

**VALDY INVESTMENTS LTD.**

#902 – 510 Burrard Street  
Vancouver, BC V6C 3A8

**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS  
TO BE HELD ON DECEMBER 16, 2020**

**AND**

**INFORMATION CIRCULAR**

*November 16, 2020*

*This document requires immediate attention. If you are in doubt as to how to deal with the documents or matters referred to in this notice and information circular, you should immediately contact your advisor.*

**VALDY INVESTMENTS LTD.**

#902 – 510 Burrard Street

Vancouver, BC V6C 3A8

Telephone: (604) 685-0201

**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING**

TO THE SHAREHOLDERS:

NOTICE IS HEREBY GIVEN that the annual general and special meeting (the “**Meeting**”) of shareholders of Valdy Investments Ltd. (the “**Company**”) will be held at the offices of Clark Wilson LLP, 900 – 885 West Georgia Street, Vancouver, BC, on Wednesday, December 16, 2020, at the hour of 10:00 a.m. (Vancouver time) for the following purposes:

1. to receive the audited financial statements of the Company for the fiscal year ended December 31, 2019, and the accompanying report of the auditors;
2. to set the number of directors of the Company at four (4);
3. to elect James Decker, Johnny Ciampi, Neil Currie and Jonathan McNair as directors of the Company;
4. to appoint Davidson & Company LLP, Chartered Professional Accountants, as the auditors of the Company for the fiscal year ending December 31, 2020 and to authorize the directors of the Company to fix the remuneration to be paid to the auditors for the fiscal year ending December 31, 2020;
5. to consider and, if thought fit, to pass an ordinary resolution to ratify the Company’s Stock Option Plan, as described in the accompanying information circular (the “**Information Circular**”); and
6. to transact such further or other business as may properly come before the Meeting and any adjournment or postponement thereof.

The accompanying Information Circular provides additional information relating to the matters to be dealt with at the Meeting and is supplemental to, and expressly made a part of, this Notice of Meeting.

The Company’s board of directors has fixed November 9, 2020 as the record date for the determination of shareholders entitled to notice of and to vote at the Meeting and at any adjournment or postponement thereof. Each registered shareholder at the close of business on that date is entitled to such notice and to vote at the Meeting in the circumstances set out in the accompanying Information Circular.

If you are a registered shareholder of the Company and unable to attend the Meeting in person, please vote by proxy by following the instructions provided in the form of proxy at least 48 hours (excluding Saturdays, Sundays and holidays recognized in the Province of British Columbia) before the time and date of the Meeting or any adjournment or postponement thereof.

**In view of the current and rapidly evolving COVID-19 outbreak, the Company encourages Shareholders not to attend the Meeting in person. No more than 10 persons will be permitted to attend in person at the in-person location for the Meeting. The Company may take additional precautionary measures in relation to the Meeting in response to further developments in the COVID-19 outbreak. As always, the Company encourages Shareholders to vote prior to the Meeting.**

**Any person who intends to attend the Meeting in person must register with the Company’s corporate secretary at least 72 hours in advance and receive approval, by calling Johnny Ciampi at 604.685.0201 or by email at [johnny@maxamcapitalcorp.com](mailto:johnny@maxamcapitalcorp.com).**

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

**DATED** at Vancouver, British Columbia, this 16<sup>th</sup> day of November, 2020.

By Order of the Board of Directors of

**VALDY INVESTMENTS LTD.**

*“James Decker”*  
\_\_\_\_\_  
James Decker  
Chief Executive Officer and Director

**VALDY INVESTMENTS LTD.**

#902 – 510 Burrard Street  
Vancouver, BC V6C 3A8  
Telephone: (604) 685-0201

**INFORMATION CIRCULAR**

**November 16, 2020**

**INTRODUCTION**

This information circular (the “**Information Circular**”) accompanies the notice of annual general and special meeting of shareholders (the “**Notice**”) of Valdy Investments Ltd. (the “**Company**”) and is furnished to shareholders (each, a “**Shareholder**”) holding common shares (each, a “**Share**”) in the capital of the Company in connection with the solicitation by the management of the Company of proxies to be voted at the annual general and special meeting (the “**Meeting**”) of the Shareholders to be held at 10:00 a.m. (Vancouver time) on Wednesday, December 16, 2020 at the offices of Clark Wilson LLP, 900 – 885 West Georgia Street, Vancouver, British Columbia, or at any adjournment or postponement thereof.

**Date and Currency**

The date of this Information Circular is November 16, 2020. Unless otherwise stated, all amounts herein are in Canadian dollars.

**COVID**

**In view of the current and rapidly evolving COVID-19 outbreak, the Company encourages Shareholders not to attend the Meeting in person. No more than 10 persons will be permitted to attend in person at the in-person location for the Meeting. The Company may take additional precautionary measures in relation to the Meeting in response to further developments in the COVID-19 outbreak. As always, the Company encourages Shareholders to vote prior to the Meeting.**

**Any person who intends to attend the Meeting in person must register with the Company’s corporate secretary at least 72 hours in advance and receive approval, by calling Johnny Ciampi at 604.685.0201 or by email at [johnny@maxamcapitalcorp.com](mailto:johnny@maxamcapitalcorp.com).**

**PROXIES AND VOTING RIGHTS**

**Management Solicitation**

The solicitation of proxies by management of the Company will be conducted by mail and may be supplemented by telephone or other personal contact to be made without special compensation by the directors, officers and employees of the Company. The Company does not reimburse Shareholders, nominees or agents for costs incurred in obtaining from their principals authorization to execute forms of proxy, except that the Company has requested brokers and nominees who hold stock in their respective names to furnish this proxy material to their customers, and the Company will reimburse such brokers and nominees for their related out of pocket expenses. No solicitation will be made by specifically engaged employees or soliciting agents. The cost of solicitation will be borne by the Company.

No person has been authorized to give any information or to make any representation other than as contained in this Information Circular in connection with the solicitation of proxies. If given or made, such information or representation must not be relied upon as having been authorized by the Company. The delivery of this Information Circular shall not create, under any circumstances, any implication that there has been no change in the information set forth herein since the date of this Information Circular. This Information Circular does not

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

### **Appointment of Proxy**

Registered Shareholders are entitled to vote at the Meeting. Shareholders are entitled to one vote for each Share held on the record date of November 9, 2020 on the resolutions to be voted upon at the Meeting, and any other matter to come before the Meeting.

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

**A SHAREHOLDER HAS THE RIGHT TO APPOINT A PERSON OR COMPANY (WHO NEED NOT BE A SHAREHOLDER) OTHER THAN THE DESIGNATED PERSONS NAMED IN THE ENCLOSED FORM OF PROXY TO ATTEND AND ACT FOR OR ON BEHALF OF THAT SHAREHOLDER AT THE MEETING.**

**A SHAREHOLDER MAY EXERCISE THIS RIGHT BY INSERTING THE NAME OF SUCH OTHER PERSON IN THE BLANK SPACE PROVIDED ON THE FORM OF PROXY. SUCH SHAREHOLDER SHOULD NOTIFY THE NOMINEE OF THE APPOINTMENT, OBTAIN THE NOMINEE’S CONSENT TO ACT AS PROXY AND SHOULD PROVIDE INSTRUCTION TO THE NOMINEE ON HOW THE SHAREHOLDER’S SHARES SHOULD BE VOTED. THE NOMINEE SHOULD BRING PERSONAL IDENTIFICATION TO THE MEETING.**

The Shareholder may vote by mail, by telephone or via the Internet by following instructions provided in the form of proxy at least 48 hours (excluding Saturdays, Sundays and holidays recognized in the Province of British Columbia) prior to the scheduled time of the Meeting, or any adjournment or postponement thereof. The Chairman of the Meeting, in his sole discretion, may accept completed forms of proxy on the day of the Meeting or any adjournment or postponement thereof.

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

### **Revocation of Proxies**

A Shareholder who has given a proxy may revoke it at anytime before it is exercised by an instrument in writing: (a) executed by that Shareholder or by that Shareholder’s attorney-in-fact, authorized in writing, or, where the Shareholder is a corporation, by a duly authorized officer of, or attorney-in-fact for, the corporation; and (b) delivered either: (i) to the Company at the address set forth above, at any time up to and including the last business day preceding the day of the Meeting or, if adjourned or postponed, any reconvening thereof, or (ii) to the Chairman of the Meeting prior to the vote on matters covered by the proxy on the day of the Meeting or, if adjourned or postponed, any reconvening thereof, or (iii) in any other manner provided by law.

Also, a proxy will automatically be revoked by either: (i) attendance at the Meeting and participation in a poll (ballot) by a Shareholder, or (ii) submission of a subsequent proxy in accordance with the foregoing procedures. A revocation of a proxy does not affect any matter on which a vote has been taken prior to any such revocation.

### **Voting of Shares and Proxies and Exercise of Discretion by Designated Persons**

A Shareholder may indicate the manner in which the Designated Persons are to vote with respect to a matter to be voted upon at the Meeting by marking the appropriate space. **The Shares represented by a proxy will be voted or withheld from voting in accordance with the instructions of the Shareholder on any ballot that may be called for and if the Shareholder specifies a choice with respect to any matter to be acted upon, the Shares will be voted accordingly.**

**IF NO CHOICE IS SPECIFIED IN THE PROXY WITH RESPECT TO A MATTER TO BE ACTED UPON, THE PROXY CONFERS DISCRETIONARY AUTHORITY WITH RESPECT TO THAT MATTER UPON THE DESIGNATED PERSONS NAMED IN THE FORM OF PROXY. IT IS INTENDED THAT THE DESIGNATED PERSONS WILL VOTE THE SHARES REPRESENTED BY THE PROXY IN FAVOUR OF EACH MATTER IDENTIFIED IN THE PROXY.**

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

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

### **ADVICE TO BENEFICIAL SHAREHOLDERS**

**The information set out in this section is of significant importance to those Shareholders who do not hold Shares in their own name. Shareholders who do not hold their Shares in their own name (referred to in this Information Circular as “Beneficial Shareholders”) should note that only proxies deposited by Shareholders whose names appear on the records of the Company as the registered holders of Shares can be recognized and acted upon at the Meeting.** If Shares are listed in an account statement provided by a broker, then in almost all cases those Shares will not be registered in the Beneficial Shareholder’s name on the records of the Company. Such Shares will more likely be registered under the names of the Beneficial Shareholder’s broker or an agent of that broker. In the United States, the vast majority of such Shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks), and in Canada, under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms). **Beneficial Shareholders should ensure that instructions respecting the voting of their Shares are communicated to the appropriate person well in advance of the Meeting.**

The Company does not have access to the names of all Beneficial Shareholders. Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of Shareholders’ meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Shares are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by his, her or its broker (or the agent of the broker) is similar to the form of proxy provided to registered Shareholders by the Company. However, its purpose is limited to instructing the registered Shareholder (the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”) in the United States and in Canada. Broadridge typically prepares a special voting instruction form, mails this form to the Beneficial Shareholders and asks for appropriate instructions regarding the voting of Shares to be voted at the Meeting. If Beneficial Shareholders receive the voting instruction forms from Broadridge, they are requested to complete and return the voting instruction forms to Broadridge by mail or facsimile. Alternatively, Beneficial Shareholders can call a toll-free number and access Broadridge’s dedicated voting website (each as noted on the voting instruction form) to deliver

their voting instructions and to vote the Shares held by them. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Shares to be represented at the Meeting. **A Beneficial Shareholder receiving a Broadridge voting instruction form cannot use that form as a proxy to vote Shares directly at the Meeting – the voting instruction form must be returned to Broadridge well in advance of the Meeting in order to have the applicable Shares voted at the Meeting.**

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Shares registered in the name of his, her or its broker (or agent of the broker), a Beneficial Shareholder may attend at the Meeting as proxyholder for the registered Shareholder and vote the Shares in that capacity. Beneficial Shareholders who wish to attend at the Meeting and indirectly vote their Shares as proxyholder for the registered Shareholder should enter their own names in the blank space on the instrument of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting.

Alternatively, a Beneficial Shareholder may request in writing that his, her or its broker send to the Beneficial Shareholder a legal proxy which would enable the Beneficial Shareholder to attend at the Meeting and vote his, her or its Shares.

Beneficial Shareholders consist of non-objecting beneficial owners and objecting beneficial owners. A non-objecting beneficial owner is a beneficial owner of securities that has provided instructions to an intermediary holding the securities in an account on behalf of the beneficial owner that the beneficial owner does not object, for that account, to the intermediary disclosing ownership information about the beneficial owner under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("NI 54-101") of the Canadian Securities Administrators. An objecting beneficial owner means a beneficial owner of securities that has provided instructions to an intermediary holding the securities in an account on behalf of the beneficial owner that the beneficial owner objects, for that account, to the intermediary disclosing ownership information about the beneficial owner under NI 54-101.

The Company is sending proxy-related materials directly to non-objecting beneficial owners of the Shares. The Company will not pay for the delivery of proxy-related materials to objecting beneficial owners of the Shares under NI 54-101 and Form 54-101F7 – *Request for Voting Instructions Made by Intermediary*. The objecting beneficial owners of the Shares will not receive the materials unless their intermediary assumes the costs of delivery.

All references to Shareholders in this Information Circular are to registered Shareholders, unless specifically stated otherwise.

#### **VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES**

The Company is authorized to issue an unlimited number of Shares without par value. As of the record date, determined by the board of directors of the Company (the "**Board**") to be the close of business on November 9, 2020 (the "**Record Date**"), a total of 7,000,000 Shares were issued and outstanding. Each Share carries the right to one vote at the Meeting.

Only registered Shareholders as of the Record Date are entitled to receive notice of, and to attend and vote at, the Meeting or any adjournment or postponement of the Meeting.

To the knowledge of the directors and executive officers of the Company, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, Shares carrying more than 10% of the voting rights attached to the outstanding Shares, other than as set forth below:

Name of Shareholder	Number of Common Shares Owned	Percentage of Outstanding Common Shares <sup>(1)</sup>
James Decker	900,000	12.85%
Johnny Ciampi	900,000 <sup>(2)</sup>	12.85%

<sup>(1)</sup> Based on 7,000,000 Shares issued and outstanding as of November 9, 2020

<sup>(2)</sup> 100,000 of these Shares are held directly by Johnny Ciampi and 800,000 Shares are held indirectly through Lucris Capital Corporation, a private company wholly owned by Johnny Ciampi.

#### FINANCIAL STATEMENTS

The audited financial statements of the Company for the year ended December 31, 2019, together with the auditor's report thereon, will be presented to the Shareholders at the Meeting. The Company's financial statements and management discussion and analysis are available on SEDAR at [www.sedar.com](http://www.sedar.com).

#### NUMBER OF DIRECTORS

At the Meeting, Shareholders will be asked to pass an ordinary resolution to set the number of directors of the Company at four (4). An ordinary resolution needs to be passed by a simple majority of the votes cast by the Shareholders present in person or represented by proxy and entitled to vote at the Meeting.

**Management of the Company recommends the approval of setting the number of directors of the Company at four (4).**

#### ELECTION OF DIRECTORS

At present, the directors of the Company are elected at each annual general meeting and hold office until the next annual general meeting, or until their successors are duly elected or appointed in accordance with the Company's articles or until such director's earlier death, resignation or removal. In the absence of instructions to the contrary, the enclosed form of proxy will be voted for the nominees listed in the form of proxy, all of whom are presently members of the Board.

Management of the Company proposes to nominate the persons named in the table below for election by the Shareholders as directors of the Company. Information concerning such persons, as furnished by the individual nominees, is as follows:

Name Province Country of Residence and Position(s) with the Company	Principal Occupation, Business or Employment for Last Five Years	Periods during which Nominee has Served as a Director	Number of Shares Owned <sup>(1)</sup>
James Decker British Columbia, Canada  <i>Chief Executive Officer and Director</i>	Mr. Decker has been a director of Holbrooke Capital, a boutique real estate investment, development and advisory firm, since November 2004. Mr. Decker is also a consultant to United States publicly listed companies and Canadian and U.S. private companies, providing advice related to corporate development opportunities, corporate finance and operations. Mr. Decker has acted as special advisor to The Alkaline Water Company Inc., a company which, through its subsidiaries, is engaged in the business of marketing, manufacturing and distributing bottled alkaline water for retail consumers and listed on NASDAQ and the Exchange, since March 2016. He advises on structure, finance and other advisory services to consumer product companies in the apparel, beverage and healthcare industries. Mr. Decker is a graduate of the University of Victoria with a degree in Bachelor of Arts.	August 22, 2018 to present	1,541,000 <sup>(3)</sup>
Johnny Ciampi <sup>(2)</sup> British Columbia, Canada  <i>Chief Financial Officer, Corporate Secretary and Director</i>	Mr. Ciampi is the Vice President and Director of Maxam Capital Corp., a private company that formed the Maxam Opportunities Fund II LP, to focus on structured investments in both publicly traded and private companies, and Managing Partner for the Maxam Opportunities Fund II LP, a private equity fund. He has been a director of Premium Brands Holdings Corporation, a specialty food company listed on the Toronto Stock Exchange, since July 2005, a director of Diversified Royalty Corp., a multi-royalty company listed on the Toronto Stock Exchange, since November 2014 and a director of Geodrill Limited, a drilling company, listed on the TSX Venture Exchange since May 2019. Mr. Ciampi is a graduate of the University of British Columbia with a degree in Commerce and holds a Chartered Accountant designation.	August 22 2018 to present	1,150,000 <sup>(4)</sup>
Neil Currie <sup>(2)</sup> British Columbia, Canada  <i>Director</i>	Mr. Currie has been the managing partner and founder of Capital Event Management, a private company offering investment conferences, from November 2010 to present.	February 15, 2019 to present	200,000 <sup>(5)</sup>
Jonathan McNair <sup>(2)</sup> British Columbia, Canada  <i>Director</i>	Mr. McNair has been a Partner with Crowe MacKay LLP since October 1, 2020. He previously was a Partner with Baker Tilly WM LLP where he worked from March 2004 to September 30, 2020. He received his CIRP designation from the Canadian Association of Insolvency and Restructuring Professionals in June 2011 and his CPA from the Chartered Professional Accountants of British Columbia in May 1998. Mr. McNair graduated from the University of Victoria with a BA in Geography on June 30, 1992.	August 22 2018 to present	200,000 <sup>(6)</sup>

<sup>(1)</sup> Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, as at November 9, 2020, based upon information furnished to the Company by the individual directors. Options, warrants, debentures or other convertible securities currently exercisable or convertible, or exercisable or convertible within 60 days, are counted as outstanding for computing the percentage of the person holding such options, warrants or other convertible securities, but are not counted as outstanding for computing the percentage of any other person.

<sup>(2)</sup> Member of the audit committee.

- (3) Comprised of: (a) 1,291,000 Shares and (b) 250,000 options, each of which is exercisable into one Share at a price of \$0.10 per Share until May 27, 2029, all of which may be exercised or converted within the next 60 days.
- (4) Comprised of: (a) 100,000 Shares held directly; (b) 800,000 Shares held indirectly by Lucris Capital Corporation, a private company wholly owned by Johnny Ciampi and (c) 250,000 options, each of which is exercisable into one Share at a price of \$0.10 per Share until May 27, 2029, all of which may be exercised or converted within the next 60 days.
- (5) Comprised of: (a) 100,000 Shares and (b) 100,000 options, each of which is exercisable into one Share at a price of \$0.10 per Share until May 27, 2029, all of which may be exercised or converted within the next 60 days.
- (6) Comprised of: (a) 100,000 Shares and (b) 100,000 options, each of which is exercisable into one Share at a price of \$0.10 per Share until May 27, 2029, all of which may be exercised or converted within the next 60 days.

**Management recommends the election of each of the nominees listed above as a director of the Company.**

*Orders*

No proposed director of the Company is, or within the ten (10) years before the date of this Information Circular has been, a director, chief executive officer or chief financial officer of any company that:

- (a) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

*Bankruptcies*

No proposed director of the Company is, or within ten (10) years before the date of this Information Circular, has been, a director or an executive officer of any company that, while the person was acting in that capacity, or within a year of that person ceasing to act in the capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets or made a proposal under any legislation relating to bankruptcies or insolvency.

No proposed director of the Company has, within the ten (10) years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

*Penalties and Sanctions*

To the best of management's knowledge, no proposed director of the Company 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 securityholder in deciding whether to vote for a proposed director.



Name and Position	Fiscal Year Ended December 31	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites <sup>(1)</sup> (\$)	Value of all other Compensation (\$)	Total Compensation (\$)
Johnny Ciampi <sup>(4)</sup> CFO, Corporate Secretary and Director	2019 2018 <sup>(2)</sup>	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
Neil Currie <sup>(5)</sup> Director	2019 2018 <sup>(2)</sup>	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
Jonathan McNair <sup>(6)</sup> Director	2019 2018 <sup>(2)</sup>	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil

<sup>(1)</sup> "Perquisites" include perquisites provided to an NEO or director that are not generally available to all employees and that, in aggregate, are: (a) \$15,000, if the NEO or director's total salary 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 salary 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 salary for the financial year is \$500,000 or greater.

<sup>(2)</sup> For the period from August 22, 2018 to December 31, 2018.

<sup>(3)</sup> Mr. Decker was appointed the CEO and a director of the Company on August 22, 2018.

<sup>(4)</sup> Mr. Ciampi was appointed the CFO and a director of the Company on August 22, 2018 and the Corporate Secretary on January 14, 2019.

<sup>(5)</sup> Mr. Currie was appointed a director of the Company on February 15, 2019.

<sup>(6)</sup> Mr. McNair was appointed a director of the Company on August 22, 2018.

### Stock Options and Other Compensation Securities

The Company did not grant any compensation securities to its directors and NEOs during the year ended December 31, 2019. As at December 31, 2019:

- (a) James Decker, the CEO and a director of the Company, owned an aggregate of 250,000 compensation securities, comprised solely of stock options, each of which is exercisable into one Share at an exercisable at a price of \$0.10 per Share until May 27, 2029;
- (b) Johnny Ciampi, the CFO, Corporate Secretary and a director of the Company, owned an aggregate of 250,000 compensation securities, comprised solely of stock options, each of which is exercisable into one Share at an exercisable at a price of \$0.10 per Share until May 27, 2029;
- (c) Neil Currie, a director of the Company, owned an aggregate of 100,000 compensation securities, comprised solely of stock options, each of which is exercisable into one Share at an exercisable at a price of \$0.10 per Share until May 27, 2029; and
- (d) Jonathan McNair, a director of the Company, owned an aggregate of 100,000 compensation securities, comprised solely of stock options, each of which is exercisable into one Share at an exercisable at a price of \$0.10 per Share until May 27, 2029.

### Exercise of Compensation Securities by Directors and NEOs

No compensation securities were exercised by directors and NEOs during the year ended December 31, 2019.

### **Stock Option Plans and Other Incentive Plans**

The Company's current stock option plan, as amended (the "**Plan**"), pursuant to which the board of directors of the Company may from time to time, in its discretion, and in accordance with the TSX Venture Exchange (the "**Exchange**") requirements, grant to directors, officers, and technical consultants to the Company, non-transferable options to purchase Shares, provided that the number of Shares reserved for issuance will not exceed 10% of the issued and outstanding Shares as at the closing of the Company's initial public offering (the "**Offering**") exercisable for a period of up to 10 years from the date of grant. Accordingly, the maximum number of Shares reserved under the Plan is currently 700,000 Shares. At such time as the Company completes its Qualifying Transaction, the Plan will revert to a 10% rolling plan which will allow the Company to reserve that number of Shares that does not exceed 10% of the issued and outstanding Shares at any given time. The number of Shares reserved for issuance to any individual director or officer will not exceed five percent (5%) of the issued and outstanding Shares as at the closing of the Offering and the number of Shares reserved for issuance to all technical consultants will not exceed two percent (2%) of the issued and outstanding Shares as at the closing of Offering. Options may be exercised the greater of 12 months after the completion of the Qualifying Transaction and 90 days following cessation of the optionee's position with the Company, provided that if the cessation of office, directorship, or technical consulting arrangement was by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option. The exercise price of any option cannot be less than the greater of the Offering share price and the Discounted Market Price (as defined in the policies of the Exchange). Any Shares acquired pursuant to the exercise of options prior to the completion of the Qualifying Transaction, must be deposited in escrow and will be subject to escrow until the final exchange bulletin is issued.

### **Employment, Consulting and Management Agreements**

The Company is not party to any formal, written employment, consulting or management agreements with any NEO or director.

### **Oversight and Description of Director and NEO Compensation**

As the Company is currently a capital pool company, it does not have a formal or informal compensation program. Except as set out below or otherwise disclosed in this Information Circular, prior to completion of a Qualifying Transaction (as defined in the policies of the Exchange), no payment of any kind has been made, or will be made, directly or indirectly, by the Company to a non-arm's length party to the Company or a non-arm's length party to the Qualifying Transaction, or to any person engaged in investor relations activities in respect of the securities of the Company or any resulting issuer by any means, including:

- (a) remuneration, which includes but is not limited to:
  - (i) salaries;
  - (ii) consulting fees;
  - (iii) management contract fees or directors' fees;
  - (iv) finder's fees;
  - (v) loans, advances, bonuses; and
- (b) deposits and similar payments.

Although the Company may reimburse non-arm's length parties for the Company's reasonable allocation of rent, secretarial services and other general administrative expenses, at fair market value ("**Permitted Reimbursement**"), there have been no such Permitted Reimbursements since incorporation. No Permitted Reimbursement may be

made for any payment made to lease or buy a vehicle. The directors and officers of the Company will also be granted the directors' and officers' options.

Following completion of the Qualifying Transaction, it is anticipated that the Company shall pay compensation to its officers. However, no payment other than the Permitted Reimbursements, will be made by the Company or by any party on behalf of the Company, after completion of the Qualifying Transaction, if the payment relates to services rendered or obligations incurred or in connection with the Qualifying Transaction.

**Pension Plan Benefits**

The Company does not have any pension, defined benefit, defined contribution or deferred compensation plans in place.

**SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

The following table sets forth details of the Plan, being the Company's only equity compensation plan, as of December 31, 2019:

Plan Category	Number of shares to be issued upon exercise of outstanding options <sup>(1)</sup>	Weighted-average exercise price of outstanding options	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by shareholders	Nil	N/A	Nil
Equity compensation plans not approved by shareholders	700,000	\$0.10	0
<b>Total</b>	<b>700,000</b>	<b>\$0.10</b>	<b>0</b>

<sup>(1)</sup> The Company does not have any warrants or rights outstanding under any equity compensation plans.

A copy of the Plan is available at [www.sedar.com](http://www.sedar.com). A copy of the Plan is also available for review at the office of Clark Wilson LLP, the registered offices of the Company, at Suite 800 – 885 West Georgia Street, Vancouver, BC, V6C 3H1, during normal business hours up to and including the date of the Meeting.

See "Particulars of Matters to be Acted Upon – Approval of Stock Option Plan", below, for more information.

**APPOINTMENT OF AUDITOR**

At the Meeting, Shareholders will be asked to pass an ordinary resolution to appoint Davidson & Company LLP, Chartered Professional Accountants, as auditors of the Company for the fiscal year ending December 31, 2020, and to authorize the directors of the Company to fix the remuneration to be to be paid to the auditors for the fiscal year ending December 31, 2020. An ordinary resolution needs to be passed by a simple majority of the votes cast by the Shareholders present in person or represented by proxy and entitled to vote at the Meeting.

**Management of the Company recommends that Shareholders vote for the appointment of Davidson & Company LLP, Chartered Professional Accountants, as the Company's auditors for the Company's fiscal year ending December 31, 2020 and to authorize the directors of the Company to fix the remuneration to be paid to the auditors for the fiscal year ending December 31, 2020.**

## AUDIT COMMITTEE DISCLOSURE

Under National Instrument 52-110 *Audit Committees* (“**NI 52-110**”), a reporting issuer is required to provide disclosure annually with respect to its audit committee, including the text of its audit committee charter, information regarding the composition of the audit committee, and information regarding fees paid to its external auditor. The Company provides the following disclosure with respect to its audit committee (the “**Audit Committee**”).

### **Audit Committee Charter**

The full text of the audit committee charter (the “**Charter**”) is attached as Schedule “A” to this Information Circular.

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

The Company’s Audit Committee is currently comprised of three directors, consisting of Johnny Ciampi, Neil Currie and Jonathan McNair. As defined in NI 52-110, Mr. Ciampi, the Company’s CFO and Corporate Secretary, is not “independent”, as he is an officer of the Company. Messrs. Currie and McNair are “independent” as defined in NI 52-110.

All of the Audit Committee members are “financially literate”, as defined in NI 52-110, as all have the industry experience necessary to understand and analyze financial statements of the Company, as well as an understanding of internal controls and procedures necessary for financial reporting.

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

### **Relevant Education and Experience**

All of the members of the Audit Committee are able to understand and interpret information related to financial statement analysis. Each of the members of the Audit Committee has a general understanding of the accounting principles used by the Company to prepare its financial statements and will seek clarification from the Company’s auditors, where required. Each of the members of the Audit Committee also has direct experience in understanding accounting principles for private and reporting companies. The relevant experience of the current members of the Audit Committee is as follows:

#### *Johnny Ciampi*

Mr. Ciampi is the Vice President and Director of Maxam Capital Corp., a private company that formed the Maxam Opportunities Fund II LP, to focus on structured investments in both publicly traded and private companies, and Managing Partner for the Maxam Opportunities Fund II LP, a private equity fund. He has been a director of Premium Brands Holdings Corporation, a specialty food company listed on the Toronto Stock Exchange, since July 2005 and a director of Diversified Royalty Corp., a multi-royalty company listed on the Toronto Stock Exchange, since November 2014. Mr. Ciampi is a graduate of the University of British Columbia with a degree in Commerce and holds a Chartered Accountant designation.

### *Neil Currie*

Mr. Currie has been the Managing Partner and founder of Capital Event Management Ltd. from November 2010 and the President of Currie Capital, a private company, from January 2009. Since 2010 Mr. Currie and his team have organized over 50 investment conferences around North America, facilitating capital investment for companies listed on the Toronto Stock Exchange, the Exchange and Canadian Securities Exchange. Mr. Currie started his career working investor relations in 2006, moving on quickly to becoming Vice President and Partner of [vantagewire.com](http://vantagewire.com) which was sold in 2013. Mr. Currie was instrumental in the listing of NexGen Energy Ltd. (NXE:TSX) while acting as the Corporate Secretary, Siyata Mobile Inc. (SIM:TSX.V) for which he was CEO and a director at the time, and Venzee Technologies Inc. (VENZ:TSX.V) as a founding and significant shareholder. He is also the CEO and Founder of Stockpools Inc. ([www.stockpools.com](http://www.stockpools.com)). Mr. Currie has been the CEO, CFO, Corporate Secretary and a director of First Light Capital Corp., a CPC company, since March 15, 2018.

### *Jonathan McNair*

Mr. McNair has been a Partner with Crowe MacKay LLP since October 1, 2020. He previously was a Partner with Baker Tilly WM LLP where he worked from March 2004 to September 30, 2020. He received his CIRP designation from the Canadian Association of Insolvency and Restructuring Professionals in June 2011 and his CPA from the Chartered Professional Accountants of British Columbia in May 1998. Mr. McNair graduated from the University of Victoria with a BA in Geography on June 30, 1992.

### **Audit Committee Oversight**

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

### **Reliance on Certain Exemptions**

Since the commencement of the Company's most recently completed financial year, the Company has not relied on the exemptions in Sections 2.4, 6.1.1(4), 6.1.1(5), or 6.1.1(6) or Part 8 of NI 52-110. Section 2.4 (*De Minimis Non-Audit Services*) provides an exemption from the requirement that the Audit Committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the financial year in which the non-audit services were provided. Sections 6.1.1(4) (*Circumstance Affecting the Business or Operations of the Venture Issuer*), 6.1.1(5) (*Events Outside Control of Member*) and 6.1.1(6) (*Death, Incapacity or Resignation*) provide exemptions from the requirement that a majority of the members of the Company's Audit Committee must not be executive officers, employees or control persons of the Company or of an affiliate of the Company. Part 8 (*Exemptions*) permits a company to apply to a securities regulatory authority or regulator for an exemption from the requirements of NI 52-110 in whole or in part.

### **Pre-Approval Policies and Procedures**

Formal policies and procedures for the engagement of non-audit services have yet to be formulated and adopted. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by the Board and the Audit Committee, on a case-by-case basis as applicable.

### **External Auditor Service Fees**

In the following table, "audit fees" are fees billed by the Company's external auditor for services provided in auditing the Company's annual financial statements for the subject year. "Audit-related fees" are fees not included in audit fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit review of the Company's financial statements. "Tax fees" are fees billed by the auditor

for professional services rendered for tax compliance, tax advice and tax planning. "All other fees" are fees billed by the auditor for products and services not included in the foregoing categories.

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

Year Ended December 31	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
2019	\$11,500	Nil	Nil	Nil
2018 <sup>(1)</sup>	\$6,000	Nil	NI	Nil

<sup>(1)</sup> For the period from August 22, 2018 to December 31, 2018.

### Exemption

The Company is relying on the exemption provided by Section 6.1 of NI 52-110, which provides that the Company, as a venture issuer, is not required to comply with Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) of NI 52-110.

### INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No current or former director, executive officer, proposed nominee for election to the Board, or associate of such persons is, or at any time since the beginning of the Company's most recently completed financial year has been, indebted to the Company or any of its subsidiaries.

No indebtedness of current or former director, executive officer, proposed nominee for election to the Board, or associate of such person is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries.

### INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No: (a) director, proposed director or executive officer of the Company; (b) person or company who beneficially owns, directly or indirectly, Shares or who exercises control or direction of Shares, or a combination of both carrying more than ten percent of the voting rights attached to the Shares outstanding (each, an "Insider"); (c) director or executive officer of an Insider; or (d) associate or affiliate of any of the directors, executive officers or Insiders, has had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company, except with an interest arising from the ownership of Shares, where such person will receive no extra or special benefit or advantage not shared on a *pro rata* basis by all holders of the same class of Shares.

### MANAGEMENT CONTRACTS

There were no management functions of the Company, which were, to any substantial degree, performed by persons other than the directors or executive officers of the Company.

### CORPORATE GOVERNANCE

#### General

National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("NI 58-101"), as adopted by the Canadian Securities Administrators, prescribes certain disclosure by the Company of its corporate governance practices. This disclosure is presented below.

## Board of Directors

The Board facilitates its exercise of independent supervision over the Company's management through meetings of the Board.

Mr. Decker, the Company's CEO and Mr. Ciampi, the Company's CFO and Corporate Secretary, are not considered to be independent as they are officers of the Company and . Messrs. Currie and McNair are considered to be independent in that they are independent and free from any interest and any business or other relationship which could or could reasonably be perceived to materially interfere with the respective director's ability to act with the best interests of the Company, other than the interests and relationships arising from being Shareholders.

## Directorships

The following table sets out information regarding other directorships presently held by directors of the Company with other reporting issuers (or the equivalent) in Canada or any foreign jurisdiction:

Name of Director	Names of Other Reporting Issuers	Securities Exchange
Johnny Ciampi	Premium Brands Holdings Corporation	TSX <sup>(1)</sup>
	Diversified Royalty Corp.	TSX <sup>(1)</sup>
	Geodrill Limited	Exchange <sup>(2)</sup>
Neil Currie	First Light Capital Corp.	Exchange <sup>(2)</sup>
	Siyata Mobile Inc.	Exchange <sup>(2)</sup>

<sup>(1)</sup> Toronto Stock Exchange

<sup>(2)</sup> TSX Venture Exchange

## Orientation and Continuing Education

The Board briefs all new directors with respect to the policies of the Board and other relevant corporate and business information. The Board does not provide any continuing education.

## Ethical Business Conduct

The Board has not adopted a written ethical business code of conduct for directors, officers and employees. However, the Board believes that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law, and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest, have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

## Nomination of Directors

The Company does not have a formal process or committee for proposing new nominees for election to the Board. The nominees proposed are generally the result of recruitment efforts by the members of the Board, including both formal and informal discussions among the members of the Board.

## **Compensation**

The Board has not created or appointed a compensation committee given the Company's current size and stage of development. All tasks related to developing and monitoring the Company's approach to the compensation of the Company's NEOs and directors are performed by the members of the Board. The compensation of the NEOs, directors and the Company's employees or consultants, if any, is reviewed, recommended and approved by the Board without reference to any specific formula or criteria.

## **Other Board Committees**

The Board has no committees other than the Audit Committee.

## **Assessments**

The Board regularly monitors the adequacy and effectiveness of information given to directors, communications between the Board and management, and the strategic direction and processes of the Board and its committees.

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

Except as disclosed elsewhere in this Information Circular, no director or executive officer of the Company who was a director or executive officer since the beginning of the Company's last financial year, no proposed nominee for election as a director of the Company, or any associate or affiliate of any such directors, officers or nominees, has any material interest, direct or indirect, by way of beneficial ownership of Shares or other securities in the Company or otherwise, in any matter to be acted upon at the Meeting other than the election of directors.

Directors, executive officers, proposed nominees for election as director of the Company may be interested in the approval of the Company's stock option plan, pursuant to which they may be granted stock options. See "*Particulars of Matters to be Acted Upon – Approval of Stock Option Plan*", below, for more information.

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

### **Approval of Stock Option Plan**

At the Meeting, Shareholders will be asked to pass an ordinary resolution to approve the Plan. An ordinary resolution needs to be passed by a simple majority of the votes cast by the Shareholders present in person or represented by proxy and entitled to vote at the Meeting.

The Exchange requires that each company listed on the Exchange have a stock option plan. In order to comply with the Exchange policy, and to provide incentive to directors, officers, employees, management and others who provide services to the Company or any subsidiary to act in the best interests of the Company, the shareholders of the Company will be asked to adopt the Plan which was previously approved by the directors on February 15, 2019.

The Plan provides that the number of Shares reserved for issuance will not exceed 10% of the issued and outstanding Shares as at the closing of the Offering exercisable for a period of up to 10 years from the date of grant. Accordingly, the maximum number of Shares reserved under the Plan is currently 700,000 Shares. At such time as the Company completes its Qualifying Transaction, the Plan will revert to a 10% rolling plan which will allow the Company to reserve that number of Shares that does not exceed 10% of the issued and outstanding Shares at any given time.

Under the Exchange policy, the continuation of the Plan requires annual shareholder approval at each annual meeting of the Company. The Company is of the view that the Plan provides the Company with the flexibility to

attract and maintain the services of executives, employees and other service providers. A copy of the Plan is available on SEDAR at [www.sedar.com](http://www.sedar.com).

The number of Shares reserved for issuance to any individual director or officer will not exceed five percent (5%) of the issued and outstanding Shares as at the closing of the Offering and the number of Shares reserved for issuance to all technical consultants will not exceed two percent (2%) of the issued and outstanding Shares as at the closing of Offering. Options may be exercised the greater of 12 months after the completion of the Qualifying Transaction and 90 days following cessation of the optionee's position with the Company, provided that if the cessation of office, directorship, or technical consulting arrangement was by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option. The exercise price of any option cannot be less than the greater of the Offering share price and the Discounted Market Price (as defined in the policies of the Exchange). Any Shares acquired pursuant to the exercise of options prior to the completion of the Qualifying Transaction, must be deposited in escrow and will be subject to escrow until the final exchange bulletin is issued.

At the Meeting, Shareholders will be asked to approve the following ordinary resolution (the "**Plan Resolution**"), which must be approved by at least a majority of the votes cast by Shareholders represented in person or by proxy at the Meeting who vote in respect of the Plan Resolution:

"RESOLVED, as an ordinary resolution of the shareholders of Valdy Investments Ltd. (the "**Company**"), that:

1. The Company's Stock Option Plan (the "**Plan**") as described in the Company's information circular dated November 16, 2020, including the reservation of 700,000 common Shares (each, a "**Share**") for issuance under the Plan, which will revert to a 10% rolling plan which will allow the Company to reserve that number of Shares that does not exceed 10% of the issued and outstanding Shares at any given time, be and is hereby ratified, confirmed and approved, subject to the acceptance of the Plan by the TSX Venture Exchange ("**TSXV**");
2. The Board be authorized in its absolute discretion to administer the Plan and amend or modify the Plan in accordance with its terms and conditions and with the policies of the TSXV; and
3. Any one director or officer of the Company be and is hereby authorized and directed to do all such acts and things and to execute and deliver, under the corporate seal of the Company or otherwise, all such deeds, documents, instruments and assurances as in his opinion may be necessary or desirable to give effect to the foregoing resolutions, including, without limitation, making any changes to the Plan required by the TSXV or applicable securities regulatory authorities and to complete all transactions in connection with the administration of the Plan."

The form of the Plan Resolution set forth above is subject to such amendments as management of the Company may propose at the Meeting, but which do not materially affect the substance of the Plan Resolution.

**Management of the Company recommends that Shareholders vote in favour of the Plan Resolution at the Meeting.**

#### **ADDITIONAL INFORMATION**

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com). Shareholders may contact the Company at its office at #902 – 510 Burrard Street, Vancouver, BC V6C 3A8, to request copies of the Company's financial statements and related Management's Discussion and Analysis (the "**MD&A**"). Financial

information is provided in the Company's comparative annual financial statements and MD&A for its most recently completed financial year and in the financial statements and MD&A for subsequent financial periods, which are available at [www.sedar.com](http://www.sedar.com).

#### **OTHER MATTERS**

Other than the above, management of the Company knows of no other matters to come before the Meeting other than those referred to in the Notice of Meeting. However, if any other matters that are not known to management should properly come before the Meeting, the accompanying form of proxy confers discretionary authority upon the persons named therein to vote on such matters in accordance with their best judgment.

#### **APPROVAL OF THE BOARD OF DIRECTORS**

The contents of this Information Circular have been approved, and the delivery of it to each Shareholder entitled thereto and to the appropriate regulatory agencies has been authorized, by the Board.

Dated at Vancouver, British Columbia as of this 16<sup>th</sup> day of November, 2020.

**ON BEHALF OF THE BOARD OF DIRECTORS OF**

**VALDY INVESTMENTS LTD.**

*"James Decker"*

\_\_\_\_\_  
James Decker  
Chief Executive Officer and Director

## **SCHEDULE "A"**

### **VALDY INVESTMENTS LTD. (the "Corporation")**

#### **AUDIT COMMITTEE CHARTER**

##### **1. MANDATE**

The audit committee will assist the board of directors of the Corporation (the "**Board**") in fulfilling its financial oversight responsibilities. The committee will review and consider, in consultation with the Corporation's external auditors, the financial reporting process, the system of internal control over financial reporting and the audit process. In performing its duties, the audit committee will maintain effective working relationships with the Board, management and the external auditors. To effectively perform his or her role, each committee member must obtain an understanding of the principal responsibilities of committee membership as well as the Corporation's business, operations and risks.

##### **2. COMPOSITION**

The Board will appoint, from among their membership, an audit committee after each annual meeting of the shareholders of the Corporation. The audit committee will consist of a minimum of three directors.

###### **2.1 Independence**

A majority of the members of the audit committee must be "independent" (as defined in Sec. 1.4 of National Instrument 52-110 (Audit Committees)) ("**NI 52-110**").

###### **2.2 Expertise of Committee Members**

A majority of the members of the audit committee must be "financially literate" (as defined in Sec. 1.6 of NI 52-110) or must become financially literate within a reasonable period of time after his or her appointment to the committee. At least one member of the committee must have accounting or related financial management expertise.

##### **3. MEETINGS**

The audit committee shall meet in accordance with a schedule established each year by the Board, and at other times that the audit committee may determine. The audit committee shall meet at least annually with the Corporation's Chief Financial Officer and external auditors in separate executive sessions.

##### **4. ROLES AND RESPONSIBILITIES**

The audit committee shall fulfill the following roles and discharge the following responsibilities:

#### **4.1 External Audit**

The audit committee shall be directly responsible for overseeing the work of the external auditors in preparing or issuing the auditor's report, or performing other audit, review or attestation services, including the resolution of disagreements between management and the external auditors regarding financial reporting. In carrying out this duty, the audit committee shall:

- (a) recommend to the Board that the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attestation services for the Corporation;
- (b) review (by discussion and enquiry) the external auditors' proposed audit scope and approach;
- (c) review the performance of the external auditors and recommend to the Board the appointment or discharge of the external auditors;
- (d) review and recommend to the Board the compensation to be paid to the external auditors;
- (e) review and confirm the independence of the external auditors by reviewing the non-audit services provided and the external auditors' assertion of their independence in accordance with professional standards; and
- (f) review and approve the Corporation's hiring policies regarding partners and employees, and former partners and employees, of the present and former external auditor of the Corporation.

#### **4.2 Internal Control**

The audit committee shall consider whether adequate controls are in place over annual and interim financial reporting as well as controls over assets, transactions and the creation of obligations, commitments and liabilities of the Corporation. In carrying out this duty, the audit committee shall:

- (a) evaluate the adequacy and effectiveness of management's system of internal controls over the accounting and financial reporting system within the Corporation; and
- (b) ensure that the external auditors discuss with the audit committee any event or matter which suggests the possibility of fraud, illegal acts or deficiencies in internal controls.

#### **4.3 Financial Reporting**

The audit committee shall review the financial statements and financial information of the Corporation prior to their release to the public. In carrying out this duty, the audit committee shall:

##### *General*

- (a) review significant accounting and financial reporting issues, especially complex, unusual and related party transactions;
- (b) review and ensure that the accounting principles selected by management in preparing financial statements are appropriate;

*Annual Financial Statements*

- (c) review the draft annual financial statements and provide a recommendation to the Board with respect to the approval of the financial statements;
- (d) meet with management and the external auditors to review the financial statements and the results of the audit, including any difficulties encountered;
- (e) review management's discussion & analysis respecting the annual reporting period prior to its release to the public;

*Interim Financial Statements*

- (f) review and approve the interim financial statements prior to their release to the public;
- (g) review management's discussion & analysis respecting the interim reporting period prior to its release to the public; and

*Release of Financial Information*

- (h) where reasonably possible, review and approve all public disclosure containing financial information, including news releases, prior to release to the public. An audit committee must be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, and must periodically assess the adequacy of those procedures.

**4.4 Non-Audit Services**

All non-audit services (being services other than services rendered for the audit and review of the financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements) which are proposed to be provided by the external auditors to the Corporation or any subsidiary of the Corporation shall be subject to the prior approval of the audit committee.

*Delegation of Authority*

- (a) The audit committee may delegate to one or more independent members of the audit committee the authority to approve non-audit services, provided any non-audit services approved in this manner must be presented to the audit committee at its next scheduled meeting.

*De-Minimis Non-Audit Services*

- (b) The audit committee may satisfy the requirement for the pre-approval of non-audit services if:
  - (i) the aggregate amount of all non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent of the total amount of fees paid by the Corporation and its subsidiaries to the external auditor during the fiscal year in which the services are provided; or
  - (ii) the services are brought to the attention of the audit committee and approved, prior to the completion of the audit, by the audit committee or by one or more of its members to whom authority to grant such approvals has been delegated.

*Pre-Approval Policies and Procedures*

- (c) The audit committee may also satisfy the requirement for the pre-approval of non-audit services by adopting specific policies and procedures for the engagement of non-audit services, if:
  - (i) the pre-approval policies and procedures are detailed as to the particular service;
  - (ii) the audit committee is informed of each non-audit service; and
  - (iii) the procedures do not include delegation of the audit committee's responsibilities to management.

**4.5 Other Responsibilities**

The audit committee shall:

- (a) establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters;
- (b) establish procedures for the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters;
- (c) ensure that significant findings and recommendations made by management and the external auditor are received and discussed on a timely basis;
- (d) review the policies and procedures in effect for considering officers' expenses and perquisites;
- (e) perform other oversight functions as requested by the Board; and
- (f) review and update this Charter and receive approval of changes to this Charter from the Board.

**4.6 Reporting Responsibilities**

The audit committee shall regularly update the Board about committee activities and make appropriate recommendations.

**5. RESOURCES AND AUTHORITY OF THE AUDIT COMMITTEE**

The audit committee shall have the resources and the authority appropriate to discharge its responsibilities, including the authority to

- (a) engage independent counsel and other advisors as it determines necessary to carry out its duties;
- (b) set and pay the compensation for any advisors employed by the audit committee; and
- (c) communicate directly with the internal and external auditors.

**6. GUIDANCE – ROLES & RESPONSIBILITIES**

The audit committee should consider undertaking the actions described in the following guidance, which is intended to provide the audit committee members with additional guidance on fulfilment of their roles and responsibilities on the committee:

**6.1 Internal Control**

- (a) evaluate whether management is setting the goal of high standards by communicating the importance of internal control and ensuring that all individuals possess an understanding of their roles and responsibilities,
- (b) focus on the extent to which external auditors review computer systems and applications, the security of such systems and applications, and the contingency plan for processing financial information in the event of an IT systems breakdown, and
- (c) gain an understanding of whether internal control recommendations made by external auditors have been implemented by management;

**6.2 Financial Reporting**

*General*

- (a) review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on the financial statements,
- (b) ask management and the external auditors about significant risks and exposures and the plans to minimize such risks,
- (c) understand industry best practices and the Corporation's adoption of them;

*Annual Financial Statements*

- (d) review the annual financial statements and determine whether they are complete and consistent with the information known to committee members, and assess whether the financial statements reflect appropriate accounting principles in light of the jurisdictions in which the Corporation reports or trades its shares;
- (e) pay attention to complex and/or unusual transactions such as restructuring charges and derivative disclosures;
- (f) focus on judgmental areas such as those involving valuation of assets and liabilities, including, for example, the accounting for and disclosure of loan losses; warranty, professional liability; litigation reserves; and other commitments and contingencies;
- (g) consider management's handling of proposed audit adjustments identified by the external auditors;
- (h) ensure that the external auditors communicate all required matters to the committee;

*Interim Financial Statements*

- (i) be briefed on how management develops and summarizes interim financial information, the extent to which the external auditors review interim financial information;
- (j) meet with management and the auditors, either telephonically or in person, to review the interim financial statements;

- (k) to gain insight into the fairness of the interim statements and disclosures, obtain explanations from management on whether:
  - (i) actual financial results for the quarter or interim period varied significantly from budgeted or projected results;
  - (ii) changes in financial ratios and relationships of various balance sheet and operating statement figures in the interim financials statements are consistent with changes in the Corporation's operations and financing practices;
  - (iii) generally accepted accounting principles have been consistently applied;
  - (iv) there are any actual or proposed changes in accounting or financial reporting practices;
  - (v) there are any significant or unusual events or transactions;
  - (vi) the Corporation's financial and operating controls are functioning effectively;
  - (vii) the Corporation has complied with the terms of loan agreements, security indentures or other financial position or results dependent agreement; and
  - (viii) the interim financial statements contain adequate and appropriate disclosures;

**6.3 Compliance with Laws and Regulations**

- (a) periodically obtain updates from management regarding compliance with this policy and industry "best practices";
- (b) be satisfied that all regulatory compliance matters have been considered in the preparation of the financial statements;
- (c) review the findings of any examinations by securities regulatory authorities and stock exchanges; and

**6.4 Other Responsibilities**

- (a) review, with the Corporation's counsel, any legal matters that could have a significant impact on the Corporation's financial statements.