPTION PLAN

For the purposes of section 14, any reference to the Board does not include a reference to a Committee.

- (a) **Adjustment.** Subject to this section 14, the aggregate number and kind of shares or other securities available or issuable under this Option Plan shall be appropriately and equitably adjusted in the event of an arrangement, reorganization, recapitalization, stock split, stock dividend, combination of shares, merger, consolidation, rights offering or any other change in the corporate structure or shares or other securities of Kaizen. The options granted under this Option Plan may contain such provisions as the Board may determine with respect to adjustments to be made in the number and kind of shares covered by such options and in the option price in the event of any such change.
- (b) **Effect of Take-Over Bid.** If a bona fide offer (the “**Offer**”) for Common Shares is made to a Eligible Participant or to shareholders generally or to a class of shareholders which includes a Eligible Participant, which Offer, if accepted in whole or in part, would result in the offeror exercising control over Kaizen within the meaning of the British Columbia *Securities Act*, then Kaizen shall, if instructed by the Board in its sole discretion, notify each Eligible Participant of the full particulars of the Offer. The Board will have the sole discretion to amend, abridge or otherwise eliminate any vesting terms, conditions or schedule so that despite the other terms of this Option Plan, any options granted under this Option Plan may be exercised in whole or in part by Eligible Participants so as to permit Eligible Participants to tender the Common Shares received upon the exercise of options (the “**Optioned Shares**”) pursuant to the Offer. If:
 - (i) the Offer is not complied with within the time specified therein;
 - (ii) the Eligible Participant does not tender the Optioned Shares pursuant to the Offer; or
 - (iii) all of the Optioned Shares tendered by the Eligible Participant pursuant to the Offer are not taken up and paid for by the offeror in respect thereof;

then, at the discretion of the Board, the Optioned Shares or, in the case of clause (iii) above, the Optioned Shares that are not taken up and paid for, shall be returned by the Eligible Participant and reinstated as authorized but unissued Common Shares and the terms of the option as set forth in this Option Plan and the Notice shall again apply to the Option. If any Optioned Shares are returned to Kaizen under this section, Kaizen shall refund the exercise price to the Eligible Participant for such

Optioned Shares.

- (c) **Effect of Reorganization, Amalgamation, Merger, etc.** If there is a consolidation, reorganization, merger, amalgamation or statutory amalgamation or arrangement of Kaizen with or into another corporation, a separation of the business of Kaizen into two or more entities or a transfer of all or substantially all of the assets of Kaizen to another entity, at the discretion of the Board, upon the exercise of an option under this Option Plan, the holder thereof shall be entitled to receive any securities, property or cash which the Eligible Participant would have received upon such consolidation, reorganization, merger, amalgamation, statutory amalgamation or arrangement, separation or transfer if the Eligible Participant had exercised his option immediately prior to the applicable record date or event, as applicable, and the exercise price shall be adjusted as applicable by the Board, unless the Board otherwise determines the basis upon which such option shall be exercisable, and any such adjustments shall be binding for all purposes of this Option Plan. Notwithstanding any other term of this Option Plan, the Board has the sole discretion to amend, abridge or eliminate any vesting terms, conditions or schedule or to otherwise amend the conditions of exercise so that any such option may be exercised in whole or in part by the Eligible Participant so as to entitle the Eligible Participant to receive any securities, property or cash which the Eligible Participant would have received upon such consolidation, reorganization, merger, amalgamation, statutory amalgamation or arrangement, separation or transfer if the Eligible Participant had exercised his Option immediately prior to the applicable record date or event.

15. RIGHTS PRIOR TO EXERCISE

An Eligible Participant shall have no rights whatsoever as a shareholder in respect of any Common Shares (including any right to receive dividends or other distributions therefrom or thereon) other than in respect of Common Shares in respect of which the Eligible Participant shall have exercised the option to purchase hereunder and which the Eligible Participant shall have actually taken up and paid for in full. For greater certainty a holder of an option under this Option Plan shall not be permitted to vote on any arrangement of Kaizen proposed to the holders of Common Shares of Kaizen.

16. NO CONTINUED SERVICE

The granting of an option to an Eligible Participant under this Option Plan shall not impose upon the Kaizen, any subsidiary or any affiliate any obligation whatsoever to retain the Eligible Participant as a service provider of such entity.

17. GOVERNING LAW

This Option Plan shall be construed in accordance with and be governed by the laws of the Province of British Columbia.

18. EXPIRY OF OPTION

On the expiry date of any option granted under this Option Plan, and subject to any extension of such expiry date permitted in accordance with this Option Plan, such option shall forthwith expire and terminate and be of no further force or effect whatsoever, or as to the Common Shares in respect of which the option has not been exercised.

19. SUPREMACY

To the extent there is any inconsistency between this Option Plan and Exchange Rules, the Exchange Rules shall prevail.

20. EFFECTIVE DATE OF THE OPTION PLAN

This Option Plan becomes immediately effective on the date that the last of the following approvals is received:

- (a) the approval of a majority of the Board; and
- (b) the approval of the shareholders of Kaizen.

21. APPROVAL

- (a) Unless Exchange Rules otherwise provide, this Option Plan must receive the approval of shareholders at the annual general meeting of Kaizen for that year.
- (b) Where any shareholder approval required in this Option Plan is required to be Disinterested Shareholder Approval, such approval must be determined and calculated as required by Exchange Rules.
- (c) This Option Plan was:
 - (i) duly approved by a majority of the Board on May 20, 2016.
 - (ii) was duly approved by the shareholders of Kaizen on June 28, 2019.
 - (iii) was duly approved by a majority of the Board on August 12, 2020.

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