



## **1933 INDUSTRIES INC.**

**Notice of Extraordinary Meeting of Holders of 10% Senior Unsecured Convertible  
Debentures Due December 31, 2023  
and  
Management Information Circular**

**Place:** Virtual Meeting Only

**Time:** 9:00 a.m. PST

**Date:** November 14, 2023

These materials are important and require your immediate attention. They require Debentureholders to make important decisions. If you are in doubt as to what decision to make, please contact your financial, legal, income tax or other professional advisors.

**THE BOARD OF DIRECTORS OF 1933 INDUSTRIES INC. UNANIMOUSLY RECOMMENDS THAT DEBENTUREHOLDERS VOTE FOR IN FAVOUR OF THE RESOLUTION SET OUT IN THE MANAGEMENT INFORMATION CIRCULAR.**



## 1933 INDUSTRIES INC.

**October 16, 2023**

TO: the holders of the 10% senior unsecured convertible debentures maturing December 31, 2023 (“**Debentures**”) of 1933 Industries Inc. (“**Company**”).

You, as a holder of the Debentures (“**Debentureholders**”), are being asked to approve the following:

- (a) To consider, and if thought fit, an extraordinary resolution, to:
  - (i) approve the settlement of the Debentures upon maturity and the principal debt owed thereunder, excluding any interest in arrears, through the issuance of a unit (each a “Unit”) to the Debentureholders, each Unit being issued at a deemed price of \$0.02 per Unit, comprising one common share and one share purchase warrant exercisable into one additional common share of the Company at a price of \$0.05 for a period of five years from the date of issuance, subject to certain acceleration provisions, with 50,000 Units being issued for each \$1,000 in principal value Debentures held; or
  - (ii) approve the settlement of the Debentures upon maturity and the principal debt owed thereunder, excluding any interest in arrears, through the issuance of a new 10% unsecured convertible debenture (the “New Debenture”) with a two year maturity, convertible into units at a price of \$0.05 per unit, each unit comprising one common share of the Company and one share purchase warrant exercisable into one additional common share of the Company at a price of \$0.05 for a period of five years from the date of issuance of the New Debenture, subject to certain acceleration provisions as more particularly defined in the indenture governing warrants issuable upon conversion of the New Debenture;
- (i) and (ii) above collectively referred to herein as the “Debenture Settlement Options” and
- (ii) authorize the Board of Directors of the Company, in its sole discretion, to determine which of (i) or (ii) will be in the best interest of the Company and proceed with either (i) or (ii) above.
- (b) to transact such further and other business as may properly be brought before the Meeting or any postponement or adjournment thereof.

### **To Vote for the Debenture Settlement Options**

To vote for the Debenture Settlement Options, please mark the "VOTE FOR/CONSENT TO" box in the accompanying form of proxy and sign and deposit such document in accordance with the instructions set out therein as soon as practicable and in any event by 9:00 a.m. (Pacific Time) on November 10, 2023.

## Approval of the Debenture Settlement Options

For the Debenture Settlement Options to be approved, either:

- holders of at least 66  $\frac{2}{3}$ % of the principal amount of the Debentures, present or represented by proxy at the Meeting, must vote FOR the extraordinary resolution approving the Debenture Settlement Options at the Meeting; or
- holders of at least 66  $\frac{2}{3}$ % of the outstanding principal amount of the Debentures must approve the extraordinary resolution approving the Debenture Settlement Options in writing (“**Written Consent**”) by marking the “CONSENTS TO/VOTES FOR” box in favour of the extraordinary resolution to such Debenture Settlement Options.

The Meeting is scheduled to be held virtually, on November 14, 2023 at 9:00 a.m. (Pacific Time). The quorum for the Meeting is the presence in person or by proxy of Debentureholders representing 25% of the principal amount of Debentures outstanding at the record date, which has been set by the Board of Directors of the Company as the close of business on October 10, 2023. Each Debentureholder represented by proxy at the Meeting shall be entitled to one vote in respect of each \$1,000 principal amount of Debentures held by such Debentureholder.

If the Debenture Settlement Options are approved by the Debentureholders, the Company anticipates that the effective date of the settlement of the Debentures will as soon as practicable after **December 31, 2023**, being the current maturity date of the Debentures.

THE BOARD UNANIMOUSLY RECOMMENDS THAT THE DEBENTUREHOLDERS VOTE IN FAVOUR OF THE DEBENTURE SETTLEMENT OPTIONS.

## Management Information Circular

The accompanying Circular provides a detailed description of the Debenture Settlement Options. Please give this material your careful consideration. If you require assistance, you should consult your financial, legal, income tax or other professional advisors.

We encourage you to read the materials in the accompanying Circular carefully. Your vote is important. Whether or not you attend the meeting of Debentureholders, please take the time to vote your Debentures in accordance with the instructions contained in the accompanying Circular.

Yours sincerely,

**“Paul Rosen”**

Paul Rosen,  
Chief Executive Officer  
1933 INDUSTRIES INC.

## 1933 INDUSTRIES INC.

Suite 300-1055 West Hastings Street  
Vancouver, British Columbia  
Canada V6E 2E9

### NOTICE OF EXTRAORDINARY MEETING OF DEBENTUREHOLDERS

**NOTICE IS HEREBY GIVEN** that an extraordinary meeting (“**Meeting**”) of the holders (“**Debentureholders**”) of the 10% senior unsecured convertible debentures due December 31, 2023, (“**Debentures**”) of **1933 INDUSTRIES INC.** (“**Company**”) will be held virtually on November 14, 2023 at the hour of 9:00 a.m. (PST), for the following purposes:

- (a) To consider, and if thought fit, to adopt, with or without amendment, an extraordinary resolution in the form attached as Appendix “A” to the Circular, to:
- (i) approve the settlement of the Debentures upon maturity and the principal debt owed thereunder, excluding any interest in arrears, through the issuance of a unit (each a “Unit”) to the Debentureholders, each Unit being issued at a deemed price of \$0.02 per Unit, comprising one common share and one share purchase warrant exercisable into one additional common share of the Company at a price of \$0.05 for a period of five years from the date of issuance, subject to certain acceleration provisions, with 50,000 Units being issued for each \$1,000 in principal value Debentures held; or
  - (ii) approve the settlement of the Debentures upon maturity and the principal debt owed thereunder, excluding any interest in arrears, through the issuance of a new 10% unsecured convertible debenture (the “New Debenture”) with a two year maturity, convertible into units at a price of \$0.05 per unit, each unit comprising one common share of the Company and one share purchase warrant exercisable into one additional common share of the Company at a price of \$0.05 for a period of five years from the date of issuance of the New Debentures, subject to certain acceleration provisions as more particularly defined in the indenture governing warrants issuable upon conversion of the New Debenture;
- [ (i) and (ii) above collectively referred to herein as the “Debenture Settlement Options” ] and
- (ii) authorize the Board of Directors of the Company, in its sole discretion, to determine which of (i) or (ii) will be in the best interest of the Company and proceed with either (i) or (ii) above.
- (b) to transact such further and other business as may properly be brought before the Meeting or any postponement or adjournment thereof.

The accompanying Circular provides additional information relating to the matters to be dealt with at the Meeting and forms part of this Notice of Extraordinary Meeting of Debentureholders.

**The Extraordinary Resolution and the settlement of the Debentures proposed therein will become binding on all Debentureholders if it is approved:**

- At the Meeting, by the holders of at least 66⅔% of the principal amount of the Debentures present in person or by proxy at the Meeting, or any adjournment thereof; or
- In writing, by the holders of at least 66⅔% of the outstanding principal amount of the Debentures.

**Accordingly, it is important that your Debentures be represented and voted whether or not you plan to attend the Meeting. If the Extraordinary Resolution is validly approved by Debentureholders in writing prior to the date of the Meeting, the Meeting will be cancelled and will not proceed. In such event, Debentureholders will be notified in writing by the Company that the Meeting has been cancelled.**

The Board of Directors has established the close of business on October 10, 2023 as the record date for the Debentureholders' Meeting ("**Record Date**"). Only Debentureholders of record at the close of business on the Record Date will be entitled to notice of the Meeting or any adjournment thereof and to vote at the Meeting. No Debentureholder becoming a Debentureholder of record after such time will be entitled to vote at the Meeting or any adjournment thereof.

The Debentures have been issued in the form of global certificates registered in the name of CDS & Co. and, as such, CDS & Co. is the sole registered Debentureholder. Only registered Debentureholders, or their duly appointed proxyholders, have the right to vote at the Debentureholder Meeting, or to appoint or revoke a proxy. However, CDS & Co., or its duly appointed proxyholders, may only vote the Debentures in accordance with instructions received from the beneficial Debentureholders. Beneficial Debentureholders as of the Record Date wishing to vote their Debentures at the Meeting must provide instructions to their broker or other intermediary through which they hold their Debentures in sufficient time prior to the deadline for depositing proxies for the Meeting to permit their broker or other nominee to instruct CDS & Co., or its duly appointed proxyholders, as to how to vote their Debentures at the Meeting.

As permitted under applicable corporate laws, the Company has determined not to hold an in-person meeting. Debentureholders will have two options to access the Meeting, being via teleconference or through the Zoom application, which requires internet connectivity. As the sole registered holder of the Debentures is CDS & Co., Debentureholders will not be able to vote at the Meeting itself. In order to dial into the Meeting, Debentureholders will phone 1 778-907-2071 and enter the Meeting ID and Password noted below.

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

<https://us02web.zoom.us/j/82205926406?pwd=NjVGU05tdzBUbnJ4bzRIckQ2djI3QT09>

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

**Meeting ID: 822 0592 6406**

**Passcode: 475902**

DATED at Vancouver, British Columbia, this 10<sup>th</sup> day of October, 2023.

BY ORDER OF THE BOARD

*" Paul Rosen " (signed)*

---

PAUL ROSEN, CEO

# 1933 INDUSTRIES INC.

Suite 300-1055 West Hastings Street  
Vancouver, British Columbia  
Canada V6E 2E9  
Tel: 604.674.4756

## MANAGEMENT INFORMATION CIRCULAR

**For the Extraordinary Meeting to be held on November 14, 2023  
(information is as at October 10, 2023, except as indicated)**

### SUMMARY

*The following is a brief summary of certain information contained in this Circular. Reference is made to, and this summary is qualified by, the detailed information contained in this Circular. Debentureholders are encouraged to read this Circular and the attached Appendices carefully and in their entirety.*

#### **The Meeting**

An extraordinary meeting (“**Meeting**”) of holders (“**Debentureholders**”) of the 10.0% senior unsecured convertible debentures due December 31, 2023, (“**Debentures**”) of 1933 Industries Inc. (“**Company**”) will be held virtually on November 14, 2023 at 9:00 a.m. (Pacific Standard Time).

At the Meeting, Debentureholders will be asked to consider and, if deemed appropriate, to adopt, with or without amendment, an extraordinary resolution (“**Extraordinary Resolution**”) in the form attached as Appendix “A” to this management information circular (“**Circular**”), approving the settlement of the Debentures through one of two options presented, and as more particularly described in this Circular (the “**Debenture Settlement Options**”) and authorizing Odyssey Trust Company (“**Trustee**”), as the trustee under the trust indenture between the Company and the Trustee dated as of September 14, 2018, as amended by Supplemental Indenture dated June 29, 2020, as amended by No 2 Supplemental Indenture dated August 2, 2021, (“**Indenture**”), and authorizing the Trustee to execute, as applicable, warrant indentures and, where applicable a new trust indenture (“**Supplemental Indentures**”) giving effect to the Debenture Settlement Options.

Only the Debentureholders of record as of the close of business on October 10, 2023 (“**Record Date**”) are entitled to receive notice of the Meeting and to vote at the Meeting. Each Debentureholder represented by proxy at the Meeting shall be entitled to one vote in respect of each \$1,000 principal amount of Debentures held by such Debentureholder.

#### **Virtual Meeting**

**The Company will be holding the Meeting in a virtual only format. Debentureholders will have an equal opportunity to attend the Meeting online regardless of geographic location. As the sole registered holder of the Debentures is CDS& Co., all of the Debentureholders are non-registered and in person voting will not be able to take place at the Meeting.**

**The Meeting will be held via the Zoom meeting platform. In order to access the Meeting, Debentureholders will have two options, being via teleconference or through the Zoom application, which requires internet connectivity. In order to dial into the Meeting, Debentureholders will phone 1 778-907-2071 and enter the Meeting ID and Password noted below.**

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

<https://us02web.zoom.us/j/82205926406?pwd=NjVGU05tdzBUbnJ4bzRIckQ2djI3QT09>

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

**Meeting ID: 822 0592 6406**

**Passcode: 475902**

**It is the Debentureholder's responsibility to ensure connectivity during the Meeting and the Company encourages its Debentureholders to allow sufficient time to log in to the Meeting before it begins.**

### **The Debenture Settlement Options**

The Debenture Settlement Options, if approved by the Debentureholders, will result in the settlement of the principal debt owed under the Debentures, excluding any interest in arrears thereunder, upon maturity, being December 31, 2023 (the "Maturity Date"), or shortly thereafter, either:

- (i) through the issuance of a unit (each a "Unit") to the Debentureholders, each Unit being issued at a deemed price of \$0.02 (the "Unit Settlement Price") per Unit, and comprising one common share and one share purchase warrant exercisable into one additional common share of the Company at a price of \$0.05 for a period of five years from the date of issuance, subject to certain acceleration provisions as more particularly defined in the indenture governing the warrants (the "Unit Settlement Option"); **OR**
- (ii) through the issuance of a new 10% unsecured convertible debenture (the "New Debenture") with a two year maturity, convertible into units at a price of \$0.05 per unit (the "Debenture Conversion Price"), each unit comprising one common share of the Company and one share purchase warrant exercisable into one additional common share of the Company at a price of \$0.05 for a period of five years from the date of issuance of the New Debenture, subject to certain acceleration provisions as more particularly defined in the indenture governing the warrants issuable upon conversion of the New Debenture (the "Debenture Settlement Option").

For the Extraordinary Resolution to be adopted, either:

- holders of at least 66  $\frac{2}{3}$ % of the principal amount of the Debentures, present or represented by proxy at the Meeting, must vote FOR the Extraordinary Resolution at the Meeting; or
- holders of at least 66  $\frac{2}{3}$ % of the outstanding principal amount of the Debentures must approve the Extraordinary Resolution in writing (**Written Consent**) by marking the "CONSENTS TO/VOTES FOR" box in favour of the Extraordinary Resolution on the accompanying Form of Proxy and Consent ("**Form of Proxy and Consent**") and executing and returning it.

**If the Extraordinary Resolution is validly approved by Debentureholders in writing prior to the date of the Meeting, the Company may exercise its discretion to cancel the Meeting. The Company will provide notice to the Debentureholders if the Meeting has been cancelled.**

If the Extraordinary Resolution is validly approved or adopted in writing by the Debentureholders, the Company will give effect to one of the Debenture Settlement Options by either issuing the Units or New Debentures, as the case may be, and entering into any indentures as may be necessary to govern the terms of the New Debentures, as applicable, and warrants issuable either as part of the Units or upon the conversion of the New Debentures.

The Company currently anticipates that the settlement of the Debentures would occur upon or shortly following the Maturity Date via either the Unit Settlement Option or the Debenture Settlement Option Subject to Board and Canadian Securities Exchange ("CSE") approval, the Company may, if it deems appropriate, reduce the Unit Settlement Price, in the event that the Debt Settlement Options are approved. The exercise price of the warrants forming part of the Units and the Debenture Conversion Price have been set at the lowest permissible price pursuant

to the policies of the CSE, which requires convertibles to have a minimum exercise or conversion price of the greater of \$0.05 or the market price of the Company's common shares.

### **Recommendation of the Board**

The Board of Directors of the Company (the "**Board**") has unanimously concluded that the Debenture Settlement Options are in the best interest of the Company and, as such, has authorized submission of the Extraordinary Resolution to Debentureholders for approval. The Board unanimously recommends that Debentureholders vote IN FAVOUR OF the Extraordinary Resolution.

### **Notice**

Only Debentureholders of record at the close of business on the Record Date will be entitled to notice of the Meeting or any adjournment thereof, and to vote at the Meeting. The Debentures have been issued in the form of global certificates registered in the name of CDS & Co. and, as such, CDS & Co. is the sole registered Debentureholder. Only registered Debentureholders, or their duly appointed proxyholders, have the right to vote at the Meeting, or to appoint or revoke a proxy. However, CDS & Co., or its duly appointed proxyholders, may only vote the Debentures in accordance with instructions received from the beneficial Debentureholders. Beneficial Debentureholders as of the Record Date wishing to vote their Debentures at the Meeting must provide instructions to their broker or other intermediary through which they hold their Debentures, as the case may be, in sufficient time prior to the deadline for depositing proxies for the Meeting to permit their broker or other nominee to instruct CDS & Co., or its duly appointed proxyholders, as to how to vote their Debentures at the Meeting. Often, the form supplied to beneficial Debentureholders in order that they may provide instructions is identical to the form of proxy provided to registered Debentureholders; however, its purpose is limited to instructing the registered Debentureholders how to vote on behalf of the beneficial Debentureholders.

### **Proxy and Consent Information**

To vote for the Extraordinary Resolution, registered Debentureholders should take the steps outlined below:

- Step 1. Mark the "CONSENTS TO / VOTES FOR" box associated with the Extraordinary Resolution in the Form of Proxy and Consent.
- Step 2. Sign and date the Form of Proxy and Consent.
- Step 3. Beneficial Debentureholders who have received a Form of Proxy and Consent directly from the Trustee may deposit the Form of Proxy and Consent with the Trustee at:

Odyssey Trust Company,  
350 – 409 Granville Street,  
Vancouver, British Columbia, Canada, V6C 1T2

as soon as practicable and in any event no later than 9:00 a.m. (Pacific Standard Time) on November 13, 2023.

Each Form of Proxy and Consent that is returned with the "CONSENTS TO / VOTES FOR" box marked will also constitute the relevant Debentureholder's written approval of the Extraordinary Resolution for the purposes of Section 9.15 of the Indenture. A vote in favor the Extraordinary Resolution is a vote in favor of ALL of the Debenture Amendments.

Beneficial Debentureholders who have received a voting instruction form from Broadridge Financial Solutions Inc. ("**Broadridge**") must deposit the completed voting instruction form with Broadridge by mail or facsimile at the address or facsimile number noted thereon.



## **INTRODUCTION**

### **Information Contained in this Circular**

No person has been authorized to give information or to make any representations in connection with the matters to be considered by the Debentureholders other than those contained in this Circular and, if given or made, any such information or representations should not be relied upon in making a decision as to whether to vote for the Extraordinary Resolutions or be considered to have been authorized by the Company.

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

Debentureholders should not construe the contents of this Circular as legal, tax or financial advice and should consult with their own professional advisors as to the relevant legal, tax, financial or other matters in connection herewith.

You should be aware that all or some of the Debenture Settlement Options may have tax consequences to Debentureholders in Canada and/or the Debentureholders' jurisdiction of residence. Tax considerations applicable to Debentureholders have not been described in the Circular and Debentureholders should consult their own tax advisors to determine the particular consequences to them of participating in the solicitation being made hereunder.

### **Capitalized Terms**

Unless the context indicates otherwise, capitalized terms which are used in this Circular and not otherwise defined in this Circular have the meanings given to such terms in the Indenture.

### **Cautionary Statement Regarding Forward-Looking Statements**

Certain information contained in this Circular constitutes forward-looking information, which is information regarding possible events, conditions or results of operations of the Company that is based upon assumptions about future economic conditions and courses of action and which is inherently uncertain. All information other than statements of historical fact may be forward-looking information. Forward-looking information is often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar words or phrases (including negative variations) suggesting future outcomes or statements regarding an outlook. Debentureholders are cautioned not to put undue reliance on such forward-looking information, which are not a guarantee of performance and are subject to a number of risks and uncertainties, including but not limited to, the risk that the Debenture Settlement Options will not be successfully completed for any reason and the risk that, if completed, the Company may not realize the anticipated benefits of the Debenture Settlement Option. Many of such risks and uncertainties are outside the control of the Company and could cause actual results to differ materially from those expressed or implied by such forward-looking information. In making such forward-looking statements, management has relied upon a number of material factors and assumptions, including with respect to general economic and financial conditions, interest rates, exchange rates, equity and debt markets, business competition, changes in government regulations or in tax laws, acts and omissions of third parties and the ability of the Company to obtain approval for the Debenture Settlement Options. Such forward-looking information should, therefore, be construed in light of such factors and assumptions. All forward-looking information is expressly qualified in its entirety by the cautionary statements set forth above. The Company is under no obligation, and expressly disclaims any intention or obligation, to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as expressly required by applicable law. All of the forward-looking information contained in this Circular is expressly qualified by this cautionary statement.

## **Conventions**

In this Circular, unless otherwise specified, all dollar amounts are expressed in Canadian dollars. Information contained in this Circular is given as of October 10, 2023, unless otherwise specifically stated.

## **DEBENTURES OUTSTANDING**

Of the original \$17,250,000 principal amount of the Debentures issued, an aggregate of \$3,269,000 principal amount remains outstanding.

## **REASONS FOR THE DEBENTURE AMENDMENTS**

The Company continues to be in a growth and development phase and relies on working capital from time to time to supplement cash flow. While the Company has been successful in increasing its revenues, reducing its expenses and raising capital through issuances of equity since issuing the Debentures, the Company believes it needs to retain its cash reserves to fund additional growth, including infrastructure upgrades and product marketing initiatives. As well, the economic impacts following the COVID-19 pandemic as well as the events in Ukraine, as well as general industry conditions have impacted the Company's ability to raise further capital and the Company's ability to improve revenues. However, the Company believes in its growth potential and it believes the Debenture Settlement Options are in the interests of Debentureholders. The Company has submitted two options for settlement of the Debentures via the Debenture Settlement Options and is seeking the discretion to determine which option is in the best interests of the Company at the time of maturity. The Company believes that having flexibility for the Debt Settlement Options is in the interests of all parties given the time between this Circular, the Meeting and the Maturity Date.

## **THE DEBENTURE SETTLEMENT OPTIONS**

Debentureholders are being asked to consider and, if deemed appropriate, to adopt, with or without amendment, the Extraordinary Resolution approving the following actions:

- (a) To provide the Company the ability to settling the Debentures by way of:
  - (i) the Unit Settlement Option; or
  - (ii) the Debenture Settlement Option;and
  - (ii) to authorize the Board of Directors of the Company, in its sole discretion, to determine which of (i) or (ii) will be in the best interest of the Company and proceed with either (i) or (ii) above.
- (b) to transact such further and other business as may properly be brought before the Meeting or any postponement or adjournment thereof.

The full text of the Extraordinary Resolution is attached to this Circular as Appendix "A".

For the Extraordinary Resolution to be adopted, either:

- Holders of at least 66  $\frac{2}{3}$ % of the aggregate principal amount of the Debentures, present or represented by proxy at the Meeting, must vote FOR the Extraordinary Resolution at the Meeting; or
- Holders of at least 66  $\frac{2}{3}$ % of the aggregate outstanding principal amount of the Debentures must approve the Extraordinary Resolution by written consent/or an instrument in writing, by marking the "CONSENTS TO/VOTES FOR" box in favour of the applicable Extraordinary Resolution in the accompanying Form of Proxy and Consent and executing and returning it to Odyssey Trust Company, 350 – 409 Granville Street,

Vancouver, British Columbia, Canada, V6C 1T2 by mail or internet voting which can be completed at <http://odysseytrust.com/Transfer-Agent/Login>, as soon as practicable and in any event no later than 9:00 am (Pacific Standard Time) on November 10, 2023.

**If the Extraordinary Resolution is validly approved by Debentureholders in writing prior to the date of the Meeting, the Company may exercise its discretion to cancel the Meeting. The Company will provide notice to the Debentureholders if the Meeting has been cancelled.**

If the Extraordinary Resolution is validly approved or adopted in writing by the Debentureholders, the Company will give effect to either the Unit Settlement Option or the Debenture Settlement Option upon the Maturity Date, or as soon as practicable thereafter, by either:

- (a) in the case of the Unit Settlement Option, issuing a Unit to each Debentureholder at a deemed price of \$0.02 per Unit; or
- (b) in the case of the Debenture Settlement Option, issuing the New Debentures.

#### Unit Settlement Option

If the Extraordinary Resolution is approved and the Company determines to proceed with the Unit Settlement Option, on the Maturity Date, the Company will settle all accrued and unpaid interest on the Debentures either in cash or through the issuance of common shares at a price of \$0.05 per share, as permitted under the existing Indenture and the principal value of the Debentures will be settled through the issuance of the Units. For each \$1,000 in principal value of Debentures, 50,000 Units would be issued, with the result that if all \$3,269,000 in remaining principal value Debentures are outstanding on the Maturity Date, an aggregate of 163,450,000 Units would be issued. Each Unit will comprise one common share and one share purchase warrant (each a “Warrant”).

*The following is a summary of the material attributes and characteristics of the Warrants. This summary does not purport to be complete and is subject to, and qualified in its entirety by reference to, the terms of the Warrant Indenture (as defined below), which will be filed with the applicable Canadian securities regulatory authorities and available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca)*

Each whole Warrant issued pursuant to the Unit Settlement Option will entitle the holder thereof to purchase one Warrant Share, subject to adjustment in certain circumstances, at a price of \$0.05 per Warrant Share, at any time at or prior to the close of business on the date that is five years from the Maturity Date, subject to certain acceleration provisions, at which time the Warrants will become null and void. The exercise price for the Warrants will be payable in Canadian dollars.

The Warrants forming part of the Units will be issued pursuant to, and will be governed by, a warrant indenture (the “**Warrant Indenture**”) to be entered into between the Company and the Trustee as warrant agent (the “**Warrant Agent**”). The Company will appoint the principal transfer offices of the Warrant Agent in Vancouver, British Columbia as the location at which the Warrants may be surrendered for exercise, transfer or exchange. The Warrants will NOT be listed on any stock exchange.

The Warrants may be issued in uncertificated form. Any Warrants issued in certificate form shall be evidenced by a warrant certificate in the form attached to the Warrant Indenture. All Warrants issued in the name of CDS may be in either a certificated or uncertificated form, such uncertificated form being evidenced by a book-entry position on the register of warrant holders to be maintained by the Warrant Agent at its principal offices in Vancouver, British Columbia.

The Warrant Indenture will, among other things, include provisions for the appropriate adjustment in the class, number and price of the Warrant Shares to be issued upon exercise of the Warrants upon the occurrence of certain events, including any subdivision, consolidation or reclassification of the Shares, the payment of stock dividends and the amalgamation of the Company.

At any time following the date of issuance and from time to time until the expiry date, if the closing price of the Company’s shares on the CSE is greater than \$0.10 for any 20 consecutive trading days, the Company shall have the

option to accelerate the expiry date of the Warrants to a period of 30 days following the date on which notice of same is given by the Company to the warrant holders.

No adjustment in the exercise price or the number of Warrant Shares purchasable upon the exercise of the Warrants will be required to be made unless the cumulative effect of such adjustment or adjustments would change the exercise price by at least 1% or the number of Warrant Shares purchasable upon exercise by at least one one-hundredth of a Warrant Share.

The Company will also covenant in the Warrant Indenture that, during the period in which the Warrants are exercisable, the Company will give notice to holders of Warrants of certain stated events, including events that would result in an adjustment to the exercise price for the Warrants or the number of Warrant Shares issuable upon exercise of the Warrants, at least 14 days prior to the record date or effective date, as the case may be, of such event.

No fractional Warrant Shares will be issuable upon the exercise of any Warrants, and no cash or other consideration will be paid in lieu of fractional shares. Any subscription for fractional Warrant Shares will be deemed to be a subscription for the next smallest whole number of Warrant Shares. Holders of Warrants will not have any voting or pre-emptive rights or any other rights which a holder of Shares would have.

From time to time, the Company and the Warrant Agent, without the consent of the holders of Warrants, may amend or supplement the Warrant Indenture for certain purposes, including curing defects or inconsistencies or making any change that does not adversely affect the rights of any holder of Warrants. Any amendment or supplement to the Warrant Indenture that adversely affects the interests of the holders of the Warrants may only be made by “extraordinary resolution”, which will be defined in the Warrant Indenture as a resolution either:

- passed at a meeting of the holders of Warrants at which there are holders of Warrants present in person or represented by proxy representing at least 10% of the aggregate number of the then outstanding Warrants and passed by the affirmative vote of holders of Warrants representing not less than 66 2/3% of the aggregate number of all the then outstanding Warrants represented at the meeting and voted on the poll upon such resolution; or
- adopted by an instrument in writing signed by the holders of Warrants representing not less than 66 2/3% of the aggregate number of all the then outstanding Warrants.

The Warrants will not be exercisable by, or on behalf of a person in the United States or a U.S. Person, nor will any certificates representing the Warrant Shares, as applicable, issuable upon exercise of the Warrants be registered or delivered to an address in the United States, unless an exemption from registration under the U.S. Securities Act and any applicable state securities laws is available and documentation to that effect is provided in accordance with the terms of the Warrant Indenture.

**The Company intends to qualify the distribution of the Units, the Shares, Warrants, and the Warrant Shares issuable upon exercise of the Warrants issuable pursuant to the Unit Settlement Option by way of a prospectus supplement to its final short form base shelf prospectus dated November 17, 2022. The issuance of the Units is subject to the approval of the CSE. If the Company elects to proceed with the Unit Settlement Option, Debentureholders are encouraged to review the prospectus supplement applicable to the Units as soon as it is available. The supplement will be filed on the Company’s profile at [www.sedarplus.ca](http://www.sedarplus.ca)**

#### Debenture Settlement Option

If the Extraordinary Resolution is approved and the Company determines to proceed with the Debenture Settlement Option, on the Maturity Date, the Company will settle all accrued and unpaid interest on the Debentures either in cash or through the issuance of common shares at a price of \$0.05 per share, as permitted under the existing Indenture and the principal value of the Debentures will be settled through the issuance of the New Debentures. For each \$1,000 in principal value of Debentures, \$1,000 in principal value of New Debentures will be issued.

*The following is a summary of the material attributes and characteristics of the New Debentures. This summary does not purport to be complete and is subject to, and qualified in its entirety by reference to, the terms of the New Debenture Indenture (as defined below), which will be filed with the applicable Canadian securities regulatory authorities and available on SEDAR at [www.sedarplus.ca](http://www.sedarplus.ca).*

### *General*

The New Debentures will be issued pursuant to, and will be governed by, a debenture indenture (the “New Debenture Indenture”) to be entered into between the Company and the Trustee, as debenture agent (the “Debenture Agent”). The Company will appoint the principal transfer offices of the Debenture Agent in Vancouver, British Columbia as the location at which the New Debentures may be surrendered for conversion, transfer or exchange. The New Debentures will NOT be listed on any stock exchange.

The New Debentures will be dated and issued as of the Maturity Date and will mature on the date which is two years from date of issuance (the “New Maturity Date”). The New Debentures will be issuable only in denominations of \$1,000 and multiples thereof and will bear interest, payable in lawful money of Canada, from and including the date of issue at 10% per annum, which will be payable either in cash or through the issuance common shares of the Company at a price of \$0.05 per share, at the discretion of the Company, on the New Maturity Date. Interest will be computed on the basis of a 360-day year composed of twelve 30-day months.

### *Conversion Privilege*

The New Debentures will be convertible, at no additional consideration, at the option of the holder of the New Debentures into units (each a “Debenture Unit”), any time prior to the close of business on the last business day immediately preceding the New Maturity Date, at a price of \$0.05 per Debenture Unit, subject to adjustment in certain events (the “Conversion Price”). Holders converting the New Debentures will receive accrued and unpaid interest thereon to, and excluding, the date of conversion. The Conversion Price may be adjusted upon the occurrence of certain events, as outlined below. No fraction of a Debenture Unit will be issued upon conversion of the New Debentures.

Each Debenture Unit will be comprised of one common share of the Company (a “Share”) and one share purchase warrants on the same terms as the Warrants as described at *Unit Settlement Option* above, and under a Warrant Indenture on the terms described above, provided that any warrants issuable upon the conversion of the New Debentures will expire on the date which is five years from the date of the issuance of the New Debentures not from the date of conversion, in accordance with the policies of the CSE.

### *Payment*

Payments of interest and principal on the New Debentures will be made by the Company to the Debenture Agent who will make such payments to CDS or its nominee, as the case may be, as the registered holder of the New Debentures. As long as CDS is the registered holder of the New Debentures, CDS or its nominee will be considered the sole legal owner of the New Debentures for the purposes of receiving payments of interest and principal on the New Debentures and for all other purposes under the New Debenture Indenture and the New Debentures. The record date for the payment of interest will be five business days prior to the New Maturity Date.

The Company also understands that payments of interest and principal by a member firm of CDS who participates in the book-based system (a “Participant”) to owners of beneficial interest in such Convertible Debentures held through such Participants will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in “street name” and will be the responsibility of such Participants. The responsibility and liability of the Company in respect of payments on the Convertible Debentures is limited solely and exclusively to making payment of any interest and principal due on such Convertible Debenture to the Debenture Agent. If a certificate evidencing the Convertible Debentures (a “Debenture Certificate”) is issued instead of or in place of the Convertible Debentures, payments of interest on each Debenture Certificate will be made by cheque dated the applicable Interest Payment Date and mailed to the address of the holder appearing in the register maintained by the registrar preceding the month of the applicable Interest Payment Date.

### *Mandatory Conversion*

The Company may, provided that no Event of Default (as defined below) has occurred and is continuing, force the conversion of the principal amount of the then outstanding Convertible Debentures into Debenture Shares at the Conversion Price on not less than 30 days’ notice should the closing price of the Shares on the CSE be greater than \$0.07 for any 10 consecutive trading days.

### *Conversion Adjustments*

It is expected that the New Debenture Indenture will provide for the adjustment of the Conversion Price in certain events including, without limitation: (i) the subdivision or consolidation of the outstanding Shares; (ii) the issue of Shares or securities convertible into Shares by way of stock dividend or other distribution to all or substantially all holders of Shares; (iii) the issue of rights, options or warrants to all or substantially all of the holders of Shares entitling them to acquire Shares or other securities convertible into Shares in certain circumstances and (iv) the distribution to all or substantially all holders of Shares of any other class of shares, rights, options or warrants, evidences of indebtedness or assets.

No adjustment in the Conversion Price or the number of Debentures Units issuable upon the conversion of the New Debentures will be required to be made unless the cumulative effect of such adjustment or adjustments would change the Conversion Price by at least 1% or the number of Debenture Units purchasable upon exercise by at least one one-hundredth of a Debenture Units.

### *Purchase*

Provided that no Event of Default has occurred and is continuing, the Company will be permitted to purchase for cancellation New Debentures in the market, by tender or by private contract, subject to regulatory requirements.

### *Payment Upon Maturity*

On the New Maturity Date, the Company will repay the indebtedness represented by the New Debentures then outstanding by paying to the Debenture Agent in lawful money of Canada an amount equal to the aggregate principal amount of the outstanding New Debentures which have matured, together with all accrued and unpaid interest thereon, less any tax required by law to be deducted.

### *Ranking*

The New Debentures will be direct, unsecured obligations of the Company ranking pari passu in right of payment of principal and interest with all other current and future debt and other liabilities of the Company, effectively subordinated to all current and future secured debt and other liabilities of the Company to the extent that the assets securing such debt and other liabilities are senior to any future debt of the Company that is expressly subordinated to the New Debentures.

### *Events of Default*

It is expected that the New Debenture Indenture will provide, among other things, that any one or more of the following events shall constitute an event of default ("Event of Default") with respect to the New Debentures thereunder: (i) default in payment of principal of (and premium, if any) on any New Debentures when due, whether at maturity, upon redemption or otherwise (whether such payment is due in cash, Debenture Units or other securities or property or a combination thereof); (ii) default in payment of interest on any New Debentures when due and payable and the continuance of any such default for ten (10) days; (iii) default in performing or observing any material covenant, condition, agreement or obligation of the Company and the continuance of such default for thirty (30) days after the date on which written notice of such default has been given to the Company by the Debenture Agent or by the holders of New Debentures holding not less than 25% in principal amount of the outstanding New Debentures specifying such default and requiring the Company to rectify the same; (iv) certain events of bankruptcy, insolvency or reorganization of the Company under applicable bankruptcy or insolvency laws; (v) default in the delivery, when due, of all cash and any securities or other consideration payable on conversion with respect to the New Debentures, which default continues for fifteen (15) days; (vi) a resolution is passed for the winding-up or liquidation of the Company or any material subsidiary or (vii) any proceedings with respect to the Company or any material subsidiary are taken with respect to a compromise or arrangement with respect to creditors of the Company or any material subsidiary generally, under the applicable legislation of any jurisdiction.

It is expected that the New Debenture Indenture will provide that if an Event of Default specified therein shall occur and be continuing with respect to a New Debenture issued thereunder, then the Debenture Agent may, in its discretion, and shall, upon request of the holders of New Debentures holding not less than 25% in principal amount of outstanding New Debentures, declare the principal of (and premium, if any) together with accrued interest on all New Debentures to be due and payable immediately upon written notice to the Company. In certain cases, the holders of a majority of the principal amount of New Debentures then outstanding may, on behalf of the holders of

New Debentures, waive any Event of Default and/or cancel any such declaration upon such terms as such holders shall prescribe.

No holders of New Debentures will have any right to pursue any remedy (including any action, suit or proceeding authorized or permitted by the New Debenture Indenture or pursuant to applicable law) with respect to the New Debenture Indenture, the New Debenture unless: (i) the holder of New Debentures gives to the Debenture Agent written notice of the happening of an event of default; (ii) the holders of New Debentures by Extraordinary Resolution (defined in the New Debenture Indenture as a resolution passed by the favourable votes of the holders of not less than 66⅔% of the principal amount of the New Debentures) or by written instrument signed by the holders of at least 25% in principal amount of the New Debentures then outstanding shall have made a request to the Debenture Agent and the Debenture Agent shall have been afforded reasonable opportunity either itself to proceed to exercise the powers hereinbefore granted or to institute an action, suit or proceeding in its name for such purpose; (iii) the holders of New Debentures or any of them shall have furnished to the Debenture Agent, when so requested by the Debenture Agent, sufficient funds and security and indemnity satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby; and (iv) the Debenture Agent shall have failed to act within a reasonable time after such notification, request and offer of indemnity and such notification, request and offer of indemnity are declared in every such case, at the option of the Debenture Agent, to be conditions precedent to any such proceeding or for any other remedy hereunder by or on behalf of the holder of New Debentures.

#### *Cancellation*

All New Debentures converted, repurchased or purchased as aforesaid will be cancelled by the Debenture Agent forthwith and may not be reissued or resold.

#### *Modification*

The rights of the holders of New Debentures as well as any other series of debentures that may be issued under the New Debenture Indenture may be modified in accordance with the terms of the New Debenture Indenture (and any supplements related thereto). For that purpose, among others, it is expected that the New Debenture Indenture will contain certain provisions which will make binding on all holders of New Debentures any resolutions passed at meetings of the holders of New Debentures by votes cast thereat by holders of not less than 66⅔% of the principal amount of the New Debentures present at the meeting or represented by proxy, or rendered by instruments in writing signed by the holders of not less than 66⅔% of the principal amount of the New Debentures.

The Company and the Debenture Agent may, without the consent or concurrence of the holders of New Debentures under the New Debenture Indenture, by supplemental indenture or otherwise, make any changes or corrections in the Debenture Indenture which they have been advised by counsel are required for the purpose of curing or correcting any ambiguity or defective or inconsistent provisions or clerical omissions or mistakes or manifest errors contained therein or in any indenture supplemental thereto.

#### *Book Entry, Delivery and Form*

The New Debentures will be issued in book-entry only form. CDS will act as securities depository for the Convertible Debentures. The New Debentures will each be represented by one or more global certificates (the "Global Debentures") or through the non-certificated inventory system of CDS. The Global Debentures will be issued as fully-registered in book-entry only form in the name of CDS or its nominee, CDS & Co. The ownership interest of each actual purchaser of the applicable security, referred to as a "beneficial owner", is to be recorded on the Participant's records. Beneficial owners will not receive written confirmation from CDS of their holdings, but beneficial owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from a Participant through which the beneficial owner entered into the transaction.

As indirect holders of New Debentures, investors should be aware that they (subject to the situations described below): (i) may not have New Debentures registered in their name; (ii) may not have physical certificates representing their interest in the New Debentures; (iii) may not be able to sell the New Debentures to institutions required by law to hold physical certificates for securities they own; and (iv) may be unable to pledge New Debentures as security.

All interests in the New Debentures will be subject to the operations and procedures of CDS.

The following is a summary of those operations and is provided by the Company solely for convenience. The operations and procedures of each settlement system may be changed at any time. The Company is not responsible for those operations and procedures and changes related thereto.

To facilitate subsequent transfers, all New Debentures deposited by Participants are registered in the name of CDS. The deposit of New Debentures with CDS and their registration in the name of CDS effect no change in beneficial ownership. CDS has no knowledge of the actual beneficial owners of the New Debentures. CDS's records reflect only the identity of the direct Participants to whose accounts such New Debentures are credited, which may or may not be the beneficial owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Transfers of ownership interests in the New Debentures will be effected by entries made on the books of the Participants acting on behalf of beneficial owners. Beneficial owners will not receive certificates representing their ownership interests in the New Debentures except in the event that use of the book-entry only system for the New Debentures is discontinued or as in other exceptions or pursuant to applicable laws.

Conveyance of notices and other communications by CDS to direct participants, by direct participants to indirect Participants, and by Participants to beneficial owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

CDS will not consent or vote with respect to the New Debentures. Under its usual procedures, CDS would mail an omnibus proxy to the Company as soon as possible after the record date. The omnibus proxy assigns CDS's consent or voting rights to those direct participants to whose accounts the New Debentures are credited on the record date (identified in a listing attached to the omnibus proxy).

The Company will make any payments on the New Debentures to CDS. CDS's practice is to credit direct Participants' accounts on the payment date in accordance with their respective holdings shown on CDS's records unless CDS has reason to believe that it will not receive payment on the payment date. Payments by Participants to beneficial owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such participant and not of CDS or the Company, subject to any statutory or regulatory requirements as may be in effect from time to time.

The Company will be responsible for the payment of all amounts due in respect of principal and interest to the Debenture Agent to enable to the Debenture Agent to forward or cause to be forwarded such funds to CDS. CDS will be responsible for the disbursement of those payments to its participants, and the participants will be responsible for disbursements of those payments to beneficial owners.

CDS may discontinue providing its service as securities depository with respect to the New Debentures at any time by giving reasonable notice to the Company. If CDS discontinues providing its service as securities depository with respect to the New Debentures and the Company is unable to obtain a successor securities depository, an investor will automatically take a position in the component securities and the Company will print and deliver definitive certificates for the New Debentures.

Also, in the event that the Company decides to discontinue use of the system of book-entry only transfers through CDS (or a successor securities depository), the Company will print and deliver to the investor definitive certificates for the New Debentures the investor may own.

The information in this section concerning CDS and CDS' book-entry only system has been obtained from sources that the Company believes to be reliable, including CDS, but the Company takes no responsibility for its accuracy. Neither the Company nor any trustee will have any responsibility or obligation to participants, or the persons for whom they act as nominees, with respect to:

- the accuracy of the records of CDS, its nominee, or any Participant, any ownership interest in the securities; or
- any payments to, or the providing of notice, to Participants or beneficial owners.



The Company intends to qualify the distribution of the New Debentures, including any Debenture Units issuable upon the conversion thereof (collectively, the “Debenture Securities”) by way of a prospectus supplement to its final short form base shelf prospectus dated November 22, 2022. The issuance of the New Debentures is subject to the approval of the CSE. If the Company elects to proceed with the Debenture Settlement Option, Debentureholders are encouraged to review the prospectus supplement applicable to the New Debentures as soon as it is available. The supplement will be filed on the Company’s profile at [www.sedarplus.ca](http://www.sedarplus.ca)

### **RECOMMENDATION OF THE BOARD**

The Board has unanimously concluded that the Debenture Settlement Options are in the best interests of the Company and, as such, has authorized submission of the Extraordinary Resolution to Debentureholders for approval. The Board unanimously recommends that Debentureholders vote **IN FAVOUR OF** the Extraordinary Resolution.

### **GENERAL PROXY INFORMATION AND CIRCULAR DISCLOSURE**

#### **Persons Making the Solicitation**

This Circular is being furnished in connection with the solicitation of proxies by the management of the Company for use at the Meeting.

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

#### **Appointment of Proxies**

The individuals named in the accompanying form of proxy and consent (“Proxy”) are directors or officers of the Company. **A DEBENTUREHOLDER WISHING TO APPOINT SOME OTHER PERSON (WHO NEED NOT BE A DEBENTUREHOLDER) TO ATTEND AND ACT FOR THE DEBENTUREHOLDER AND ON THE DEBENTUREHOLDER’S BEHALF AT THE MEETING HAS THE RIGHT TO DO SO, EITHER BY INSERTING SUCH PERSON’S NAME IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY AND STRIKING OUT THE TWO PRINTED NAMES, OR BY COMPLETING ANOTHER FORM OF PROXY.**

A Proxy will not be valid unless the completed, dated and signed Proxy is received by Odyssey Trust Company at 350 – 409 Granville Street, Vancouver, British Columbia, Canada, V6C 1T2 by 9:00 a.m. (PST) on November 10, 2023, or if the Meeting is adjourned or postponed, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the date to which the Meeting is adjourned or postponed. Internet voting can be completed at <http://odysseytrust.com/Transfer-Agent/Login> , and mailing voting can also be completed at Odyssey Trust Company, Stock Exchange Tower #1230 - 300 5th Avenue SW, Calgary AB, T2P 3C4.

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

If you are a non-registered Debentureholder, please follow the instructions from your bank, broker or other financial intermediary for instructions on how to revoke your voting instructions.

### **Exercise of Discretion**

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

The persons named in the enclosed Proxy will have discretionary authority with respect to any amendments or variations of these matters or any other matters properly brought before the Meeting or any adjournment or postponement thereof, in each instance, to the extent permitted by law, whether or not the amendment or other item of business that comes before the Meeting is routine or contested. The persons named in the enclosed Proxy will vote on such matters in accordance with their best judgment. At the time of the printing of this Circular, the management of the Company knows of no such amendment, variation or other matter which may be presented to the Meeting.

### **Beneficial Debentureholders**

The Debentures have been issued in the form of global certificates registered in the name of CDS & Co. As such, CDS & Co. is the sole registered holder of Debentures. Accordingly, all Debentureholders do not hold their Debentures in their own name. Such Debentures are held by such Debentureholders (“**Beneficial Owners**”) through one or more intermediaries (such as a bank, trust company, securities dealer or broker, or trustee or administrator of a self-administered RRSP, RRIF, RESP or similar plan).

Subject to the provisions of National Instrument 54-101 *Communication With Beneficial Owners of Securities* of a Reporting Issuer (“**NI 54-101**”), only registered holders of the Company’s Debentures are entitled to receive notice of the Meeting and only registered Debentureholders or their duly appointed proxies are entitled to vote at the Meeting. If you are a Beneficial Owner, you are entitled to: (i) direct how the Debentures beneficially owned by you are to be voted, or (ii) obtain a legal form of proxy that will entitle you to attend and vote at the Meeting. Often, the form of proxy supplied to beneficial Debentureholders in order that they may provide instructions is identical to the form of proxy provided to registered Debentureholders; however, its purpose is limited to instructing the registered Debentureholders how to vote on behalf of the beneficial Debentureholders.

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

If you are a Beneficial Owner who has objected to the Intermediary through which your Debentures are held disclosing ownership information about you to the Company (“**OBO**”), you should be aware that the Company has paid for Intermediaries to forward the materials with respect to the Meeting, including proxies or voting information forms, to OBOs.

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

None of the directors or executive officers, or any associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

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

No informed person of the Company, or any associate or affiliate of any informed person, has had any material interest in any transaction, or proposed transaction, which has materially affected or would materially affect the Company or any of its subsidiaries since the commencement of the most recently completed financial year of the Company.

### **RECORD DATE AND QUORUM**

The board of directors (“**Board**”) of the Company have fixed the record date for the Meeting at the close of business on October 10, 2023, (“**Record Date**”). Debentureholders of record as at the Record Date are entitled to receive notice of the Meeting and to vote those debentures included in the list of debentures entitled to vote at the Meeting prepared as at the Record Date, except to the extent that any such Debentureholder transfers any debentures after the Record Date and the transferee of those shares establishes that the transferee owns the shares and demands, not less than ten days before the Meeting, that the transferee's name be included in the list of Debentureholders entitled to vote at the Meeting, in which case such transferee shall be entitled to vote such shares at the Meeting.

Under the Indenture, the quorum necessary for the transaction of business at the Meeting consists of Debentureholders present in person or by proxy and representing at least 25% in principal amount of the outstanding Debentures.

Under the Indenture, if, at the Meeting, the holders of not less than 25% in principal amount of the Debentures outstanding are not present in person or by proxy within 30 minutes after the time appointed for the Meeting, then the Meeting shall be adjourned to the same date in the next week (unless such day is not a Business Day, in which case it shall be adjourned to the next following Business Day thereafter) at the same time and place, and no notice is required to be given in respect of such adjourned meeting. At the adjourned Meeting, the Debentureholders present in person or by proxy shall form a quorum and may transact the business for which the meeting was originally convened and a resolution proposed at such adjourned meeting and passed by the requisite vote shall be an “Extraordinary Resolution” within the meaning of the Indenture, notwithstanding that the holders of not less than 25% in principal amount of the Debentures then outstanding are not present in person or by proxy at such adjourned Meeting.

### **VOTING SECURITIES**

As at the date hereof, the Company has outstanding \$3,269,000 aggregate principal amount of the Debentures. Each Debentureholder present in person or represented by proxy at the Meeting shall be entitled to one vote in respect of each \$1,000 principal amount of Debentures held by such Debentureholder.

### **DEBENTUREHOLDER RIGHTS**

Some of your rights as a Debentureholder, including those relating to the Meeting, are described generally in this Circular. For more details, reference is made to the full text of the Indenture, a copy of which is posted for public access on the Company's SEDAR profile at [www.sedarplus.ca](http://www.sedarplus.ca), or, alternatively, can be obtained upon written request to the Company by mail at: Suite 300, 1055 West Hastings Street, Vancouver, British Columbia, V6E 2E9 Canada.

### **TRUSTEE**

The Trustee under the Indenture is Odyssey Trust Company, a trust company incorporated under the laws of Alberta. The Trustee may be contacted as follows:

Telephone: 587.885.0960 or [corptrust@odysseytrust.com](mailto:corptrust@odysseytrust.com)

**DIRECTOR'S APPROVAL**

The contents of this Information Circular and its distribution to Debentureholders have been approved by the Board of the Company.

**DATED** at Vancouver, British Columbia, October 10, 2023.

**BY ORDER OF THE BOARD**

*/s/ "Paul Rosen"*

**Paul Rosen, Chief Executive Officer**

## APPENDIX "A"

### EXTRAORDINARY RESOLUTION

**BE IT RESOLVED** AS AN EXTRAORDINARY RESOLUTION THAT:

(a) Odyssey Trust Company ("**Trustee**"), as the trustee pursuant to the trust indenture dated as of September 14, 2018, as supplemented ("**Indenture**") governing the 10.0% senior unsecured convertible debentures of the Company due September 14, 2022 ("**Debentures**"), is authorized to sanction the exchange and settlement of the Debentures, and the principal debt thereunder, for either:

- (i) units (each a "Unit"), each Unit being issued at a deemed price of \$0.02 per Unit, comprising one common share and one share purchase warrant exercisable into one additional common share of the Company at a price of \$0.05 for a period of five years from the date of issuance, subject to certain acceleration provisions, with 50,000 Units being issued for each \$1,000 in principal value Debentures held (the "Unit Settlement Option"); or
- (ii) a new 10% unsecured convertible debenture (the "New Debenture") with a two year maturity, convertible into units at a price of \$0.05 per unit, each unit comprising one common share of the Company and one share purchase warrant exercisable into one additional common share of the Company at a price of \$0.05 for a period of five years from the date of issuance of the New Debenture, subject to certain acceleration provisions as more particularly defined in the indenture governing warrants issuable upon conversion of the New Debenture (the "Debenture Settlement Option")

all as described in the Circular;

- (b) the Company is authorized, without further notice to or approval of the holders of the Debentures, to elect between the Unit Settlement Option or the Debenture Settlement Option, in its sole discretion and direct the Trustee to proceed with one of those options;
- (c) the Trustee is hereby authorized and directed as per the written direction of the Company and its advisors to execute and to cause to be executed on behalf of the holders of the debentures or to deliver or cause to be delivered all such documents, agreements and instruments and to do or cause to be done all such other acts and things as the company and its advisors shall determine to be necessary or desirable to carry out the intent of this extraordinary resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such document, agreement or instrument or the doing of any such act or thing;
- (d) any officer or director of the Company is hereby authorized and directed to execute and deliver all documents and to do all other acts or things as such individual may, in his or her sole discretion, determine to be appropriate from time to time to give effect to the foregoing, such determination to be conclusively evidenced by the execution and delivery by such individual of such documents or the doing of such other acts or things; and
- (e) each of the Company and the Trustee is hereby authorized and directed to execute and deliver such additional indentures as may be required to govern the terms of any warrants that may be issuable as a result of the Unit Settlement Option or the Debenture Settlement Option as well as the New Debentures;
- (f) the Trustee is hereby authorized and directed to execute and deliver all documents and to do all other acts or things as the trustee may determine to be necessary or appropriate from time to time to give effect to the foregoing, such determination to be conclusively evidenced by the execution and delivery by the trustee of such documents or the doing of such other acts or things.