FRX INNOVATIONS INC.

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON DECEMBER 27, 2024

AND

MANAGEMENT INFORMATION CIRCULAR

DATED NOVEMBER 29, 2024

FRX INNOVATIONS INC.

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT an annual and special meeting (the "**Meeting**") of the shareholders of FRX Innovations Inc. (the "**Corporation**") will be held at Brookfield Place, 181 Bay Street, Suite 1800, Toronto, Ontario, M5J 2T9 on December 27, 2024 at 10:30 a.m. (Toronto time) and by teleconference at 1-437-703-7440 (Phone Conference ID: 593 231 082#), for the following purposes:

1. to receive the audited annual financial statements of the Corporation for the years ended December 31, 2023, December 31, 2022 and December 31, 2021, and the auditor's report thereon;

2. to ratify the election of the directors of the Corporation for the financial years ended December 31, 2023 and December 31, 2022;

3. to fix the number of directors at four (4);

4. to elect the directors of the Corporation for the ensuing year;

5. to (i) ratify, approve and confirm the appointment of MNP LLP as the auditor of the Corporation for the financial years ended December 31, 2023 and December 31, 2022 and the fixing of the auditor's remuneration for those years, and (ii) to appoint MNP LLP as auditor of the Corporation for the ensuing year and to authorize the board of directors of the Corporation (the "**Board**") to fix the auditor's remuneration;

6. to consider and, if thought advisable, to pass with or without variation, an ordinary resolution, the full text of which is included in the accompanying management's information circular of the Corporation dated November 29, 2024 (the "**Circular**"), approving, ratifying, and confirming all acts, proceedings, contracts, appointments, elections, payments and by-laws, done, instituted, made and enacted by the directors and officers of the Corporation since the date of the last annual meeting of shareholders of the Corporation, being December 1, 2021, as the same are set out or referred to in the resolutions of the directors or in the financial statements or otherwise properly enacted, passed, made, done or taken, all as more fully described in the Circular;

7. to consider, and if thought advisable, to pass, with or without variation, an ordinary resolution, the full text of which is included in the Circular, to authorize and approve the voluntary delisting (the "**Delisting**") of the Common Shares from the TSX Venture Exchange (the "**TSXV**") if, and when, the Board, in its sole discretion, determines that such Delisting is in the best interests of the Corporation;

8. to consider and, if thought advisable, to pass with or without variation, a special resolution, the full text of which is included in the Circular, to authorize and approve the disposition of the Corporation's wholly-owned subsidiary, FRX Polymers, Inc., all as more fully described in the Circular (the "**Proposed Transaction**");

9. to consider and, if thought advisable, to pass with or without variation, a special resolution, the full text of which is included in the Circular, approving an amendment to the articles of the Corporation to change the name of the Corporation to "Fireside Diversified Corp.", or such other name as may be accepted by the relevant regulatory authorities and approved by the Board, as more fully described in the Circular;

10. to consider and, if thought advisable, to pass with or without variation, a special resolution, the full text of which is included in the Circular, to authorize and approve the consolidation of the issued and outstanding common shares ("**Common Shares**") by a ratio of 10:1, as more fully described in the Circular;

11. to consider and, if thought advisable, pass with or without variation, a special resolution, the full text of which is included in the Circular, authorizing the Corporation to make an application for the continuance of the Corporation under the *Business Corporations Act* (British Columbia); and

12. to transact such other business as may be properly brought before the Meeting or any postponement or adjournment thereof.

Further information relating to the items of business listed above is set forth in the Circular. The record date for determining the shareholders of the Corporation entitled to receive notice of and vote at the Meeting is November 11, 2024 (the "**Record Date**"). Only shareholders of record as of the close of business on the Record Date are entitled to notice of the Meeting and to vote at the Meeting and at any adjournment or postponement thereof.

As a shareholder of the Corporation, it is very important that you read the accompanying Circular and other Meeting materials carefully; they contain important information with respect to voting your shares in the Corporation and attending and participating in the Meeting.

IMPORTANT

It is desirable that as many Shareholders as possible be represented at the Meeting. Please complete the enclosed instrument of proxy and return it as soon as possible in the envelope provided for that purpose. To be valid, all instruments of proxy must be deposited with the Corporation's transfer agent and registrar, Odyssey Trust Company: (a) by mail to the Proxy Department of Trader's Bank Building, Suite 702, 67 Yonge Street, Toronto, ON M5E 1J8, (b) by facsimile to 1-800-517-4553, or (c) by voting online at https://login.odysseytrust.com/pxlogin, clicking on vote and entering their 12 digit control number by no later than 48 hours, excluding Saturdays, Sundays and statutory holidays in the City of Toronto, prior to the time of the Meeting or any postponement or adjournment thereof. Late instruments of proxy may be accepted or rejected by the Chair of the Meeting in his or her discretion but he or she is under no obligation to accept or reject any particular late instruments of proxy.

Shareholders who are unable to attend the Meeting in person are encouraged to listen to the Meeting via teleconference and to vote on the matters before the Meeting by submitting their proxies by mail, facsimile or online prior to the proxy submission deadline. If you are listening to the Meeting via the teleconference line, you will not be able to vote your shares or ask questions at the Meeting. Please make all possible efforts to vote your shares, by mail or online, as described above, prior to the proxy submission deadline.

* * * *

DATED at Toronto, Ontario this 29th day of November, 2024.

By order of the Board of Directors of FRX Innovations Inc.

(signed) "Marc Lebel"
Marc Lebel
Chief Executive Officer & Director

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FRX INNOVATIONS INC.

MANAGEMENT INFORMATION CIRCULAR

This management information circular (this "**Circular**") is provided in connection with the solicitation of proxies by management of FRX Innovations Inc. (the "**Corporation**"). Unless otherwise indicated, information in this Circular is given as of November 29, 2024 and dollar amounts are expressed in United States dollars.

GENERAL PROXY INFORMATION

Solicitation of Proxies

This Circular is being furnished to the holders ("**Shareholders**") of common shares in the capital of the Corporation (the "**Common Shares**") in connection with the solicitation by management of the Corporation of proxies to be voted at the annual and special meeting of Shareholders (the "**Meeting**") to be held at Brookfield Place, 181 Bay Street, Suite 1800, Toronto, Ontario, M5J 2T9 and by teleconference at 1-437-703-7440 (Phone Conference ID: 593 231 082#) on December 27, 2024 at 10:30 a.m. (Toronto time), or at such other time or place to which the Meeting may be postponed or adjourned, as applicable, for the purposes set forth in the notice of meeting accompanying this Circular (the "**Notice**").

Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally or by telephone, facsimile or other means of electronic communication, including by voting online at https://login.odysseytrust.com/pxlogin, clicking on vote and entering your 12 digit control number. The Corporation will pay reasonable expenses of persons who are the registered but not beneficial owners of Common Shares for forwarding copies of the Notice, Instrument of Proxy (as hereinafter defined), Circular and related material to beneficial owners.

Accompanying this Circular (and filed with applicable securities regulatory authorities) is a form of proxy for use at the Meeting (the "**Instrument of Proxy**"). Each Shareholder who is entitled to attend at Shareholders' meetings is encouraged to participate in the Meeting and Shareholders are urged to vote on matters to be considered in person or by proxy.

Shareholders who are unable to attend the Meeting in person are encouraged to listen to the Meeting via teleconference and to vote on the matters before the Meeting by submitting their proxies by mail, facsimile or online prior to the proxy submission deadline. If you are listening to the Meeting via the teleconference line, you will not be able to vote your shares or ask questions at the Meeting. Please make all possible efforts to vote your shares, by mail or online, as described herein, prior to the proxy submission deadline.

Appointment, Time for Deposit and Revocation of Proxies

Appointment of a Proxy

Those Shareholders who wish to be represented at the Meeting by proxy must complete and deliver a proper Instrument of Proxy to the Proxy Department of Odyssey Trust Company (the "Transfer Agent") either (a) by mail to Trader's Bank Building, Suite 702, 67 Yonge Street, Toronto, ON M5E 1J8, (b) by facsimile to 1-800-517-4553 or (c) by voting online at https://login.odysseytrust.com/pxlogin. Votes cast electronically are in all respects equivalent to, and will be treated in the same manner as, votes cast via a paper Instrument of Proxy. Shareholders who wish to vote using internet or by telephone should follow the instructions provided in the enclosed Instrument of Proxy. Instruments of Proxy must be submitted by no later than 10:30 a.m. (Toronto time) on December 23, 2024 or at least 48 hours, excluding Saturdays, Sundays and statutory holidays in the City of Toronto, prior to the time of the Meeting or any postponement or adjournment thereof. Late instruments of proxy may be accepted or rejected by the Chair of the Meeting in his or her discretion but he or she is under no obligation to accept or reject any particular late instruments of proxy.

The persons named as proxyholders in the instrument of proxy accompanying this Circular are directors or officers of the Corporation and are representatives of the Corporation's management for the Meeting. A Shareholder who wishes to appoint some other person (who need not be a Shareholder) as his, her or its representative at the Meeting may do so by either: (i) crossing out the names of the management nominees AND legibly printing the other person's name in the blank space provided in the accompanying Instrument of Proxy; or (ii) completing another valid form of proxy. In either case, the completed form of proxy must be delivered to the Corporate Secretary of the Corporation, at the place and within the time specified herein for the deposit of proxies. A Shareholder who appoints a proxy who is someone other than the management representatives named in the Instrument of Proxy should notify the nominee of the appointment, obtain the nominee's consent to act as proxy, and provide instructions on how Common Shares are to be voted. The nominee should bring personal identification to the Meeting. In any case, the form of proxy should be dated and executed by the Shareholder or an attorney authorized in writing, with proof of such authorization attached (where an attorney executed the proxy form).

In order to validly appoint a proxy, Instruments of Proxy must be received by the Proxy Department of the Transfer Agent at least 48 hours, excluding Saturdays, Sundays and statutory holidays in the City of Toronto, prior to the time of the Meeting or any adjournment thereof. After such time, the Chair of the Meeting may accept or reject a form of proxy delivered to him or her in his or her discretion but is under no obligation to accept or reject any particular late Instrument of Proxy.

For registered Shareholders who do not receive physical delivery of the Instrument of Proxy by mail due to a postal disruption as a result of a Canada Post labour disruption or any other cause, the Instrument of Proxy is also available under the Corporation's profile on SEDAR+ at www.sedarplus.ca. In the event of a postal disruption, registered Shareholders are encouraged to either (i) complete the Instrument of Proxy and return it by courier to the Transfer Agent at **Trader's Bank Building, Suite 702, 67 Yonge Street, Toronto, ON M5E 1J8**, or by facsimile to 1-800-517-4553, or (ii) vote your proxy online at https://vote.odysseytrust.com by clicking on vote and entering your 12 digit control number at any time before the proxy submission deadline. Your control number can be obtained directly from the Transfer Agent.

Non-Registered Holders

The information set forth in this section is of significant importance to many Shareholders as a substantial number of Shareholders do not hold Common Shares in their own name and thus are considered non-registered beneficial shareholders. Only registered holders of Common Shares or the persons they appoint as their proxyholder are permitted to vote at the Meeting. However, in many cases, Common Shares beneficially owned by a person (a "**Non-Registered Holder**") are registered either: (i) in the name of an intermediary (an "**Intermediary**") (including, among others, banks, trust companies, securities dealers, brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs, TFSAs and similar plans) that the Non-Registered Holder deals with in respect of the Common Shares; or (ii) in the name of a clearing agency (such as the Canadian Depository for Securities Limited) of which the Intermediary is a participant. Non-Registered Holders should note that only proxies deposited by Shareholders whose names appear on the records of the Corporation as the registered holders of Common Shares can be recognized and acted upon at the Meeting. In accordance with the requirements of the Canadian Securities Administrators, the Corporation will have distributed copies of the Notice, the Circular and the enclosed Instrument of Proxy to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders. If you are a Non-Registered Holder, your Intermediary will be the entity legally entitled to vote your Common Shares at the Meeting. Common Shares held by an Intermediary can only be voted upon the instructions of the Non-Registered Holder. Without specific instructions, Intermediaries are prohibited from voting Common Shares.

Applicable regulatory policy requires Intermediaries to seek voting instructions from Non-Registered Holders in advance of the Meeting. Often, the form of proxy supplied to a Non-Registered Holder by its Intermediary is identical to the form of proxy provided to registered Shareholders; however, its purpose is limited to instructing the registered Shareholder how to vote on behalf of the Non-Registered Holder. The majority of Intermediaries now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically mails a scannable voting instruction form in lieu of the form of proxy. The Non-Registered Holder is requested to complete and return the voting instruction form to Broadridge by mail or facsimile. Alternatively, the Non-Registered Holder may call a toll-free telephone number or access the internet to provide

instructions regarding the voting of Common Shares held by the Non-Registered Holder. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. A Non-Registered Holder receiving a voting instruction form cannot use that voting instruction form to vote Common Shares directly at the Meeting, as the voting instruction form must be returned as directed by Broadridge well in advance of the Meeting in order to have such Common Shares voted.

Non-Registered Holders should ensure that instructions respecting the voting of their Common Shares are communicated in a timely manner and in accordance with the instructions provided by their Intermediary or Broadridge, as applicable. Every Intermediary has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Non-Registered Holders in order to ensure that their Common Shares are voted at the Meeting.

Although a Non-Registered Holder may not be recognized directly at the Meeting for the purpose of voting Common Shares registered in the name of their Intermediary, a Non-Registered Holder may attend the Meeting as proxyholder for the Intermediary and vote the Common Shares in that capacity. **Non-Registered Holders who wish to attend the Meeting and indirectly vote their Common Shares as a proxyholder, should enter their own names in the blank space on the Instrument of Proxy or voting instruction form provided to them by their Intermediary and/or Broadridge, as applicable, and return the same in accordance with the instructions provided by their Intermediary and/or Broadridge, as applicable, well in advance of the Meeting**.

All references to Shareholders in this Circular and the accompanying Instrument of Proxy and Notice are to registered Shareholders unless specifically stated otherwise.

The purpose of the above-noted procedures is to permit Non-Registered Holders to direct the voting of the Common Shares that they beneficially own. Non-Registered Holders should carefully follow the instructions and procedures of their Intermediary or Broadridge, as applicable, including those regarding when and where the Instrument of Proxy or voting instruction form is to be delivered.

Non-Registered Holders who do not receive physical delivery of their voting instruction form and control number by mail due to a postal disruption as a result of a Canada Post labour disruption or any other cause may obtain their control number and online voting instructions by contacting the Intermediary that holds their Common Shares.

Pursuant to National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**") the Corporation is distributing copies of proxy-related materials in connection with the Meeting indirectly to non-objecting beneficial owners of Common Shares. The Corporation is not relying on the notice and access delivery procedures to distribute copies of proxy-related materials in connection with the Meeting. The Corporation will pay the reasonable costs of Intermediaries to deliver copies of the proxy-related materials to objecting beneficial owners.

Revoking a Proxy

A Shareholder who has validly given a proxy may revoke it for any matter upon which a vote has not already been cast by the proxyholder appointed in the proxy. In addition to revocation in any other manner permitted by law, a proxy may be revoked with an instrument in writing signed and delivered to either the offices the Corporation's Transfer Agent at **Trader's Bank Building, Suite 702, 67 Yonge Street, Toronto, ON M5E 1J8**, at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof at which the proxy is to be used, or deposited with the Chair of the Meeting on the day of the Meeting, or any adjournment thereof. The document used to revoke a proxy must be in writing and completed and signed by the Shareholder or his or her attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized. As well, a Shareholder who has given a proxy may attend the Meeting in person (or where the Shareholder is a corporation, its authorized representative may attend), revoke the proxy (by indicating such intention to the Chair of the Meeting before the proxy is exercised) and vote in person (or withhold from voting). If a Shareholder has voted on the internet or by telephone and wishes to change such vote, such Shareholder may vote again through such means before 10:30 a.m. (Toronto time) on December 23, 2024 or at least 48 hours, excluding Saturdays, Sundays and statutory holidays, before any adjournment or postponement of the Meeting.

Signature on Proxies

The Instrument of Proxy must be executed by the Shareholder or his or her duly appointed attorney authorized in writing or, if the Shareholder is a corporation, by a duly authorized officer whose title must be indicated. An Instrument of Proxy signed by a person acting as attorney or in some other representative capacity should indicate that person's capacity (following his or her signature) and should be accompanied by the appropriate instrument evidencing qualification and authority to act (unless such instrument has been previously filed with the Corporation).

Voting of Proxies

Each Shareholder may instruct his, her or its proxyholder on how to vote his, her or its Common Shares by completing the blanks on the Instrument of Proxy. **Common Shares represented by the enclosed Instrument of Proxy will be voted or withheld from voting on any motion, by ballot or otherwise, in accordance with any indicated instructions. In the absence of such direction, such Common Shares will be voted IN FAVOUR OF PASSING THE RESOLUTIONS DESCRIBED IN THE INSTRUMENT OF PROXY AND BELOW**. If any amendment or variation to the matters identified in the Notice is proposed at the Meeting or any adjournment or postponement thereof, or if any other matters properly come before the Meeting or any adjournment or postponement thereof, the accompanying Instrument of Proxy confers discretionary authority to vote on such amendments or variations or such other matters according to the best judgment of the appointed proxyholder. As at the date of this Circular, the management of the Corporation knows of no such amendments or variations or other matters to come before the Meeting.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

Shareholders of record as of November 11, 2024 (the "**Record Date**") are entitled to receive notice and attend and vote at the Meeting. As at the Record Date, the Corporation had 118,455,476 issued and outstanding Common Shares. These Common Shares are the only voting shares of the Corporation which are issued and outstanding as of the Record Date. Each Common Share entitles the holder to one vote in respect of any matter that may come before the Meeting.

To the knowledge of the directors and senior officers of the Corporation, as at the date of this Circular, no person or corporation beneficially owns, directly or indirectly, or exercises control or direction over, more than 10% of the issued and outstanding Common Shares, other than:

Shareholder	Number of Common Shares	Percentage of Outstanding Common Shares Represented
CCSRF Fireman (Cayman) Investment Limited ("**CCSRF**")[(1)]	21,018,723	17.744%

Note:

(1) CCSRF is wholly owned by CITIC Capital Silk Road Fund, LP, which is managed by CITIC Capital Silk Road GP Limited. The limited partners of CITIC Capital Silk Road Fund, LP include CITIC Capital Holdings Limited ("**CCHL**"). Ekaterina Terskin, a director of the Corporation, is the Director of CCHL's ESG Group, having joined CCHL in 2012.

INDEBTEDNESS OF DIRECTORS AND OFFICERS

No directors or officers of the Corporation, nor any proposed nominee for election as a director of the Corporation, nor any associate or affiliate of any one of them, is or was indebted, directly or indirectly, to the Corporation or its subsidiaries at any time from the commencement of the Corporation's most recently completed financial year to the date hereof.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed in this Circular, no informed person of the Corporation, nor any proposed nominee for election as a director of the Corporation, nor any other insider of the Corporation, nor any associate or affiliate of any one of them, has or has had, at any time from the commencement of the Corporation's most recently completed financial year to the date hereof, any material interest, direct or indirect, in any transaction or proposed transaction that has materially affected or would materially affect the Corporation or any of its subsidiaries.

An "informed person" means a director or executive officer of the Corporation; a director or executive officer of a person or company that is itself an informed person or subsidiary of the Corporation; any person or company who beneficially owns, or controls or directs, directly or indirectly, voting shares of the Corporation or a combination of both carrying more than 10% of the voting rights attached to all outstanding voting securities of the Corporation; and the Corporation if it has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities. CCSRF holds greater than 10% of the Common Shares and is therefore considered an informed person.

See "*Matters to be Considered at the Meeting – Proposed Transaction*".

INTEREST OF DIRECTORS AND OFFICERS IN MATTERS TO BE ACTED UPON

Except as disclosed in this Circular, no director or senior officer of the Corporation, nor any proposed nominee for election as a director of the Corporation, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting.

See "*Matters to be Considered at the Meeting – Election of Directors*" and "*Matters to be Considered at the Meeting – Proposed Transaction*".

EXECUTIVE COMPENSATION

The following disclosure of compensation earned by certain executive officers and directors of the Corporation is made in accordance with the requirements of National Instrument 51-102 *Continuous Disclosure Obligations* ("**NI 51-102**") and Form 51-102F6V *Statement of Executive Compensation – Venture Issuers* ("**Form 51-102F6V**"). Such disclosure is required to be made in relation to those individuals who, during any part of the Corporation's most recently completed financial year ended December 31, 2023, served as the Chief Executive Officer ("**CEO**"), the Chief Financial Officer ("**CFO**"), the most highly compensated executive officer of the Corporation and its subsidiaries other that the CEO and CFO whose total compensation for the most recently completed financial year was more than $150,000, and each individual who would have satisfied these criteria but for the fact that the individual was not serving as an executive officer of the Corporation or in a similar capacity at the end of the most recently completed financial year (collectively, the "**Named Executive Officers**" or "**NEOs**").

Director and Named Executive Officer Compensation, Excluding Compensation Securities

The following table sets forth all compensation paid or accrued, payable, awarded, granted, given or otherwise provided, directly or indirectly, excluding compensation securities, by the Corporation or any subsidiary thereof, to each Named Executive Officer and director of the Corporation, for each of the two most recently completed financial years ended December 31, 2023 and 2022.

Table of Compensation Excluding Compensation Securities							
Name and Position[1]	**Year**	**Salary, consulting fee, retainer or commission ($)**	**Bonus ($)**	**Committee or meeting fees ($)**	**Value of perquisites[2] ($)**	**Value of all other compensation[3] ($)**	**Total compensation ($)**
Marc-Andre Lebel, CEO and Director	2023	345,000[4]	Nil	Nil	Nil	Nil	345,000[4]
	2022[6]	315,000	150,000[5]	Nil	Nil	Nil	465,000[5]
Mark Lotz, CFO and Director	2023	240,000[4]	Nil	Nil	Nil	Nil	240,000[4]
	2022[6]	190,000	Nil	Nil	Nil	Nil	190,000
Mike Goode, Chief Commercial Officer	2023	235,000[4]	Nil	Nil	Nil	Nil	235,000[4]
	2022[6]	235,000	Nil	Nil	Nil	Nil	235,000
Xiudong Sun, Chief Scientific Officer	2023	215,000	65,000[5]	Nil	Nil	Nil	280,000
	2022[6]	200,000	Nil	Nil	Nil	Nil	200,000
James Cassina, Director	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022[6]	Nil	Nil	Nil	Nil	Nil	Nil
Ekaterina Terskin, Director	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022[6]	Nil	Nil	Nil	Nil	Nil	Nil
Ross Haghighat, Director [7]	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022[6]	Nil	Nil	Nil	Nil	Nil	Nil
Frank Hallam, Director [8]	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022[6]	Nil	Nil	Nil	Nil	Nil	Nil
Bernhard Mohr, Director [7]	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022[6]	Nil	Nil	Nil	Nil	Nil	Nil
Patrick Muezers, Director [7] [9]	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022[6]	Nil	Nil	Nil	Nil	Nil	Nil
Fanglu Wang, Director [7]	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022[6]	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

(1) If an individual is an NEO and a director, both positions have been listed.

(2) Includes perquisites provided to an NEO or director that are not generally available to all employees and that, in aggregate, are greater than (a) $15,000, if the NEO or director's total compensation for the financial year is $150,000 or less; (b) 10% of the NEO or director's

salary for the financial year, if the NEO or director's total compensation for the financial year is greater than $150,000 but less than $500,000; or (c) $50,000, if the NEO or director's total for the financial year is $500,000 or greater.

(3) No form of other compensation paid or payable equals or exceeds 25% of the total value of other compensation paid or payable to the director or Named Executive Officer other than compensation securities.

(4) Partially deferred and accrued.

(5) Totally deferred and accrued, still owing.

(6) The Corporation completed its Business Combination Transaction on May 16, 2022.

(7) Ross Haghighat, Bernhard Mohr, Patrick Muezers and Fanglu Wang resigned from the Board effective November 26, 2024.

(8) Frank Hallam resigned from the Board effective August 2, 2023, and was replaced by Patrick Muezers.

(9) Patrick Muezers was appointed to the Board effective August 2, 2023, replacing Frank Hallam. Mr. Muezers subsequently resigned from the Board effective November 26, 2024.

External Management Companies

Please refer to "Employment, Consulting and Management Agreements" below for disclosure relating to any external management company employing, or retaining individuals, acting as NEOs of the Corporation, or that provide the Corporation's executive management services and allocate compensation paid to any NEO or director.

Compensation Securities

No compensation securities (as defined in Form 51-102F6V) were granted or issued to any director or Named Executive Officer of the Corporation or one of its subsidiaries during the most recently completed financial year ended December 31, 2023, for services provided or to be provided, directly or indirectly, to the Corporation or any of its subsidiaries.

Exercise of Compensation Securities

No directors or Named Executive Officers of the Corporation exercised any compensation securities during the most recently completed financial year ended December 31, 2023.

Stock Option Plans and Other Incentive Plans

At the annual and special meeting of Shareholders held on the December 1, 2021 (the "**Last Meeting Date**"), Shareholders ratified the adoption of the Corporation's equity compensation plan (the "**Equity Compensation Plan**") in order to incentivize and attract, retain and motivate persons having training, experience and leadership as key service providers to the Corporation and its affiliates, including their directors, officers and employees, and to advance the interests of the Corporation by providing such persons with the opportunity, through equity incentives, to acquire an increased proprietary interest in the Corporation.

The purpose of the Equity Compensation Plan is to advance the interests of the Corporation by: (i) providing Eligible Participants with additional incentives; (ii) encouraging stock ownership by such Eligible Participants; (iii) increasing the proprietary interest of Eligible Participants in the success of the Corporation; (iv) promoting growth and profitability of the Corporation; (v) encouraging Eligible Participants to take into account long-term corporate performance; (vi) rewarding Eligible Participants for sustained contributions to the Corporation and/or significant performance achievements of the Corporation; and (vii) enhancing the Corporation's ability to attract, retain and motivate Eligible Participants. Shareholder approval of the Equity Compensation Plan was necessary for certain purposes, including for the Corporation to facilitate grants of incentive stock options for purposes of Section 422 of the United States Internal Revenue Code of 1986, as amended.

The following is a description of the key terms of the Equity Compensation Plan which is qualified in its entirety by reference to the full text of the Equity Compensation Plan, which is available on the Corporation's profile on SEDAR+ at www.sedarplus.ca. Capitalized terms used in this section and not otherwise defined, have the meanings ascribed thereto in the Equity Compensation Plan.

Summary of the Equity Compensation Plan

The principal features of the Equity Compensation Plan are summarized below.

The Equity Compensation Plan facilitates granting of options ("**Options**"), restricted share units ("**RSUs**" and, together with the Options, the "**Awards**"), representing the right to receive one Common Share to Eligible Participants. The following summary is qualified in its entirety by the text of the Equity Compensation Plan.

The Common Shares covered by grants which have been exercised, settled, expired, cancelled or forfeited are not available for subsequent grants under the Equity Compensation Plan. The maximum number of the Common Shares reserved and available for grant and issuance pursuant to Awards shall not exceed 10% of the Corporation's issued and outstanding Common Shares at the time of any grant of Awards.

The number of Common Shares issuable to insiders, at any time, under all security-based compensation arrangements of the Corporation, may not exceed 10% of the Corporation's issued and outstanding Common Shares; and the number of Common Shares issued to insiders within any one-year period, under all security based compensation arrangements of the Corporation, may not exceed 10% of the Corporation's issued and outstanding Common Shares. The maximum number of Common Shares that may be made issuable pursuant to Options made to any Eligible Participant under the Equity Compensation Plan together with any other Share Compensation Arrangement in any 12-month period shall not exceed 5% of the issued and outstanding Common Shares calculated at the date of grant or within any 12-month period (in each case on a non-diluted basis). The aggregate number of Awards under to any one Eligible Participant that is a consultant in any 12-month period must not exceed 2% of the issued and outstanding Common Shares calculated at the date of grant. The aggregate number of Options to all Persons retained to provide Investor Relations Activities must not exceed 2% of the issued and outstanding Common Shares in any 12-month period calculated at the date of grant (and including any Eligible Participant that performs Investor Relations Activities and/or whose role or duties primarily consist of Investor Relations Activities). Options 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 and with no more than 25% of the Common Shares reserved for under all security-based compensation arrangements vesting in any three month period. The aggregate number of RSUs issued to all Eligible Participants under the Equity Compensation Plan must not exceed 10,000,000, and the aggregate number of RSUs issued to any one Eligible Participant must not exceed (i) 1% of the Common Shares at each such grant date and (ii) 2% of the total issued and outstanding Common Shares within the last 12-month period calculated at each such grant date. RSUs may not be granted to consultants performing Investor Relations Activities.

The Equity Compensation Plan provides that appropriate adjustments, if any, will be made by the Board in connection with a reclassification, reorganization or other change of Common Shares, consolidation, distribution, merger or amalgamation, in the Common Shares issuable or amounts payable to preclude a dilution or enlargement of the benefits under the Equity Compensation Plan.

The following table describes the impact of certain events upon the rights of holders of Awards under the Equity Compensation Plan, including a termination for cause, termination other than for cause and death:

Event	Provision
Termination for Cause	All unexercised vested and unvested Awards shall terminate as of the termination date.
Termination other than for Cause	All Awards shall expire on the earlier of 120 days after the effective date of such termination, or the expiry date of such Award, to the extent such Award was vested and exercisable by the Participant on the effective date of such termination, and all unexercised unvested Awards shall terminate on the effective date of such termination.
Death	All unvested Awards will immediately vest and all Awards will expire one (1) year after the death of such Participant.

The Board may amend the Equity Compensation Plan or any Award at any time without the consent of a Participant provided that such amendment shall (a) not adversely alter or impair any Award previously granted except as permitted by the terms of the Equity Compensation Plan, (b) be in compliance with applicable law and subject to any regulatory approvals including, where required, the approval of the TSXV, and (c) be subject to Shareholder approval, where required by law, the requirements of the exchange or the Equity Compensation Plan, provided, however, that Shareholder approval shall not be required for the following amendments and the Board may make any changes which

may include but are not limited to: (i) amendments of a general "housekeeping" or clerical nature that, among others, clarify, correct or rectify any ambiguity, defective provision, error or omission in the Equity Compensation Plan; (ii) changes that alter, extend or accelerate the terms of vesting or settlement applicable to any Award (other than in respect of any Options held by persons retained to provide Investor Relations Activities for which prior approval of the TSXV shall be required at all times when the Corporation is listed on the TSXV); (iii) any amendment regarding the administration of the Equity Compensation Plan; (iv) any amendment necessary to comply with applicable law or the requirements of the TSXV or any other regulatory body having authority over the Corporation, the Equity Compensation Plan or the Shareholders of the Corporation (provided, however, that any stock exchange shall have the overriding right in such circumstances to require Shareholder of any such amendments); and (v) any other amendment that does not require Shareholder approval under the Equity Compensation Plan.

As described further in the Equity Compensation Plan, the Board is required to obtain Shareholder approval to make the following amendments: (i) any change to the maximum number of Common Shares issuable from treasury under the Equity Compensation Plan, except in certain circumstances; (ii) any amendment which reduces the exercise price of any Award, except in the case of an adjustment; (iii) any amendment to remove or to exceed the insider participation limit; (iv) any amendment to the amendment provisions of the Equity Compensation Plan; (v) any amendment to the transferability or assignability of Awards under the Equity Compensation Plan; (vi) any amendment to add or amend provisions relating to the granting of cash-settled awards, provision of financial assistance or clawbacks; and (vii) any amendment regarding the effect of termination of a Participant's employment or engagement (and therefore eligibility to participate under the Equity Compensation Plan). In addition, the Corporation is required to obtain Shareholder approval of the Equity Compensation Plan on a yearly basis and no later than 15 months following the last date on which Shareholders approved the Equity Compensation Plan.

The Board may, by resolution, but subject to applicable regulatory approvals, decide that any of the provisions of the Equity Compensation Plan concerning the effect of the termination of the Participant's employment or engagement shall not apply for any reason acceptable to the Board.

Other than by will or under the law of succession, or as expressly permitted by the Board, or as otherwise set forth herein, Awards are not assignable or transferable. Awards may only be exercised: (a) by the Participant to whom the Awards were granted; (b) with the Corporation's prior written approval and subject to such conditions as the Corporation may stipulate; (c) upon the Participant's death, by the legal representative of the Participant's estate, provided that any such legal representative shall first deliver evidence satisfactory to the Corporation of entitlement to exercise any Award.

Options

The Board determines, at the time of granting the particular Option, the period during which the Option is exercisable, commencing on the date such Option is granted to the Participant and ending as specified in the Equity Compensation Plan or in the underlying option agreement, but in no event shall an Option expire on a date which is later than ten (10) years from the date the Option is granted. Unless otherwise determined by the Board, all unexercised Options shall be cancelled at the expiry of such Options. The price payable by a Participant to acquire a Common Share upon exercising an Option is fixed by the Board when such Option is granted, but is not less than the Market Value of the Common Shares, or if the Common Shares are listed on the TSXV, the TSXV Market Price, and in any event shall not be less than the Discounted Market Price, on the trading day immediately preceding the date of the granting of the Option.

Should the expiration date for an Option fall within a Black-Out Period, such expiration date is automatically extended without any further act or formality to that date which is the tenth business day after the end of the Black-Out Period, such tenth (10^{th}) business day to be considered the expiration date for such Option for all purposes under the Equity Compensation Plan. The ten (10) business day period may not be extended by the Board.

The Board has the discretion to determine the vesting schedule of any Option and the Board has the full power and authority to accelerate the vesting or exercisability of all or any portion of any Option. Except as otherwise provided in a Option Agreement, each Option vests as to 1/3 on the date of grant, 1/3 on the first anniversary of the date of grant and 1/3 on the second anniversary of the date of grant. Once a portion of an Option that has vested becomes

exercisable, it remains exercisable until expiration of termination of the Option, unless otherwise specified by the Board in connection with the grant of such Option.

Common Shares in respect of which Options are not exercised due to the expiration, termination or lapse of such Options, shall not become available for Options to be granted thereafter pursuant to the provisions of the Equity Compensation Plan. For greater certainty, Common Shares in respect of Options which are exercised shall not become available for Options to be granted thereafter pursuant to the provisions of the Equity Compensation Plan.

RSUs

A RSU is an Award granted for services rendered in a particular year entitling the recipient to receive payment based on the value of one Common Share once such Award has vested, subject to such restrictions and conditions as the Board may determine at the time of grant. Conditions may be based on continuing employment (or engagement) with the Corporation or a subsidiary.

Unless otherwise set forth in an underlying RSU Agreement, each RSU vests as to 1/3 on each of the first, second and third anniversary of the date of grant provided the Participant remains in continuous service with the Corporation or an affiliate from the date of grant of the RSU through such vesting date (each such date being the RSU vesting date). Notwithstanding the foregoing, if the Board in its discretion waives all vesting conditions or deems them satisfied, the date of such determination by the Board is the RSU Vesting Determination Date. Subject to the vesting and other conditions and provisions set forth in the Equity Compensation Plan and in an underlying RSU Agreement, the Board determines whether each RSU awarded to a Participant shall entitle the Participant to receive one (1) Common Share issued from treasury.

Except as otherwise provided in an agreement relating to a grant of RSUs, all of the vested RSUs covered by a particular grant may, be settled at on any date (each such day being a "**RSU Settlement Date**") on or before the last day of the applicable restriction period (which shall end on the business day preceding December 31 of the calendar year which is five (5) years after the calendar year in which the services in relation to which the RSU is granted were performed, or such shorter period as may be determined by the Board at the time the RSU is granted).

Settlement of RSUs takes place promptly following the RSU Settlement Date through delivery of a share certificate to the Participant or U.S. Participant or the entry of the Participant's or U.S. Participant's name on the share register for the Common Shares.

Notwithstanding any other provision of the Equity Compensation Plan, in the event that a RSU Settlement Date falls during a Black-Out Period or other trading restriction imposed by the Corporation, then such RSU Settlement Date is automatically extended to the tenth (10^{th}) business day following the date that such Black-Out Period or other trading restriction is lifted, terminated or removed.

Employment, Consulting and Management Agreements

Management functions of the Company are not, to any substantial degree, performed other than by directors or Named Executive Officers. During the most recently completed financial year, the significant terms of each NEO's employment agreement or arrangement are described below.

Marc Lebel

Marc Lebel currently receives a base salary of $345,000 per annum for his services as Chief Executive Officer of the Corporation's wholly owned subsidiary, FRX Polymers, Inc., a Delaware corporation ("**FRX US**"). He entered into an employment agreement with FRX US on July 1, 2021 (the "**CEO Employment Agreement**") which includes provisions relating to, among other things, base salary, eligibility for benefits and an annual performance bonus, and equity awards.

Mr. Lebel is eligible to receive an annual performance bonus ("**Annual Bonus**") for each calendar year. For 2023, Mr. Lebel's target Annual Bonus is $150,000 and shall be based on criteria established by the Board and in

consultation with Mr. Lebel. However, no such performance criteria was established by the Board of Directors for 2023 and thus no such bonus will occur for 2023.

In the event of termination for any reason, Mr. Lebel shall be entitled to all accrued but unpaid base salary, bonuses, and unused vacation time. In addition to such amounts, if Mr. Lebel is subject to termination without Cause, including any Expiration (as such terms are defined in the CEO Employment Agreement), or if Mr. Lebel terminates for Good Reason (as such term is defined in the CEO Employment Agreement), then, subject to certain preconditions, FRX US will pay Mr. Lebel: (i) salary continuance at the base salary rate through to 12 months following the date of his termination; (ii) the automobile allowance through to 12 months following the date of his termination; and (iii) a continuation of benefits until the earliest of December 31, 2023 or until the cessation of his continuation rights under the *Consolidated Omnibus Budget Reconciliation Act of 1985*. On November 29, 2022, at the request of the Board, Mr. Lebel agreed to extend the original term of the CEO Employment Agreement for an indefinite period, otherwise on the same terms and conditions.

Mark Lotz

Mark Lotz entered into a consulting agreement to provide CFO services through Lotz CPA Inc., on a part time basis, with FRX US on August 3, 2021 (the "**CFO Consulting Agreement**"). The original base fee under the CFO Consulting Agreement was $120,000 per annum. On June 1, 2022, upon mutual consent, a verbal agreement was made to increase the compensation payable under the CFO Consulting Agreement to provide CFO services at a rate of $240,000 per year. The CFO Consulting Agreement renews automatically for successive six-month terms, unless terminated as provided in the CFO Consulting Agreement. The CFO Consulting Agreement includes provisions relating to, among other things, fees, invoices, reimbursement of expenses, and eligibility for participation in the Equity Compensation Plan.

In the event of termination for cause, Mr. Lotz is entitled only to amounts due and owing at the time of the termination under the compensation provisions of the CFO Consulting Agreement. In the event of termination by FRX US without cause, or termination by Mr. Lotz following an event that constitutes Constructive Dismissal (as such term is defined in the CFO Consulting Agreement) or after a Change of Control (as such term is defined in the CFO Consulting Agreement) has been effected, then, subject to certain preconditions, FRX US will pay Mr. Lotz a lump sum payment equal to three (3) months of fees.

Mike Goode

Dr. Mike Goode received a base salary of $235,000 per annum for his services as Chief Commercial Officer of FRX US until he shifted to part time employment on July 1, 2024. As of the date of this Circular, Dr. Goode's annual salary is $141,000. He has entered into an employment agreement with FRX US, which is for an indefinite term and includes provisions relating to, among other things, base salary, eligibility for benefits and an annual performance bonus, equity awards, and eligibility for participation in the Equity Compensation Plan.

Dr. Goode is eligible to receive an Annual Bonus for each calendar year equal to 35% of base salary. Dr. Goode's target Annual Bonus shall be based on criteria established by the Board and in consultation with Dr. Goode.

Xiudong Sun

As of October 1, 2023, Xiudong Sun receives a base salary of $260,000 per annum for her services as Chief Scientific Officer of FRX US. She has entered into an employment agreement with FRX US, which is for an indefinite term and includes provisions relating to, among other things, base salary, eligibility for benefits and an annual performance bonus, equity awards, and eligibility for participation in the Equity Compensation Plan.

Ms. Sun is eligible to receive an Annual Bonus of 25% of her base salary for each calendar year. Ms. Sun's Annual Bonus for 2023 is $65,000, payable by no later than January 15, 2024. In addition to being eligible for an Annual Bonus, should Ms. Sun continue her employment with FRX US until September 1, 2025, she will receive a retention bonus of $100,000 on September 1, 2024, and another $100,000 on September 1, 2025 (together, the "**Retention Bonus**"). Should Ms. Sun leave FRX US between September 1, 2024 and September 1, 2025, any amounts paid under

the Retention Bonus shall be paid back in full, plus interest. In the event of termination prior to September 1, 2025 for any reason other than cause or bankruptcy, FRX US will pay Ms. Sun the full Retention Bonus.

In the event FRX US is sold to a third party who does not wish to continue Ms. Sun's employment, Ms. Sun is entitled to receive a severance package equal to six (6) months of her base salary. In the event Ms. Sun's employment is terminated by FRX S for cause or bankruptcy before it is sold, Ms. Sun is entitled to a severance package equal to twelve (12) months of her base salary.

Oversight and Description of Director and Named Executive Officer Compensation

The Corporation's compensation committee (the "**Compensation Committee**") is responsible for all tasks related to developing and monitoring the Corporation's approach to compensation of directors and NEOs. The Compensation Committee determines the appropriate level of compensation reflecting the need to provide incentive and compensation for the time and effort expended by the directors and NEOs, while taking into account the financial and other resources of the Corporation and prevailing market conditions. The compensation of directors and NEOs, including both cash and stock incentive compensation, is reviewed and recommended by the Compensation Committee to the Board, and ultimately approved by the Board without reference to any specific formula or criteria on an ongoing basis and is reviewed annually. During the year ended December 31, 2023, the Compensation Committee was comprised of Ekaterina Terskin (Chair), Ross Haghighat and Frank Hallam. The Compensation Committee is currently comprised of Ekaterina Terskin (Chair) and James Cassina.

Neither the Compensation Committee nor the Board has conducted a formal evaluation of the implications of the risks associated with the Corporation's compensation policies. Risk management is a consideration of the Board when implementing its compensation strategy and the Board does not believe that such strategies result in unnecessary or inappropriate risk taking including risks that are likely to have a material adverse effect on the Corporation.

Pension Disclosure

The Corporation does not have any defined benefit or defined contribution pension plans in place which provide for payments or benefits at, following, or in connection with retirement of its directors or Named Executive Officers.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth the securities of the Corporation that are authorized for issuance under the Equity Compensation Plan as at the date of this Circular.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by securityholders (1)	1,423,033	$0.24	Nil
Equity compensation plans not approved by securityholders (2)	82,857	$0.35	Nil

Notes:

(1) Options to purchase Common Shares granted pursuant to the Equity Compensation Plan to former holders of options of FRX US in connection with the Business Combination Transaction.

(2) Options granted in accordance with TSXV Policy 2.4 *Capital Pool Companie*s prior to the Business Combination Transaction.

AUDIT COMMITTEE

The following disclosure with respect to the audit committee of the Board (the "**Audit Committee**") is made in accordance with the requirements of National Instrument 52-110 *Audit Committees* ("**NI 52-110**") and Form 52-110F2 *Disclosure by Venture Issuers*.

Audit Committee Charter

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described in Schedule "A" attached hereto.

Composition of the Audit Committee

The following are the current members of the Audit Committee:

Name	Independence[(1)]	Financial Literacy
Ekaterina Terskin	Independent	Financially Literate
Mark Lotz	Not Independent	Financially Literate
Marc Lebel	Not Independent	Financially Literate

Notes:
(1) The Corporation is a "venture issuer" for the purposes of NI 52-110. As such, the Corporation is exempt from the requirement to have the Audit Committee comprised entirely of independent members.

Relevant Education and Experience

Ekaterina Terskin, Director

Ekaterina Terskin is Director for CCHL's ESG Group, having joined CCHL in 2012. Ekaterina has served on the boards and committees (including audit and compensation committees) of several technology companies and has led investments into numerous early and growth stage businesses delivering sustainable alternatives to traditional industries such as chemicals, logistics, and waste treatment. Ekaterina received a B.Com. in Honors Economics & Finance from McGill University in Montreal and is a CFA charter holder.

Mark Lotz, Director and Chief Financial Officer

Mark Lotz is a Chartered Professional Accountant practicing publicly through his firm Lotz CPA Inc. Having qualified as a Chartered Accountant in 1994 he brings a wealth of experience in business, tax and consulting. Formerly a CEO and CFO in the brokerage industry, he also has senior management experience in software/SaaS, mining, cannabis and manufacturing. He provides strategic tax and business planning and is a sought-after expert for complex contractual issues and financial quantification. He regularly consults with legal firms acting as an expert witness on matters of securities regulation and litigation.

Marc-Andre Lebel, Director and Chief Executive Officer

Marc Lebel is the founding Chief Executive Officer of FRX Polymers. He brings 30 years of product and business development, operations, and sales and marketing experience to FRX Polymers. Previously, he held senior executive positions at Triton Systems and Aspen Aerogels as Executive VP and VP of Sales and Marketing respectively. He was the Global Business Group Director for Cabot Corp.(NYSE: CBT) and was the founding CEO of DSM Thermoplastic Elastomers, a company he grew for the then $8B Dutch parent company, DSM (OTCMKTS: RDSMY). Mr. Lebel holds a BS in Chemical Engineering from the University of Ottawa and has completed company sponsored executive management programs at Harvard Business School and the International Management Development Institute.

Audit Committee Oversight

At no time since the commencement of the Corporation's most recently completed financial period was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

Reliance on Certain Exemptions

At no time since the commencement of the Corporation's most recently completed financial period has the Corporation relied on the exemption in Section 2.4 of NI 52-110, or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110. The Corporation is relying on the exemption provided in Section 6.1 of NI 52-110 as the Corporation is a "venture issuer".

External Auditor Service Fees (By Category)

The following table provides details in respect of audit, audit related, tax and other fees billed by the Corporation's external auditor in each of the last two financial years:

Nature of Services	Fees paid to external auditor during financial year December 31, 2023 ($)
Audit Fees [(1)]	320,000
Audit-Related Fees [(2)]	138,300
Tax Fees [(3)]	36,250
All Other Fees [(4)]	25,000
Total	**519,550**

Notes:

(1) Includes fees billed or accrued for professional services rendered by the auditor for the audit of the Corporation's annual financial statements, and any reviews of the Corporation's unaudited interim financial statements.

(2) Includes fees billed for professional services rendered by the auditor consisting of employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews, review of subsidiary financials, and audit or attestation services not required by legislation or regulation.

(3) Includes fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.

(4) No other fees were billed by the auditor of the Corporation other than those listed in the other columns.

CORPORATE GOVERNANCE

National Policy 58-201 - *Corporate Governance Guidelines* and National Instrument 58-101 - *Disclosure of Corporate Governance Practices* ("**NI 58-101**") set out a series of guidelines for effective corporate governance. The guidelines address matters such as the composition and independence of corporate boards, the functions to be performed by boards and their committees, and the effectiveness and education of board members. Each reporting issuer, such as the Corporation, must disclose on an annual basis and in prescribed form, the corporate governance practices that it has adopted. In addition, under the *Canada Business Corporations Act* (the "**CBCA**"), the Corporation must disclose certain information on an annual basis regarding the diversity of the board of directors and senior management.

Maintaining a high standard of corporate governance is a priority for the Board and the Corporation's management as both believe that effective corporate governance will help create and maintain shareholder value in the long term. A description of the Corporation's corporate governance practices, which addresses the matters set out in NI 58-101, is set out at Schedule "B" to this Circular.

MATTERS TO BE CONSIDERED AT THE MEETING

To the knowledge of the Board, the only matters to be brought before the Meeting are set forth in the accompanying Notice of Meeting. These matters are described in more detail under the headings below.

1. Annual Financial Statements

The audited annual financial statements of the Corporation for the years ended December 31, 2023, December 31, 2022 and December 31, 2021 and the auditor's reports thereon (collectively, the "**Annual Financial Statements**") will be placed before Shareholders at the Meeting. The Annual Financial Statements were audited by MNP LLP. Copies of the Annual Financial Statements will be available on SEDAR+ at www.sedarplus.ca.

2. Ratification of the Election of Directors

Ratification of the Election of Directors for the Year Ended December 31, 2023

At the Meeting, Shareholders will be asked to ratify, approve and confirm the election of each of Ross Haghighat (Chair), Marc Lebel (CEO), Mark Lotz (CFO), James Cassina, Dr. Bernhard Mohr, Ekaterina Terskin, Fanglu Wang, Frank Hallam (until his resignation effective as of August 2, 2023) and Patrick Muezers (replacing Frank Hallam effective as of August 2, 2023) (collectively, the "**2023 Board**") as directors of the Corporation for the year ended December 31, 2023. To be adopted, this resolution is required to be passed by the affirmative vote of a majority of the votes cast at the Meeting.

The Board unanimously recommends that Shareholders vote FOR the ratification of the election of the 2023 Board as directors of the Corporation for the financial year ended December 31, 2023. Unless contrary instructions are given, the persons designated as proxyholders in the accompanying Instrument of Proxy intend to vote the Common Shares represented by such Instrument of Proxy FOR the ratification of the election of the 2023 Board as directors of the Corporation for the financial year ended December 31, 2023.

Ratification of the Election of Directors for the Year Ended December 31, 2022

At the Meeting, Shareholders will be asked to ratify, approve and confirm the election of each of Ross Haghighat (Chair), Marc Lebel (CEO), Mark Lotz (CFO), James Cassina, Dr. Bernhard Mohr, Ekaterina Terskin, Fanglu Wang and Frank Hallam (collectively, the "**2022 Board**") as directors of the Corporation for the year ended December 31, 2022. To be adopted, this resolution is required to be passed by the affirmative vote of a majority of the votes cast at the Meeting.

The Board unanimously recommends that Shareholders vote FOR the ratification of the election of the 2022 Board as directors of the Corporation for the financial year ended December 31, 2022. Unless contrary instructions are given, the persons designated as proxyholders in the accompanying Instrument of Proxy intend to vote the Common Shares represented by such Instrument of Proxy FOR the ratification of the election of the 2022 Board as directors of the Corporation for the financial year ended December 31, 2022.

3. Fixing Number of Directors

The Corporation proposes to fix the number of directors of the Corporation at four (4).

The Board unanimously recommends that Shareholders vote FOR fixing the number of directors at four (4). Unless contrary instructions are given, the persons designated as proxyholders in the accompanying Instrument of Proxy intend to vote FOR fixing the number of directors of the Corporation at four (4).

4. Election of Directors

At the Meeting, Shareholders will be asked to pass an ordinary resolution to elect the following four (4) individual directors to the Board: Ekaterina Terskin (Chair), Marc-Andre Lebel (CEO), Mark Lotz (CFO) and James Cassina

(the "**Nominees**"). If elected each Nominee will be elected to hold office effective until the earlier of: (a) the next annual general meeting of the Corporation or (b) their successor is duly elected or appointed, unless their office is vacated earlier.

Advance Notice Requirement

The Corporation's By-Law No. 1, contains a requirement providing for advance notice of nominations of directors (the "**Advance Notice Requirement**") in certain circumstances where nominations for election to the Board are made by Shareholders. For an annual meeting of Shareholders, notice to the Corporation must be provided not less than 30 and not more than 65 days prior to the date of the annual meeting; save and except where the annual meeting is to be held on a date less than 50 days after the date on which the first public announcement of the date of such annual meeting was made, in which event notice may be given not later than the close of business on the tenth (10^{th}) day following such public announcement. For a special meeting of Shareholders (that is not also an annual meeting), notice to the Corporation must be given not later than the close of business on the fifteenth (15^{th}) day following the day on which the first public announcement of the date of such special meeting was made. The Corporation's By-Law No. 1, is available under the Corporation's profile on SEDAR+ at www.sedarplus.ca.

Majority Voting

The Corporation is subject to the statutory majority voting requirements under the CBCA which provide that, in an uncontested election, where there is only one candidate nominated for each position available on the Board, each candidate is elected only if the number of votes cast in their favour represents a majority of the votes cast for and against them by the shareholders who are present in person or represented by proxy. If an incumbent director is not elected, the director may continue in office until the earlier of (i) the 90^{th} day after the day of the election; and (ii) the day on which their successor is appointed or elected.

Voting for the election of the below named directors comprising the Nominees will be conducted on an individual, and not slate basis. Shareholders can vote for all of the Nominees set forth herein, vote for some of them and vote against others, or vote against all of them.

The Board unanimously recommends that Shareholders vote FOR the election of each of the Nominees as directors. Unless contrary instructions are given, the persons designated as proxyholders in the accompanying Instrument of Proxy intend to vote FOR the election of each of the Nominees as directors of the Corporation.

The Corporation does not contemplate that any of such Nominees will be unable to serve as directors; however, if for any reason any of the proposed Nominees do not stand for election or are unable to serve as such, **proxies held by the persons designated as proxyholders in the accompanying Instrument of Proxy will be voted for another nominee in their discretion unless the Shareholder has specified in his or her form Instrument of Proxy that his or her Common Shares are to be withheld from voting in the election of directors. Each director elected will hold office effective until the earlier of the next annual general meeting of the Corporation or his/her successor is duly elected or appointed, unless his/her office is vacated earlier.**

The following is a brief description of each of the Nominees proposed, including their principal occupation for the past five years, all positions and offices with the Corporation held by them and the number of Common Shares that they have advised are beneficially owned, directly or indirectly, by them or over which control or direction is exercised by them, as at the Record Date.

Name and Municipality of Residence [(1)]	Position held with the Corporation [(1) (2)]	Principal Occupations for the Past 5 Years [(1)]	Common Shares Beneficially Owned or Controlled [(1)]
Marc-Andre Lebel Orleans, MA USA	Chief Executive Officer Director Audit Committee Member	CEO of FRX Polymers, Inc.	2,285,150

Mark Lotz Vancouver, BC Canada	Chief Financial Officer Director Audit Committee Member	CEO of Gateway Securities; CFO of Golden Capital	30,000
James Cassina Nassau, Bahamas	Director	Director of the Corporation and CEO, CFO, Secretary and a Director of Good2Go4 Corp. Mr. Cassina was the CEO, CFO, Secretary and Director of Good2Go Corp. (currently known as NowVertical Group Inc.) and Good2Go2 Corp. (currently known as LevelJump Healthcare Corp.), both TSXV listed capital pool companies that completed their qualifying transactions in 2020 and 2021.	1,128,041 (3)
Ekaterina Terskin Gaithersburg, MD USA	Director Audit Committee Member Compensation Committee Member	Director of CITIC Capital Holdings Limited	47,215

Notes:
(1) This information has been furnished by each of the respective individual Nominees.
(2) Each Nominee has served as a director since May 2022.
(3) Includes 809,651 Common Shares held directly by Mr. Cassina and 318,390 Common Shares held indirectly by Mr. Cassina through Mancala Mercantile Ltd. Mr. Cassina also holds 82,857 Options to purchase Common Shares.

Cease Trade Orders, Bankruptcies, Penalties and Sanctions

Except as set out below, no Nominee (nor any personal holding company of any such proposed director):

(i) is as at the date of this Circular, or has been, within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Corporation) that:

(a) was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days (an "**Order**"), that was issued while that person was acting in that capacity; or

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

(ii) is as at the date of this Circular, or has been, within 10 years before the date of this Circular, a director or executive officer of any company (including the Corporation) 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;

(iii) has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such proposed director; or

(iv) has been subject to (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory

authority, or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable Shareholder in deciding whether to vote for the proposed director.

Each of the Nominees was a director of the Corporation when it was subject to a failure-to-file cease trade order ("**FFCTO**") issued by the Ontario Securities Commission ("**OSC**") on July 23, 2024 for failure to meet its ongoing financial disclosure requirements. The FFCTO was issued in respect of the late filing of the Corporation's (i) audited annual financial statements for the year ended December 31, 2023, management's discussion and analysis and related certifications, and (ii) interim financial statements for the three months ended March 31, 2024, management's discussion and analysis and related certifications. As of the date of this Circular, the FFCTO remains in effect. The Corporation is working diligently with its financial advisors, auditors and legal counsel to rectify the default and meet all its regulatory reporting obligations and continued listing requirements with the TSXV with the intent of resuming trading as soon as possible.

Each of the Nominees was a director of the Corporation when it was subject to management cease trade orders (each, an "**MCTO**") issued by the OSC on each of May 2, 2023, and May 10, 2024. In each case, the MCTO was issued in respect of the late filing of the Corporation's financial statements, management's discussion and analysis and related certifications. The MCTOs were revoked on July 12, 2023 and July 23, 2024, respectively.

James Cassina was a director of Novicus Corp. (now Grown Rogue International Inc.) ("**Novicus**"), when it was the subject of an FFCTO issued by the OSC on January 9, 2017. The FFCTO issued in respect of Novicus was revoked on March 20, 2017 after the company filed its applicable continuous disclosure documents.

Mark Lotz was Chief Financial Officer of Specialty Liquid Transportation Corp. ("**Specialty Liquid**") when it was subject to an MCTO issued by the British Columbia Securities Commission (the "**BCSC**") on May 1, 2019. The MCTO was issued as a result of Specialty Liquid's failure to file annual audited financial statements and management's discussion and analysis for the year ended December 31, 2018 (collectively, the "**2018 Financial Statements**") within the prescribed time period. Mr. Lotz was also Chief Financial Officer of Specialty Liquid when it was subject to a FFCTO issued by the BCSC on August 6, 2019 for its failure to file the 2018 Financial Statements, interim financial report for the period ended March 31, 2019, management's discussion and analysis for the period ended March 31, 2019 and certification of annual and interim filings for the periods ended December 31, 2018 and March 31, 2019. The MCTO and FFCTO remain in effect as of the date hereof.

Mr. Lotz was Chief Financial Officer and director of Vodis Pharmaceuticals Inc. ("**Vodis**") when it was subject to an MCTO issued by the BCSC on July 30, 2019. The MCTO was issued as a result of Vodis' failure to file annual audited financial statements and management's discussion and analysis for the year ended March 31, 2019 within the prescribed time period. The MCTO was revoked on October 2, 2019.

Mr. Lotz was appointed the Chief Financial Officer of LUFF Enterprises Ltd., formerly Ascent Industries Corp. ("**Ascent**") in April 2019 after it voluntarily sought protection under the Companies' Creditors Arrangements Act (the "**CCAA**"). Mr. Lotz's mandate was to complete the CCAA process and all outstanding financial reporting requirements. The CCAA process was completed and the company returned to good standing with the CSE and the BCSC in May of 2020, which concluded Mr. Lotz's engagement with Ascent.

Mr. Lotz was Chief Financial Officer of Ascent when it was subject to a voluntary MCTO issued by the BCSC on March 11, 2020, pursuant to which Mr. Lotz was prohibited from trading in securities of Ascent until such time as Ascent had filed annual audited financial statements and management's discussion and analysis for the year ended December 31, 2018, as well as interim financial reports and management's discussion and analysis for the periods ended March 31, 2019, June 30, 2019 and September 30, 2019. On May 12, 2020, the MCTO was revoked following Ascent's filing of the required financial statements and management's discussion and analysis.

Mr. Lotz was Chief Financial Officer of Handa Mining Corp. ("**Handa**") when it was subject to a voluntary MCTO issued by the BCSC on July 17, 2020, pursuant to which Mr. Lotz was prohibited from trading in securities of Handa until such time as Handa had filed its annual audited financial statements and management's discussion and analysis for the year ended January 31, 2020. On August 18, 2020, the MCTO was revoked following Handa's filing of the required financial statements and management's discussion and analysis.

In 2002, Mr. Lotz paid a fine in the amount of $20,000 to the Investment Dealers Association ("**IDA**"), the predecessor to the Investment Industry Regulatory Organization of Canada ("**IIROC**"), for having failed to file an application with the IDA reflecting a change of his employment status with Golden Capital Securities Ltd. ("**Golden Capital**"), a registered investment dealer where he was employed. At the time, Mr. Lotz had a part-time accounting and tax practice which, under IDA policies, should have been reflected in his employment status. Also, upon termination of his employment and after Golden Capital having declared its intent to cease operations, Mr. Lotz undertook to act as CFO for a public company but failed to disclose this engagement with the IDA.

The foregoing information, not being within the knowledge of the Corporation, has been furnished by the Nominees.

Other Current Reporting Issuer Experience

The following table sets out the directors, officers and promoters of the Corporation that are, or have been within the last five years, directors, officers or promoters of other issuers that are or were reporting issuers in any Canadian jurisdiction (or the equivalent in a jurisdiction outside of Canada):

Name of Director, Officer or Promoter	Name of Reporting Issuer	Name of Exchange or Market	Position	Term
Marc-Andre Lebel	N/A	N/A	N/A	N/A
Mark Lotz	Acme Gold Company Limited	CSE	CFO, Secretary & Director	April 2022 - March 2024
	Alta Copper Corp.	TSX	CFO	September 2018 - June 2022
	Specialty Liquid Transportation Corp.	TSXV	CFO	February 2019 - October 2020
	Xali Gold Corp.	TSXV	CFO & Director	October 2018 - October 2023
	Handa Mining Corporation	TSXV	CFO	November 2018 - March 2021
	Metalsource Mining Inc.	CSE	CFO	August 2020 - November 2022
	Teal Valley Health Inc.	N/A	CFO & Director	August 2016 - June 2021
	PreveCeutical Medical Inc.	CSE	CFO & Director	June 2019 - May 2022
	Gold Hunter Resources Inc.	TSXV	CFO	October 2019 - February 2022
	Leopard Lake Gold Corp.	CSE	CFO & Director	July 2020 - Present
	FOBI AI Inc.	TSXV	CFO	December 2020 - Present
	Gold Basin Resources Corporation	TSXV	CFO & Director	July 2019 - December 2019
	Battery X Metals Inc.	CSE	CFO & Director	December 2017 - May 2021

Name of Director, Officer or Promoter	Name of Reporting Issuer	Name of Exchange or Market	Position	Term
	Gnomestar Craft Inc.	CSE	CFO & Director	October 2016 - Present
	Fairchild Gold Corp.	TSXV	Director	November 2019 - June 2020
	Intrepid Metals Corp.	TSXV	Director	July 2016 - Present
	Inspiration Energy Corp.	CSE	CFO, Secretary & Director	September 2020 - May 2022
	Herbal Dispatch Inc.	CSE	CEO, CFO & Director	April 2019 - September 2020
James Cassina	Good2Go4 Corp.	TSXV	CEO, CFO, Secretary & Director	June 2021 - Present
	Good2Go Corp. (currently NowVertical Group Inc.)	TSXV	CEO, CFO & Director	May 2018 - June 2021
	Good2Go2 Corp. (currently LevelJump Healthcare Corp.)	TSXV	CEO, CFO, Secretary & Director	March 2019 - December 2020
Ekaterina Terskin	N/A	N/A	N/A	N/A

Biographical information of the Nominees is set out below.

Marc-Andre Lebel, P.Eng. – Director, Chief Executive Officer

Marc Lebel is the founding Chief Executive Officer of FRX US. He brings 30 years of product and business development, operations, and sales and marketing experience to FRX US. Previously, he held senior executive positions at Triton Systems and Aspen Aerogels as Executive VP and VP of Sales and Marketing respectively. He was the Global Business Group Director for Cabot Corp. (NYSE: CBT) and was the founding CEO of DSM Thermoplastic Elastomers, a company he grew for the $8B Dutch parent company, DSM (OTCMKTS: RDSMY). Mr. Lebel holds a BS in Chemical Engineering from the University of Ottawa and has completed company sponsored executive management programs at Harvard Business School and the International Management Development Institute.

Mark Lotz – Director, Chief Financial Officer

Mark Lotz is a Chartered Professional Accountant practicing publicly through his firm Lotz CPA Inc. Having qualified as a Chartered Accountant in 1994 he brings a wealth of experience in business, tax and consulting. Formerly a CEO and CFO in the brokerage industry, he also has senior management experience in software/SaaS, mining, cannabis and manufacturing. He provides strategic tax and business planning and is a sought-after expert for complex contractual issues and financial quantification. He regularly consults with legal firms acting as an expert witness on matters of securities regulation and litigation.

James Cassina – Director

Mr. Cassina is the CEO, CFO, Secretary and Director of Good2Go4 Corp. and was CEO, CFO and CEO, Secretary and Director of Good2Go Corp. (currently known as NowVertical Group Inc.) and Good2Go2 Corp. (currently known as "LevelJump Healthcare Corp."), both TSXV listed capital pool companies that completed their qualifying transaction in 2020 and 2021 respectively. Mr. Cassina is a businessman experienced in many aspects of the business and development of public companies including company formation to growth and expansion, mergers and

acquisitions, and corporate financing. He has a successful history of founding, directing, and funding companies that have subsequently been acquired by large international corporations.

Ekaterina Terskin – Director

Ekaterina Terskin is a Director for CCHL's ESG Group, having joined CCHL in 2012. Ekaterina has served on boards and committees of several technology companies and has led investments into numerous early and growth stage businesses delivering sustainable alternatives to traditional industries such as chemicals, logistics, and waste treatment. Ekaterina received a B.Com. in Honors Economics & Finance from McGill University in Montreal and is a CFA charter holder.

5. Ratification and Appointment of Auditor

At the Meeting, Shareholders of the Corporation will be asked to (i) ratify, approve and confirm the appointment of MNP LLP as auditor of the Corporation for the financial years ended December 31, 2023, December 31, 2022 and December 31, 2021 and the Board fixing the auditor's remuneration for those years, and (ii) appoint MNP LLP as auditor of the Corporation for the ensuing year and to authorize the Board to fix the auditor's remuneration. To be adopted, this resolution is required to be passed by the affirmative vote of a majority of the votes cast at the Meeting.

The Board unanimously recommends that Shareholders vote FOR the ratification and appointment of MNP LLP as auditor of the Corporation and authorizing the Board to fix their remuneration. Unless contrary instructions are given, the persons designated as proxyholders in the accompanying Instrument of Proxy intend to vote the Common Shares represented by such Instrument of Proxy FOR the ratification and appointment of MNP LLP as auditor of the Corporation and authorizing the Board to fix their remuneration.

6. Ratification of Past Acts

Certain of the Corporation's corporate records and proceedings from the Last Meeting Date, up to the present date require ratification as the Corporation wishes to ensure that the past acts by the Corporation's directors and officers during this period are valid notwithstanding that the Corporation did not hold an annual meeting since the Last Meeting Date.

At the Meeting, Shareholders will be asked to consider and, if thought advisable, to pass with or without variation, an ordinary resolution, the complete text of which is set out in Schedule "C" (the "**Past Acts Resolution**") approving, ratifying and confirming all prior acts and proceedings of the directors and officers of the Corporation made from and including the Last Meeting Date to the date hereof including, but not limited to, those disclosed or referred to in the minute books or records of the Corporation, in information disseminated to the Shareholders by the Corporation, and/or in the financial statements of the Corporation.

The Board unanimously recommends that Shareholders vote FOR the Past Acts Resolution. Unless contrary instructions are given, the persons designated as proxyholders in the accompanying Instrument of Proxy intend to vote FOR the Past Acts Resolution.

7. Delisting

At the Meeting, Shareholders will be asked to consider and approve, with or without variation, an ordinary resolution of Shareholders in the form attached as Schedule "D" (the "**Delisting Resolution**") authorizing and approving the voluntary delisting of the Common Shares from the TSXV (the "**Delisting**") if, and when, the Board, in its sole discretion, determines that such Delisting is in the best interests of the Corporation and Shareholders.

The Board and management of the Corporation believe it may be in the best interests of the Corporation and Shareholders to complete a Delisting of the Common Shares from trading on the TSXV as the Corporation no longer expects to be able to continue to meet the listing requirements of the TSXV. Further, upon completion of the Proposed Transaction, the Board believes that it may not be in the best interests of the Shareholders to maintain a listing, and be subject to the associated costs of the TSXV or of the lower tier NEX board of the TSXV.

The Delisting, if completed, will have a negative impact on the liquidity of the Common Shares and may result in an absence of liquidity of the Common Shares. As of the date of this Circular, the Board plans to maintain the Corporation as a reporting issuer.

In accordance with Section 4.3 of TSXV Policy 2.9, the Delisting Resolution must be approved by a majority of the votes cast on the Delisting Resolution by Shareholders present in person or represented by proxy at the Meeting, excluding votes attached to Common Shares held by promotors, directors and officers of the Corporation or other Insiders (as defined in TSXV Policy 1.1), including those who own greater than 10% of the outstanding Common Shares, of the Corporation and their Associates and Affiliates (as such terms are defined in TSXV Policy 1.1). As of the date hereof, the number of Common Shares that will not be eligible to be voted on the Delisting Resolution is 26,816,397 Common Shares, representing approximately 22.64% of the outstanding Common Shares.

The Board unanimously recommends that Shareholders vote FOR the Delisting Resolution. Unless contrary instructions are given, the persons designated as proxyholders in the accompanying Instrument of Proxy intend to vote FOR the Delisting Resolution.

Implementation of the Delisting is conditional upon the Board, in its sole discretion, determining that such Delisting is in the best interests of the Corporation and Shareholders. The Board shall maintain full discretion as to when, and if, the Delisting shall be completed. Notwithstanding whether the Delisting Resolution is passed by the Shareholders, the Board may, if determined to be in the best interests of the Corporation and without further notice to or approval by the Shareholders, determine to not proceed with the Delisting at any time in its sole discretion prior to the Delisting becoming effective.

8. Proposed Transaction

At the Meeting, Shareholders will be asked to consider and, if thought advisable, to pass with or without variation, a special resolution, the complete text of which is set out in Schedule "E" (the "**Proposed Transaction Resolution**") in connection with the Proposed Transaction whereby the Corporation proposes to dispose of its Business (as defined below) by way of the sale of all of its equity interests in its wholly-owned operating subsidiary FRX US pursuant to the terms and conditions of the Purchase Agreement (as defined below). See "Recommendation of the Special Committee" and "Recommendation of the Board" below. The disposition of FRX US will constitute a sale of substantially all of the assets of the Corporation.

To be passed at the Meeting, the Proposed Transaction Resolution must be approved by: (i) a majority of not less than two-thirds (66 2/3%) of the votes cast by Shareholders who vote in respect of the Proposed Transaction Resolution, and (ii) at least a simple majority of the votes cast by Shareholders, present in person or represented by proxy at the Meeting (after excluding the votes cast by "related parties" in accordance with MI 61-101 (as defined below)). See "Required Shareholder Approvals for the Proposed Transaction".

History of the Corporation

The Corporation is a publicly traded holding company whose wholly-owned operating subsidiary FRX US, together with and through its subsidiaries and/or affiliates, including FRX Polymers (Europe) NV ("**FRX Belgium**") and FRX Polymers (Shanghai) Consulting Co. Ltd. (collectively, the "**Company Group**"), operates a manufacturing business focused on producing a family of environmentally sustainable flame-retardant products that serve several large markets spanning textiles, electronics, automotive, electric vehicles and medical devices, with sales globally (the "**Business**").

The Corporation is the resulting issuer of a business combination transaction involving FRX US and Good2GoRTO Corp. ("**G2G**"), whereby on May 16, 2022, among other things, G2G and FRX US completed a "three cornered" amalgamation and a reverse triangular merger, pursuant to which FRX US became a wholly-owned subsidiary of the Corporation (the "**Business Combination Transaction**").

By Q3 2023, it became apparent that the Corporation was in financial distress and was no longer able to meet all of its financial obligations. As a result, the Corporation, through FRX US, obtained funding for approximately $683,400 (the "**2023 Bridge Loan Amounts**") through a combination of factoring agreements, convertible debentures and small

loans from certain related parties from June 2023 to December 2023, including CCSRF, Newburyport Partners, LLC ("**NBPT**"), Patrick Meuzers and Evonik Ventures Venture Capital GMBH, $664,500 of which was advanced by CCSRF and NBPT (together, the "**Related Party Lenders**"). CCSRF is a related party of the Corporation as a result of its greater than 10% ownership of the Corporation's outstanding Common Shares. NBPT is a related party of the Corporation as a result of it being wholly owned by Ross Haghighat, being the former Chairman of the Corporation and Chairman at the time of the entering into of the letter of intent (the "**LOI**") and negotiation of the terms of the Proposed Transaction. The Corporation relied on the exemption set out in Section 5.7(f) of MI 61-101 from seeking minority Shareholder approval for the 2023 Bridge Loan Amounts from the Related Party Lenders on the basis that that such loans were on commercially reasonable terms and were not convertible into equity or voting securities of the Corporation.

In addition to the 2023 Bridge Loan Amounts, an unrelated third-party Shareholder also advanced FRX short term financing in December 2023 pursuant to the terms of a $200,000 principal amount convertible debenture convertible into Common Shares at a price of $0.15 per share, bearing interest at a rate of 2.5% per annum and secured against certain accounts receivable of the Corporation (the "**Shareholder Debenture**").

From April 1 to May 24, 2024, FRX US received an additional $432,000 in short-term loans from the Related Party Lenders (the "**2024 Working Capital Loans**"). On May 30, 2024, FRX US entered into a working capital omnibus loan agreement (the "**Working Capital Loan Agreement**") with the Related Party Lenders to reflect all amounts advanced by the Related Party Lenders to FRX US up until that date, which included the $664,500 of 2023 Bridge Loan Amounts advanced by the Related Party Lenders and the $432,000 of 2024 Working Capital Loans advanced by the Related Party Lenders for an aggregate principal amount of $1,096,500 of indebtedness bearing interest at a rate of 4% per annum. The Corporation relied on the exemption set out in Section 5.7(f) of MI 61-from seeking minority Shareholder approval for the 2024 Working Capital Loans and entering into of the Working Capital Agreement 101 on the basis that that such loans were on commercially reasonable terms and were not convertible into equity or voting securities of the Corporation.

In June 2024, KBC Bank NV (the "**Secured Lender**"), the secured lender of the Corporation, formally terminated its up to €13.7 million credit facility agreement ("**Facility Agreement**") with the Corporation, through FRX Belgium, dated December 21, 2011, as amended and restated from time to time, and called the approximately €8.6 million (approximately US$9.03 million as at the date of the Circular) of outstanding indebtedness under such credit facility (the "**Secured Indebtedness**"). At that time, CCSRF expressed its willingness to acquire the outstanding indebtedness under the Facility Agreement from the Secured Lender. CCSRF also agreed, as part of the conditional offer to acquire the indebtedness under the Facility Agreement, and in order to maintain operations, together with NBPT, to fund up to $1 million of bridge loans to the Corporation, with the expectation that such advances would convert into equity of Parent post-Closing. The funds underlying such bridge loans were subsequently disbursed to FRX US in a series of tranches in June, July, August and September pursuant to the terms of the up to $1,000,000 principal amount bridge financing agreement dated June 1, 2024 among the Corporation, FRX US and the Related Party Lenders (the "**Interim Loan Agreement**") bearing interest at a rate of 4% per annum. The Corporation relied on the exemption set out in Section 5.7(f) of MI 61-101 from seeking minority Shareholder approval for the entering into of the Interim Loan Agreement on the basis that that the loan underlying such agreement was on commercially reasonable terms and was not convertible into equity or voting securities of the Corporation

In July 2024, an agreement in principal was reached between the CCSRF and the Secured Lender to novate the Secured Lender's claims to the Secured Indebtedness under the Facility Agreement to CCSRF in exchange for an aggregate transfer and consent fee of approximately $1.2 million.

On July 31, 2024, the Corporation signed a non-binding letter of intent with FRX Acquisition, Inc. (the "**Purchaser**"), and to be formed parent company of the Purchaser (the "**Parent**"). As at the date of this Circular, approximately 84% of Purchaser is owned or controlled by a consortium of third-party investors that are not currently connected to the Corporation, Patrick Muezers, a former director of the Corporation, owns or controls approximately 10.6% of the Purchaser and NBPT owns or controls the remaining approximately 4.6% of the Purchaser. At Closing, the Purchaser is expected to be wholly-owned by Parent. See "Required Shareholder Approvals for the Proposed Transaction - TSXV Policy 5.9 and MI 61-101" for additional details relating to the anticipated ownership structure of the Purchaser and Parent at Closing.

In July 2024, recognizing that the Corporation required additional funding for operations, as well as to cover one-time non-recurring transaction-related expenses, the Related Party Lenders, being CCSRF and NBPT, agreed to extend a further loan to FRX US pursuant to the terms of the up to $453,000 principal amount prepaid expense loan agreement dated July 1, 2024 among the Corporation, FRX US and the Related Party Lenders (the "**Prepaid Expense Loan Agreement**"). The Corporation relied on the exemption set out in Section 5.7(f) of MI 61-101 from seeking minority Shareholder approval for the entering into of the Prepaid Expense Loan Agreement on the basis that that the loan underlying such agreement was on commercially reasonable terms and was not convertible into equity or voting securities of the Corporation

Due to the anticipated completion of the Proposed Transaction being pushed until the end of Q4 2024, by October 2024 it became apparent that the Corporation would require additional funding to continue operations. As a result, the Related Party Lenders agreed to extend an additional loan to FRX US pursuant the terms of the up to $1,500,000 principal amount supplemental loan agreement dated October 15, 2024 among the Corporation, FRX US and the Related Party Lenders (the "**Supplemental Loan Agreement**"), of which approximately $610,000 has been advanced to FRX US as of the date of this Circular. The Corporation relied on the exemption set out in Section 5.7(f) of MI 61-101 from seeking minority Shareholder approval for the entering into of the Supplemental Loan Agreement on the basis that that the loan underlying such agreement was on commercially reasonable terms and was not convertible into equity or voting securities of the Corporation

In November 2024, CCSRF completed the novation of the Secured Lender's claim for the Secured Indebtedness (the "**CCSRF Claim**") under the Facility Agreement from the Secured Lender, along with the transfer of all underlying security pursuant novation agreement (the "**Novation Agreement**") dated November 13, 2024 among the Secured Lender, CCSRF and FRX Belgium. As a result, CCSRF has become the Corporation's only secured creditor.

On November 27**,** 2024, the Corporation entered into a stock purchase agreement (the "**Purchase Agreement**") with the Purchaser setting forth the terms and conditions by which the Corporation proposes to sell the Business by way of the sale of all of its equity interests in FRX US to the Purchaser for cash consideration of $1,500,000, subject to certain additions and deductions, including a deduction equal to $453,000 advanced under the Prepaid Expense Loan Agreement, and a potential Earnout Payment (as defined below) payable to the Corporation upon a future liquidity event of FRX US pursuant to the earnout payment mechanics set out in the Purchase Agreement (the "**Proposed Transaction**"). There can be no assurance as to the quantum or timing of such Earnout Payment, if any. In addition to the consideration payable under the Purchase Agreement, the Purchaser will also assume or otherwise restructure all of the approximately $16.5 million of existing indebtedness of the Corporation and its subsidiaries at Closing. The Purchase Agreement and Proposed Transaction, including the terms and conditions thereof, are described in greater detail below.

Background to the Proposed Transaction and Events Leading up to the Proposed Transaction

Since its inception, the Board and management of the Corporation have regularly evaluated the Business and its operations, long-term strategic goals and alternatives and prospects, with a goal of maximizing Shareholder value. The Corporation has regularly assessed trends and conditions impacting the Business and its industry, changes in the marketplace and applicable law, the competitive environment and the future prospects of the Corporation and its Business.

In light of its financial and operating circumstances, and after discussions with its financial advisors, the Corporation made the determination that for the Business to be successful it would best be served outside of a publicly listed entity. The Board and management of the Corporation have determined that the best path forward for the Corporation would be for the disposition of the Business, and to subsequently allow the Corporation to identify potential alternative transactions and businesses to acquire or combine with.

Aware of the potential conflicts of interest amongst Board members as it related to the potential disposition of the Business to the Purchaser, the Board established a special committee (the "**Special Committee**") to negotiate the Proposed Transaction on May 20, 2024. The Special Committee consists of Marc Lebel, Mark Lotz and James Cassina each of whom is an "independent director", as that term is defined in MI 61-101 (defined below), as well as Kirstyn Pearl, a special advisor who is not a director of the Corporation. The potential conflicts of interest include the following relationships: (i) Ross Haghighat (former director who resigned from the Board on November 26, 2024), whether

personally or through affiliated entities including NBPT, is expected to be a director of the Parent and indirectly own or exercise control over approximately 11.7% of the equity of Purchaser at Closing; (ii) Ekaterina Terskin (current Chairman of the Board) is an officer of CCSRF, is expected to be a director of the Parent and expected to indirectly own or exercise control over approximately 35% of equity of the Purchaser at Closing; (iii) Fanglu Wang (former director who resigned from the Board on November 26, 2024), is also an officer of CCSRF and is expected to be a director of the Parent; and (iv) Patrick Muezers (former director who resigned from the Board on November 26, 2024) is contemplated to be Chief Executive Officer of the Purchaser at Closing and is expected to indirectly own or exercise control over approximately 5.9% of Purchaser at Closing.

The purpose of the Special Committee is to ensure that the interests of the Corporation are fairly considered in the negotiation and review of the Proposed Transaction and to manage the conflicts that could arise in connection with the Proposed Transaction. The Purchase Agreement is the result of arm's length negotiations between management of the Corporation, and the Special Committee, and their legal and financial advisors, on the one hand, and the Purchaser, and its legal and financial advisors, on the other hand. The following is a summary of the material meetings, negotiations, discussions, and actions between the parties that preceded, as well as the context that led to, the execution and public announcement of the Purchase Agreement.

The Corporation established a preliminary strategic subcommittee (the "**Preliminary SC**") in September 2023 in response to a shortfall of capital resources which resulted in the Corporation receiving default notices from its lenders (the "**Capital Deficiency**"). The Preliminary SC was comprised of Marc Lebel, Ekaterina Terskin, Ross Haghighat, Patrick Muezers, James Cassina, and Mark Lotz and initiated a strategic process to investigate options for the Corporation to resolve its Capital Deficiency.

On October 3, 2023, management of the Corporation updated the Board on the status of its discussions with creditors of the Corporation, noting that such discussions had so far been unsuccessful. The Board also discussed the expression of interest by two companies in the fire-retardant industry in acquiring the Corporation. The Special Committee advised the Board to engage a Canadian investment banking services provider to obtain a strategic transaction to resolve the Capital Deficiency and protect and enhance Shareholder value. The Corporation and its financial advisor, Echelon Wealth Partners Inc. (now, Ventum Financial Corp. ("**Ventum**")), explored several strategic options, including restructuring debt, raising capital and finding a buyer for a sale of the corporation. By the end of October 2023, the decision was made to explore the outright sale of the Corporation or its assets and, with the assistance of Ventum, the Corporation formally reached out to over 20 strategic buyers on a global basis, with over 10 parties moving to the diligence phase of the process. While the overarching feedback was that the Business' products showed significant promise, the Corporation's capital structure demanded significant financial resources and was overly burdensome for potential buyers and, as a result, by March 2024 no such transaction had materialized.

On May 20, 2024, the Board held a meeting and discussed a potential capital raise involving two of the Corporation's Shareholders. The capital raise would be conditional on certain debt restructurings and on FRX US subsequently being acquired by a group of European investors (the "**Investment Group**"). To evaluate this proposal, the Board established the Special Committee comprised of James Cassina, Marc Lebel, Mark Lotz and special advisor, Kirstyn Pearl.

The Special Committee and the Board continued to discuss the proposal from the Investment Group throughout June and July of 2024. On June 19, 2024, the Corporation received a draft term sheet (the "**Conditional Offer**") from the Investment Group relating to the purchase of FRX Belgium and the Corporation's patents, other intellectual property, and customer list (the "**Net Assets**"). The Special Committee considered and discussed the Conditional Offer privately and with the Board, including with related parties of the Investment Group. The Special Committee determined that the key terms of the Conditional Offer could be acceptable if the transaction structure was modified such that the Investment Group would acquire the issued and outstanding shares of FRX USA, which holds the Net Assets, which structure ultimately became the Proposed Transaction.

The Special Committee continued to consider and discuss the Conditional Offer and the structuring of the Proposed Transaction and potential alternatives such as a rights offering. During this time, an investment from a different investor group was explored but was determined by Q3 2024 to be unviable due to market conditions and time constraints. On July 30, 2024, the Board held a meeting to review the Proposed Transaction and discuss the strategic process undertaken to date. Marc Lebel served as Chairman of the meeting, given Ross Haghighat declared a conflict

of interest. The disinterested directors, namely James Cassina, Bernhard Mohr, Mark Lotz and Marc Lebel unanimously voted in favour of accepting the Conditional Offer and directed the Special Committee to push forward with the Proposed Transaction. Interested directors declaring conflicts of interest at that Board meeting included Ross Haghighat, Ekaterina Terskin, Fanglu Wang and Patrick Muezers.

From July 2024 until the date of the execution of the Purchase Agreement, the Board and the Special Committee met continuously to discuss and consult with the Corporation's financial and legal advisors legal regarding the proposed terms of the Proposed Transaction and the final structure of same. On August 15, 2024, the Corporation formally engaged Ventum to consider the fairness of the Proposed Transaction. On November 19, 2024, Ventum delivered the Fairness Opinion (as defined below).

On November 27, 2024, following extensive negotiations between management of the Corporation, the Special Committee and the Purchaser, the Corporation, and based on the recommendation of the Special Committee and receipt of the Fairness Opinion (as defined below), the Board unanimously resolved to approve the Proposed Transaction, the execution and delivery of the Purchase Agreement and the ancillary agreements relating thereto, and resolved to approve the other matters set out in this Circular.

The Purchase Agreement was executed November 27, 2024.

Summary of the Terms of the Purchase Agreement

The following summary of the Purchase Agreement is qualified in its entirety by the terms of the Purchase Agreement, a copy of which has been filed on the Corporation's SEDAR+ profile at www.sedarplus.ca. Unless otherwise defined herein, words and expressions defined in the Purchase Agreement in this summary below will have the same meanings.

- Upon signing of the Purchase Agreement in anticipation of closing the Proposed Transaction ("**Closing**") and conditional upon the execution of the Purchase Agreement, among other action items:

    - the Purchaser deposited $500,000 (the "**Deposit Funds**") with Wilmington Trust, a national association (the "**Escrow Agent**"), as escrow agent, pursuant to the terms of the escrow agreement dated the date of the Purchase Agreement among the Corporation, the Purchaser and the Escrow Agent;

    - the Corporation delivered a fully executed copy of the Novation Agreement evidencing that the Secured Lender's claim to the Secured Indebtedness had been renewed in favour of CCSRF, along with any related waivers of enforcement rights by the Secured Lender and any other affiliated parties, and pursuant to which CCSRF assumed all of the approximately €8.6 million (approximately US$9.45 as of the date of this Circular) owing by FRX Belgium to the Secured Lender under the Facility Agreement;

    - the Corporation delivered written evidence that it obtained a full waiver from Covestro NV ("**Covestro**") of certain rights of Covestro under the right to build agreement dated March 20, 2012 regarding the right to build, own and operate industrial installations and related payoff and debt forgiveness letter dated October 24, 2024 between the Corporation and Covestro Deutschland AG (the "**Covestro Payoff Letter**");

    - the Corporation delivered an executed copy of an addendum entered into between Covestro and FRX Belgium in respect of the settlement of approximately $827,388 of outstanding debt for a payment of €150,000 to Covestro at Closing;

    - the Corporation and FRX US delivered to the Purchaser the Supplemental Loan Agreement, 2/3rd of which indebtedness will convert into equity of Parent at Closing, with the balance converted into short term debt of FRX US post-Closing bearing interest at a rate of up 14% per annum, the Related Party Lenders shall advance the entirety of the $1.5 million of interim funding to FRX US during the period between October 23, 2024 through to Closing pursuant to the terms of the Supplemental Loan Agreement;

- the Corporation and FRX US delivered to the Purchaser the Prepaid Expense Loan Agreement, the principal amount of such loan being $453,000 which shall be repaid by FRX US to the Purchaser at Closing;

- the Corporation and FRX US delivered to the Purchaser the Interim Loan Agreement, the principal amount of such loan being $1,000,000 which will convert into equity of Parent at Closing;

- the Corporation and FRX US delivered to the Purchaser the distribution agreement between FRX Belgium and LANXESS Deutschland GmbH; and

- a subscription and shareholders' agreement relating to the Parent was entered into contemplating the incorporation and capitalization of Parent.

- At Closing and as conditions to the completion of the Closing, among other action items:

  - the Corporation will sell all of the equity interests of FRX US to the Purchaser in exchange for the Purchase Price, comprised of (i) $1,500,000 (subject to deductions of certain expenses of FRX US and the $453,000 amount owed under the Prepaid Expense Loan Agreement noted above), plus (ii) the Payoff Amount of approximately €150,000 owed under the Covestro Payoff Letter (the "**Payoff Amount**"), plus (iii) the Earnout Payment (as defined below), if any, payable to the Corporation (the "**Purchase Price**"). In addition, the Purchaser will also assume or otherwise restructure all of the approximately $16.5 million of existing indebtedness of the Corporation, FRX US and FRX Belgium at Closing;

  - the Corporation and the Purchaser shall deliver a joint written direction to the Escrow Agent to release and disburse the Deposit Funds to the account designated by Corporation in the Payment Spreadsheet;

  - $75,000 will be withheld from the total cash owed by the Purchaser to satisfy the Purchase Price at Closing, to account for certain adjustments to be made to the Purchase Price 90 days following Closing;

  - the Corporation and FRX US shall deliver to the Purchaser the deferred debt agreements (the "**Deferred Debt Agreements**") to be entered into between the Deferred Debt Holders and FRX US at Closing relating to the treatment of an aggregate of approximately $2.94 million of indebtedness of FRX US and FRX Belgium, inclusive of the approximately $683,400 of the 2023 Bridge Loan Amounts, including the $664,500 of indebtedness subsumed under the Working Capital Loan Agreement, and approximately $2.25 million owing to certain historical creditors of the Corporation, all of which will be assumed by the Purchaser through its ownership in FRX US at Closing and repayable by FRX US and the Purchaser at the time of a post-closing Liquidity Event impacting the Purchaser;

  - the Corporation and FRX US shall deliver to the Purchaser the bridge funding payoff agreements (the "**Bridge Funding Payoff Agreements**") to be entered into between FRX US and the lender under the Shareholder Debenture and FRX US and the Related Party Lenders, respectively, relating to the treatment of an aggregate of approximately $672,000 of indebtedness of FRX US, inclusive of the $432,000 of the balance of the Working Capital Loan Amount and $240,000 payable under the Shareholder Debenture, which will have its principal amount increased from $200,000 to $240,000 to capture accrued interest under the Shareholder Debenture and as an inducement for the holder of that loan to defer repayment, all of which will be assumed by the Purchaser through its ownership in FRX US at Closing and repayable by FRX US and the Purchaser at the time of a post-closing Liquidity Event impacting the Purchaser;

  - the Corporation and FRX US shall provide the Purchaser with satisfactory evidence that the entire $1.5 million of funding under the Supplemental Loan Agreement has been advanced to FRX US;

- the Corporation shall deliver evidence that any amounts in excess of $2,069,000 (the "**Contribution Amount**") under the CCSRF Claim have been forgiven and the Contribution Amount has been contributed into the equity of Parent by CCSRF; and

- the Parent will deliver a guarantee to the Corporation, guaranteeing the obligations of the Purchaser in respect of the Earnout Payment.

- A summary of the Earnout Payment is as follows, which is a summary only and should be read in conjunction with the complete text of the Purchase Agreement:

  - an earnout payment (the "**Earnout Payment**") may only be payable by the Purchaser upon the occurrence of a liquidity event ("**Liquidity Event**") including, but not limited to, the sale, lease, exclusive license or other similar transfer of all or substantially all of the Parent, Purchaser, FRX US, and each of its subsidiaries' (collectively, the "**Purchaser Group**") assets to an unaffiliated third party, or a transaction, the result of which is that the securityholders of Parent's outstanding voting securities immediately prior to such transaction are no longer, in the aggregate, the "beneficial owners" of more than 50% of the direct and/or indirect voting power of the outstanding voting securities of any of the Purchaser Group;

  - more specifically, in the event of the occurrence of a Liquidity Event, the net proceeds ("**Net Proceeds**") from the Liquidity Event, after payment of all taxes and transaction fees, including any potential financial advisory and legal fees, shall be distributed as follows:

    - first, equally among all equityholders of the Parent until each such equityholders receives three times (3x) the value of their original investment (the "**Exit Multiple**"), which is expected to equal approximately $33 million at Closing (the "**First Payment**"), being three times (3) the expected original investment in Parent by its securityholders of an aggregate of $11 million;

    - second, equally between equityholders of the Parent and lenders under the Bridge Funding Payoff Agreements until the indebtedness under the Bridge Funding Agreements is repaid in full (the "**Second Payment**"), which indebtedness is expected to equal approximately $672,000 at Closing;

    - third, equally between equityholders of the Parent and lenders under the Deferred Debt Agreements, the principal amount of which is expected to be until the indebtedness under the Deferred Debt Agreements is repaid in full (the "**Third Payment**"), which indebtedness is expected to be equal to an aggregate of approximately $2.94 million at Closing;

    - fourth, equally between equityholders of the Parent and to the Corporation pursuant to the Earnout payment mechanics until the Earnout Payment Cap (as defined below) is reached; and

    - any Net Proceeds remaining from a Liquidity Event following the above payments would be 100% payable to equityholders of the Parent.

  - An illustrative summary of the Earnout Payment mechanics is set out below, with all amounts in millions of US dollars and assumes a EUR/USD FX rate of 1:1.10:

Net Proceeds from Liquidity Event	**30.0**	**50.0**	**100.0**	**150.0**
Parent original investment	11.0	11.0	11.0	11.0
Exit Multiple	3.0x	3.0x	3.0x	3.0x

First Payment to Parent	33.0	33.0	33.0	33.0
Proceeds after First Payment	**-**	**17.0**	**67.0**	**117.0**
Proceeds payable to Historic Debtholders under Second & Third Payments	-	4.0	4.0	4.0
Proceeds payable to Parent under Second & Third Payments	-	4.0	4.0	4.0
Total Second & Third Payments	-	8.0	8.0	8.0
Proceeds after Second & Third Payments	**-**	**9.0**	**59.0**	**109.0**
Proceeds Required before any Earnout Payment to Corporation (the Hurdle)	**41.0**	**41.0**	**41.0**	**41.0**
Earnout Payment Cap %	10.0%	10.0%	12.0%	15.0%
Earnout Payment Cap	2.6	4.6	11.5	21.9
Earnout Payment to Corporation	**-**	**4.5**	**11.5**	**21.9**

- For the purpose of the above illustrative summary of the Earnout Payment mechanics, "**Historic Debt**" is calculated based on the aggregate $3.61 million of the combined indebtedness under the Bridge Funding Payoff Agreements and Deferred Debt Agreement, plus anticipated accrued interest for an aggregate of $4 million.

- For the purpose of the above illustrative summary of the Earnout Payment mechanics, "**Hurdle**" is calculated as three (3) times original investment in the Parent, plus two (2) times the Historic Debt, and is the amount needed to be paid to the equityholders of the Parent and holders of the Historic Debt before an Earnout Payment may be payable to the Corporation.

- For the purpose of the above illustrative summary of the Earnout Payment mechanics, "**Earnout Payment Cap**" is calculated as a percentage of total Net Proceeds from a Liquidity Event, less the Historic Debt ("**Net Proceeds Floor**"). The percentage starts at 10%, and increases by 1% for every $5 million increase in the Net Proceeds Floor above c. $85 million, up to a maximum of 15%, which is reached when the Net Proceeds Floor reaches c. $110 million.

- The above referenced sample Earnout Payment calculations are illustrative only and there can be no assurance as to the timing or value of a potential Earnout Payment, if any. Furthermore, any potential Earnout Payment may be reduced or increased based on the amount of accrued interest under the Historic Debt at the time of a Liquidity Event. The ultimate payment of the Earnout Payment is subject to a number of risks and uncertainties, many of which will be outside of the Corporation's control, including changes in foreign exchange rates.

- Each of the Corporation, FRX US and the Purchaser have made normal course representations and warranties under the Purchase Agreement.

- The Proposed Transaction is subject to standard conditions to closing a transaction of this nature, but also includes the following conditions to Closing:

  - Either of the following conditions shall have been fulfilled: (i) the Purchaser and its Affiliates shall have obtained formal approval of the transactions contemplated by this Purchase Agreement from the Belgian Interfederal Screening Committee (the "**ISC**") either on an unconditional basis or subject to such conditions, obligations, modifications or restrictions as the ISC may identify (provided that these are reasonably acceptable by the Purchaser) or (ii) the absence of a decision by

the ISC within the final deadline (without prejudice to any suspension, interruption or extension thereof) prescribed by the Belgian FDI Regime with respect to the transactions contemplated by this Purchase Agreement.

- Audited consolidated financial statements for the Company Group being provided to the Purchaser for the fiscal year ending December 31, 2023.

- All tax returns of FRX US and FRX Belgium have been filed, and all taxes owing under such tax returns have been paid.

- The Corporation has obtained the requisite Shareholder Approval.

- The Purchase Agreement may be terminated at any time before Closing:

  - By the mutual written consent of the Purchaser and the Corporation.

  - By the Purchaser or Corporation in the event that there is in effect any Law or any other action of a Governmental Entity that would (A) prohibit, prevent or make illegal the consummation of any of the transactions contemplated by this Purchase Agreement or (B) cause any of the transactions to be rescinded following the Closing.

  - By the Purchaser:

    - If the transactions contemplated under the Purchase Agreement have not been consummated on or before December 31, 2024 (the "**Outside Date**"); provided that the Purchaser has not knowingly and willfully breached the Purchase Agreement.

    - If there has been a breach or failure of the Corporations' or FRX US' representations, warranties or covenants contained in this Purchase Agreement which cannot be cured within ten (10) days after written notice of such breach or failure is provided to the Purchaser.

  - By the Corporation:

    - If the transactions contemplated under the Purchase Agreement have not been consummated on or before the Outside Date; provided that the Corporation has not knowingly and willfully breached the Purchase Agreement.

    - If there has been a breach or failure of the Purchaser's representations, warranties or covenants contained in this Purchase Agreement which cannot be cured within ten (10) days after written notice of such breach or failure is provided to the Corporation.

    - If, subject to certain conditions, the Corporation enters into a definitive agreement with a third party providing a Superior Proposal.

    - If the Board makes a Change in Recommendation in respect of the Proposed Transaction, or the Board accepts, approves, endorses, recommends or authorizes the Corporation, FRX US or any of their subsidiaries to execute or enter into any agreement, understanding or arrangement with respect to another Acquisition Transaction or Superior Proposal.

  - By the Corporation or the Purchaser, upon written notice, if the Corporation fails to receive the requisite Shareholder Approval.

- A termination fee in the amount of $500,000 is payable in certain limited circumstances, if the Purchase Agreement is terminated pursuant to certain of the instances set out above.

Required Shareholder Approvals for the Proposed Transaction

CBCA

As the Proposed Transaction can be considered to be a sale of all or substantially all of the property of the Corporation which is not in the ordinary course of business, Section 189(8) of the CBCA requires that the Proposed Transaction Resolution must be approved by a majority of not less than 66 2/3% of the votes cast by Shareholders who vote in respect of the Proposed Transaction Resolution.

TSXV Policy 5.9 and MI 61-101

Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**") is intended to regulate, among other things, certain types of transactions with related parties to ensure the protection and fair treatment of minority shareholders. MI 61-101 requires in certain circumstances enhanced disclosure, approval by a majority of securityholders excluding "interested parties" or "related parties" (each as defined under MI 61-101), independent valuations, and approval and oversight of the transaction by a special committee of independent directors.

The protections of MI 61-101 generally apply to "related party transactions", where the issuer directly or indirectly sells, transfers or disposes of an asset to a "related party" (as defined in MI 61-101). Such related party, being a party to the transaction will be an "interested party" (as defined in MI 61-101). A "related party" includes, amongst others, control persons, directors, executive officers and Shareholders holding over 10% of the issued and outstanding Common Shares.

The Corporation is subject to the provisions of MI 61-101 because the Corporation is a reporting issuer with its Common Shares listed on the TSXV. Policy 5.9 *Protection of Minority Security Holders on Special Transactions* of the TSXV Corporate Finance Manual ("**Policy 5.9**"), which applies to all issuers listed on the TSXV, incorporates MI 61-101 into the policies of the TSXV.

A transaction will constitute a "related party transaction" within the meaning of MI 61-101 where, among other circumstances, the transaction is one between the Corporation and a person that is a "related party" of the Corporation at the time the transaction is agreed to, as a consequence of which, either through the transaction itself or together with "connected transactions" (as defined in MI 61-101), the Corporation directly or indirectly sells, transfers or disposes of an asset to the related party or amends existing securities or indebtedness of the Corporation, or an affiliate thereof, held by a related party. Unless otherwise exempt, MI 61-101 requires that, in addition to any other required securityholder approval, a related party transaction is subject to "minority approval" (as defined in MI 61-101) from the holders of every class of "affected securities" (as defined in MI 61-101) of the issuer, in each case voting separately as a class. The minority approval requirements set out in Part 8 of MI 61-101 and discussed further below are in addition to the requirement that the Proposed Transaction be approved by at least 66 2/3% of the votes cast by all Shareholders present or represented by proxy at the Meeting pursuant to the terms of the CBCA.

The Proposed Transaction is expected to be a "related party transaction" under MI 61-101 as the Purchaser, at the time of Closing, is expected to be indirectly majority-owned, or controlled, collectively by CCSRF, NBPT and Patrick Muezers, through their equity interests in the Parent and the Purchaser at Closing. CCSRF is a related party of the Corporation as a result of its greater than 10% ownership of the Corporation's outstanding Common Shares. NBPT is a related party of the Corporation as a result of it being wholly owned by Ross Haghighat, being the former Chairman of the Corporation and Chairman at the time of the entering into of the LOI and negotiation of the terms of the Proposed Transaction. Patrick Muezers is a related party of the Corporation as a result of him being a former director of the Corporation and a director at the time of the entering into of the LOI and negotiation of the terms of the Proposed Transaction.

Further, even if the related parties of the Corporation noted above ultimately do not indirectly own or control a majority of the Purchaser (through their interests in the Parent) at the time of Closing, the Proposed Transaction may still be considered a related party transaction as a result of the Proposed Transaction being considered a "connected transaction" under MI 61-101 to the transactions contemplated by the Interim Bridge Loan Agreement, the Prepaid Expense Loan Agreement and the Supplemental Loan Agreement and the conversion, repayment or assumption of the indebtedness thereunder by the Purchaser at Closing, which transactions are themselves related party transactions

under 61-101, as a result of the terms of certain of the Related Party Lenders' indebtedness of the Corporation being materially amended thereunder and are conditions to the completion of the Proposed Transaction.

To the knowledge of the Corporation, the current ownership of the Purchaser and the expected indirect ownership of the Purchaser at the time of Closing (when the Purchaser will be wholly-owned by the Parent) is set out below:

Name	Current Percentage Ownership of Purchaser	Expected Percentage (Indirect) Ownership of Purchaser at Closing
Third-party investors	84%	47.4%
CCSRF	-	35%
Ross Haghighat (through NBPT)	5%	11.7%
Patrick Muezers	11%	5.9%

Common Shares Excluded from Minority Vote on the Proposed Transaction Resolution

The votes that are required to be excluded from the vote at the Meeting on the Proposed Transaction Resolution approving the Proposed Transaction for the purposes of determining majority of the minority approval pursuant to Section 8.1(2) of MI 61-101 and disinterested Shareholder approval under TSXV Policy 5.3 – *Acquisitions and Dispositions of Non-Cash Assets*, are, to the knowledge of the Corporation, after reasonable inquiry, limited to the votes attaching to the Common Shares beneficially owned or over which direction or control is exercised by each of CCSRF, Ross Haghighat and Patrick Muezers, all of whom are considered "interested parties" under MI 61-101.

Accordingly, to the knowledge of the Corporation, after reasonable inquiry, the votes to be excluded are those votes attaching to an aggregate of 23,017,601 Common Shares (being approximately 19.4% of the issued and outstanding Common Shares as at the date of this Circular), as follows:

	Number of Common Shares Owned (Percentage of Class and Type of Ownership)	
Name	**Common Shares**	**Percentage of Voting Rights**
CCSRF	21,018,723	17.7%
Ross Haghighat	1,998,878	1.7%

Formal Valuations

MI 61-101 requires in certain circumstances that an issuer carrying out a related party transaction obtain a formal valuation prepared by an independent valuator. The Proposed Transaction is exempt from the formal valuation requirement pursuant to section 5.5(b) of MI 61-101 on the basis that no securities of the Corporation are listed or quoted on any of the stock exchanges or markets listed in section 5.5(b) of MI 61-101.

Prior Valuations and Prior Offers

Neither the Corporation, nor any director or senior officer of the Corporation, after reasonable inquiry, has knowledge of any "prior valuation" (as defined in MI 61-101) in respect of the Corporation that relates to FRX US or is otherwise relevant to the Proposed Transaction that has been made in the twenty-four (24) months before the date of this Circular. The Corporation has not received any bona fide prior offer during the twenty-four (24) months before the date of the Purchase Agreement that relates to the Proposed Transaction.

TSXV Application

The Proposed Transaction is subject to TSXV approval. As of the date of this Circular, the Corporation has initiated its application with the TSXV for approval of the Proposed Transaction. Additional details regarding the status of the Proposed Transaction may be announced by the Corporation from time to time prior to the Meeting.

Effect of the Proposed Transaction on the Corporation and Plans of the Corporation Post-Closing

If the Proposed Transaction receives the required approvals of the Shareholders and the TSXV described elsewhere herein, and other conditions to the Proposed Transaction are either satisfied or waived, the Corporation will transfer to the Purchaser all of the issued and outstanding shares of FRX US, in exchange for the Purchase Price. Accordingly, the Corporation will no longer be the owner of FRX US or the Business.

Following completion of the Proposed Transaction, the Corporation's remaining assets will be cash, which is currently expected to be equal to approximately $400,000 immediately following Closing after payment of anticipated costs associated with the Proposed Transaction, the potential for future consideration payable according to a subsequent Liquidity Event by the Purchaser, and its reporting issuer status. Accordingly, the Corporation may seek and, if successful, acquire or combine with a new business in order to have active business operations. It is anticipated that the Corporation may migrate to the NEX tier of the TSXV, reserved for listed companies that do not meet the minimum listing standards of the TSXV. However, the Corporation's continued reporting issuer status and the absence of significant debt is expected to give the Corporation and its management a chance to explore new opportunities to create value for its Shareholders.

Risk Factors Associated with the Proposed Transaction

Shareholders should carefully consider the risk factors relating to the Proposed Transaction listed below and those identified elsewhere in this Circular before deciding how to vote or instruct their vote to be cast to approve the Proposed Transaction Resolution. Among the risk factors to be considered are the following:

- The completion of the Proposed Transaction is subject to the satisfaction of a number of conditions precedent, certain of which are outside the control of the Corporation. There can be no certainty that these conditions will be satisfied.

- The restrictions imposed under Purchase Agreement on the conduct of the Business during the period between the execution of the Purchase Agreement and Closing, or the termination of the Purchase Agreement, could have a negative effect on the operation of the Business.

- The Proposed Transaction may have a negative impact on the market price and liquidity of the Common Shares on or prior to Closing, between the execution of the Purchase Agreement and Closing, or the termination of the Purchase Agreement, and thereafter.

- Subsequent to the Closing, there can be no certainty that the Corporation will continue to meet the continued listing requirements of Tier 2 of the TSXV and may be moved to the TSXV NEX Board or delisted voluntarily or involuntarily.

- Subsequent to the Closing, there can be no certainty that any of the milestones required in order for the Corporation to be entitled to any Earnout Payment under the Purchase Agreement will be achieved, or that if such milestones are achieved, when they will ultimately be achieved.

- Subsequent to the Proposed Transaction, the Corporation will have no active business or operations other than identifying assets or a business to acquire or combine with. There can be no certainty that the Corporation will be successful in identifying such assets or business, and completing an acquisition, transaction or combination in connection therewith.

- If the Proposed Transaction is not completed by the end of January 2025, there is a risk that the Corporation may be forced to halt all Business operations and initiate insolvency or restructuring proceedings once the Corporation exhausts its current and limited cash reserves.

Fairness Opinion

In connection with its evaluation of the Proposed Transaction, the Special Committee and the Board retained Ventum to act as financial advisor to the Special Committee and the Corporation pursuant to an engagement letter dated October 13, 2023 and amended on August 15, 2024 (the "**Engagement Agreement**"). Pursuant to the Engagement Agreement, Ventum agreed to prepare and deliver to the Special Committee and the Board an opinion as to the fairness, from a financial point of view, of the consideration to be received by the Corporation under the Proposed Transaction (the "**Fairness Opinion**"). Also pursuant to the Engagement Agreement, Ventum received an upfront work fee, and received an additional fixed fee for rendering the Fairness Opinion, whether or not the Proposed Transaction is completed. Ventum is not entitled to receive any additional fees under the Engagement Agreement and confirmed that the fees payable to Ventum pursuant to the engagement, are not, in the aggregate, financially material to Ventum. The Corporation also agreed to reimburse Ventum for reasonable out-of-pocket expenses and to indemnify, among others, Ventum in respect of certain liabilities that might arise out of the engagement.

Ventum is an independent Canadian financial services firm that offers an integrated platform of corporate finance, mergers and acquisitions, equity research, institutional sales and trading, and private client services. Ventum has been a financial advisor in a significant number of transactions, and is regularly engaged in providing financial advice to public and private companies across a variety of sectors and has extensive experience preparing fairness opinions.

The Fairness Opinion concluded that, as at November 19, 2024, and based upon and subject to the assumptions, limitations and qualifications set out in the Fairness Opinion, the Purchase Price to be received by the Corporation under the Proposed Transaction is fair, from a financial point of view, to the Corporation.

The Fairness Opinion addresses the fairness, from a financial point of view, of the Purchase Price to the Corporation and does not address any other aspect of the Proposed Transaction or any related transaction, including any tax consequences of the Proposed Transaction to the Corporation or the Shareholders. The Fairness Opinion was provided for the exclusive use of the Special Committee and may not be relied upon by any other person. The Fairness Opinion does not address the relative merits of the Proposed Transaction or any related transaction as compared to other business strategies or transactions that might be available to the Corporation or the underlying business decision of the Corporation to effect the Proposed Transaction or any related transaction. The Fairness Opinion does not constitute a recommendation to any Shareholder as to how such Shareholder should vote in connection with the Proposed Transaction, or how to act with respect to any matters relating to the Proposed Transaction.

The Fairness Opinion was rendered on the basis of the securities markets, economic, financial and general business conditions prevailing as at November 19, 2024 and on information relating to the subject matter thereof as represented to Ventum. As set forth in the Fairness Opinion, Ventum has relied upon, and assumed the completeness, accuracy and fair presentation of all financial and other information, data, advice, opinions, and representations obtained by Ventum from public sources or provided by or on behalf of the Corporation.

The recommendation of the Special Committee, including the receipt of the Fairness Opinion and the financial analyses of Ventum, were only one of many factors considered by the Special Committee in their evaluation of the Proposed Transaction and should not be viewed as determinative of the views of the Special Committee with respect to the Proposed Transaction or the consideration provided for in the Proposed Transaction.

The foregoing summary of the Fairness Opinion is qualified in its entirety by reference to the full text of the Fairness Opinion attached as Schedule "J" to this Circular, which sets forth among other things, assumptions made, matters considered, information reviewed and limitations and qualifications on the review undertaken by Ventum in connection with the Fairness Opinion. Shareholder are urged to, and should, read the Fairness Opinion in its entirety.

Recommendations of the Special Committee

After careful consideration with its legal and financial advisors, receipt of the Fairness Opinion and the other factors set out below, the Corporation's Special Committee unanimously determined that the Proposed Transaction is in the

best interests of the Corporation and Shareholders and resolved to recommend that the Board approve the Proposed Transaction and recommend to Shareholders that they vote **FOR** the Proposed Transaction Resolution.

Recommendations of the Board

After careful consideration of the Proposed Transaction, consultation with its legal and financial advisors and receipt of the Fairness Opinion and following unanimous recommendation of the Corporation's Special Committee, the Corporation's Board unanimously determined that the Proposed Transaction is in the best interests of the Corporation and Shareholders and stakeholders and that the Proposed Transaction, the Purchase Agreement and the performance of the transactions contemplated therein be approved. The Board therefore unanimously recommends that the Shareholders vote **FOR** the Proposed Transaction Resolution.

Reasons for the Recommendations of the Corporation's Special Committee and the Board

In determining that the terms and conditions of the Purchase Agreement and the Proposed Transaction contemplated thereby are in the best interests of the Corporation and are fair to the Corporation and the Shareholders, the Special Committee and the Board considered and relied upon a number of factors, including, among other things, the following:

- The Corporation has been unsuccessful in restructuring the Business such that revenues can be increased, and expenses reduced, to the point where the Business can generate a profit. Aside from the Proposed Transaction, the Corporation has been unsuccessful in finding an alternative that does not involve either halting all Business operations or insolvency or restructuring proceedings once the Corporation exhausts its current and limited cash reserves. If the Proposed Transaction is not completed by the end of January 2025, there is a risk that the Corporation may be forced to halt all Business operations and initiate insolvency or restructuring proceedings once the Corporation exhausts its current and limited cash reserves.

- Following completion of the Proposed Transaction, if approved by Shareholders and subsequently consummated, the Corporation will have no operations, limited cash and no significant debt. It is expected that the Corporation will migrate to the NEX tier of the TSXV, reserved for listed companies that do not meet the minimum listing standards of the TSXV. However, the Corporation's expected continued reporting issuer status and the absence of significant debt may form the basis to give the Corporation and management a chance to explore new opportunities to create value for its Shareholders.

- The Corporation was represented by the Special Committee, which negotiated the terms and conditions of the Purchase Agreement on the Corporation's behalf. Based on the Special Committee and the Board's experience, and the experiences of the Corporation's senior management, in the present circumstances it would be highly unlikely to find an alternative solution on the same or better terms within the necessary timeframe.

- The terms and conditions of the Purchase Agreement, including the parties' respective representations, warranties and covenants, and the conditions to their respective obligations, are in the opinion of the Special Committee and the Board, after consultation with legal counsel, reasonable.

- The Board and the Special Committee received the Fairness Opinion, which provided that, as of the date of such opinion, based upon and subject to the assumptions, limitations and qualifications set out therein, the Purchase Price to be received by Corporation pursuant to the Proposed Transaction is fair, from a financial point of view, to the Corporation.

- The Special Committee and the Board believe that it is likely that the limited conditions to complete the Proposed Transaction will be satisfied.

- To the knowledge of the Special Committee and the Board, there are no material regulatory issues which are expected to arise in connection with the Proposed Transaction so as to prevent completion, and it is anticipated that all required regulatory clearances will be obtained.

- The Proposed Transaction must be approved by Shareholders, as described under the heading "Approval of Proposed Transaction – Required Shareholder Approvals for the Proposed Transaction" below.

The CBCA provides that any registered Shareholders who oppose the Proposed Transaction may, upon compliance with certain conditions, exercise dissent rights. See "Approval of Proposed Transaction – Dissent Rights Associated with the Proposed Transaction" below.

The foregoing summary of the information and factors considered by the Special Committee and the Board is not intended to be exhaustive but includes the material information and factors considered by the Special Committee and the Board in their consideration of the Proposed Transaction. In view of the variety of factors and the amount of information considered in connection with the Special Committee and the Board's evaluation of the Proposed Transaction, the Special Committee and the Board did not find it practicable to and did not quantify or otherwise attempt to assign any relative weight to each of the specific factors considered in reaching its conclusions and recommendations. In addition, individual members of the Special Committee and the Board may have assigned different weights to different factors in reaching their own conclusion as to the Proposed Transaction.

Dissent Rights Associated with the Proposed Transaction

The following description of the rights of shareholders to dissent and to be paid the fair value for their Common Shares of the Corporation by virtue of the Proposed Transaction is not a comprehensive statement of the procedures to be followed. It is qualified in its entirety by reference to the full text of Section 190 of the CBCA, a copy of which is attached as Schedule "I" to this Circular. A shareholder who intends to exercise a right of dissent should carefully consider and comply with such provisions of the CBCA and should seek independent legal advice. Failure to comply with the provisions of the CBCA may result in the loss of all rights thereunder.

Pursuant to Section 190 of the CBCA, a shareholder is entitled, in addition to any other right that the shareholder may have, to dissent and to be paid by the Corporation the fair value of the Common Shares in respect of which that shareholder dissents. "Fair value" is determined as of the close of business on the last business day before the day on which the Continuance Resolution (as defined below) is adopted. A shareholder may dissent only with respect to all of the shareholder's Common Shares of the Corporation or Common Shares held by the shareholder on behalf of any one beneficial owner.

Furthermore, a Shareholder may only dissent in respect of Common Shares registered in the dissenting Shareholder's (the "**Dissenting Shareholder**") name.

Beneficial owners of Common Shares of the Corporation who wish to dissent should be aware that only the registered owner of such Common Shares is entitled to dissent. Common Shares registered in the name of a broker, custodian, nominee or other intermediary, held on behalf of the beneficial owner of the Common Shares, must exercise dissent rights on behalf of such beneficial owners.

Non-registered Shareholders who wish to dissent should contact their broker or other intermediary for assistance with exercising the dissent right. The dissent right is briefly summarized below, but Shareholders are referred to the full text of Section 190 of the CBCA attached to this Circular as Schedule "I" for a complete understanding of the dissent right under the CBCA.

This dissent right is available where a corporation proposes to pass a resolution to authorize or ratify the sale, lease or exchange of all or substantially all of the corporation's property. The Proposed Transaction constitutes the sale of "all or substantially all" of the property of the Corporation under the CBCA. Consequently, a registered Shareholder is entitled to dissent and be paid the fair value of such shares if the Proposed Transaction is completed and the registered Shareholder issues a written objection (the "**Notice of Dissent**") in respect of the Proposed Transaction Resolution.

The Notice of Dissent must be sent to the Corporation before the Meeting by registered mail to 181 Bay Street, Suite 1800, Toronto, Ontario, M5J 2T9, Attn: FRX Innovations Inc., or delivered at the Meeting, and must otherwise strictly comply with the dissent procedures (the "**Dissent Procedures**") set out in Section 190 of the CBCA, a copy of which is attached as Schedule "I" to this Circular. The sending of a Notice of Dissent does not deprive a registered Shareholder of the right to vote on the Proposed Transaction Resolution but a vote either in person or by proxy against

the Proposed Transaction Resolution does not constitute a Notice of Dissent. A vote in favour of the Proposed Transaction Resolution will deprive the registered shareholder of further rights under Section 190 of the CBCA.

Within ten days after the Proposed Transaction Resolution has been adopted, the Corporation must give written notice to each Dissenting Shareholder who has filed a Notice of Dissent and has not voted for the Proposed Transaction Resolution or not withdrawn that shareholder's Notice of Dissent, that the Proposed Transaction Resolution has been adopted. Within 20 days after receipt of this notice or, if the Dissenting Shareholder does not receive it, within 20 days after learning that the Proposed Transaction Resolution has been adopted, the Dissenting Shareholder must send to the Corporation a demand for payment (the "**Demand for Payment**") setting out the Dissenting Shareholder's name and address, the number of Common Shares in respect of which that Dissenting Shareholder dissents, and a Demand for Payment of their fair value. Additionally, the Dissenting Shareholder must send the certificates for the Common Shares in respect of which that Dissenting Shareholder dissents to the Corporation or its transfer agent within 30 days after sending the Demand for Payment. The Corporation or the transfer agent must endorse the certificates with a notice that the holder is a Dissenting Shareholder under Section 190 of the CBCA and forthwith return the certificates to the Dissenting Shareholder. A Dissenting Shareholder who does not send the certificates representing the Common Shares within the 30 day period has no right to make a claim under Section 190 of the CBCA.

A Dissenting Shareholder ceases to have any rights as a holder of Common Shares of the Corporation, other than the right to be paid their fair value, unless: (i) the Demand for Payment is withdrawn before the Corporation makes a written offer to pay (the "**Offer to Pay**"); (ii) the Corporation fails to make a timely Offer to Pay to the Dissenting Shareholder and the Dissenting Shareholder withdraws the Demand for Payment; or (iii) the Proposed Transaction is not proceeded with.

The Corporation shall, not later than seven days after the later of the day on which the action approved by the Proposed Transaction Resolution is effective or the day the Corporation receives the Demand for Payment, send an Offer to Pay in the amount considered by the directors of the Corporation to be the fair value of the Common Shares in respect of which the Dissenting Shareholder has dissented. The Offer to Pay must be accompanied by a statement showing how the fair value was determined. Every Offer to Pay made to Dissenting Shareholders must be on the same terms, and lapses if not accepted within 30 days after being made. If the Offer to Pay is accepted, payment must be made within 10 days of acceptance.

If the Corporation does not make an Offer to Pay or if a Dissenting Shareholder fails to accept an Offer to Pay, the Corporation may, within 50 days after the after the action approved by the Proposed Transaction Resolution is effective or within such further period as a court of competent jurisdiction may allow, apply to the court to fix a fair value for the securities of any Dissenting Shareholder. If the Corporation fails to so apply to the court, a Dissenting Shareholder may do so for the same purpose within a further period of 20 days or such other period as the court may allow. A Dissenting Shareholder is not required to give security for costs in any application to the court. Applications referred to in this paragraph may be made to a court of competent jurisdiction in the place where the Corporation has its registered office or in the province where the Dissenting Shareholder resides if the Corporation carries on business in that province.

If the Corporation makes an application to the court, it must give notice of the date, place and consequences of the application and of the Dissenting Shareholder's right to appear and be heard to each Dissenting Shareholder who has sent the Corporation a Demand for Payment and has not accepted an Offer to Pay. All Dissenting Shareholders whose shares have not been purchased by the Corporation must be made parties to the application and are bound by the decision of the court. The court is authorized to determine whether any other person is a Dissenting Shareholder who should be joined as a party to such application.

The court must fix a fair value for the shares of all Dissenting Shareholders and may in its discretion allow a reasonable rate of interest on the amount payable to each Dissenting Shareholder from the Effective Date of the Proposed Transaction until the date of payment of the amount so fixed. The final order of the court in the proceedings commenced by an application by the Corporation or a Dissenting Shareholder must be rendered against the Corporation and in favour of each Dissenting Shareholder.

Shareholders who wish to exercise their dissent right should carefully review the Dissent Procedures described in Section 190 of the CBCA attached to this Circular as Schedule "I" and should seek independent legal advice, as failure to adhere strictly to the Dissent Procedures may result in the loss of any right to dissent.

Anticipated Ramifications of Failure to Approve the Proposed Transaction

If the Proposed Transaction Resolution is not approved by Shareholders at the Meeting, the Corporation will continue with its current operations, but given its financial and operating circumstances, the Board will have to consider halting all Business operations or initiating insolvency or restructuring proceedings once the Corporation exhausts its current cash reserves, if it is not able to identify a timely alternative option. The Board will respond to strategic alternatives, if any, going forward and subject to a termination fee payable to the Purchaser but has unanimously recommended that Shareholders vote in favour of the Proposed Transaction Resolution as they believe it is in the best interests of the Corporation for the reasons setout herein.

9. Name Change

At the Meeting, Shareholders will be asked to consider and, if thought advisable, to pass with or without variation, a special resolution, the complete text of which is set out in Schedule "F" (the "**Name Change Resolution**"), approving an amendment to the articles of the Corporation to change the name of the Corporation from "FRX Innovations Inc." to "Fireside Diversified Corp.", or such other name as may be accepted by the relevant regulatory authorities and approved by the Board (the "**Name Change**"). The Name Change is being proposed in connection with the Proposed Transaction, as completion of the Name Change is a required covenant under the Purchase Agreement.

In connection with the Name Change, the Corporation also intends to apply to change its trading symbol on the TSXV or NEX, as applicable, from "FRXI" to "FIRE".

To be passed at the Meeting, the Name Change Resolution must be approved, with or without variation, by a majority of not less than 66 2/3% of the votes cast by Shareholders who vote in respect of the Name Change Resolution.

The Board unanimously recommends that Shareholders vote <u>FOR</u> the Name Change Resolution, and that Shareholders who vote <u>FOR</u> the Proposed Transaction vote <u>FOR</u> the Name Change Resolution. Unless contrary instructions are given, the persons designated as proxyholders in the accompanying Instrument of Proxy intend to vote <u>FOR</u> the Name Change Resolution.

Implementation of the Name Change is conditional on the completion of the Proposed Transaction. Notwithstanding whether the Name Change Resolution is passed by the Shareholders, the directors of the Corporation may, if determined to be in the best interests of the Corporation and without further notice to or approval by Shareholders, determine to not proceed with the proposed Name Change at any time prior to the issuance of articles of amendment effecting such Name Change.

10. Share Consolidation

At the Meeting, Shareholders will be asked to consider and, if thought advisable, to pass with or without variation, a special resolution, the complete text of which is set out in Schedule "G" (the "**Share Consolidation Resolution**") in connection with the proposed consolidation of the issued and outstanding Common Shares by a ratio of one (1) Common Share for every ten (10) Common Shares (the "**Share Consolidation**") with any resulting fraction being rounded down to the nearest whole consolidated Common Share. If approved by Shareholders, the Board will determine the effective time of the Share Consolidation.

Although approval for the Share Consolidation is being sought at the Meeting, such a Share Consolidation would ultimately become effective at a date in the future to be determined by the Board when the Board considers it to be in the best interests of the Corporation to implement such a Share Consolidation. The special resolution also authorizes the Board to elect not to proceed with, and abandon, the Share Consolidation at any time if it determines to do so, in its sole discretion. The Share Consolidation is subject to approval by the shareholders and acceptance by the TSXV.

To be passed at the Meeting, the Share Consolidation Resolution must be approved by a majority of not less than two-thirds (66 2/3%) of the votes cast by Shareholders who vote in respect of the Share Consolidation Resolution.

Recommendation of the Board

The Board and the Corporation's management have concluded that it is in the best interests of the Corporation and the Shareholders to approve the Share Consolidation Resolution. **The Board unanimously recommends that Shareholders vote FOR the Share Consolidation Resolution. Unless contrary instructions are given, the persons designated as proxyholders in the accompanying Instrument of Proxy intend to vote FOR the Share Consolidation Resolution.**

Notwithstanding whether the Share Consolidation Resolution is passed by the Shareholders, the Board may, if determined to be in the best interests of the Corporation and without further notice to or approval by Shareholders, determine to not proceed with the proposed Share Consolidation at any time in its sole discretion prior to the Share Consolidation becoming effective.

Required Approvals for the Share Consolidation

Assuming shareholder approval is received at the Meeting, and assuming that the Board does not proceed with the Delisting and determines to proceed with the Share Consolidation, the Share Consolidation will be subject to acceptance by TSXV, and confirmation that, on a post-Share Consolidation basis, the Corporation would meet all of TSXV's applicable continuous listing requirements. If the TSXV does not accept the Share Consolidation, the Corporation will not proceed with the Share Consolidation.

Risks Associated with the Share Consolidation

There is no assurance that the market price of the consolidated Common Shares will increase as a result of the Share Consolidation. The marketability and trading liquidity of the consolidated shares of the Corporation may not improve. The Share Consolidation may result in some shareholders owning "odd lots" of less than 100 or 1,000 Common Shares which may be more difficult for such shareholders to sell or which may require greater transaction costs per Common Share to sell.

Principal Effects of the Share Consolidation

The Share Consolidation will not have a dilutive effect on the Corporation's shareholders since each shareholder will hold the same percentage of Common Shares outstanding immediately following the Share Consolidation as such shareholder held immediately prior to the Share Consolidation. The Share Consolidation will not affect the relative voting and other rights that accompany the Common Shares.

If the Board decides to proceed with the Share Consolidation at the time they deem appropriate, the principal effects of the Share Consolidation include the following:

(a) the fair market value of each Common Share may increase and will, in part, form the basis upon which further Common Shares or other securities of the Corporation will be issued (recognizing that the Board may elect to consolidate on the basis of a lesser ratio that it deems appropriate);

(b) based on the number of issued and outstanding Common Shares as at the Record Date, the current number of issued and outstanding Common Shares, being 118,455,476, would be reduced as follows:

Ratio	Number of Post-Consolidation Common Shares
10 for 1	11,845,547

(c) the exercise prices and the number of Common Shares issuable upon the exercise or deemed exercise of any stock options or other convertible or exchangeable securities of the Corporation will be automatically adjusted based on the consolidation ratio selected by the Board; and

(d) as the Corporation currently has an unlimited number of Common Shares authorized for issuance, the Share Consolidation will not have any effect on the number of Common Shares of the Corporation available for issuance.

Effect on Fractional Shareholders

No fractional shares will be issued, and no cash consideration will be paid, if, as a result of the Share Consolidation, a shareholder would otherwise become entitled to a fractional Common Share. After the Share Consolidation, the then current shareholders of the Corporation will have no further interest in the Corporation with respect to their fractional Common Shares.

Effect on Share Certificates

If the Share Consolidation is approved by the Shareholders and implemented by the Board, registered Shareholders will be required to exchange their Common Share certificates representing pre-consolidation Common Shares for new Common Share certificates representing the post-consolidation Common Shares. As soon as possible following the effective date of the Share Consolidation, registered shareholders will be sent a letter of transmittal by the Transfer Agent. The letter of transmittal contains instructions on how to surrender Common Share certificates representing pre-consolidation Common Shares to the Transfer Agent. The Transfer Agent will forward to each registered shareholder who has sent the required documents a new Common Share certificate representing the number of post-consolidation Common Shares to which the shareholder is entitled. Until surrendered, each Common Share certificate representing pre-consolidation Common Shares will be deemed for all purposes to represent the number of whole post-consolidation Common Shares to which the holder is entitled as a result of the Share Consolidation. Shareholders should not destroy any Common Share certificate(s) and should not submit any Common Share certificate(s) until requested to do so. The method of delivery of certificates representing Common Shares and the letter of transmittal and all other required documents will be at the option and risk of the person surrendering them. It is recommended that such documents be delivered by hand to the Transfer Agent at the address noted in the letter of transmittal, and a receipt obtained therefore, or, if mailed, that registered mail, with return receipt requested, be used and that proper insurance be obtained.

No new Common Share certificates will be issued to a shareholder until such shareholder has surrendered the corresponding "old" Common Share certificates, together with a properly completed and executed letter of transmittal, to the Transfer Agent. Consequently, following the Share Consolidation, shareholders will need to surrender their old Common Share certificates before they will be able to sell or transfer their Common Shares. If an old Common Share certificate has any restrictive legends on the back thereof, the new Common Share certificate will be issued with the same restrictive legends, if any, that are on the back of the old Common Share certificate.

If the Share Consolidation is implemented by the Board, Intermediaries will be instructed to effect the Share Consolidation for beneficial Shareholders. However, such Intermediaries may have different procedures than registered shareholders for processing the Share Consolidation. If you hold your Common Shares with such an Intermediary and if you have any questions in this regard, the Corporation encourages you to contact your Intermediary.

11. Continuance

At the Meeting, Shareholders will be asked to consider and, if thought advisable, to pass with or without variation, a special resolution, the complete text of which is set out in Schedule "H" (the "**Continuance Resolution**") in order to effect the continuation of the Corporation, which presently exists as a federal Canadian corporation under the CBCA, into the Province of British Columbia under the *Business Corporations Act* (British Columbia) (the "**BCBCA**"), whereafter the Corporation will be subject to the BCBCA (the "**Continuance**").

To be passed at the Meeting, the Continuance Resolution must be approved by a majority of not less than two-thirds (66 2/3%) of the votes cast by Shareholders who vote in respect of the Continuance Resolution.

The rationale for the Continuance is to provide the Corporation with greater flexibility. Notably, the CBCA contains a residency requirement whereby 25% of the directors of corporations governed by the CBCA must be resident Canadian (as defined in the CBCA). The BCBCA does not contain a similar residency requirement. The Continuance is expected to provide the Corporation with greater flexibility to attract directors from a global talent pool with the expertise and skills required by the Corporation's business objectives.

Recommendation of the Board

The Board and the Corporation's management have reviewed the more flexible regime under the BCBCA and have concluded that it is in the best interests of the Corporation and the Shareholders to proceed with the proposed Continuance. **The Board unanimously recommends that Shareholders vote FOR the Continuance Resolution. Unless contrary instructions are given, the persons designated as proxyholders in the accompanying Instrument of Proxy intend to vote FOR the Continuance Resolution.**

Notwithstanding whether the Continuance Resolution is passed by the Shareholders, the Board may, without further notice to or approval by Shareholders, decide not to proceed with the Continuance at any time prior to the issuance of the Certificate of Continuance (as defined below), including in the event it anticipates substantial cost to the Corporation as a result of the exercise of dissent rights.

Required Approvals for the Continuance

In order to effect the Continuance, the Corporation must, among other things:

1. obtain Shareholder approval of the Continuance Resolution;

2. obtain TSXV approval for the Continuance;

3. apply to the Director under the CBCA for consent to continue under the BCBCA (the "**CBCA Consent**"), such written application to establish to the satisfaction of the Director that the proposed Continuance will not adversely affect the Corporation's creditors or the Shareholders;

4. after the Continuance Resolution is passed and the Corporation has obtained the CBCA Consent, in order to obtain a certificate of continuation under the BCBCA (the "**Certificate of Continuance**"), file with the Registrar of Companies (the "**Registrar**") under the BCBCA a continuation application along with the CBCA Consent, and certain other prescribed documents under the BCBCA (including the articles that the Corporation will have once it is continued into British Columbia); and

5. file a copy of the Certificate of Continuance with the Director and receive a certificate of discontinuance under the CBCA.

On the date shown on the Certificate of Continuance (the "**Effective Date**"), the CBCA will cease to apply to the Corporation and the Corporation will become subject to the BCBCA as if it had been originally incorporated under the BCBCA. The Corporation's current articles and by-laws will be replaced with the notice of articles (the "**Notice of Articles**") and articles (the "**Articles"**), substantially in the forms attached as Exhibit "I" and "II" to Schedule "H", with such amendments, deletions or alterations as may be considered necessary or advisable by any director or officer of the Corporation in order to ensure compliance with the provisions of the BCBCA and the requirements of the Registrar (the "**Proposed Articles**"), which are substantively similar to the Corporation's existing articles and by-laws. A description of the key differences between the current articles and by-laws of the Corporation and the Proposed Articles can be found under "Comparison of the Corporation's Articles and By-Laws and Proposed Articles".

The registration of the Continuance does not create new legal entity, nor does it prejudice or affect the continuity of the Corporation; however, the Continuance of the Corporation under the BCBCA will affect certain rights of Shareholders as they currently exist under the CBCA. Set out below under the heading "Material Differences between the BCBCA and the CBCA" is a summary of some of the key differences in corporate law between the CBCA and the BCBCA. The persons elected as directors by the Shareholders at the Meeting will continue to constitute the Board upon the Continuance becoming effective on the Effective Date.

Material Differences between the BCBCA and the CBCA

In general terms, the BCBCA provides shareholders substantively the same rights as are available to shareholders under the CBCA, including rights of dissent and appraisal rights and rights to bring derivative actions and oppression actions. There are, however, important differences concerning the qualifications of directors, location of shareholder meetings, certain shareholder remedies and other matters. **The following is a summary comparison of certain provisions of the BCBCA and the CBCA. This summary is not intended to be exhaustive and is qualified in its entirety by the full provisions of the CBCA and BCBCA, as applicable.**

Charter Documents

The form of charter documents for a BCBCA company is quite different from the form for a CBCA corporation.

Under the CBCA, the charter documents consist of: (i) "articles", which set forth, among other things, the name of the corporation, the province in which the corporation's registered office is to be located, the authorized share capital including any rights, privileges, restrictions and conditions thereon, whether there are any restrictions on the transfer of shares of the corporation, the number of directors (or the minimum and maximum number of directors), and any restrictions on the business that the corporation may carry on, and (ii) "by-laws", which govern the management of the corporation's affairs. The articles are filed with the Director under the CBCA and the by-laws are filed at the corporation's registered office.

Under the BCBCA, the charter documents consist of (i) an Incorporation Agreement, a signed agreement among incorporators to formalize the intent to create the company, confirming the founding members (shareholders); (ii) Articles, which govern the management of the company's affairs and set out the company's special rules, including share structure and special rights or restrictions attached to each authorized class or series of shares. A document essential for defining roles and responsibilities within the company; (iii) Notice of Articles, filed with the Registrar, it lists the company's name, office addresses, share structure, and names of directors. This document makes the company publicly identifiable. A copy of the Proposed Articles are attached to Schedule "H"to this Circular. A brief description of the material differences between the Corporation's current articles by-laws and the Proposed Articles is set out under "Comparison of the Corporation's Articles and By-Laws and Proposed Articles" below.

Amendments to Charter Documents

Any substantive change to the articles of a corporation under the CBCA, such as an alteration of the restrictions, if any, on the business that may be carried on by the corporation, a change in the name of the corporation or an increase or reduction of the authorized capital of the corporation requires a special resolution passed by not less than two-thirds of the votes cast by shareholders at a meeting called to approve such change. Other fundamental changes such as an alteration of special rights and restrictions attached to the issued shares or a proposed amalgamation or Continuance of a corporation out of the jurisdiction also require a special resolution passed by not less than two-thirds of the votes cast by the holders of shares of each class entitled to vote at a general meeting of the corporation. The holders of shares of a class or of a series are, in certain situations and unless the articles provide otherwise, entitled to vote separately as a class or series upon a proposal to amend the articles. Under the CBCA, changes to by-laws require shareholder approval by ordinary resolution passed by a simple majority of the votes cast by shareholders at a meeting called to approve such change. The board of directors of a CBCA corporation may amend the by-laws of the corporation with immediate effect, subject to the amendment ceasing to have effect if it is not approved by shareholders by ordinary resolution at the next shareholder meeting.

The BCBCA requires that changes made to constating documents be made by the type of resolution specified in the BCBCA; if the BCBCA does not specify the type of resolution in the company's Articles; or if neither the BCBCA nor the company's articles specify the type of resolution then the approval is by special resolution. Accordingly, certain alterations to a BCBCA company, such as a name change or certain changes in its authorized share structure, can be approved by a different type of resolution (including by directors' resolution), in certain cases, such as the change of the company's name or a subdivision or consolidation of a class or series of the company's shares, where specified in the Articles, subject always to the requirement that a right or special right attached to issued shares must not be prejudiced or interfered with under the BCBCA or under the Notice of Articles or Articles unless the shareholders holding shares of the class or series of shares to which such right or special right is attached consent by a special separate resolution of those shareholders.

Constitutional Jurisdiction

Other significant differences in the statutes arise from the differences in the constitutional jurisdiction of the federal and provincial governments. For example, a CBCA corporation has the capacity to carry on business throughout Canada as a right. A BCBCA corporation is only allowed to carry on business in another province where that other province allows it to register to do so. A CBCA corporation is subject to provincial laws of general application, but a province cannot pass laws directed specifically at restricting a CBCA corporation's ability to carry on business in that province. If another province so chooses, however, it can restrict a BCBCA corporation's ability to carry on business within that province. Also, a CBCA corporation will not have to change its name if it wants to do business in a province where there is already a corporation with a similar name, whereas a BCBCA corporation may not be allowed to use its name in that other province if that name, or a similar one, is already in use.

Registered Office

Under the CBCA, the registered office must be in the province specified in the articles and may be relocated to a different province by special resolution of the shareholders or relocated within the same province by resolution of the directors. Under the BCBCA, the registered office must be situated in British Columbia.

Right of Dissent and Appraisal

The BCBCA provides that shareholders who dissent to certain actions being taken by a corporation may exercise a right of dissent and require the corporation to purchase the shares held by such shareholder at the fair value of such shares. The dissent right is available to shareholders, whether or not their shares carry the right to vote, where the corporation proposes to:

- alter the articles to alter restrictions on the powers of the company or on the business it is permitted to carry on;
- adopt an amalgamation agreement;
- approve an amalgamation into a foreign jurisdiction;
- approve an arrangement, the terms of which arrangement permit dissent or where the right of dissent is given pursuant to a court order;
- authorize or ratify the sale, lease or other disposition of all or substantially all of the company's undertakings;
- authorize the Continuance of the company into a jurisdiction other than British Columbia; or
- approve any other resolution, if dissent is authorized by the resolution; or a matter to which dissent rights are permitted by court order.

The CBCA contains a similar dissent remedy, provided however, that in addition to the foregoing, the CBCA expressly provides for dissent rights with respect to a squeeze-out transaction and the procedure for exercising this remedy under the CBCA is different than that contained in the BCBCA. The dissent provisions of the CBCA are described under the heading "Rights of Dissent in Respect of the Continuance Resolution", below, and the text of Section 190 of the CBCA is set forth on Schedule "I" to this Circular. Under the CBCA and BCBCA, the dissenting shareholder must generally send a notice of dissent at or before the resolution being passed.

Sale of Business or Assets

Under the CBCA a sale, lease or exchange of all or substantially all the property of a corporation other than in the ordinary course of business requires a special resolution passed by two-thirds of votes cast by shareholders at a meeting called to approve such transaction. If such a transaction would affect a particular class or series of shares of the

corporation in a manner different from the shares of another class or series of the corporation entitled to vote on such transaction, the holders of such first mentioned class or series of shares, whether or not they are otherwise entitled to vote, are entitled to vote separately as a class or series.

The BCBCA requires the sale, lease or other disposition of all or substantially all of a corporation's undertaking, other than in the ordinary course of its business, to be authorized by special resolution, being a resolution passed by shareholders where the majority of the votes cast by shareholders entitled to vote on the resolution constitutes a special majority (i.e., two-thirds of the votes cast, unless a greater majority of up to three-quarters is required by the articles). The BCBCA contains a number of exceptions that are not included in the CBCA, such as with respect to dispositions by way of security interests, certain kinds of leases and dispositions to related corporations or entities.

Compulsory Acquisition

The CBCA provides a right of compulsory acquisition for an offeror that acquires 90% of the target securities pursuant to a take-over bid or issuer bid, other than securities held at the date of the bid by or on behalf of the offeror. The CBCA also provides that where an offeror acquires 90% or more of the target securities, a security holder who did not accept the original offer may require the corporation to acquire the security holder's securities in accordance with the procedure set out in the CBCA.

The BCBCA provides a substantively similar right, although the BCBCA is limited in its application to the acquisition of shares and there are differences in the procedures and process. The BCBCA provides that where an offeror does not use the compulsory acquisition right when entitled to do so, a shareholder who did not accept the original offer may require the offeror to acquire the shareholder's shares on the same terms contained in the original offer.

Reduction of Capital

Under the CBCA, capital may be reduced by special resolution, but not if there are reasonable grounds for believing that, after the reduction, (i) the corporation would be unable to pay its liabilities as they become due; or (ii) the realizable value of the corporation's assets would be less than the aggregate of its liabilities.

Under the BCBCA, capital may be reduced by special resolution or court order. A court order is required if the realizable value of the corporation's assets would, after the reduction of capital, be less than the aggregate of its liabilities.

Oppression Remedies

Under the BCBCA, a shareholder of a corporation has the right to apply to the court on the grounds that:

1. the affairs of the corporation are being or have been conducted, or that the powers of the directors are being or have been exercised, in a manner oppressive to one or more of the shareholders, including the applicant, or

2. some act of the corporation has been done or is threatened, or that some resolution of the shareholders or of the shareholders holding shares of a class or series of shares has been passed or is proposed, that is unfairly prejudicial to one or more of the shareholders, including the applicant.

On such an application under the BCBCA, the court can grant a variety of remedies, ranging from an order restraining the conduct complained of to an order requiring the corporation to repurchase the shareholder's shares or an order liquidating the corporation. Unlike under the CBCA, the remedy under the BCBCA is not expressly available for "unfairly disregarding the interests" of a shareholder.

The CBCA includes an oppression remedy, which is very similar to that provided under the BCBCA. However, the CBCA will only allow a court to grant relief if the oppressive or prejudicial effect actually exists, while the BCBCA will allow a court to grant relief where a prejudicial effect to the shareholder is merely threatened. In addition, under the BCBCA non-shareholders require the leave of a court in order to bring an oppression claim while any security holder, director or officer (or former director or officer) may bring an oppression claim pursuant to the CBCA. This

is due to the fact that the oppression remedy under the BCBCA relates only to acts that are oppressive or unfairly prejudicial to shareholders of a corporation, whereas the oppression remedy under the CBCA relates to acts that are oppressive or unfairly prejudicial to any security holder, creditor, director or officer of a corporation.

Under the CBCA, such remedy is also available to the CBCA Director appointed under Section 260 of the CBCA.

Shareholder Derivative Actions

Under the BCBCA, a shareholder or a director of a corporation may, with judicial leave, bring an action in the name of and on behalf of the corporation to enforce a right, duty or obligation owned to the corporation that could be enforced by the corporation itself or to obtain damages for any breach of such right, duty or obligation. There is a similar right of a shareholder or director, with leave of the court, and in the name and on behalf of the corporation to defend an action brought against the corporation. The court will grant leave under the BCBCA for an application to commence a derivative action if:

1. the complainant has made reasonable efforts to cause the directors of the corporation to prosecute or defend the legal proceeding;

2. notice of the application for leave has been given to the corporation and to any other person the court may order;

3. the complainant is acting in good faith; and

4. it appears to the court that it is in the best interests of the corporation for the legal proceeding to be prosecuted or defended.

The CBCA contains a more broadly worded right to bring a derivative action, which extends to a registered shareholder, former registered shareholder, beneficial owner of shares, former beneficial owner of shares, director, former director, officer, former officer of a corporation or any of its affiliates, and any person who, in the discretion of the court is a proper person to make an application to court to bring a derivative action. In addition, the CBCA permits derivative actions to be commenced in the name of and on behalf of the corporation or any of its subsidiaries. No leave may be granted under the CBCA unless the court is satisfied that:

1. the complainant has given at least fourteen days' notice to the directors of the corporation or its subsidiary of the complainant's intention to apply to the court if the directors of the corporation or its subsidiary do not bring, diligently prosecute, defend or discontinue the action;

2. the complainant is acting in good faith; and

3. it appears to be in the interests of the corporation or its subsidiary that the action be brought, prosecuted, defended or discontinued.

Under the CBCA, the CBCA Director appointed under Section 260 of the CBCA may also commence a derivative action.

Shareholder Proposals and Requisitions

Both the CBCA and the BCBCA provide for shareholder proposals. Under the CBCA, either a shareholder of record or a beneficial shareholder may submit a proposal, so long as such shareholder either (i) has owned for six months not less than 1% of the total number of voting shares, or voting shares with a fair market value of at least $2,000; or (ii) have the support of persons who, in the aggregate, have owned for six months not less than 1% of the total number of voting shares, or voting shares with a fair market value of at least $2,000. Under the BCBCA, in order for a shareholder of record or a beneficial shareholder to be entitled to submit a proposal, they must have held voting shares for an uninterrupted period of at least two years before the date the proposal is signed by the shareholder and must own not less than 1% of the total number of voting shares, or own voting shares with a fair market value in excess of $2,000.

Both statutes provide that one or more shareholders of record holding more than 5% of the outstanding voting shares may requisition a meeting of shareholders, and permit the requisitioning shareholder to call the meeting where the board of directors of the corporation does not do so within 21 days following the corporation's receipt of the requisition. However, unlike the CBCA, the BCBCA specifies that the requisitioned shareholder meeting must be held not more than four months after the date the corporation received the requisition. The CBCA does not specify such an outside date.

Under the CBCA, a shareholder proposal must be submitted to the corporation during the 60 day period between 90 and 150 days before the anniversary date of the corporation's prior annual general meeting. Under the BCBCA, a shareholder proposal must be submitted to the corporation not later than 3 months before the anniversary date of the corporation's prior annual general meeting.

Notice-and-Access

Both statutes permit the use of the notice-and-access delivery system ("**Notice-and-Access**") under NI 51-102 and NI 54-101. However, the CBCA currently requires companies to seek exemptive relief from the CBCA Director under Sections 151(1) and 156 of the CBCA, which exempt a company from the requirement to send a proxy circular to shareholders, duties related to intermediaries and the requirement to send annual financial statements to shareholders in order to use Notice-and-Access. Under the BCBCA, companies are not required to obtain such exemptive relief in order to use Notice-and-Access.

Place of Meetings

Subject to certain exceptions, the CBCA provides that meetings of shareholders shall be held at the place within Canada provided in the by-laws or, in the absence of such provision, at the place within Canada that the directors determine. A meeting may be held outside Canada if the place is specified in the articles or all the shareholders entitled to vote at the meeting agree that the meeting is to be held at that place. Under the BCBCA, meetings of shareholders are to be held in British Columbia, or may be held at a location outside of British Columbia if: (i) the location is provided for in the articles, (ii) the articles do not restrict the company from approving a location outside of British Columbia and the location is approved by the resolution required by the articles for that purpose, or if no resolution is required for that purpose by the articles, is approved by ordinary resolution, or (iii) the location is approved in writing by the Registrar before the meeting is held. In the case of a fully virtual meeting of the shareholders, this means that the Corporation may first require an order of the court under the BCBCA, unlike under the CBCA where fully virtual meetings are specifically permitted. Hybrid shareholder meetings, which comprise both an in-person and virtual element, are permitted under the BCBCA.

Directors

Under the CBCA, at least one-quarter (25%) of the directors must be resident Canadians, unless the corporation has less than four directors, in which case at least one director must be a resident Canadian. Subject to certain exceptions, an individual must be a Canadian citizen or permanent resident ordinarily resident in Canada to be considered a resident Canadian under the CBCA. The BCBCA does not contain any similar director residency requirements.

Under the CBCA, at least two of the directors cannot be officers or employees of the corporation or its affiliates. The BCBCA does not contain any independence requirements for directors. The Corporation is also subject to applicable securities law and stock exchange requirements with respect to director independence.

Removal of Directors

Under the CBCA, directors may be removed by an ordinary resolution passed by a majority of the votes cast by the shareholders, in person or by proxy. The CBCA further provides that where the holders of any class or series of shares of a corporation have an exclusive right to elect one or more directors, a director so elected may only be removed by an ordinary resolution at a meeting of the shareholders of that class or series.

Under the BCBCA, the shareholders of a corporation may remove one or more directors by a special resolution or, if the articles provide that a director may be removed by a resolution of the shareholders entitled to vote at general

meetings passed by less than a special majority or may be removed by some other method, or by the resolution or method specified in the articles. Similar to the CBCA, the BCBCA further provides that if holders of a class or series of shares have the exclusive right to elect or appoint one or more directors, a director so elected or appointed may only be removed by a special separate resolution of the shareholders of that class or series or, if the articles provide that such a director may be removed by a separate resolution of those shareholders passed by a majority of votes that is less than the majority of votes required to pass a special separate resolution or may be removed by some other method, or by the resolution or method specified in the articles.

Comparison of the Corporation's Articles and By-Laws and Proposed Articles

The articles of the Corporation proposed to be adopted in connection with the Continuance are substantially similar to the current articles and by-laws of the Corporation. The Proposed Articles have been prepared with a view to corporate governance best practices under the BCBCA. It is customary under the BCBCA to not duplicate in the articles provisions of applicable law contained in such legislation, which results in the articles of BCBCA corporations being less duplicative than the by-laws of corporations existing under the CBCA. The omission of certain provisions of the current Corporation by-laws from the Proposed Articles as a result of such matters being governed by the provisions of the BCBCA will not materially affect the substantive rights of Shareholders or the procedural aspects of the Corporation' s by-laws, except to the extent described below or as a result of the differences in the BCBCA and the CBCA, as discussed above under "Material Differences Between the CBCA and BCBCA".

Set out below is a summary of certain differences between the Corporation's articles and by-laws, as they exist today, and the provisions of the Proposed Articles. Shareholders are urged to review all such documents before determining whether to vote in favour of the Continuance Resolution. The summary of the provisions of such documents included below is qualified in its entirety by the complete text of such documents.

Corporate Actions

Both the CBCA and BCBCA require that certain matters be approved by shareholders by special resolution. However, under the BCBCA, there is some flexibility to change the Company's name by directors' resolution if the Articles permit it. Other capital and share structure changes and amendments to the articles will continue to require shareholder approval. The creation, variation or elimination of special rights or restrictions attached to issued and outstanding shares will nevertheless continue to require shareholder approval by ordinary resolution. In addition, various fundamental transactional matters, such as amalgamations, arrangements and a sale of substantially all of the assets of the Company will continue to require approval by special resolution pursuant to the BCBCA.

Removal of Directors

The Proposed Articles stipulate that Shareholders may remove any Director before the expiration of his or her term of office by special resolution. The Proposed Articles also stipulate that Directors may remove any Director before the expiration of his or her term of office if the Director is convicted of an indictable offence, or if the Director ceases to be qualified to act as a Director of the Corporation in accordance with the BCBCA and does not promptly resign.

Dissent Rights Associated with the Proposed Continuance

The following description of the rights of shareholders to dissent and to be paid the fair value for their common shares of the Corporation by virtue of the Continuance is not a comprehensive statement of the procedures to be followed. It is qualified in its entirety by reference to the full text of Section 190 of the CBCA, a copy of which is attached as Schedule "I" to this Circular. A shareholder who intends to exercise a right of dissent should carefully consider and comply with such provisions of the CBCA and should seek independent legal advice. Failure to comply with the provisions of the CBCA may result in the loss of all rights thereunder.

Pursuant to Section 190 of the CBCA, a shareholder is entitled, in addition to any other right that the shareholder may have, to dissent and to be paid by the Corporation the fair value of the common shares in respect of which that shareholder dissents. "Fair value" is determined as of the close of business on the last business day before the day on which the Continuance Resolution is adopted. A shareholder may dissent only with respect to all of the shareholder's common shares of the Corporation or common shares held by the shareholder on behalf of any one beneficial owner.

Furthermore, a shareholder may only dissent in respect of common shares registered in the Dissenting Shareholder's name.

Beneficial owners of Common Shares of the Corporation who wish to dissent should be aware that only the registered owner of such Common Shares is entitled to dissent. Common Shares registered in the name of a broker, custodian, nominee or other intermediary, held on behalf of the beneficial owner of the Common Shares, must exercise dissent rights on behalf of such beneficial owners.

Non-registered Shareholders who wish to dissent should contact their broker or other intermediary for assistance with exercising the dissent right. The dissent right is briefly summarized below, but Shareholders are referred to the full text of Section 190 of the CBCA attached to this Circular as Schedule "I" for a complete understanding of the dissent right under the CBCA.

Under Section 190 of the CBCA, a shareholder wishing to dissent must send to the Corporation a Notice of Dissent to the Continuance Resolution, as defined herein. The Notice of Dissent must be sent to the Corporation before the Meeting by registered mail to 181 Bay Street, Suite 1800, Toronto, Ontario, M5J 2T9, Attn: FRX Innovations Inc., or delivered at the Meeting, and must otherwise strictly comply with the Dissent Procedures set out in Section 190 of the CBCA, a copy of which is attached as Schedule "I" to this Circular. The sending of a Notice of Dissent does not deprive a registered shareholder of the right to vote on the Continuance Resolution but a vote either in person or by proxy against the Continuance Resolution does not constitute a Notice of Dissent. A vote in favour of the Continuance Resolution will deprive the registered shareholder of further rights under Section 190 of the CBCA.

Within ten days after the Continuance Resolution has been adopted, the Corporation must give written notice to each Dissenting Shareholder who has filed a Notice of Dissent and has not voted for the Continuance Resolution or not withdrawn that shareholder's Notice of Dissent, that the Continuance Resolution has been adopted. Within 20 days after receipt of this notice or, if the Dissenting Shareholder does not receive it, within 20 days after learning that the Continuance Resolution has been adopted, the Dissenting Shareholder must send to the Corporation a Demand for Payment setting out the Dissenting Shareholder's name and address, the number of common shares in respect of which that Dissenting Shareholder dissents, and a demand for payment of their fair value. Additionally, the Dissenting Shareholder must send the certificates for the common shares in respect of which that Dissenting Shareholder dissents to the Corporation or its transfer agent within 30 days after sending the Demand for Payment. The Corporation or the transfer agent must endorse the certificates with a notice that the holder is a Dissenting Shareholder under Section 190 of the CBCA and forthwith return the certificates to the Dissenting Shareholder. A Dissenting Shareholder who does not send the certificates representing the common shares within the 30 day period has no right to make a claim under Section 190 of the CBCA.

A Dissenting Shareholder ceases to have any rights as a holder of common shares of the Corporation, other than the right to be paid their fair value, unless: (i) the Demand for Payment is withdrawn before the Corporation makes a written Offer to Pay; (ii) the Corporation fails to make a timely Offer to Pay to the Dissenting Shareholder and the Dissenting Shareholder withdraws the Demand for Payment; or (iii) the Continuance is not proceeded with.

The Corporation shall, not later than seven days after the later of the day on which the action approved by the Continuance Resolution is effective or the day the Corporation receives the Demand for Payment, send an Offer to Pay in the amount considered by the directors of the Corporation to be the fair value of the common shares in respect of which the Dissenting Shareholder has dissented. The Offer to Pay must be accompanied by a statement showing how the fair value was determined. Every Offer to Pay made to Dissenting Shareholders must be on the same terms, and lapses if not accepted within 30 days after being made. If the Offer to Pay is accepted, payment must be made within 10 days of acceptance.

If the Corporation does not make an Offer to Pay or if a Dissenting Shareholder fails to accept an Offer to Pay, the Corporation may, within 50 days after the after the action approved by the Continuance Resolution is effective or within such further period as a court of competent jurisdiction may allow, apply to the court to fix a fair value for the securities of any Dissenting Shareholder. If the Corporation fails to so apply to the court, a Dissenting Shareholder may do so for the same purpose within a further period of 20 days or such other period as the court may allow. A Dissenting Shareholder is not required to give security for costs in any application to the court. Applications referred to in this paragraph may be made to a court of competent jurisdiction in the place where the Corporation has its

registered office or in the province where the Dissenting Shareholder resides if the Corporation carries on business in that province.

If the Corporation makes an application to the court, it must give notice of the date, place and consequences of the application and of the Dissenting Shareholder's right to appear and be heard to each Dissenting Shareholder who has sent the Corporation a Demand for Payment and has not accepted an Offer to Pay. All Dissenting Shareholders whose shares have not been purchased by the Corporation must be made parties to the application and are bound by the decision of the court. The court is authorized to determine whether any other person is a Dissenting Shareholder who should be joined as a party to such application.

The court must fix a fair value for the shares of all Dissenting Shareholders and may in its discretion allow a reasonable rate of interest on the amount payable to each Dissenting Shareholder from the Effective Date of the Continuance until the date of payment of the amount so fixed. The final order of the court in the proceedings commenced by an application by the Corporation or a Dissenting Shareholder must be rendered against the Corporation and in favour of each Dissenting Shareholder.

Shareholders who wish to exercise their dissent right should carefully review the Dissent Procedures described in Section 190 of the CBCA attached to this Circular as Schedule "I" and should seek independent legal advice, as failure to adhere strictly to the Dissent Procedures may result in the loss of any right to dissent.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available on the SEDAR website at www.sedar.com. Financial information of the Corporation is provided in the comparative financial statements and management discussion and analysis of the Corporation for the most recently completed financial year, which are also available on SEDAR+ at www.sedarplus.ca. Copies of the Corporation's financial statements and management's discussion and analysis may be obtained, without charge, upon request from 200 Turnpike Road, Chelmsford, Massachusetts, 01824, Attention: Marc Lebel, or by email request to mlebel@frxpolymers.com.

BOARD APPROVAL

The contents of this Circular and the sending hereof to the Shareholders of the Corporation have been approved by the Board.

DATED at Toronto, Ontario this 29th day of November, 2024.

(signed) "Marc Lebel"
Marc Lebel
Chief Executive Officer & Director

SCHEDULE "A"
AUDIT COMMITTEE CHARTER

FRX INNOVATIONS INC.

1. Purpose

The Audit Committee (the "**Committee**") is a committee of the Board of Directors (the "**Board**") of FRX Innovations Inc. (the "**Company**"). The members of the Committee and the chair of the Committee (the "**Chair**") are appointed by the Board on an annual basis (or until their successors are duly appointed) for the purpose of overseeing the Company's financial controls and reporting and monitoring whether the Company complies with financial covenants and legal and regulatory requirements governing financial disclosure matters and financial risk management.

2. Composition

(1) The Committee should be comprised of a minimum of three directors and a maximum of five directors.

(2) The Committee must be constituted as required under National Instrument 52-110 – *Audit Committees*, as it may be amended or replaced from time to time ("**NI 52- 110**").

(3) All members of the Committee must (except to the extent permitted by NI 52-110) be independent (as defined by NI 52-110), and free from any relationship that, in the view of the Board, could be reasonably expected to interfere with the exercise of their independent judgment as a member of the Committee.

(4) No members of the Committee shall receive, other than for service on the Board or the Committee or other committees of the Board, any consulting, advisory, or other compensatory fee from the Company or any of its related parties or subsidiaries.

(5) All members of the Committee must (except to the extent permitted by NI 52-110) be financially literate (which is defined as the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements).

(6) 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 on ceasing to be a director. The Board may fill vacancies on the Committee by election from among the Board. If and whenever a vacancy shall exist on the Committee, the remaining members may exercise all powers of the Committee so long as a quorum remains.

3. Limitations on Committee's Duties

In contributing to the Committee's discharge of its duties under this Charter, each member of the Committee shall be obliged only to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Nothing in this Charter is intended or may be construed as imposing on any member of the Committee a standard of care or diligence that is in any way more onerous or extensive than the standard to which any member of the Board may be otherwise subject.

Members of the Committee are entitled to rely, absent actual knowledge to the contrary, on (i) the integrity of the persons and organizations from whom they receive information, (ii) the accuracy and completeness of the information provided, (iii) representations made by management of the Company as to the non-audit services provided to the Company by the external auditor, (iv) financial statements of the Company represented to them by a member of management or in a written report of the external auditors to present fairly the financial position of the Company in accordance with applicable generally accepted accounting principles, and (v) any report of a lawyer,

accountant, engineer, appraiser or other person whose profession lends credibility to a statement made by any such person.

4. Meetings

The Committee should meet not less than four times annually. The Committee should meet within 90 days following the end of the first three financial quarters of the Company and shall meet within 120 days following the end of the fiscal year of the Company. A quorum for the transaction of business at any meeting of the Committee shall be a majority of the members of the Committee or such greater number as the Committee shall by resolution determine. The Committee shall keep minutes of each meeting of the Committee. A copy of the minutes shall be provided to each member of the Committee.

Meetings of the Committee shall be held from time to time and at such place as any member of the Committee shall determine upon two days' prior notice to each of the other Committee members. The members of the Committee may waive the requirement for notice. In addition, each of the Chief Executive Officer, the Chief Financial Officer and the external auditor shall be entitled to request that the Chair call a meeting.

The Committee may ask members of management and employees of the Company (including, for greater certainty, its affiliates and subsidiaries) or others (including the external auditor) to attend meetings and provide such information as the Committee requests. Members of the Committee shall have full access to information of the Company (including, for greater certainty, its affiliates, subsidiaries and their respective operations) and shall be permitted to discuss such information and any other matters relating to the results of operations and financial position of the Company with management, employees, the external auditor and others as they consider appropriate.

The Committee should meet at least once per year with the external auditor in a separate session to discuss any matters that the Committee desires to discuss privately. In addition, the Committee or its Chair should meet with management quarterly in connection with the review and approval of the Company's interim financial statements.

The Committee shall determine any desired agenda items.

5. Committee Activities

As part of its function in assisting the Board in fulfilling its oversight responsibilities (and without limiting the generality of the Committee's role), the Committee will have the power and authority to:

A. Disclosure

(1) Review, approve and recommend for Board approval the Company's interim financial statements, including any certification, report, opinion or review rendered by the external auditor and the related management's discussion and analysis and press release.

(2) Review, approve and recommend for Board approval the Company's annual financial statements, including any certification, report, opinion or review rendered by the external auditor, the annual information form, and the related management's discussion and analysis and press release.

(3) Review and approve any other press releases that contain material financial information and such other financial information of the Company provided to the public or any governmental body as the Committee requires.

(4) Satisfy itself that adequate procedures have been put in place by management for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements and the related management's discussion and analysis.

(5) Review any litigation, claim or other contingency and any regulatory or accounting initiatives that could have a material effect upon the financial position or operating results of the Company and the appropriateness of the disclosure thereof in the documents reviewed by the Committee.

(6) Receive periodically management reports assessing the adequacy and effectiveness of the Company's disclosure controls and procedures.

B. Internal Control

(1) Review management's process to identify and manage the significant risks associated with the activities of the Company.

(2) Review the effectiveness of the internal control systems for monitoring compliance with laws and regulations.

(3) Have the authority to communicate directly with the internal auditor, if applicable.

(4) Receive periodical management reports assessing the adequacy and effectiveness of the Company's internal control systems.

(5) Assess the overall effectiveness of the internal control and risk management frameworks through discussions with management and the external auditors and assess whether recommendations made by the external auditors have been implemented by management.

C. Relationship with the External Auditor

(1) Recommend to the Board the selection of the external auditor and the fees and other compensation to be paid to the external auditor.

(2) Have the authority to communicate directly with the external auditor and arrange for the external auditor to be available to the Committee and the Board as needed.

(3) Advise the external auditor that it is required to report to the Committee, and not to management.

(4) Monitor the relationship between management and the external auditor, including reviewing any management letters or other reports of the external auditor, discussing any material differences of opinion between management and the external auditor and resolving disagreements between the external auditor and management.

(5) Review and discuss with the external auditor all critical accounting policies and practices to be used in the Company's financial statements, all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, the ramifications of the use of such alternative treatments and the treatment preferred by the external auditor.

(6) Review any major issues regarding accounting principles and financial statement presentation with the external auditor and management, including any significant changes in the Company's selection or application of accounting principles and any significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements.

(7) If considered appropriate, establish separate systems of reporting to the Committee by each of management and the external auditor.

(8) Review and discuss on an annual basis with the external auditor all significant relationships they have with the Company, management or employees that might interfere with the independence of the external auditor.

(9) Pre-approve all non-audit services to be provided by the external auditor. For non- audit services up to $50,000, such pre-approval of non-audit services is delegated to the Chair of the Committee, provided that the Chair shall notify the Committee at each Committee meeting of the non-audit services they approved since the last Committee meeting.

(10) Review the performance of the external auditor and recommend any discharge of the external auditor when the Committee determines that circumstances warrant.

(11) Periodically consult with the external auditor out of the presence of management about (a) any significant risks or exposures facing the Company, (b) internal controls and other steps that management has taken to control such risks, and (c) the fullness and accuracy of the financial statements of the Company, including the adequacy of internal controls to expose any payments, transactions or procedures that might be deemed illegal or otherwise improper.

(12) Review and approve any proposed hiring of current or former partners or employees of the current (and any former) external auditor of the Company.

D. Audit Process

(1) Review the scope, plan and results of the external auditor's audit and reviews, including the auditor's engagement letter, the post-audit management letter, if any, and the form of the audit report. The Committee may authorize the external auditor to perform supplemental reviews, audits or other work as deemed desirable.

(2) Following completion of the annual audit and quarterly reviews, review separately with each of management and the external auditor any significant changes to planned procedures, any difficulties encountered during the course of the audit and, if applicable, reviews, including any restrictions on the scope of work or access to required information and the cooperation that the external auditor received during the course of the audit and, if applicable, reviews.

(3) Review any significant disagreements among management and the external auditor in connection with the preparation of the financial statements.

(4) Where there are significant unsettled issues between management and the external auditor that do not affect the audited financial statements, the Committee shall seek to ensure that there is an agreed course of action leading to the resolution of such matters.

(5) Review with the external auditor and management significant findings and the extent to which changes or improvements in financial or accounting practices, as approved by the Committee, have been implemented.

(6) Review the system in place to seek to ensure that the financial statements, management's discussion and analysis and other financial information disseminated to regulatory authorities and the public satisfy applicable requirements.

E. Financial Reporting Process

(1) Review the integrity of the Company's financial reporting processes, both internal and external, in consultation with the external auditor.

(2) Monitor and review the effectiveness of the Company's internal audit function, including ensuring that any internal auditors have adequate monetary and other resources to complete their work and appropriate standing within the Company and, if the Company has no internal auditors, consider, on an annual basis, whether the Company requires internal auditors, report to the Board on the internal auditors' performance and make related recommendations to the Board.

(3) Review all material balance sheet issues, material contingent obligations and material related party transactions.

(4) Review with management and the external auditor the Company's accounting policies and any changes that are proposed to be made thereto, including all critical accounting policies and practices used, any alternative treatments of financial information that have been discussed with

management, the ramification of their use and the external auditor's preferred treatment and any other material communications with management with respect thereto. Review the disclosure and impact of contingencies and the reasonableness of the provisions, reserves and estimates that may have a material impact on financial reporting.

F. Other

(1) Inform the Board of matters that may significantly impact on the financial condition or affairs of the business.

(2) Review the public disclosure regarding the Committee required from time to time by NI 52-110.

(3) Review in advance, and approve, the hiring and appointment of the Company's Chief Financial Officer and any other senior officers responsible for financial reporting.

(4) Establish and oversee the effectiveness of procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing under the Company's whistleblower policy.

(5) Perform any other activities as the Committee or the Board deems necessary or appropriate.

6. Independent Advice

In discharging its mandate, the Committee shall have the authority to retain, at the expense of the Company, special advisors as the Committee determines to be necessary to permit it to carry out its duties.

7. Annual Evaluation

At least annually, the Committee shall, in a manner it determines to be appropriate:

(1) Perform a review and evaluation of the performance of the Committee and its members, including the compliance of the Committee with this Charter.

(2) Review and assess the adequacy of this Charter and recommend to the Board any improvements to this Charter that the Committee believes to be appropriate.

8. No Rights Created

This Charter is a broad policy statement and is attended to be part of the Committee's flexible governance framework. While this Charter should comply with all applicable law and the Company's constating documents, this Charter does not create any legally binding obligations on the Committee, the Board, any director or the Company.

SCHEDULE "B"
CORPORATE GOVERNANCE

Governance Disclosure Requirement Under the Corporate Governance National Instrument 58-101 ("NI 58-101") and the *Canada Business Corporations Act* (the "CBCA")	**Comments**
Board of Directors	
1. Board of Directors — Disclose how the board of directors (the "**Board**") of FRX Innovations Inc. (the "**Corporation**") facilitates its exercise of independent supervision over management, including (i) the identity of directors that are independent, and (ii) the identity of directors who are not independent, and the basis for that determination.	The Board currently consists of a total of four directors of which Ekaterina Terskin and James Cassina are considered "independent" as such term is defined in NI 58-101. Marc-Andre Lebel is not considered independent as he is an executive officer of the Corporation. Mark Lotz is not considered independent as he is an executive officer of the Corporation.
2. Directorships — If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.	Please refer to the Circular under the heading "Matters to be Considered at the Meeting - Election of Directors".
Orientation and Continuing Education	
3. Describe what steps, if any, the Board takes to orient new Board members, and describe any measures the Board takes to provide continuing education for directors.	Each director ultimately assumes responsibility for keeping themselves informed about the Corporation's business and relevant developments outside the Corporation that affect its business. Management assists directors by providing them with regular updates on relevant developments and other information that management considers of interest to the Board. Directors may also attend other Board committee meetings if they are not active members, to broaden their knowledge base and receive additional information on the Corporation's business and developments in areas where they are not commonly exposed.
Ethical Business Conduct	
4. Describe what steps, if any, the Board takes to encourage and promote a culture of ethical business conduct.	The Board is responsible for promoting an ethical business culture. The Board monitors compliance, including through receipt by the Audit Committee of reports of unethical behaviour. To ensure that an ethical business culture is maintained and promoted, directors are encouraged to exercise their independent judgment. If a director has a material interest in any transaction or agreement that the Corporation proposes to enter into, such director is expected to disclose such interest to the Board in compliance with the applicable laws, rules and policies which govern conflicts of interest in connection with such transaction or agreement. Further, any director who has a material interest in any proposed transaction or agreement will be excluded from the portion of the Board meeting concerning such matters and will be further precluded from voting on such matters.

Governance Disclosure Requirement Under the Corporate Governance National Instrument 58-101 ("NI 58-101") and the *Canada Business Corporations Act* (the "CBCA")	Comments
Nomination of Directors	
5. Disclose what steps, if any, are taken to identify new candidates for Board nomination including: (i) who identifies new candidates, and (ii) the process of identifying new candidates.	The Board is responsible for the identification and assessment of potential directors. While no formal nomination procedures are in place to identify new candidates, the Board does review the experience and performance of nominees for election to the Board. Members of the Board are canvassed with respect to the qualifications of a prospective candidate and each candidate is evaluated with respect to his or her experience and expertise, with particular attention paid to those areas of expertise that could complement and enhance current management. The Board also assesses any potential conflicts, independence or time commitment concerns that the candidate may present.
Compensation	
6. Disclose what steps, if any, are taken to determine compensation for the directors and officers, including: (i) who determines compensation, and (ii) the process of determining compensation.	The process undertaken by the Board in respect of compensation is more fully described in the "Executive Compensation" section of the accompanying Circular.
Other Board Committees	
7. If the Board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.	The Board does not have any standing committees other than the Audit Committee and Compensation Committee.
Assessments	
8. Disclose what steps, if any, that the Board takes to satisfy itself that the Board, its committees, and its individual directors are performing effectively.	The Board is currently responsible for assessing the effectiveness of the Board, the individual directors and the Audit Committee on an annual basis. To facilitate this evaluation, the Audit Committee will conduct an annual assessment of its performance, consisting of a review of its charter, the performance of the committee as a whole and the performance of the committee Chair.
Director Term Limits and Mechanisms of Board Renewals	
9. Indicate whether the Company has adopted term limits for the directors on its Board or other mechanisms of Board renewal and, as the case may be, a description of those term limits or mechanisms or the reasons why it has not adopted them.	The Board has not adopted a formal policy relating to term limits or other mechanisms of Board renewal because it has not felt that such mechanisms are appropriate given the Corporation's size and stage of development. The Board is of the opinion that term limits may disadvantage the Corporation through the loss of beneficial contributions of its directors and a reduction in continuity on the Board.
Policies Regarding the Representation of Designated Groups on the Board	
10. Indicate whether the Corporation has adopted a written policy relating to the identification and nomination of members of designated groups for	The Board has not adopted a formal policy regarding the identification and nomination of directors who are women, Aboriginal peoples, persons with disabilities or members of visible minorities ("**Designated Groups**"). The Board does not believe that such a

Governance Disclosure Requirement Under the Corporate Governance National Instrument 58-101 ("NI 58-101") and the *Canada Business Corporations Act* (the "CBCA")	Comments
directors and, if it has not adopted a written policy, the reasons why it has not adopted the policy.	formal policy or target would benefit the Corporation given the Corporation's size, stage of development and the other circumstances facing Corporation, nor does the Board believe that such a formal policy or target would further enhance the representation of Designated Groups on the Board or in executive officer positions beyond the current recruitment and selection process carried out by the Board. The Corporation and the Board evaluate the necessary competencies, skills, experience and other qualifications of each candidate as a whole and considers the representation of Designated Groups as one of many factors in the recruitment and selection of candidates for Board and executive officer positions.
Consideration of the Representation of Designated Groups on the Board and in Executive Officer Positions	
11. Whether the Board or its nominating committee considers the level of the representation of designated groups on the Board in identifying and nominating candidates for election or re-election to the Board or when appointing members of senior management, and, as the case may be, how that level is considered or the reasons why it is not considered.	The Corporation evaluates the necessary competencies, skills, experience and other qualifications of each candidate as a whole and considers the representation of Designated Groups as one of many factors in the recruitment and selection of candidates for Board and executive officer positions. The Board does follow a selection and screening process to ensure that the requisite elements of integrity, diversity, knowledge, skill, experience and judgment are the hallmarks of Board members.
Targets Regarding the Representation of Designated Groups on the Board and in Executive Officer Positions	
12. Whether the Board has, for each group referred to in the definition *designated groups*, adopted a target number or percentage, or a range of target numbers or percentages, for members of the group to hold positions on the Board or in senior management by a specific date and • for each group for which a target has been adopted, the target and the annual and cumulative progress of the Corporation in achieving that target, and • for each group for which a target has not been adopted, the reasons why the corporation has not adopted that target.	The Board has not adopted formal targets regarding members of Designated Groups being represented on the Board or holding executive officer positions. The representation of Designated Groups is one of many factors considered in the overall recruitment and selection process in respect of Board and senior management positions at the Company. The Board does not believe that formal targets would enhance the representation of Designated Groups on the Board or in executive officer positions beyond the current recruitment and selection process.
Number of Members of Designated Groups on the Board and in Executive Officer Positions	
13. For each group referred to in the definition *designated groups*, the number and proportion, expressed as a percentage, of members of each group who hold positions on the Board.	There is currently one member of a Designated Group on the Board representing 25% of the Board.

SCHEDULE "C"
PAST ACTS RESOLUTION

BE IT RESOLVED THAT:

1. notwithstanding (i) any failure to properly convene, constitute, proceed with, hold or record any meeting of the board of directors or shareholders of FRX Innovations Inc. (the "**Corporation**") for any reason whatsoever, including, without limitation, the failure to properly waive or give notice of a meeting, hold a meeting in accordance with a notice of meeting, have a quorum present at a meeting, sign the minutes of a meeting or sign a ballot electing a slate of directors since incorporation; or (ii) any failure to pass any resolution of the directors or shareholders of the Corporation or any by-laws of the Corporation for any reason whatsoever, all by-laws, approvals, appointments, resolutions, contracts, acts and proceedings, enacted, passed, made, done or taken since the date of the last annual meeting of the shareholders of the Corporation, being December 1, 2021 (the "**Last Meeting Date**") including those set forth or referred to in the minutes of the meetings, or resolutions of the board of directors of the Corporation, or in the financial statements of the Corporation, and all actions heretofore taken in reliance upon the validity of such minutes, documents and financial statements, are hereby sanctioned, ratified, approved, and confirmed; and

2. without limiting the generality of paragraph 1 above, all by-laws, resolutions, contracts, acts, and proceedings of the board of directors and officers of the Corporation enacted, passed, made, done or taken since the Last Meeting Date including those set forth or referred to in the minutes or the meetings and resolutions of the board of directors in the minutes and record books of the Corporation or in the financial statements of the Corporation are hereby ratified, approved, and confirmed.

SCHEDULE "D"
DELISTING RESOLUTION

BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:

1. subject to, and conditional upon, the completion of the Proposed Transaction (as such term is defined in the management information circular of the Corporation dated November 29, 2024), the board of directors (the "**Board**") of FRX Innovations Inc. (the "**Corporation**") is hereby authorized to apply to voluntarily delist the common shares in the capital of the Corporation from the TSX Venture Exchange (the "**Delisting**");

2. notwithstanding the approval of the foregoing resolution by shareholders, the Board shall maintain full discretion as to when, and if, the Delisting shall be completed; and

3. any director or officer of the Corporation is hereby authorized and directed to execute and deliver in the name of and on behalf of the Corporation, all such certificates, instruments, agreements and other documents and do all such other acts and things as in the opinion of such person may be necessary or desirable in order to give effect to the foregoing resolution.

SCHEDULE "E"
PROPOSED TRANSACTION RESOLUTION

WHEREAS FRX Innovations Inc. (the "**Corporation**") has entered into a purchase agreement dated November 27, 2024 (the "**Purchase Agreement**") with FRX Polymers, Inc. ("**FRX US**"), the wholly-owned operating subsidiary of the Corporation, and FRX Acquisition, Inc. (the "**Purchaser**"), setting forth the terms and conditions by which the Corporation proposes to sell of all of its equity interests of FRX US to the Purchaser (the "**Proposed Transaction**"), all as more fully described in the management information circular of the Corporation dated November 29, 2024 (the "**Circular**");

AND WHEREAS the Proposed Transaction will constitute the sale or disposition of all or substantially all of the property and assets of the Corporation, is a non-arm's length transaction for the Corporation and is being proposed for the reasons set forth in the Circular.

BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. the board of directors of the Corporation (the "**Board**") is authorized to enter into the Proposed Transaction in accordance with the terms, conditions and provisions of the Purchase Agreement and as described in the Circular, and specifically the disposition of all or substantially all of the property of the Corporation in exchange for the consideration set out in the Purchase Agreement, as described in the Circular, and otherwise in accordance with the terms, conditions and provisions of the Purchase Agreement, is hereby authorized and approved subject to such amendments thereto as may be approved by the Board;

2. notwithstanding that this resolution has been passed (and the Proposed Transaction approved) by the shareholders of the Corporation, the directors of the Corporation are hereby authorized and empowered without further notice to or approval of the shareholders of the Corporation, to determine, at any time to revoke this resolution and to decide not proceed with the Proposed Transaction; and

3. any one director or officer of the Corporation is hereby authorized and directed for and in the name of and on behalf of the Corporation to execute or cause to be executed, whether under corporate seal of the Corporation or otherwise, and to deliver or cause to be delivered all such documents, and to do or cause to be done all such acts and things, as in the opinion of such director or officer may be necessary or desirable in order to carry out the terms of this resolution, such execution and delivery or the doing of any such act or thing to be conclusive evidence of such determination.

SCHEDULE "F"
NAME CHANGE RESOLUTION

BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. the articles of FRX Innovations Inc. (the "**Corporation**") shall be amended to change the name of the Corporation from "FRX Innovations Inc." to "Fireside Diversified Corp." or such other name as may be accepted by the relevant regulatory authorities and approved by the Board (the "**Name Change**"), subject to receipt of all necessary regulatory approvals and the successful consummation of the Proposed Transaction (as such term is defined in the management information circular of the Corporation dated November 29, 2024);

2. the Corporation shall file articles of amendment reflecting such Name Change in the prescribed form to the Director in accordance with the *Canada Business Corporations Act*;

3. notwithstanding that this resolution has been passed (and the Name Change approved) by the shareholders of the Corporation, the directors of the Corporation are hereby authorized and empowered without further notice to or approval of the shareholders of the Corporation, to determine, at any time to revoke this resolution and to decide not to proceed with the Name Change;

4. any one director or officer of the Corporation is hereby authorized and directed for and in the name of and on behalf of the Corporation to execute or cause to be executed, whether under corporate seal of the Corporation or otherwise, and to deliver or cause to be delivered all such documents, and to do or cause to be done all such acts and things, as in the opinion of such director or officer may be necessary or desirable in order to carry out the terms of this resolution, such execution and delivery or the doing of any such act or thing to be conclusive evidence of such determination.

SCHEDULE "G"
SHARE CONSOLIDATION RESOLUTION

BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. subject to acceptance by the TSX Venture Exchange (the "**TSXV**"), FRX Innovations Inc. (the "**Corporation**") is hereby authorized to consolidate the issued and outstanding common shares in the capital of the Corporation (the "**Common Shares**") by a ratio of one (1) Common Share for every ten (10) Common Shares, with any resulting fractional Common Shares shall be either rounded up or down to the nearest whole Common Share (the "**Share Consolidation**");

2. notwithstanding that this resolution has been passed by the Shareholders, the directors of the Corporation are hereby authorized and empowered in their sole discretion, without further notice to, or approval of, the Shareholders, to: (i) determine not to proceed with the Share Consolidation at any time prior to the filing of the articles of amendment giving effect to the Share Consolidation; and/or (ii) revoke this resolution;

3. upon articles of amendment having become effective in accordance with the *Canada Business Corporations Act* the articles of the Corporation are amended accordingly; and

4. any one officer and director of the Corporation be and is hereby authorized for and on behalf of the Corporation to execute and deliver all such instruments and documents and to perform and do all such acts and things as may be deemed advisable in such individual's discretion for the purpose of giving effect to this special resolution, the execution of any such document or the doing of any such other act or thing being conclusive evidence of such determination.

SCHEDULE "H"
CONTINUANCE RESOLUTION

WHEREAS:

A. FRX Innovations Inc. (the "**Corporation**") was incorporated under the *Canada Business Corporations Act* (the "**CBCA**"**)** by Certificate and Articles of Incorporation No. 1260977-1, dated December 31, 2020 under the name "Good2GoRTO Corp.";

B. On May 16, 2022 the Corporation changed its name to "FRX Innovations Inc."; and

C. It is desirable that the Corporation be continued as a corporation under the *Business Corporations Act* (British Columbia) (the "**BCBCA**").

BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. The Corporation make an application to the Director appointed under the CBCA for authorization to apply for a certificate of continuance (the "**Certificate of Continuance**") under the BCBCA. In connection therewith, the Corporation make an application to the Registrar of Companies of British Columbia (the "**Registrar**") appointed under the BCBCA, for a Certificate of Continuance, continuing the Corporation as a corporation to which the BCBCA applies.

2. Subject to the issuance of such Certificate of Continuance by the Registrar and without affecting the validity of the incorporation or existence of the Corporation by and under its articles or of any act done thereunder, the notice of articles attached to the continuance application attached as Exhibit "I" to these resolutions, with such amendments, deletions or alterations as may be considered necessary or advisable by any director or officer of the Corporation in order to ensure compliance with the provisions of the BCBCA and the requirements of the Registrar, are authorized, adopted and approved in substitution for the existing articles of the Corporation.

3. Upon continuation into British Columbia, the Corporation shall have as its articles, the forms of articles attached hereto as Exhibit "II", and any director of the Corporation is authorized to sign the articles as required by the BCBCA.

4. The board of directors of the Corporation, in its sole discretion, is authorized to abandon the application to the Registrar for a Certificate of Continuance, or to determine not to proceed with the continuance, without further approval of the shareholder of the Corporation any time prior to the endorsement by the Registrar of a Certificate of Continuance.

5. Any one director or officer of the Corporation is hereby authorized and directed for and in the name of and on behalf of the Corporation to execute or cause to be executed, whether under corporate seal of the Corporation or otherwise, and to deliver or cause to be delivered all such documents, and to do or cause to be done all such acts and things, as in the opinion of such director or officer may be necessary or desirable in order to carry out the terms of this resolution, such execution and delivery or the doing of any such act or thing to be conclusive evidence of such determination.

EXHIBIT "I" TO SCHEDULE "H"
NOTICE OF ARTICLES

(*See attached*)

NOTICE OF ARTICLES

A NAME OF COMPANY

Set out the name of the company as set out in Item A of the Continuation Application.

FRX INNOVATIONS INC.

B TRANSLATION OF COMPANY NAME

Set out every translation of the company name that the company intends to use outside of Canada.

N/A

C DIRECTOR NAME(S) AND ADDRESS(ES)

Set out the full name, delivery address and mailing address (if different) of every director of the company. The director may select to provide either (a) the delivery address and, if different, the mailing address for the office at which the individual can usually be served with records between 9 a.m. and 4 p.m. on business days or (b) the delivery address and, if different, the mailing address of the individual's residence. The delivery address must not be a post office box. Attach an additional sheet if more space is required.

LAST NAME	FIRST NAME	MIDDLE NAME
LEBEL	MARC-ANDRE	

	PROVINCE/STATE	COUNTRY	POSTAL CODE/ZIP CODE
DELIVERY ADDRESS			
MAILING ADDRESS			

LAST NAME	FIRST NAME	MIDDLE NAME
CASSINA	JAMES	C.

	PROVINCE/STATE	COUNTRY	POSTAL CODE/ZIP CODE
DELIVERY ADDRESS			
MAILING ADDRESS			

LAST NAME	FIRST NAME	MIDDLE NAME
LOTZ	MARK	

	PROVINCE/STATE	COUNTRY	POSTAL CODE/ZIP CODE
DELIVERY ADDRESS			
MAILING ADDRESS			

LAST NAME	FIRST NAME	MIDDLE NAME
TERSKIN	EKATERINA	

	PROVINCE/STATE	COUNTRY	POSTAL CODE/ZIP CODE
DELIVERY ADDRESS			
MAILING ADDRESS			

D REGISTERED OFFICE ADDRESSES

DELIVERY ADDRESS OF THE COMPANY'S REGISTERED OFFICE

	PROVINCE	POSTAL CODE
885 WEST GEORGIA STREET, SUITE 1400, VANCOUVER	BC	V6C 3E8

MAILING ADDRESS OF THE COMPANY'S REGISTERED OFFICE

	PROVINCE	POSTAL CODE
885 WEST GEORGIA STREET, SUITE 1400, VANCOUVER	BC	V6C 3E8

E RECORDS OFFICE ADDRESSES

DELIVERY ADDRESS OF THE COMPANY'S RECORDS OFFICE

	PROVINCE	POSTAL CODE
885 WEST GEORGIA STREET, SUITE 1400, VANCOUVER	BC	V6C 3E8

MAILING ADDRESS OF THE COMPANY'S RECORDS OFFICE

	PROVINCE	POSTAL CODE
885 WEST GEORGIA STREET, SUITE 1400, VANCOUVER	BC	V6C 3E8

F AUTHORIZED SHARE STRUCTURE

Identifying name of class or series of shares	Maximum number of shares of this class or series of shares that the company is authorized to issue, or indicate there is		Kind of shares of this class or series of shares.			Are there special rights or restrictions attached to the shares of this class or series of shares?	
	THERE IS NO MAXIMUM (☒)	MAXIMUM NUMBER OF SHARES AUTHORIZED	WITHOUT PAR VALUE (☒)	WITH A PAR VALUE OF ($)	Type of currency	YES	NO
Common	☑		☑			☐	☑
	☐		☐			☐	☐
	☐		☐			☐	☐
	☐		☐			☐	☐
	☐		☐			☐	☐
	☐		☐			☐	☐
	☐		☐			☐	☐
	☐		☐			☐	☐

EXHIBIT "II" TO SCHEDULE "H"
ARTICLES

(*See attached*)

FRX INNOVATIONS INC.
(the "Company")

The Company has as its articles the following articles.

Full name and signature of Director	**Date**
_____ **MARC-ANDRE LEBEL**	

Continuation Number:_____

ARTICLES

FRX INNOVATIONS INC.
(the "Company")

1. INTERPRETATION

1.1 Definitions

In these Articles, unless the context otherwise requires:

(1) "board of directors", "directors" and "board" mean the directors or sole director of the Company, as the case may be;

(2) "*Business Corporations Act*" means the *Business Corporations Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;

(3) "*Interpretation Act*" means the *Interpretation Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;

(4) "legal personal representative" means the personal or other legal representative of a shareholder, and includes a trustee in bankruptcy of the shareholder;

(5) "registered address" of a shareholder means that shareholder's address as recorded in the central securities register; and

(6) "seal" means the seal of the Company, if any.

1.2 *Business Corporations Act* and *Interpretation Act* Definitions Applicable

The definitions in the *Business Corporations Act* and the definitions and rules of construction in the *Interpretation Act*, with the necessary changes, so far as applicable, and unless the context requires otherwise, apply to these Articles as if these Articles were an enactment. If there is a conflict between a definition in the *Business Corporations Act* and a definition or rule in the *Interpretation Act* relating to a term used in these Articles, the definition in the *Business Corporations Act* will prevail in relation to the use of the term in these Articles.

1.3 Conflicts Between Articles and the *Business Corporations Act*

If there is a conflict or inconsistency between these Articles and the *Business Corporations Act*, the *Business Corporations Act* will prevail.

2. SHARES AND SHARE CERTIFICATES

2.1 Authorized Share Structure

The authorized share structure of the Company consists of shares of the class or classes and series, if any, described in the Notice of Articles of the Company.

2.2 Form of Share Certificate

Each share certificate issued by the Company must comply with, and be signed as required by, the *Business Corporations Act*.

2.3 Shareholder Entitled to Share Certificate or Acknowledgement

Each shareholder is entitled, without charge, to (a) one share certificate representing the shares of each class or series of shares registered in the shareholder's name or (b) a non-transferable written acknowledgement of the shareholder's right to obtain such a share certificate, provided that in respect of a share held jointly by several persons, the Company is not bound to issue more than one share certificate or acknowledgement, and delivery of a share certificate or acknowledgement, for a share to one of several joint shareholders or to one of the shareholders' duly authorized agents will be sufficient delivery to all.

2.4 Delivery by Mail

Any share certificate or non-transferable written acknowledgement of a shareholder's right to obtain a share certificate may be sent to the shareholder by mail at the shareholder's registered address and neither the Company nor any director, officer or agent of the Company is liable for any loss to the shareholder because the share certificate or acknowledgement is lost in the mail or stolen.

2.5 Replacement of Worn Out or Defaced Share Certificate or Acknowledgement

If the directors are satisfied that a share certificate or a non-transferable written acknowledgement of a shareholder's right to obtain a share certificate is worn out or defaced, the directors must, on production to them of the share certificate or acknowledgement, as the case may be, and on such other terms, if any, the directors think fit:

(1) order the share certificate or acknowledgement, as the case may be, to be cancelled; and

(2) issue a replacement share certificate or acknowledgement, as the case may be.

2.6 Replacement of Lost, Stolen or Destroyed Share Certificate or Acknowledgement

If a share certificate or a non-transferable written acknowledgement of a shareholder's right to obtain a share certificate is lost, stolen or destroyed, a replacement share certificate or acknowledgement, as the case may be, must be issued to the person entitled to that share certificate or acknowledgement, as the case may be, if the directors receive:

(1) proof satisfactory to the directors that the share certificate or acknowledgement is lost, stolen or destroyed; and

(2) any indemnity the directors consider adequate.

2.7 Splitting Share Certificates

If a shareholder surrenders a share certificate to the Company with a written request that the Company issue in the shareholder's name two or more share certificates, each representing a specified number of shares and in the aggregate representing the same number of shares as the share certificate so surrendered, the Company must cancel the surrendered share certificate and issue replacement share certificates in accordance with that request.

2.8 Share Certificate Fee

There must be paid to the Company, in relation to the issue of any share certificate under Articles 2.5, 2.6 or 2.7, the amount, if any and which must not exceed the amount prescribed under the *Business Corporations Act*, determined by the directors.

2.9 Recognition of Trusts

Except as required by law or statute or these Articles, no person will be recognized by the Company as holding any share upon any trust, and the Company is not bound by or compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share or fraction of a share or (except as by

law or statute or these Articles provided or as ordered by a court of competent jurisdiction) any other rights in respect of any share except an absolute right to the entirety thereof in the shareholder.

3. ISSUE OF SHARES

3.1 Directors Authorized

Subject to the *Business Corporations Act* and rights of the holders of issued shares of the Company, the Company may issue, allot, sell or otherwise dispose of the unissued shares, and issued shares held by the Company, at the times, to the persons, including directors, in the manner, on the terms and conditions and for the issue prices (including any premium at which shares with par value may be issued) that the directors may determine. The issue price for a share with par value must be equal to or greater than the par value of the share.

3.2 Commissions and Discounts

The Company may at any time, pay a reasonable commission or allow a reasonable discount to any person in consideration of that person purchasing or agreeing to purchase shares of the Company from the Company or any other person or procuring or agreeing to procure purchasers for shares of the Company.

3.3 Brokerage

The Company may pay such brokerage fee or other consideration as may be lawful for or in connection with the sale or placement of its securities.

3.4 Conditions of Issue

Except as provided for by the *Business Corporations Act*, no share may be issued until it is fully paid. A share is fully paid when:

(1) consideration is provided to the Company for the issue of the share by one or more of the following:

(a) past services performed for the Company;

(b) property;

(c) money; and

(2) the value of the consideration received by the Company equals or exceeds the issue price set for the share under Article 3.1.

3.5 Share Purchase Warrants and Rights

Subject to the *Business Corporations Act*, the Company may issue share purchase warrants, options and rights upon such terms and conditions as the directors determine, which share purchase warrants, options and rights may be issued alone or in conjunction with debentures, debenture stock, bonds, shares or any other securities issued or created by the Company from time to time.

4. SECURITIES REGISTERS

4.1 Central Securities Register

As required by and subject to the *Business Corporations Act*, the Company must maintain in British Columbia a central securities register. The directors may, subject to the *Business Corporations Act,* appoint an agent to maintain the central securities register. The directors may also appoint one or more agents, including the agent which keeps the central securities register, as transfer agent for its shares or any class or series of its shares, as the case may be, and

the same or another agent as registrar for its shares or such class or series of its shares, as the case may be. The directors may terminate such appointment of any agent at any time and may appoint another agent in its place.

4.2 Closing Register

The Company must not at any time close its central securities register.

5. SHARE TRANSFERS

5.1 Registering Transfers

A transfer of a share of the Company must not be registered unless:

(1) a duly signed instrument of transfer in respect of the share has been received by the Company;

(2) if a share certificate has been issued by the Company in respect of the share to be transferred, that share certificate has been surrendered to the Company; and

(3) if a non-transferable written acknowledgement of the shareholder's right to obtain a share certificate has been issued by the Company in respect of the share to be transferred, that acknowledgement has been surrendered to the Company.

5.2 Transferor Remains Shareholder

Except to the extent that the *Business Corporations Act* otherwise provides, a transferor of shares is deemed to remain the holder of the shares until the name of the transferee is entered in a securities register of the Company in respect of the transfer.

5.3 Signing of Instrument of Transfer

If a shareholder, or his or her duly authorized attorney, signs an instrument of transfer in respect of shares registered in the name of the shareholder, the signed instrument of transfer constitutes a complete and sufficient authority to the Company and its directors, officers and agents to register the number of shares specified in the instrument of transfer or specified in any other manner, or, if no number is specified, all the shares represented by the share certificates or set out in the written acknowledgements deposited with the instrument of transfer:

(1) in the name of the person named as transferee in that instrument of transfer; or

(2) if no person is named as transferee in that instrument of transfer, in the name of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered.

5.4 Enquiry as to Title Not Required

Neither the Company nor any director, officer or agent of the Company is bound to inquire into the title of the person named in the instrument of transfer as transferee or, if no person is named as transferee in the instrument of transfer, of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered or is liable for any claim related to registering the transfer by the shareholder or by any intermediate owner or holder of the shares, of any interest in the shares, of any share certificate representing such shares or of any written acknowledgement of a right to obtain a share certificate for such shares.

5.5 Transfer Fee

There must be paid to the Company, in relation to the registration of any transfer, the amount, if any, determined by the directors.

6. TRANSMISSION OF SHARES

6.1 Legal Personal Representative Recognized on Death

In case of the death of a shareholder, the legal personal representative, or if the shareholder was a joint holder, the surviving joint holder, will be the only person recognized by the Company as having any title to the shareholder's interest in the shares. Before recognizing a person as a legal personal representative, the directors may require proof of appointment by a court of competent jurisdiction, a grant of letters probate, letters of administration or such other evidence or documents as the directors consider appropriate.

6.2 Rights of Legal Personal Representative

The legal personal representative of a shareholder has the same rights, privileges and obligations that attach to the shares held by the shareholder, including the right to transfer the shares in accordance with these Articles, provided the documents required by the *Business Corporations Act* and the directors have been deposited with the Company.

7. PURCHASE OR REDEMPTION OF SHARES

7.1 Company Authorized to Purchase or Redeem Shares

Subject to Article 7.2, the special rights and restrictions attached to the shares of any class or series and the *Business Corporations Act*, the Company may, if authorized by the directors, purchase, redeem or otherwise acquire any of its shares at the price and upon the terms specified in such resolution.

7.2 Purchase or Redemption When Insolvent

The Company must not make a payment or provide any other consideration to purchase, redeem or otherwise acquire any of its shares if there are reasonable grounds for believing that:

(1) the Company is insolvent; or

(2) making the payment or providing the consideration would render the Company insolvent.

7.3 Sale and Voting of Purchased Shares

If the Company retains a share redeemed, purchased or otherwise acquired by it, the Company may sell, gift or otherwise dispose of the share, but, while such share is held by the Company, it:

(1) is not entitled to vote the share at a meeting of its shareholders;

(2) must not pay a dividend in respect of the share; and

(3) must not make any other distribution in respect of the share.

8. BORROWING POWERS

The Company, if authorized by the directors, may:

(1) borrow money in the manner and amount, on the security, from the sources and on the terms and conditions that the directors consider appropriate;

(2) issue bonds, debentures and other debt obligations either outright or as security for any liability or obligation of the Company or any other person and at such discounts or premiums and on such other terms as the directors consider appropriate;

(3) guarantee the repayment of money by any other person or the performance of any obligation of any other person; and

(4) mortgage, charge, whether by way of specific or floating charge, grant a security interest in, or give other security on, the whole or any part of the present and future assets and undertaking of the Company.

9. ALTERATIONS

9.1 Alteration of Authorized Share Structure

(1) Subject to the *Business Corporations Act*, the Company may by resolution of the board of directors:

(a) create one or more classes or series of shares or, if none of the shares of a class or series of shares are allotted or issued, eliminate that class or series of shares;

(b) increase, reduce or eliminate the maximum number of shares that the Company is authorized to issue out of any class or series of shares or establish a maximum number of shares that the Company is authorized to issue out of any class or series of shares for which no maximum is established;

(c) subject to Article 2.1(2), alter the identifying name of any of its shares;

(d) subdivide or consolidate all or any of its unissued, or fully paid issued, shares;

(e) if the Company is authorized to issue shares of a class of shares with par value:

(A) decrease the par value of those shares; or

(B) if none of the shares of that class of shares are allotted or issued, increase the par value of those shares;

(f) change all or any of its unissued, or fully paid issued, shares with par value into shares without par value or any of its unissued shares without par value into shares with par value; or

(g) subject to Article 2.1(2), otherwise alter its shares or authorized share structure when required or permitted to do so by the *Business Corporations Act*.

9.2 Change of Name

The Company may by resolution of the board of directors authorize an alteration of its Notice of Articles in order to change its name or adopt or change any translation of that name.

9.3 Other Alterations

If the *Business Corporations Act* does not specify the type of resolution and these Articles do not specify another type of resolution, the Company may by ordinary resolution alter these Articles.

10. MEETINGS OF SHAREHOLDERS

10.1 Annual General Meetings

Unless an annual general meeting is deferred or waived in accordance with the *Business Corporations Act*, the Company must hold its first annual general meeting within 18 months after the date on which it was incorporated or

otherwise recognized, and after that must hold an annual general meeting at least once in each calendar year and not more than 15 months after the last annual reference date at such time and place as may be determined by the directors.

10.2 Resolution Instead of Annual General Meeting

If all the shareholders who are entitled to vote at an annual general meeting consent by a unanimous resolution under the *Business Corporations Act* to all of the business that is required to be transacted at that annual general meeting, the annual general meeting is deemed to have been held on the date of the unanimous resolution. The shareholders must, in any unanimous resolution passed under this Article 10.2, select as the Company's annual reference date a date that would be appropriate for the holding of the applicable annual general meeting.

10.3 Calling of Meetings of Shareholders

The directors may, whenever they think fit, call a meeting of shareholders.

10.4 Location of Meeting

A general meeting of the Company may be held anywhere in the world as determined by the directors.

10.5 Notice for Meetings of Shareholders

The Company must send notice of the date, time and location of any meeting of shareholders, in the manner provided in these Articles, or in such other manner, if any, as may be prescribed by ordinary resolution (whether previous notice of the resolution has been given or not), to each shareholder entitled to attend the meeting, to each director and to the auditor of the Company, unless these Articles otherwise provide, at least the following number of days before the meeting:

(1) if and for so long as the Company is a public company, 21 days;

(2) otherwise, 10 days.

10.6 Record Date for Notice

The directors may set a date as the record date for the purpose of determining shareholders entitled to notice of any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the *Business Corporations Act*, by more than four months. The record date must not precede the date on which the meeting is held by fewer than:

(1) if and for so long as the Company is a public company, 21 days;

(2) otherwise, 10 days.

If no record date is set, the record date is 5:00 p.m. on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

10.7 Record Date for Voting

The directors may set a date as the record date for the purpose of determining shareholders entitled to vote at any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the *Business Corporations Act*, by more than four months. If no record date is set, the record date is 5:00 p.m. on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

10.8 Class Meetings and Series Meetings of Shareholders

Subject to the provisions of the *Business Corporations Act*, unless specified otherwise in these Articles or in the special rights and restrictions attached to any class or series of shares, the provisions of these Articles relating to general meetings will apply, with the necessary changes and so far as they are applicable, to a class meeting or series meeting of shareholders holding a particular class or series of shares.

10.9 Notice of Special Business at Meetings of Shareholders

If a meeting of shareholders is to consider special business within the meaning of Article 11.1, the notice of meeting must:

(1) state the general nature of the special business; and

(2) if the special business includes considering, approving, ratifying, adopting or authorizing any document or the signing of or giving of effect to any document, have attached to it a copy of the document or state that a copy of the document will be available for inspection by shareholders:

(a) at the Company's records office, or at such other reasonably accessible location in British Columbia as is specified in the notice; and

(b) during statutory business hours on any one or more specified days before the day set for the holding of the meeting.

10.10 Failure to Give Notice and Waiver of Notice

The accidental omission to send notice of any meeting of shareholders to, or the non-receipt of any notice by, any of the persons entitled to notice does not invalidate any proceedings at that meeting. Any person entitled to notice of a meeting of shareholders may, in writing or otherwise, waive or reduce the period of notice of such meeting.

11. PROCEEDINGS AT MEETINGS OF SHAREHOLDERS

11.1 Special Business

At a meeting of shareholders, the following business is special business:

(1) at a meeting of shareholders that is not an annual general meeting, all business is special business except business relating to the conduct of, or voting at, the meeting;

(2) at an annual general meeting, all business is special business except for the following:

(a) business relating to the conduct of, or voting at, the meeting;

(b) consideration of any financial statements of the Company presented to the meeting;

(c) consideration of any reports of the directors or auditor;

(d) the setting or changing of the number of directors;

(e) the election or appointment of directors;

(f) the appointment of an auditor;

(g) the setting of the remuneration of an auditor;

(h) business arising out of a report of the directors not requiring the passing of a special resolution or an exceptional resolution;

(i) any other business which, under these Articles or the *Business Corporations Act*, may be transacted at a meeting of shareholders without prior notice of the business being given to the shareholders.

11.2 Special Majority

The majority of votes required for the Company to pass a special resolution at a meeting of shareholders is two-thirds of the votes cast on the resolution.

11.3 Quorum

Subject to the special rights and restrictions attached to the shares of any class or series of shares, the quorum for the transaction of business at a meeting of shareholders is two (2) shareholders entitled to vote at the meeting, present in person or represented by proxy.

11.4 One Shareholder May Constitute Quorum

If there is only one shareholder entitled to vote at a meeting of shareholders:

(1) the quorum is one person who is, or who represents by proxy, that shareholder, and

(2) that shareholder, present in person or by proxy, may constitute the meeting.

11.5 Other Persons May Attend

The directors, the president (if any), the chief executive officer (if any), the chief financial officer (if any), the chief operating officer (if any), the secretary (if any), the assistant secretary (if any), the auditor of the Company, the lawyers for the Company and any other persons invited by the directors are entitled to attend any meeting of shareholders, but if any of those persons does attend a meeting of shareholders, that person is not to be counted in the quorum and is not entitled to vote at the meeting unless that person is a shareholder or proxy holder entitled to vote at the meeting.

11.6 Requirement of Quorum

No business, other than the election of a chair of the meeting and the adjournment of the meeting, may be transacted at any meeting of shareholders unless a quorum of shareholders entitled to vote is present at the commencement of the meeting, but such quorum need not be present throughout the meeting.

11.7 Lack of Quorum

If, within one-half hour from the time set for the holding of a meeting of shareholders, a quorum is not present:

(1) in the case of a general meeting requisitioned by shareholders, the meeting is dissolved; and

(2) in the case of any other meeting of shareholders, the meeting stands adjourned to the same day in the next week at the same time and place.

11.8 Lack of Quorum at Succeeding Meeting

If, at the meeting to which the meeting referred to in Article 11.7(2) was adjourned, a quorum is not present within one-half hour from the time set for the holding of the meeting, the person or persons present and being, or representing by proxy, one or more shareholders entitled to attend and vote at the meeting constitute a quorum.

11.9 Chair

The following individual is entitled to preside as chair at a meeting of shareholders:

(1) the chair of the board, if any;

(2) if the chair of the board is absent or unwilling to act as chair of the meeting, the president, if any; or

(3) such other person designated by the directors.

11.10 Selection of Alternate Chair

If, at any meeting of shareholders, the person appointed under section 11.9 above is not present within 15 minutes after the time set for holding the meeting, or if such person is unwilling to act as chair of the meeting, or if such person has advised the secretary, if any, or any director present at the meeting, that such person will not be present at the meeting, the directors present must choose: one of their number, a senior officer or counsel to the Company to chair the meeting or if the director, senior officer or counsel present declines to take the chair or if the directors fail to so choose or if no director, senior officer or counsel is present, the shareholders entitled to vote at the meeting who are present in person or by proxy may choose any person present at the meeting to chair the meeting.

11.11 Adjournments

The chair of a meeting of shareholders may, and if so directed by the meeting must, adjourn the meeting from time to time and from place to place, but no business may be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

11.12 Notice of Adjourned Meeting

It is not necessary to give any notice of an adjourned meeting or of the business to be transacted at an adjourned meeting of shareholders except that, when a meeting is adjourned for thirty days or more, notice of the adjourned meeting must be given as in the case of the original meeting.

11.13 Decisions by Show of Hands or Poll

Every motion put to a vote at a meeting of shareholders will be decided on a show of hands unless a poll, before or on the declaration of the result of the vote by show of hands, is directed by the chair or demanded by at least one shareholder entitled to vote who is present in person or by proxy.

11.14 Declaration of Result

The chair of a meeting of shareholders must declare to the meeting the decision on every question in accordance with the result of the show of hands or the poll, as the case may be, and that decision must be entered in the minutes of the meeting. A declaration of the chair that a resolution is carried by the necessary majority or is defeated is, unless a poll is directed by the chair or demanded under Article 11.13, conclusive evidence without proof of the number or proportion of the votes recorded in favour of or against the resolution.

11.15 Motion Need Not be Seconded

No motion proposed at a meeting of shareholders need be seconded unless the chair of the meeting rules otherwise, and the chair of any meeting of shareholders is entitled to propose or second a motion.

11.16 Casting Vote

In case of an equality of votes, the chair of a meeting of shareholders does not, either on a show of hands or on a poll, have a second or casting vote in addition to the vote or votes to which the chair may be entitled as a shareholder.

11.17 Manner of Taking Poll

Subject to Article 11.18, if a poll is duly demanded at a meeting of shareholders:

(1) the poll must be taken:

(a) at the meeting, or within seven days after the date of the meeting, as the chair of the meeting directs; and

(b) in the manner, at the time and at the place that the chair of the meeting directs;

(2) the result of the poll is deemed to be the decision of the meeting at which the poll is demanded; and

(3) the demand for the poll may be withdrawn by the person who demanded it.

11.18 Demand for Poll on Adjournment

A poll demanded at a meeting of shareholders on a question of adjournment must be taken immediately at the meeting.

11.19 Chair Must Resolve Dispute

In the case of any dispute as to the admission or rejection of a vote given on a poll, the chair of a meeting of the shareholders must determine the dispute, and his or her determination made in good faith is final and conclusive.

11.20 Casting of Votes

On a poll, a shareholder entitled to more than one vote need not cast all the votes in the same way.

11.21 Demand for Poll

No poll may be demanded in respect of the vote by which a chair of a meeting of shareholders is elected.

11.22 Demand for Poll Not to Prevent Continuance of Meeting

The demand for a poll at a meeting of shareholders does not, unless the chair of the meeting so rules, prevent the continuation of a meeting for the transaction of any business other than the question on which a poll has been demanded.

11.23 Retention of Ballots and Proxies

The Company must, for at least three months after a meeting of shareholders, keep each ballot cast on a poll and each proxy voted at the meeting, and during that period, make such ballots and proxies available for inspection during normal business hours by any shareholder or proxyholder entitled to vote at the meeting. At the end of such three month period, the Company may destroy such ballots and proxies.

12. VOTES OF SHAREHOLDERS

12.1 Number of Votes by Shareholder or by Shares

Subject to any special rights or restrictions attached to any shares and to the restrictions imposed on joint shareholders under Article 12.3:

(1) on a vote by show of hands, every person present who is a shareholder or proxy holder and entitled to vote on the matter has one vote; and

(2) on a poll, every shareholder entitled to vote on the matter has one vote in respect of each share entitled to be voted on the matter and held by that shareholder and may exercise that vote either in person or by proxy.

12.2 Votes of Persons in Representative Capacity

A person who is not a shareholder may vote at a meeting of shareholders, whether on a show of hands or on a poll, and may appoint a proxy holder to act at the meeting, if, before doing so, the person satisfies the chair of the meeting, or the directors, that the person is a legal personal representative for a shareholder who is entitled to vote at the meeting.

12.3 Votes by Joint Holders

If there are joint shareholders registered in respect of any share:

(1) any one of the joint shareholders may vote at any meeting of the shareholders, either personally or by proxy, in respect of the share as if that joint shareholder were solely entitled to it; or

(2) if more than one of the joint shareholders is present at any meeting of the shareholders, personally or by proxy, and more than one of the joint shareholders votes in respect of that share, then only the vote of the joint shareholder present whose name stands first on the central securities register in respect of the share will be counted.

12.4 Legal Personal Representatives as Joint Shareholders

Two or more legal personal representatives of a shareholder in whose sole name any share is registered are, for the purposes of Article12.3, deemed to be joint shareholders.

12.5 Representative of a Corporate Shareholder

If a corporation, that is not a subsidiary of the Company, is a shareholder, that corporation may appoint a person to act as its representative at any meeting of the shareholders by written instrument, fax or any other method of transmitting legibly recorded messages and:

(1) for that purpose, the instrument appointing a representative must:

(a) be received at the registered office of the Company or at any other place specified for the receipt of proxies, in the notice calling the meeting, at least the number of business days for the receipt of proxies specified in the notice, or if no number of days is specified in the notice, at least, two business days before the day set for the holding of the meeting; or

(b) be provided, at the meeting, to the chair of the meeting or to a person designated by the chair of the meeting;

(2) if a representative is appointed under this Article 12.5:

(a) the representative is entitled to exercise in respect of and at that meeting the same rights on behalf of the corporation that the corporation could exercise if it were a shareholder who is an individual, including, without limitation, the right to appoint a proxy holder; and

(b) the representative, if present at the meeting, is to be counted for the purpose of forming a quorum and is deemed to be a shareholder present in person at the meeting.

12.6 Proxy Provisions Do Not Apply to All Companies

Article 12.9 does not apply to the Company if and for so long as it is a public company or a pre-existing reporting company which has the Statutory Reporting Company Provisions as part of its Articles or to which the Statutory Reporting Company Provisions apply. Sections 12.7 to 12.16 apply to the Company only insofar as they are not inconsistent with any applicable securities legislation and any regulations and rules made and promulgated under such legislation and all administrative policy statements, blanket orders and rulings, notices and other administrative directions issued by securities commission or similar authorities appointed under that legislation.

12.7 Appointment of Proxy Holders

Every shareholder of the Company, including a corporation that is a shareholder but not a subsidiary of the Company, entitled to vote at a meeting of the shareholders of the Company may, by proxy, appoint one or more (but not more than five) proxy holders to attend and act at the meeting in the manner, to the extent and with the powers conferred by the instrument of proxy.

12.8 Alternate Proxy Holders

A shareholder may appoint one or more alternate proxy holders to act in the place of an absent proxy holder.

12.9 Validity of Proxy Vote

A vote given in accordance with the terms of a proxy is valid notwithstanding the death or incapacity of the shareholder giving the proxy and despite the revocation of the proxy or the revocation of the authority under which the proxy is given, unless notice in writing of that death, incapacity or revocation is received:

(1) at the registered office of the Company, at any time up to and including the last business day before the day set for the holding of the meeting or any adjourned meeting at which the proxy is to be used; or

(2) at the meeting or any adjourned meeting, by the chair of the meeting or adjourned meeting, before any vote in respect of which the proxy has been given has been taken.

12.10 Form of Proxy

A proxy, whether for a specified meeting or otherwise, must be either in the following form or in any other form designated by the directors, the scrutineer or the chair of the meeting:

[name of company]
(the "Company")

The undersigned, being a shareholder of the Company, hereby appoints *[name]* or, failing that person, *[name]*, as proxy holder for the undersigned to attend, act and vote for and on behalf of the undersigned at the meeting of shareholders of the Company to be held on *[month, day, year]* and at any adjournment of that meeting.

Number of shares in respect of which this proxy is given (if no number is specified, then this proxy is given in respect of all shares registered in the name of the undersigned):_____.

Signed *[month, day, year]*

_____
[Signature of shareholder]

_____
[Name of shareholder- printed]

12.11 Deposit of Proxy

A proxy for a meeting of shareholders must be by written instrument, fax or any other method of transmitting legibly messages and must:

(1) be received at the registered office of the Company or at any other place specified for the receipt of proxies, in the notice calling the meeting, at least the number of business days specified in the notice for the receipt of proxies, or if no number of days is specified, in the notice, at least two business days before the day set for the holding of the meeting; or

(2) unless the notice provides otherwise, be deposited at the meeting, to the chair of the meeting or to a person designated by the chair of the meeting.

A proxy may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages.

12.12 Revocation of Proxy

Subject to Article 12.13, every proxy may be revoked by an instrument in writing that is:

(1) received at the registered office of the Company at any time up to and including the last business day before the day set for the holding of the meeting at which the proxy is to be used; or

(2) deposited with the chair of the meeting, at the meeting, before any vote in respect of which the proxy is to be used shall have been taken.

12.13 Revocation of Proxy Must Be Signed

An instrument referred to in Article 12.13 must be signed as follows:

(1) if the shareholder for whom the proxy holder is appointed is an individual, the instrument must be signed by the shareholder or his or her legal personal representative;

(2) if the shareholder for whom the proxy holder is appointed is a corporation, the instrument must be signed by the corporation or by a representative appointed for the corporation under Article 12.5.

12.14 Production of Evidence of Authority to Vote

The chair of any meeting of shareholders may, but need not, inquire into the authority of any person to vote at the meeting and may, but need not, demand from that person production of evidence as to the existence of the authority to vote.

13. DIRECTORS

13.1 First Directors; Number of Directors

The first directors are the persons designated as directors of the Company in the Notice of Articles that applies to the Company when it is recognized under the *Business Corporations Act*. The number of directors, excluding additional directors appointed under Article 14.8, is set at:

(1) subject to paragraphs (2) and (3), the number of directors that is equal to the number of the Company's first directors;

(2) if the Company is a public company, the greater of three and the most recently set of:

(a) the number of directors set by ordinary resolution (whether or not previous notice of the resolution was given); and

(b) the number of directors set under Article 14.4;

(3) if the Company is not a public company, the most recently set of:

(a) the number of directors set by ordinary resolution (whether or not previous notice of the resolution was given); and

(b) the number of directors set under Article 14.4.

13.2 Change in Number of Directors

If the number of directors is set under Articles 13.1(2)(a) or 13.1(3)(a):

(1) the shareholders may elect or appoint the directors needed to fill any vacancies in the board of directors up to that number;

(2) if the shareholders do not elect or appoint the directors needed to fill any vacancies in the board of directors up to that number contemporaneously with the setting of that number, then the directors may appoint, or the shareholders may elect or appoint, directors to fill those vacancies.

13.3 Directors' Acts Valid Despite Vacancy

An act or proceeding of the directors is not invalid merely because fewer than the number of directors set or otherwise required under these Articles is in office.

13.4 Qualifications of Directors

A director is not required to hold a share in the capital of the Company as qualification for his or her office but must be qualified as required by the *Business Corporations Act* to become, act or continue to act as a director.

13.5 Remuneration of Directors

The directors are entitled to the remuneration for acting as directors, if any, as the directors may from time to time determine. If the directors so decide, the remuneration of the directors, if any, will be determined by the shareholders. That remuneration may be in addition to any salary or other remuneration paid to any officer or employee of the Company as such, who is also a director.

13.6 Reimbursement of Expenses of Directors

The Company must reimburse each director for the reasonable expenses that he or she may incur in and about the business of the Company.

13.7 Special Remuneration for Directors

If any director performs any professional or other services for the Company that in the opinion of the directors are outside the ordinary duties of a director, or if any director is otherwise specially occupied in or about the Company's business, he or she may be paid remuneration fixed by the directors, or, at the option of that director, fixed by ordinary resolution, and such remuneration may be either in addition to, or in substitution for, any other remuneration that he or she may be entitled to receive.

13.8 Gratuity, Pension or Allowance on Retirement of Director

Unless otherwise determined by ordinary resolution, the directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any director who has held any salaried office or place of profit with the Company or to his or her spouse or dependants and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

14. ELECTION AND REMOVAL OF DIRECTORS

14.1 Election at Annual General Meeting

At every annual general meeting and in every unanimous resolution contemplated by Article 10.2:

(1) the shareholders entitled to vote at the annual general meeting for the election of directors must elect, or in the unanimous resolution appoint, a board of directors consisting of the number of directors for the time being set under these Articles; and

(2) all the directors cease to hold office immediately before the election or appointment of directors under paragraph (1), but are eligible for re-election or re-appointment.

14.2 Consent to be a Director

No election, appointment or designation of an individual as a director is valid unless:

(1) that individual consents to be a director in the manner provided for in the *Business Corporations Act*;

(2) that individual is elected or appointed at a meeting at which the individual is present and the individual does not refuse, at the meeting, to be a director; or

(3) with respect to first directors, the designation is otherwise valid under the *Business Corporations Act*.

14.3 Failure to Elect or Appoint Directors

If:

(1) the Company fails to hold an annual general meeting, and all the shareholders who are entitled to vote at an annual general meeting fail to pass the unanimous resolution contemplated by Article 10.2, on or before the date by which the annual general meeting is required to be held under the *Business Corporations Act*; or

(2) the shareholders fail, at the annual general meeting or in the unanimous resolution contemplated by Article 10.2, to elect or appoint any directors;

then each director then in office continues to hold office until the earlier of:

(3) the date on which his or her successor is elected or appointed; and

(4) the date on which he or she otherwise ceases to hold office under the *Business Corporations Act* or these Articles.

14.4 Places of Retiring Directors Not Filled

If, at any meeting of shareholders at which there should be an election of directors, the places of any of the retiring directors are not filled by that election, those retiring directors who are not re-elected and who are asked by the newly elected directors to continue in office will, if willing to do so, continue in office to complete the number of directors for the time being set pursuant to these Articles until further new directors are elected at a meeting of shareholders convened for that purpose. If any such election or continuance of directors does not result in the election or continuance of the number of directors for the time being set pursuant to these Articles, the number of directors of the Company is deemed to be set at the number of directors actually elected or continued in office.

14.5 Directors May Fill Casual Vacancies,

Any casual vacancy occurring in the board of directors may be filled by the directors.

14.6 Remaining Directors Power to Act

The directors may act notwithstanding any vacancy in the board of directors, but if the Company has fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the directors may only act for the purpose of appointing directors up to that number or of summoning a meeting of shareholders for the purpose of filling any vacancies on the board of directors or, subject to the *Business Corporations Act*, for any other purpose.

14.7 Shareholders May Fill Vacancies

If the Company has no directors or fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the shareholders may elect or appoint directors to fill any vacancies on the board of directors.

14.8 Additional Directors

Notwithstanding Articles 13.1 and 13.2, between annual general meetings or unanimous resolutions contemplated by Article 10.2, the directors may appoint one or more additional directors, but the number of additional directors appointed under this Article 14.8 must not at any time exceed:

(1) one-third of the number of first directors, if, at the time of the appointments, one or more of the first directors have not yet completed their first term of office; or

(2) in any other case, one-third of the number of the current directors who were elected or appointed as directors other than under this Article 14.8.

Any director so appointed ceases to hold office immediately before the next election or appointment of directors under Article 14.1(1), but is eligible for re-election or re-appointment.

14.9 Ceasing to be a Director

A director ceases to be a director when:

(1) the term of office of the director expires;

(2) the director dies;

(3) the director resigns as a director by notice in writing provided to the Company or a lawyer for the Company; or

(4) the director is removed from office pursuant to Articles 14.10 or 14.11.

14.10 Removal of Director by Shareholders

The Company may remove any director before the expiration of his or her term of office by special resolution. In that event, the shareholders may elect, or appoint by ordinary resolution, a director to fill the resulting vacancy. If the shareholders do not elect or appoint a director to fill the resulting vacancy contemporaneously with the removal, then the directors may appoint or the shareholders may elect, or appoint by ordinary resolution, a director to fill that vacancy.

14.11 Removal of Director by Directors

The directors may remove any director before the expiration of his or her term of office if the director is convicted of an indictable offence, or if the director ceased to be qualified to act as a director of a company and does not promptly resign, and the directors may appoint a director to fill the resulting vacancy.

15. POWERS AND DUTIES OF DIRECTORS

15.1 Powers of Management

The directors must, subject to the *Business Corporations Act* and these Articles, manage or supervise the management of the business and affairs of the Company and have the authority to exercise all such powers of the Company as are not, by the *Business Corporations Act* or by these Articles, required to be exercised by the shareholders of the Company.

15.2 Appointment of Attorney of Company

The directors may from time to time, by power of attorney or other instrument, under seal if so required by law, appoint any person to be the attorney of the Company for such purposes, and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the directors under these Articles and excepting the power to fill vacancies in the board of directors, to remove a director, to change the membership of, or fill vacancies in, any committee of the directors, to appoint or remove officers appointed by the directors and to declare dividends) and for such period, and with such remuneration and subject to such conditions as the directors may think fit. Any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorney as the directors think fit. Any such attorney may be authorized by the directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in him or her.

16. DISCLOSURE OF INTEREST OF DIRECTORS

16.1 Obligation to Account for Profits

A director or senior officer who holds a disclosable interest (as that term is used in the *Business Corporations Act*) in a contract or transaction into which the Company has entered or proposes to enter is liable to account to the Company for any profit that accrues to the director or senior officer under or as a result of the contract or transaction only if and to the extent provided in the *Business Corporations Act*.

16.2 Restrictions on Voting by Reason of Interest

A director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter is not entitled to vote on any directors' resolution to approve that contract or transaction, unless all the directors have a disclosable interest in that contract or transaction, in which case any or all of those directors may vote on such resolution.

16.3 Interested Director Counted in Quorum

A director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter and who is present at the meeting of directors at which the contract or transaction is considered for approval

may be counted in the quorum at the meeting whether or not the director votes on any or all of the resolutions considered at the meeting.

16.4 Disclosure of Conflict of Interest or Property

A director or senior officer who holds any office or possesses any property, right or interest that could result, directly or indirectly, in the creation of a duty or interest that materially conflicts with that individual's duty or interest as a director or senior officer, must disclose the nature and extent of the conflict as required by the *Business Corporations Act*.

16.5 Director Holding Other Office in the Company

A director may hold any office or place of profit with the Company, other than the office of auditor of the Company, in addition to his or her office of director for the period and on the terms (as to remuneration or otherwise) that the directors may determine.

16.6 No Disqualification

No director or intended director is disqualified by his or her office from contracting with the Company either with regard to the holding of any office or place of profit the director holds with the Company or as vendor, purchaser or otherwise, and no contract or transaction entered into by or on behalf of the Company in which a director is in any way interested is liable to be voided for that reason.

16.7 Professional Services by Director or Officer

Subject to the *Business Corporations Act*, a director or officer, or any person in which a director or officer has an interest, may act in a professional capacity for the Company, except as auditor of the Company, and the director or officer or such person is entitled to remuneration for professional services as if that director or officer were not a director or officer.

16.8 Director or Officer in Other Corporations

A director or officer may be or become a director, officer or employee of, or otherwise interested in, any person in which the Company may be interested as a shareholder or otherwise, and, subject to the *Business Corporations Act*, the director or officer is not accountable to the Company for any remuneration or other benefits received by him or her as director, officer or employee of, or from his or her interest in, such other person.

17. PROCEEDINGS OF DIRECTORS

17.1 Meetings of Directors

The directors may meet together for the conduct of business, adjourn and otherwise regulate their meetings as the directors think fit, and meetings of the directors held at regular intervals may be held at the place, at the time and on the notice, if any, as the directors may from time to time determine.

17.2 Voting at Meetings

Questions arising at any meeting of directors are to be decided by a majority of votes and, in the case of an equality of votes, the chair of the board, if present at the meeting, does not have a second or casting vote.

17.3 Chair of Meetings

The following individual is entitled to preside as chair at a meeting of directors:

(1) the chair of the board, if any;

(2) in the absence of the chair of the board, the president, if any, if the president is a director; or

(3) any other director chosen by the directors if:

(a) neither the chair of the board nor the president, if a director, is present at the meeting within 15 minutes after the time set for holding the meeting;

(b) neither the chair of the board nor the president, if a director, is willing to chair the meeting; or

(c) the chair of the board and the president, if a director, have advised the secretary, if any, or any other director, that the chair of the board and the president will not be present at the meeting.

17.4 Meetings by Telephone or Other Communications Medium

A director may participate in a meeting of the directors or of any committee of the directors in person or by telephone if all directors participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other. A director may participate in a meeting of the directors or of any committee of the directors by a communications medium other than telephone if all directors participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other and if all directors who wish to participate in the meeting agree to such participation. A director who participates in a meeting in a manner contemplated by this Article 17.4 is deemed for all purposes of the *Business Corporations Act* and these Articles to be present at the meeting and to have agreed to participate in that manner.

17.5 Calling of Meetings

A director may, and the secretary or an assistant secretary of the Company, if any, on the request of a director must, call a meeting of the directors at any time.

17.6 Notice of Meetings,

Other than for meetings held at regular intervals as determined by the directors pursuant to Article 17.1, reasonable notice of each meeting of the directors, specifying the place, day and time of that meeting must be given to each of the directors by any method set out in Article 23.1 or orally or by telephone.

17.7 When Notice Not Required

It is not necessary to give notice of a meeting of the directors to a director if:

(1) the meeting is to be held immediately following a meeting of shareholders at which that director was elected or appointed, or is the meeting of the directors at which that director is appointed; or

(2) the director has waived notice of the meeting.

17.8 Meeting Valid Despite Failure to Give Notice

The accidental omission to give notice of any meeting of directors to, or the non-receipt of any notice by, any director does not invalidate any proceedings at that meeting.

17.9 Waiver of Notice of Meetings

Any director may send to the Company a document signed by him or her waiving notice of any past, present or future meeting or meetings of the directors and may at any time withdraw that waiver with respect to meetings held after that withdrawal. After sending a waiver with respect to all future meetings and until that waiver is withdrawn, no notice

of any meeting of the directors need be given to that director and all meetings of the directors so held are deemed not to be improperly called or constituted by reason of notice not having been given to such director.

17.10 Quorum

The quorum necessary for the transaction of the business of the directors may be set by the directors and, if not so set, is deemed to be set at two directors or, if the number of directors is set at one, is deemed to be set at one director, and that director may constitute a meeting.

17.11 Validity of Acts Where Appointment Defective

Subject to the *Business Corporations Act*, an act of a director or officer is not invalid merely because of an irregularity in the election or appointment or a defect in the qualification of that director or officer.

17.12 Consent Resolutions in Writing

A resolution of the directors or of any committee of the directors may be passed without a meeting:

(a) in all cases, if each of the directors entitle to vote on the resolution consents to it in writing; or

(b) in the case of a resolution to approve a contract or transaction in respect of which a director has disclosed that he or she has or may have a disclosable interest, if each of the other directors who are entitled to vote on the resolution consents to it in writing.

A consent in writing under this Article 17 may be evidence by signed document, fax, email or any other method of transmitting legibly recorded messages. A consent in writing may be in two or more counterparts which together are deemed to constitute one entire document. A resolution of the directors or of any committee of the directors passed in accordance with this Article 17.12 is deemed to effective on the date stated in the consent in writing and is deemed to be a proceeding at a meeting of directors or of the committee of the directors and to be valid and effective as if it had been passed at a meeting of the directors or of the committee of the directors that satisfies all the requirements of the *Business Corporations Act* and all the requirements of these Articles relating to such meetings.

18. EXECUTIVE AND OTHER COMMITTEES

18.1 Appointment and Powers of Executive Committee

The directors may, by resolution, appoint an executive committee consisting of the director or directors that they consider appropriate, and this committee has, during the intervals between meetings of the board of directors, all of the directors' powers, except:

(1) the power to fill vacancies in the board of directors;

(2) the power to remove a director;

(3) the power to change the membership of, or fill vacancies in, any committee of the directors; and

(4) such other powers, if any, as may be set out in the resolution or any subsequent directors' resolution.

18.2 Appointment and Powers of Other Committees

The directors may, by resolution:

(1) appoint one or more committees (other than the executive committee) consisting of the director or directors that they consider appropriate;

(2) delegate to a committee appointed under paragraph (1) any of the directors' powers, except:

(a) the power to fill vacancies in the board of directors;

(b) the power to remove a director;

(c) the power to change the membership of, or fill vacancies in, any committee of the directors; and

(d) the power to appoint or remove officers appointed by the directors; and

(3) make any delegation referred to in paragraph (2) subject to the conditions set out in the resolution or any subsequent directors' resolution.

18.3 Obligations of Committees

Any committee appointed under Articles 18.1 or 18.2, in the exercise of the powers delegated to it, must:

(1) conform to any rules that may from time to time be imposed on it by the directors; and

(2) report every act or thing done in exercise of those powers at such times as the directors may require.

18.4 Powers of Board

The directors may, at any time, with respect to a committee appointed under Articles 18.1 or 18.2:

(1) revoke or alter the authority given to the committee, or override a decision made by the committee, except as to acts done before such revocation, alteration or overriding;

(2) terminate the appointment of, or change the membership of, the committee; and

(3) fill vacancies in the committee.

18.5 Committee Meetings

Subject to Article 18.3(1) and unless the directors otherwise provide in the resolution appointing the committee or in any subsequent resolution, with respect to a committee appointed under Articles 18.1 or 18.2:

(1) the committee may meet and adjourn as it thinks proper;

(2) the committee may elect a chair of its meetings but, if no chair of a meeting is elected, or if at a meeting the chair of the meeting is not present within 15 minutes after the time set for holding the meeting, the directors present who are members of the committee may choose one of their number to chair the meeting;

(3) a majority of the members of the committee constitutes a quorum of the committee; and

(4) questions arising at any meeting of the committee are determined by a majority of votes of the members present, and in case of an equality of votes, the chair of the meeting does not have a second or casting vote.

19. OFFICERS

19.1 Directors May Appoint Officers

The directors may, from time to time, appoint such officers, if any, as the directors determine and the directors may, at any time, terminate any such appointment.

19.2 Functions, Duties and Powers of Officers

The directors may, for each officer:

(1) determine the functions and duties of the officer;

(2) entrust to and confer on the officer any of the powers exercisable by the directors on such terms and conditions and with such restrictions as the directors think fit; and

(3) revoke, withdraw, alter or vary all or any of the functions, duties and powers of the officer.

19.3 Qualifications

No officer may be appointed unless that officer is qualified in accordance with the *Business Corporations Act*. One person may hold more than one position as an officer of the Company. Any person appointed as the chair of the board or as the managing director must be a director. Any other officer need not be a director.

19.4 Remuneration and Terms of Appointment

All appointments of officers are to be made on the terms and conditions and at the remuneration (whether by way of salary, fee, commission, participation in profits or otherwise) that the directors think fit and are subject to termination at the pleasure of the directors, and an officer may in addition to such remuneration be entitled to receive, after he or she ceases to hold such office or leaves the employment of the Company, a pension or gratuity.

20. INDEMNIFICATION

20.1 Definitions

In this Article 20:

(1) "eligible penalty" means a judgment, penalty or fine awarded or imposed in, or an amount paid in settlement of, an eligible proceeding;

(2) "eligible proceeding" means a legal proceeding or investigative action, whether current, threatened, pending or completed, in which a director, former director, officer, or former officer of the Company (an "eligible party") or any of the heirs and legal personal representatives of the eligible party, by reason of the eligible party being or having been a director, former director, officer or former officer of the Company:

(a) is or may be joined as a party; or

(b) is or may be liable for or in respect of a judgment, penalty or fine in, or expenses related to, the proceeding;

(3) "expenses" has the meaning set out in the *Business Corporations Act*.

20.2 Mandatory Indemnification of Directors and Former Directors

Subject to the *Business Corporations Act,* the Company shall, to the fullest extent permitted by law, indemnify a director, former director, officer or former officer of the Company and his or her heirs and legal personal representatives against all eligible penalties to which such person is or may be liable, and the Company may, after the final disposition of an eligible proceeding, pay the expenses actually and reasonably incurred by such person in respect of that proceeding. Subject to section 163 of the Business Corporations Act and subsection 162(2) of the Business Corporations Act, the Company shall pay, as they are incurred in advance of the final disposition of an eligible proceeding, the expenses actually and reasonably incurred by an eligible party in respect of that proceeding. The company must not make the payments referred to above unless the Company first receives from the eligible party a written undertaking that, if it is ultimately determined that the payment of expenses is prohibited by section 163 of the Business Corporations Act, the eligible party will repay the amounts advanced. The rights of indemnification and advancement of expenses contained in this Article shall not be exclusive of any other rights to indemnification or similar protection to which any eligible party may be entitled under any agreement, vote of shareholders or disinterested directors, insurance policy or otherwise. Each director and officer is deemed to have contracted with the Company on the terms of the indemnity contained in this Article 20.2.

20.3 Indemnification of Other Persons

Subject to any restrictions in the *Business Corporations Act*, the Company may indemnify any person.

20.4 Non-Compliance with *Business Corporations Act*

The failure of a director, former director, officer or former officer of the Company to comply with the *Business Corporations Act* or these Articles does not invalidate any indemnity to which he or she is entitled under this Part.

20.5 Company May Purchase Insurance

To the extent determined commercially reasonable by the directors of the Company, the Company may purchase and maintain director and officer insurance on terms and with the amount of coverage as may be determined commercially reasonable by the directors of the Company for the benefit of any person (or his or her heirs or legal personal representatives) who:

(1) is or was a director, officer, employee or agent of the Company;

(2) is or was a director, officer, employee or agent of a corporation at a time when the corporation is or was an affiliate of the Company;

(3) at the request of the Company, is or was a director, alternate director, officer, employee or agent of a corporation or of a partnership, trust, joint venture or other unincorporated entity;

(4) at the request of the Company, holds or held a position equivalent to that of a director, alternate director or officer of a partnership, trust, joint venture or other unincorporated entity;

against any liability incurred by him or her as such director, alternate director, officer, employee or agent or person who holds or held such equivalent position.

20.6 Heirs and Beneficiaries

The rights created by this Article shall inure to the benefit of each eligible party and each heir, executor and administrator of such Indemnified Person.

20.7 Effect of Amendment

Neither the amendment, modification nor repeal of this Article nor the adoption of any provision in these Articles inconsistent with this Article 20 shall adversely affect any right or protection of any eligible party with respect to any act or omission that occurred prior to the time of such amendment, modification, repeal or adoption.

21. DIVIDENDS

21.1 Payment of Dividends Subject to Special Rights

The provisions of this Article 21 are subject to Article 2.1 and to the rights, if any, of shareholders holding shares with special rights as to dividends.

21.2 Declaration of Dividends

Subject to the *Business Corporations Act*, the directors may from time to time declare and authorize payment of such dividends as the directors may deem advisable.

21.3 No Notice Required

The directors need not give notice to any shareholder of any declaration under Article 21.2.

21.4 Record Date

The directors may set a date as the record date for the purpose of determining shareholders entitled to receive payment of a dividend. The record date must not precede the date on which the dividend is to be paid by more than two months. If no record date is set, the record date is 5:00 p.m. on the date on which the directors pass the resolution declaring the dividend.

21.5 Manner of Paying Dividend

A resolution declaring a dividend may direct payment of the dividend wholly or partly by the distribution of specific assets or of fully paid shares or of bonds, debentures or other securities of the Company, or in any one or more of those ways.

21.6 Settlement of Difficulties

If any difficulty arises in regard to a distribution under Article 21.5, the directors may settle the difficulty as the directors deem advisable, and, in particular, may:

(1) set the value for distribution of specific assets;

(2) determine that cash payments in substitution for all or any part of the specific assets to which any shareholders are entitled may be made to any shareholders on the basis of the value so fixed in order to adjust the rights of all parties; and

(3) vest any such specific assets in trustees for the persons entitled to the dividend.

21.7 When Dividend Payable

Any dividend may be made payable on such date as is fixed by the directors.

21.8 Dividends to be Paid in Accordance with Number of Shares

All dividends on shares of any class or series of shares must be declared and paid according to the number of such shares held.

21.9 Receipt by Joint Shareholders

If several persons are joint shareholders of any share, any one of such joint shareholders may give an effective receipt for any dividend, bonus or other money payable in respect of the share.

21.10 Dividend Bears No Interest

No dividend bears interest against the Company.

21.11 Fractional Dividends

If a dividend to which a shareholder is entitled includes a fraction of the smallest monetary unit of the currency of the dividend, that fraction may be disregarded in making payment of the dividend and that payment represents full payment of the dividend.

21.12 Payment of Dividends

Any dividend or other distribution payable in cash in respect of shares may be paid by cheque, made payable to the order of the person to whom it is sent, and mailed to the address of the shareholder, or in the case of joint shareholders, to the address of the joint shareholder who is first named on the central securities register, or to the person and to the address the shareholder or joint shareholders may direct in writing. The mailing of such cheque will, to the extent of the sum represented by the cheque (plus the amount of the tax required by law to be deducted), discharge all liability for the dividend unless such cheque is not paid on presentation or the amount of tax so deducted is not paid to the appropriate taxing authority.

21.13 Capitalization of Surplus

Notwithstanding anything contained in these Articles, the directors may from time to time capitalize any surplus of the Company and may from time to time issue, as fully paid, shares or any bonds, debentures or other securities of the Company as a dividend representing the surplus or any part of the surplus.

22. DOCUMENTS, RECORDS AND REPORTS

22.1 Recording of Financial Affairs

The directors must cause adequate accounting records to be kept to record properly the financial affairs and condition of the Company and to comply with the *Business Corporations Act*.

22.2 Inspection of Accounting Records

Unless the directors determine otherwise, or unless otherwise determined by ordinary resolution, no shareholder of the Company is entitled to inspect or obtain a copy of any accounting records of the Company.

23. NOTICES

23.1 Method of Giving Notice

Unless the *Business Corporations Act* or these Articles provides otherwise, a notice, statement, report or other record required or permitted by the *Business Corporations Act* or these Articles to be sent by or to a person may be sent by any one of the following methods:

(1) mail addressed to the person at the applicable address for that person as follows:

(a) for a record mailed to a shareholder, the shareholder's registered address;

(b) for a record mailed to a director or officer, the prescribed address for mailing shown for the director or officer in the records kept by the Company or the mailing address provided by the recipient for the sending of that record or records of that class;

(c) in any other case, the mailing address of the intended recipient;

(2) delivery at the applicable address for that person as follows, addressed to the person:

(a) for a record delivered to a shareholder, the shareholder's registered address;

(b) for a record delivered to a director or officer, the prescribed address for delivery shown for the director or officer in the records kept by the Company or the delivery address provided by the recipient for the sending of that record or records of that class;

(c) in any other case, the delivery address of the intended recipient;

(3) sending the record by fax to the fax number provided by the intended recipient for the sending of that record or records of that class;

(4) sending the record by email to the email address provided by the intended recipient for the sending of that record or records of that class;

(5) making the record available for public electronic access in accordance with the procedures referred to as ‘notice-and-access” under National Instrument 54-101 and National Instrument 51-102, as applicable, of the Canadian Securities Adminstrators, or in accordance with similar electronic delivery or access method permitted by applicable securities legislation from time-to-time; or

(6) physical delivery to the intended recipient.

23.2 Deemed Receipt of Mailing

A notice, statement, report or other record that is:

(1) mailed to a person by ordinary mail to the applicable address for that person referred to in Article 23.1 is deemed to be received by the person to whom it was mailed on the day, Saturdays, Sundays and holidays excepted, following the date of mailing;

(2) faxed to a person to the fax number provided by that person referred to in Article 23.1 is deemed to be received by the person to whom it was faxed on the day it was faxed;

(3) e-mailed to a person to the email address provided by that person referred to in Article 23.1 is deemed to be received by the person to whom it was e-mailed on the day it was e-mailed; or

(4) made available for public electronic access in accordance with the procedures referred to as ‘notice-and-access” or similar delivery procedures referred to in Article 23.1(5) is deemed to be received by the person on the date it was made available for public electronic access.

23.3 Certificate of Sending

A certificate signed by the secretary, if any, or other officer of the Company or of any other corporation acting in that behalf for the Company stating that a notice, statement, report or other record was addressed as required by Article 23.1, prepaid and mailed or otherwise sent as permitted by Article 23.1 is conclusive evidence of that fact.

23.4 Notice to Joint Shareholders

A notice, statement, report or other record may be provided by the Company to the joint shareholders of a share by providing the notice to the joint shareholder first named in the central securities register in respect of the share.

23.5 Notice to Trustees

A notice, statement, report or other record may be provided by the Company to the persons entitled to a share in consequence of the death, bankruptcy or incapacity of a shareholder by:

(1) mailing the record, addressed to such person:

(a) by name, by the title of the legal personal representative of the deceased or incapacitated shareholder, by the title of trustee of the bankrupt shareholder or by any similar description; and

(b) at the address, if any, supplied to the Company for that purpose by the persons claiming to be so entitled; or

(2) if an address referred to in paragraph (1)(b) has not been supplied to the Company, by giving the notice in a manner in which it might have been given if the death, bankruptcy or incapacity had not occurred.

24. SEAL

24.1 Who May Attest Seal

Except as provided in Articles 24.2 and 24.3, the Company's seal, if any, must not be impressed on any record except when that impression is attested by the signatures of:

(1) any two directors;

(2) any officer, together with any director;

(3) if the Company only has one director, that director; or

(4) any one or more directors or officers or persons as may be determined by the directors.

24.2 Sealing Copies

For the purpose of certifying under seal a certificate of incumbency of the directors or officers of the Company or a true copy of any resolution or other document, despite Article 24.1, the impression of the seal may be attested by the signature of any director or officer.

24.3 Mechanical Reproduction of Seal

The directors may authorize the seal to be impressed by third parties on share certificates or bonds, debentures or other securities of the Company as the directors may determine appropriate from time to time. To enable the seal to be impressed on any share certificates or bonds, debentures or other securities of the Company, whether in definitive or

interim form, on which facsimiles of any of the signatures of the directors or officers of the Company are, in accordance with the *Business Corporations Act* or these Articles, printed or otherwise mechanically reproduced, there may be delivered to the person employed to engrave, lithograph or print such definitive or interim share certificates or bonds, debentures or other securities one or more unmounted dies reproducing the seal and the chair of the board or any senior officer together with the secretary, treasurer, secretary-treasurer, an assistant secretary, an assistant treasurer or an assistant secretary-treasurer may in writing authorize such person to cause the seal to be impressed on such definitive or interim share certificates or bonds, debentures or other securities by the use of such dies. Share certificates or bonds, debentures or other securities to which the seal has been so impressed are for all purposes deemed to be under and to bear the seal impressed on them.

25. PROHIBITIONS

25.1 Definitions

In this Article 25:

(1) "designated security" means:

(a) a voting security of the Company;

(b) a security of the Company that is not a debt security and that carries a residual right to participate in the earnings of the Company or, on the liquidation or winding up of the Company, in its assets; or

(c) a security of the Company convertible, directly or indirectly, into a security described in paragraph (a) or (b);

(2) "security" has the meaning assigned in the *Securities Act* (British Columbia);

(3) "voting security" means a security of the Company that:

(a) is not a debt security, and

(b) carries a voting right either under all circumstances or under some circumstances that have occurred and are continuing.

25.2 Application

Article 25.3 does not apply to the Company if and for so long as it is a public company or a pre-existing reporting company which has the Statutory Reporting Company Provisions as part of its Articles or to which the Statutory Reporting Company Provisions apply.

25.3 Consent Required for Transfer of Shares or Designated Securities

No share or designated security may be sold, transferred or otherwise disposed of without the consent of the directors and the directors are not required to give any reason for refusing to consent to any such sale, transfer or other disposition.

26. ADVANCE NOTICE PROVISIONS

26.1 Nomination of Directors

(1) Nominations of persons for election to the Board may be made at any Annual Meeting of shareholders or at any Special Meeting of shareholders if one of the purposes for which the Special Meeting was called was the election of directors. In order to be eligible for election to the Board at

any Annual Meeting or Special Meeting of shareholders, persons must be nominated in accordance with one of the following procedures:

(a) by or at the direction of the Board or an authorized officer, including pursuant to a notice of meeting;

(b) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the Business Corporations Act (British Columbia) (the "BCA"), or a requisition of the shareholders made in accordance with the provisions of the BCA; or

(c) by any person (a "Nominating Shareholder"): (A) who, at the close of business on the date of the giving by the Nominating Shareholder of the notice provided for below in this Article 26.1 and at the close of business on the record date for notice of such meeting, is entered in the central securities register of the Company as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting; and (B) who complies with the notice procedures set forth below in this Article 26.1.

(2) In addition to any other requirements under applicable laws, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must give notice which is both timely (in accordance with paragraph (3) below) and in proper written form (in accordance with paragraph (4) below) to the Secretary of the Company at the principal executive offices of the Company.

(3) A Nominating Shareholder's notice to the Secretary of the Company will be deemed to be timely if:

(a) in the case of an Annual Meeting of shareholders, such notice is made not less than 30 nor more than 65 days prior to the date of the Annual Meeting of Shareholders; provided, however, that in the event that the Annual Meeting of Shareholders is to be held on a date that is less than 50 days after the date (the "Notice Date") on which the first public announcement of the date of the Annual Meeting is made, notice by the Nominating Shareholder is made not later than the close of business on the tenth (10th) day following the Notice Date; and

(b) in the case of a Special Meeting (which is not also an Annual Meeting) of Shareholders called for the purpose of electing directors (whether or not called for other purposes), such notice is made not later than the close of business on the fifteenth (15th) day following the day on which the first public announcement of the date of the Special Meeting of Shareholders was made. Notwithstanding the foregoing, the Board may, in its sole discretion, waive any requirement of this paragraph (3).

For greater certainty, the time periods for the giving of notice by a Nominating Shareholder as aforesaid shall, in all cases, be determined based on the original date of the applicable Annual Meeting or Special Meeting, and in no event shall any adjournment or postponement of an Annual Meeting or Special Meeting or the announcement thereof commence a new time period for the giving of such notice.

(4) A Nominating Shareholder's notice to the Secretary of the Company will be deemed to be in proper form if:

(a) as to each person whom the Nominating Shareholder proposes to nominate for election as a director, such notice sets forth: (A) the name, age, business address and residential address of the person; (B) the principal occupation or employment of the person; (C) the class or series and number of shares in the capital of the Company which are controlled or which are owned beneficially or of record by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and

shall have occurred) and as of the date of such notice; and (D) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the BCA and Applicable Securities Laws (as defined in paragraph 7 below); and

(b) as to the Nominating Shareholder giving the notice, such notice sets forth any proxy, contract, arrangement, understanding or relationship pursuant to which such Nominating Shareholder has a right to vote any shares of the Company and any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the *Business Corporations Act* and Applicable Securities Laws (as defined in paragraph 7 below).

(5) The Company may require any proposed nominee for election as a Director to furnish such additional information as may reasonably be requested by the Company to determine the eligibility of such proposed nominee to serve as an independent director of the Company or that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such proposed nominee.

(6) No person shall be eligible for election as a director of the Company unless nominated in accordance with the provisions of this Article 26.1; provided, however, that nothing in this Article 26.1 shall be deemed to restrict or preclude discussion by a shareholder (as distinct from the nomination of directors) at an Annual Meeting or Special Meeting of any matter that is properly brought before such meeting pursuant to the provisions of the BCA or at the discretion of the Chairman of the meeting. The Chairman of the meeting shall have the power and duty to determine whether any nomination for election of a director was made in accordance with the procedures set forth in this Article 26.1 and, if any proposed nomination is not in compliance with such procedures, to declare such nomination defective and that it be disregarded.

(7) For purposes of this Article 26:

(a) "**Annual Meeting**" means any annual meeting of Shareholders;

(b) "**Applicable Securities Laws**" means the applicable securities legislation of each relevant province and territory of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such laws and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission or similar securities regulatory authority of each province and territory of Canada;

(c) "**BCA**" means the *Business Corporations Act* (British Columbia), as amended;

(d) "**Board**" means the board of directors of the Company as constituted from time to time;

(e) "**Public Announcement**" means disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Company under its profile on the System of Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com; and

(f) "**Special Meeting**" means any special meeting of Shareholders if one of the purposes for which such meeting is called is the election of directors.

(8) Notwithstanding any other provision of this Article 26.1, notice given to the Secretary of the Company pursuant to this Article 26.1 may only be given by personal delivery, facsimile transmission or by email (at such email address as may be stipulated from time to time by the Secretary of the Company for purposes of this Article 26.1), and shall be deemed to have been given and made only at the time it is served by personal delivery to the Secretary at the address of the principal executive offices of the Company, email (at the address as aforesaid) or sent by facsimile

transmission (provided that receipt of confirmation of such transmission has been received); provided that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. (Vancouver time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the next following day that is a business day.

26.2 Application

(1) Article 26.1 does not apply to the Company in the following circumstances:

(a) if and for so long as the Company is not a public company or a pre-existing reporting company which has the Statutory Reporting Company Provisions as part of its Articles or to which the Statutory Reporting Company Provisions apply; or

(b) to the election or appointment of a director or directors in the circumstances set forth in Article 14.7.

(2) Any director or officer of the Company is hereby authorized and directed for and in the name of and on behalf of the Company to execute or cause to be executed, whether under corporate seal of the Company or otherwise, and to deliver or make or cause to be delivered or made all such filings and documents, and to do or cause to be done all such acts and things, as in the opinion of such director or officer may be necessary or desirable in connection with the foregoing.

SCHEDULE "I"
DISSENT RIGHTS

Right to dissent

190 (1) Subject to sections 191 and 241, a holder of shares of any class of a corporation may dissent if the corporation is subject to an order under paragraph 192(4)(d) that affects the holder or if the corporation resolves to

(a) amend its articles under section 173 or 174 to add, change or remove any provisions restricting or constraining the issue, transfer or ownership of shares of that class;

(b) amend its articles under section 173 to add, change or remove any restriction on the business or businesses that the corporation may carry on;

(c) amalgamate otherwise than under section 184;

(d) be continued under section 188;

(e) sell, lease or exchange all or substantially all its property under subsection 189(3); or

(f) carry out a going-private transaction or a squeeze-out transaction.

Further right

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

If one class of shares

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

Payment for shares

(3) In addition to any other right the shareholder may have, but subject to subsection (26), a shareholder who complies with this section is entitled, when the action approved by the resolution from which the shareholder dissents or an order made under subsection 192(4) becomes effective, to be paid by the corporation the fair value of the shares in respect of which the shareholder dissents, determined as of the close of business on the day before the resolution was adopted or the order was made.

No partial dissent

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

Objection

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

Notice of resolution

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

Demand for payment

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

(a) the shareholder's name and address;

(b) the number and class of shares in respect of which the shareholder dissents; and

(c) a demand for payment of the fair value of such shares.

Share certificate

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

Forfeiture

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

Endorsing certificate

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

Suspension of rights

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

(a) the shareholder withdraws that notice before the corporation makes an offer under subsection (12),

(b) the corporation fails to make an offer in accordance with subsection (12) and the shareholder withdraws the notice, or

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

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

Offer to pay

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

(a) a written offer to pay for their shares in an amount considered by the directors of the corporation to be the fair value, accompanied by a statement showing how the fair value was determined; or

(b) if subsection (26) applies, a notification that it is unable lawfully to pay dissenting shareholders for their shares.

Same terms

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

Payment

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

Corporation may apply to court

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

Shareholder application to court

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

Venue

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

No security for costs

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

Parties

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

(a) all dissenting shareholders whose shares have not been purchased by the corporation shall be joined as parties and are bound by the decision of the court; and

(b) the corporation shall notify each affected dissenting shareholder of the date, place and consequences of the application and of their right to appear and be heard in person or by counsel.

Powers of court

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

Appraisers

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

Final order

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

Interest

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

Notice that subsection (26) applies

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

Effect where subsection (26) applies

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

(a) withdraw their notice of dissent, in which case the corporation is deemed to consent to the withdrawal and the shareholder is reinstated to their full rights as a shareholder; or

(b) retain a status as a claimant against the corporation, to be paid as soon as the corporation is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the corporation but in priority to its shareholders.

Limitation

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

(a) the corporation is or would after the payment be unable to pay its liabilities as they become due; or

(b) the realizable value of the corporation's assets would thereby be less than the aggregate of its liabilities.

SCHEDULE "J"
FAIRNESS OPINION

(See attached)

Ventum Financial Corp.
181 Bay Street, Suite 2500
Toronto, Ontario, M5J 2T3

November 19, 2024

Special Committee of the Board of Directors
FRX Innovations Inc.
200 Turnpike Rd
Chelmsford, Massachusetts
United States of America 01824

To the Special Committee

Ventum Financial Corp. ("**Ventum Capital Markets**" or "**we**" or "**us**") understands that FRX Innovations Inc. ("**FRX Innovations**" or the "**Company**") and FRX Acquisition, Inc. (the "**Purchaser**") intend to enter into a stock purchase agreement (the "**Purchase Agreement**"), pursuant to which, among other things, the Company will sell all of its equity interests in its wholly-owned operating subsidiary, FRX Polymers, Inc. ("**FRX US**") to the Purchaser (the "**Transaction**").

The "**Purchase Price**" payable by the Purchase to the Company pursuant to the Transaction will be comprised of:

a. US$1,500,000 in cash, subject to certain deductions for expenses and the certain amounts payable by FRX US to CCSRF Fireman (Cayman) Investment Limited and Newburyport Partners, LLC ("**NBPT**"), both related parties to the Company; plus

b. €150,000 in cash, to be paid to a third-party creditor to settle certain indebtedness of FRX US; plus

c. an earnout payment (the "**Earnout Payment**"), which will be payable by the Purchaser to the Company upon the occurrence of a liquidity event including, but not limited to, the sale, lease, exclusive license or other similar transfer of all or substantially all of the Purchaser, FRX US, or a to be formed parent company of the Purchaser ("**Parent**"), and each of its subsidiaries' (collectively, the "**Purchaser Group**") assets to an unaffiliated third party, or a transaction, the result of which is that the securityholders of Parent's outstanding voting securities immediately prior to such transaction are no longer, in the aggregate, the "beneficial owners" of more than 50% of the direct and/or indirect voting power of the outstanding voting securities of any of the Purchaser Group.

Ventum Capital Markets also understands that approximately 84% of Purchaser is owned or controlled by a consortium of third-party investors that are not currently connected to the Company, while Patrick Muezers, a former director of the Company and contemplated Chief Executive Officer of the Purchaser upon closing of the Transaction, owns or controls approximately 11% of the Purchaser and NBPT, a

related party of the Company as a result of it being wholly owned by Ross Haghighat, being the former Chairman of the Company, owns or controls the remaining approximately 5% of the Purchaser.

The terms and conditions of the Transaction, including additional details with respect to the Earnout Payment, will be summarized in the Company's management information circular (the "**Circular**") to be mailed to holders of the Company's common Shares (the "**Shareholders**") in connection with the annual and special meeting of the Shareholders of the Company to be held to, among other things, consider and, if deemed advisable, approve the Transaction.

We have been retained to provide financial advice to the Special Committee (the "**Special Committee**") to the Board of Directors (the "**Board**") of the Company, including our opinion (the "**Opinion**") as to the fairness from a financial point of view of the Purchase Price to be received by the Company, pursuant to the Transaction.

The Opinion has been prepared in accordance with the Disclosure Standards for Formal Valuations and Fairness Opinions of the Investment Industry Regulatory Organization of Canada ("**IIROC**") but IIROC has not been involved in the preparation or review of the Opinion.

ENGAGEMENT OF VENTUM CAPITAL MARKETS

The Company initially contacted Ventum Capital Markets regarding a potential advisory assignment in October 2023. Ventum Capital Markets was formally engaged by the Company pursuant to an agreement dated October 13, 2023, and amended on August 15, 2024 (the "**Engagement Agreement**"). The Engagement Agreement provides the terms upon which Ventum Capital Markets has agreed to provide the Special Committee with various advisory services in connection with the Transaction including, among other things, the Opinion.

Ventum Capital Markets received an upfront work fee and will receive an additional fixed fee for rendering the Opinion, whether or not the Transaction is completed. Ventum Capital Markets is not entitled to receive any additional fees for our advisory services under the Engagement Agreement. The Company has also agreed to reimburse us for reasonable out-of-pocket expenses and to indemnify, among others, Ventum Capital Markets in respect of certain liabilities that might arise out of our engagement.

CREDENTIALS OF VENTUM CAPITAL MARKETS

Ventum Capital Markets is an independent Canadian financial services firm that offers an integrated platform of corporate finance, mergers and acquisitions, equity research, institutional sales and trading, and private client services. Ventum Capital Markets has been a financial advisor in a significant number of transactions, and is regularly engaged in providing financial advice to public and private companies across a variety of sectors and has extensive experience preparing fairness opinions.

This Opinion represents the opinion of Ventum Capital Markets and its form and content have been approved for release by a committee of our senior officers, each of whom is experienced in merger and acquisition, divestiture, valuation, fairness opinion and capital markets matters.

RELATIONSHIP WITH INTERESTED PARTIES

Neither Ventum Capital Markets nor any of its affiliates is an insider, associate or affiliate (as those terms are defined in the Securities Act (Ontario) (the "**Securities Act**") or the rules made thereunder) of the Company or Acquiror or any of their respective associates or affiliates (collectively, the "**Interested Parties**").

Neither Ventum Capital Markets nor any of its affiliates has been engaged to provide financial advisory services, nor has it participated in any financings involving the Interested Parties within the past two years, other than acting as financial advisor to the Company pursuant to the Engagement Agreement and placement agent to the Company on a portion of several non-brokered private placements it completed during such period.

Ventum Capital Markets acts as a trader and dealer, both as principal and agent, in major financial markets and, as such, may have and may in the future have positions in the securities of any Interested Party, and, from time to time, may have executed or may execute transactions on behalf of any Interested Party or other clients for which it may have received or may receive compensation. As an investment dealer, Ventum Capital Markets conducts research on securities and may, in the ordinary course of its business, provide research reports and investment advice to its clients on investment matters, including matters with respect to one or more Interested Parties or the Transaction.

Other than as set forth above, there are no understandings, agreements or commitments between Ventum Capital Markets and the Interested Parties with respect to future business dealings. Ventum Capital Markets may, in the future, in the ordinary course of its business, perform financial advisory, investment banking or other financial services to one or more of the Interested Parties from time to time.

SCOPE OF REVIEW

In connection with the Opinion, Ventum Capital Markets reviewed and relied upon or carried out, among other things, the following:

1. a draft of the Purchase Agreement dated November 19, 2024;
2. a draft of the Circular dated November 19, 2024;
3. a draft of the Company's announcement press release in connection with the Proposed Transaction dated November 19, 2024;
4. a draft of the Voting and Support Agreement dated November 19, 2024;

5. certain other publicly available information related to the business, operations, financial conditions and trading history of the Company and other selected publicly available information Ventum Capital Markets considered relevant;

6. internal forecasts, projections, estimates and budgets prepared or provided by or on behalf of the management of the Company;

7. other internal financial, operating, corporate, and other information concerning the Company and its subsidiaries, that was prepared and provided by management of the Company;

8. the draft valuation report prepared by Hilco Appraisal Limited, dated April 27, 2023, with respect to the fair value of certain plant and equipment, including the Company's Antwerp facility in Belgium;

9. discussions with management of the Company regarding the Company's past and current business plan, operations and financial conditions and prospects;

10. select publicly available financial information and statistics regarding precedent transactions we considered relevant;

11. various reports published by equity research analysts and industry sources we considered relevant;

12. a letter of representation as to certain factual matter and the completeness and accuracy of certain information upon which the Opinion is based, addressed to us and dated as of the date hereof, provided by the Chief Executive Officer and Chief Financial Officer of the Company; and

13. such other information, investigations, analysis and discussion as we considered necessary or appropriate in the circumstances.

In addition, we have also participated in discussions with Aird & Berlis LLP, external legal counsel to the Company, concerning the Transaction, the Purchase Agreement and related matters. Ventum Capital Markets has not, to the best of its knowledge, been denied access by the Company to any information under the Company's control requested by Ventum Capital Markets.

ASSUMPTIONS AND LIMITATIONS

Our Opinion is subject to the assumptions, qualifications and limitations set forth below.

With your permission, we have relied upon the accuracy, completeness and fair presentation of all information, data, representations, opinions, financial statements, management discussion and analysis, internal financial information, and other material obtained by us or on behalf of the Company or otherwise obtained by us in connection with our engagement (the "**Information**"). The Opinion is conditional upon such accuracy, completeness, and fair presentation. We have not been requested to

or attempted to verify independently the accuracy, completeness or fairness of presentation of any such information, data, advice, opinions and representations. We have not met separately with the independent auditors of the Company in connection with preparing this Opinion. We have assumed that forecasts, projections, estimates and budgets provided to us and used in our analysis were reasonably prepared on bases reflecting the best currently available assumptions, estimates and judgments of management of the Company, having regard to the Company's business, plans, financial condition and prospects.

Senior officers of the Company have represented to Ventum Capital Markets in a certificate dated the date hereof, among other things, that: (i) the Information provided to Ventum Capital Markets orally or in writing by or on behalf of the Company relevant to the subject matter of the Transaction or the Opinion were true, accurate, complete and correct in all material respects at the date the Information was provided and is as of the date hereof and, with respect to the financial statements, were prepared in accordance with International Financial Reporting Standards consistently applied (except as to the absence of full note disclosure in non-audited financial statements); (ii) the Information did not and as of the date hereof does not contain any untrue statement of a material fact (as such term is defined in the Securities Act*)* in respect of or involving the Company, the Company's assets or the Transaction; (iii) the Information did not and as of the date hereof does not omit to state a material fact in respect of the Company, its assets or the Transaction necessary to make the Information (or any statement therein) not misleading in light of the circumstances under which the Information was made or provided; and (iv) since the date that the Information was provided to Ventum Capital Markets and as of the date thereof, there has been no material change (as such term is defined in the Securities Act), financial or otherwise, in the financial condition, assets, liabilities (contingent or otherwise), business, operations or prospects of the Company that has not been disclosed in writing to Ventum Capital Markets and there has been no change in any material fact or new material fact which is of a nature so as to render the Information untrue or misleading in any material respect, or which would reasonably be expected to have a material effect on the Opinion, that has not been disclosed in writing to Ventum Capital Markets.

In preparing the Opinion, Ventum Capital Markets has made several assumptions, including that all final or executed versions of documents will conform in all material respects to the drafts provided to Ventum Capital Markets, all conditions precedent to be satisfied to complete the Transaction can and will be satisfied or waived, that all approvals, authorizations, consents, permissions, exemptions or orders of relevant regulatory authorities required in respect of or in connection with the Transaction will be obtained, without adverse condition or qualification, that all steps or procedures being followed to implement the Transaction are valid and effective.

The Opinion has been provided for the exclusive use of the Special Committee in considering the Transaction and is not intended to be, and does not constitute, a recommendation to the Special Committee or Board as to whether they should approve the Purchase Agreement nor as to how any

Shareholder should vote on any matter relating to the Transaction. The Opinion must not be used by any other person or relied upon by any other person other than the Special Committee without the express prior written consent of Ventum Capital Markets. The Opinion does not address the relative merits of the Transaction as compared to other strategic alternatives that might be available to the Company. Except for the inclusion of the Opinion in the Circular, the Opinion is not to be reproduced, disseminated, quoted from or referred to (in whole or in part) without our prior written consent.

The Opinion is rendered on the basis of securities markets, economic and general business and financial conditions prevailing on that date hereof and the condition and prospects, financial and otherwise, of the Company and its subsidiaries as they were reflected in the Information provided to Ventum Capital Markets. In our analysis and in preparing the Opinion, Ventum Capital Markets made numerous judgments and assumptions with respect to industry performance, general business, market and economic conditions and other matters, many of which are beyond our control or that of any party involved in the Transaction.

We have not been asked to prepare and have not prepared a formal valuation or appraisal of the securities or assets of the company or of any of its affiliates, and the Opinion should not be construed as such. Ventum Capital Markets has not undertaken an independent evaluation, appraisal or physical inspection of any assets or liabilities of the Company or its subsidiaries, is not an expert on, and did not render advice to the Company regarding, and assumes no and disclaims all liability and obligation in respect of, legal, accounting, regulatory or tax matters.

The Opinion is given as of the date hereof and, although Ventum Capital Markets reserves the right to change or withdraw the Opinion if we learn that any of the information that we relied upon in preparing the Opinion was inaccurate, incomplete or misleading in any material respect, we disclaim any obligation to change or withdraw the Opinion, to advise any person of any change that may come to our attention or to update the Opinion after the date hereof.

Ventum Capital Markets believes that its analyses must be considered as a whole and that selecting portions of the analyses or the factors considered by it, without considering all factors and analyses together, could create an incomplete view of the process underlying the Opinion. Accordingly, the Opinion should be read in its entirety.

CONCLUSION

Based upon and subject to the foregoing and such other matters that Ventum Capital Markets considered relevant, Ventum Capital Markets is of the opinion that, as of the date hereof, the Purchase

Price to be received by the Company pursuant to the Transaction is fair from a financial point of view to the Shareholders.

Yours truly,

Ventum Financial Corp.

VENTUM FINANCIAL CORP.