

ELYSEE

DEVELOPMENT CORP.

NOTICE OF ANNUAL GENERAL MEETING

AND

MANAGEMENT INFORMATION CIRCULAR

FOR THE

ANNUAL GENERAL MEETING OF SHAREHOLDERS

TO BE HELD AT 10:00 a.m.
ON NOVEMBER 5, 2024
AT 2600 – 1066 WEST HASTINGS STREET
VANCOUVER, BRITISH COLUMBIA, V6E 3X1

**NOTICE OF ANNUAL GENERAL MEETING
OF THE SHAREHOLDERS OF ELYSEE DEVELOPMENT CORP.**

NOTICE IS HEREBY GIVEN that the Annual General Meeting (the “**Meeting**”) of the shareholders of Elysee Development Corp. (hereinafter called the “**Company**”), will be held at the offices of MLT Aikins LLP at 2600 – 1066 West Hastings Street, in the City of Vancouver, Province of British Columbia, on the 5th day of November, 2024, at the hour of 10:00 a.m. (local time) for the purpose of:

1. receiving the auditor’s report and the audited financial statements of the Company for the fiscal year ended December 31, 2023;
2. fixing the number of Directors of the Company at four (4) and electing Directors for the ensuing year;
3. appointing Lancaster & David, Chartered Professional Accountants as the auditor of the Company for the ensuing year and authorizing the Directors to fix their remuneration; and
4. transacting such other business as may properly come before the Meeting or any adjournment thereof.

The specific details of the matters proposed to be put before the Meeting are set forth in the management information form in respect of the Meeting.

Your vote is important. Please exercise your right to vote by signing and returning the enclosed form of proxy to Computershare Investor Services Inc., 100 University Avenue, 8th Floor, Toronto, Canada, M5J 2Y1. As described in the “Notice and Access” notification mailed to shareholders of the Company, the Company has opted to deliver its Meeting materials to shareholders by posting them on its website (www.elyseedevelopment.com). The Meeting materials will be available on the Company’s website on September 27, 2024 and will remain on the website for one year. The Meeting materials will also be available on SEDAR+ at www.sedarplus.ca on September 27, 2024. Shareholders who wish to receive paper copies of the Meeting materials may request copies by sending an email to info@elyseedevelopment.com or by phoning (778) 373-1562. For shareholders who wish to receive paper copies of the Circular in advance of the voting deadline, requests must be received no later than October 29, 2024.

Non-registered shareholders who receive this Notice and Circular from their broker or other intermediary should complete and return the proxy or voting instruction form in accordance with the instructions provided with it. Failure to do so may result in the shares of the non-registered shareholders not being eligible to be voted at the Meeting.

DATED at Vancouver, British Columbia, this 18th day of September, 2024.

BY ORDER OF THE BOARD

“Guido Cloetens”

Guido Cloetens
President

INFORMATION CONTAINED IN THIS INFORMATION CIRCULAR

The information contained in this Circular, unless otherwise indicated, is given as of September 18, 2024.

No person has been authorized to give any information or to make any representation in connection with the matters being considered herein other than those contained in this Circular and, if given or made, such information or representation should be considered or relied upon as not having been authorized. This Circular does not constitute an offer to sell, or a solicitation of an offer to acquire, 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 offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such an offer of proxy solicitation. Neither the delivery of this Circular nor any distribution of securities referred to herein shall, under any circumstances, create any implication that there has been no change in the information set forth herein since the date of this Circular.

Information contained in this Circular should not be construed as legal, tax or financial advice. Shareholders are urged to consult their own professional advisors in connection with the matters considered in this Circular.

CURRENCY

Unless otherwise indicated herein, references to “\$”, “C\$” or “Canadian dollars” are to Canadian dollars.

GENERAL PROXY INFORMATION

This Information Circular is provided in connection with the solicitation of proxies by the management of Elysee Development Corp. for use at the annual general meeting of the shareholders of the Company to be held on November 5, 2024, at the time and place and for the purposes set out in the accompanying notice of meeting and at any adjournment thereof. The solicitation will be made by mail and may also be supplemented by telephone or other personal contact to be made without special compensation by directors, officers and employees of the Company. The Company will bear the cost of this solicitation. The Company will not reimburse shareholders, nominees or agents for the cost incurred in obtaining from their principals authorization to execute forms of proxy.

APPOINTMENT AND REVOCATION OF PROXY

Registered Shareholders

Registered shareholders may vote their common shares in the capital of the Company (the “Common Shares”) by attending the Meeting in person or by completing the enclosed proxy. Registered shareholders should deliver their completed proxies to Computershare Trust Company of Canada, Proxy Dept., 100 University Avenue, 8th floor, Toronto, Ontario, M5J 2Y1 or by facsimile at 1-866-249-7775 or (416) 263-9524 (by mail, telephone or internet according to the instructions on the proxy), not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the Meeting, otherwise the shareholder will not be entitled to vote at the Meeting by proxy.

The persons named in the proxy are directors and officers of the Company and are proxyholders nominated by management. **A shareholder has the right to appoint a person other than the nominees of management named in the enclosed instrument of proxy to represent the shareholder at the Meeting. To exercise this right, a shareholder must insert the name of**

its nominee in the blank space provided. A person appointed as a proxyholder need not be a shareholder of the Company.

A registered shareholder may revoke a proxy by:

- (a) signing a proxy with a later date and delivering it at the place and within the time noted above;
- (b) signing and dating a written notice of revocation (in the same manner as the proxy is required to be executed, as set out in the notes to the proxy) and delivering it to the head office of the Company, 9th Floor, 1021 West Hastings Street, Vancouver, British Columbia, V6E 0C3, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof at which the proxy is to be used, or to the Chairman of the Meeting on the day of the Meeting or any adjournment thereof;
- (c) attending the Meeting or any adjournment thereof and registering with the scrutineer as a shareholder present in person, whereupon such proxy shall be deemed to have been revoked; or
- (d) in any other manner provided by law.

Beneficial Shareholders

The information set forth in this section is of significant importance to many shareholders, as many shareholders do not hold their shares in the Company in their own name. Shareholders holding their shares through banks, trust companies, securities dealers or brokers, trustees or administrators of self-administered RRSP's, RRIF's, RESP's and similar plans or other persons (any one of which is herein referred to as an "Intermediary") or otherwise not in their own name (such shareholders herein referred to as "Beneficial Shareholders") should note that only proxies deposited by shareholders appearing on the records maintained by the Company's transfer agent as registered shareholders will be recognized and allowed to vote at the Meeting. If a shareholder's shares are listed in an account statement provided to the shareholder by a broker, in all likelihood those shares are **not** registered in the shareholder's name and that shareholder is a Beneficial Shareholder. Such shares are most likely registered in the name of the shareholder's broker or an agent of that broker. In Canada the vast majority of such shares are registered under the name of CDS & Co., the registration name for The Canadian Depository for Securities, which acts as nominee for many Canadian brokerage firms. Shares held by brokers (or their agents or nominees) on behalf of a broker's client can only be voted at the Meeting at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker's clients. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate party well in advance of the Meeting.**

Regulatory policies require Intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholder meetings. Beneficial Shareholders have the option of not objecting to their Intermediary disclosing certain ownership information about themselves to the Company (such Beneficial Shareholders are designated as non-objecting beneficial owners, or "**NOBOs**") or objecting to their Intermediary disclosing ownership information about themselves to the Company (such Beneficial Shareholders are designated as objecting beneficial owners, or "**OBOs**").

In accordance with the requirements of National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*, the Company has distributed, in accordance with the “notice and access” rules, the notice of meeting, this Information Circular and a request for voting instructions (a “**VIF**”), instead of a proxy (the notice of Meeting, Information Circular and VIF or proxy are collectively referred to as the “**Meeting Materials**”) indirectly through Intermediaries to the NOBOs and OBOs. The Intermediaries (or their service companies) are responsible for forwarding the Meeting Materials to OBOs. The Company does not intend to pay for Intermediaries to forward the Meeting Materials to OBOs. OBOs will not receive the Meeting Materials unless their Intermediary assumes the cost of delivery.

Meeting Materials distributed to Beneficial Shareholders are accompanied by a VIF, instead of a proxy. By returning the VIF in accordance with the instructions noted on it, a Beneficial Shareholder is able to instruct the Intermediary (or other registered shareholder) how to vote the Beneficial Shareholder’s shares on the Beneficial Shareholder’s behalf. For this to occur, it is important that the VIF be completed and returned in accordance with the specific instructions noted on the VIF.

The majority of Intermediaries now delegate responsibility for obtaining instructions from Beneficial Shareholders to Broadridge Investor Communication Solutions (“**Broadridge**”) in Canada. Broadridge typically prepares a machine-readable VIF, mails these VIFs to Beneficial Shareholders and asks Beneficial Shareholders to return the VIFs to Broadridge, usually by way of mail, the Internet or telephone. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting by proxies for which Broadridge has solicited voting instructions. A Beneficial Shareholder who receives a Broadridge VIF cannot use that form to vote shares directly at the Meeting. The VIF must be returned to Broadridge (or instructions respecting the voting of shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the shares voted. If you have any questions respecting the voting of shares held through an Intermediary, please contact that Intermediary for assistance.

In either case, the purpose of this procedure is to permit Beneficial Shareholders to direct the voting of the shares which they beneficially own. **A Beneficial Shareholder receiving a VIF cannot use that form to vote Common Shares directly at the Meeting – Beneficial Shareholders should carefully follow the instructions set out in the VIF including those regarding when and where the VIF is to be delivered.** Should a Beneficial Shareholder who receives a VIF wish to attend the Meeting or have someone else attend on their behalf, the Beneficial Shareholder may request a legal proxy as set forth in the VIF, which will grant the Beneficial Shareholder or their nominee the right to attend and vote at the Meeting.

Only registered shareholders have the right to revoke a proxy. A Beneficial Shareholder who wishes to change its vote must, at least seven days before the Meeting, arrange for its Intermediary to revoke its VIF on its behalf.

All references to shareholders in this Information Circular and the accompanying instrument of proxy and notice of Meeting are to registered shareholders unless specifically stated otherwise.

The Meeting Materials are being sent to both registered and non-registered owners of the Company’s shares. If you are a Beneficial Shareholder and the Company or its agent has sent the Meeting Materials directly to you, your name and address and information about your holdings of the Company’s securities have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf. By choosing to send the Meeting Materials to you directly, the Company (and not the Intermediary holding on your behalf)

has assumed responsibility for (i) delivering the Meeting Materials to you and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the VIF.

NOTICE AND ACCESS

The Company has decided to deliver its meeting materials to shareholders by posting them on its website at www.elyseedevelopment.com in accordance with the “notice and access” rules. The meeting materials will be available on the Company’s website on September 27, 2024 and will remain on the website for one year. The Circular will also be available on the System for Electronic Document Analysis and Retrieval Plus (“**SEDAR+**”) at www.sedarplus.ca on September 27, 2024.

The Company has decided to mail paper copies of the Circular to those registered and non-registered shareholders who had previously elected to receive paper copies of the Company’s meeting materials. All other shareholders will receive a “Notice and Access” notification which will contain information on how to obtain electronic and paper copies of the Circular in advance of the Meeting and for one year following the Meeting.

VOTING OF SHARES AND EXERCISE OF DISCRETION OF PROXIES

If a shareholder specifies a choice with respect to any matter to be acted upon, the shares represented by proxy will be voted or withheld from voting by the proxy holder in accordance with those instructions on any ballot that may be called for. In the enclosed form of proxy, in the absence of any instructions in the proxy, it is intended that such shares will be voted by the proxyholder, if a nominee of management, in favour of the motions proposed to be made at the Meeting as stated under the headings in the notice of meeting accompanying this Information Circular. If any amendments or variations to such matters, or any other matters, are properly brought before the Meeting, the proxyholder, if a nominee of management, will exercise its discretion and vote on such matters in accordance with its best judgment.

The instrument of proxy enclosed, in the absence of any instructions in the proxy, also confers discretionary authority on any proxyholder other than the nominees of management named in the instrument of proxy with respect to the matters identified herein, amendments or variations to those matters, or any other matters which may properly be brought before the Meeting. To enable a proxyholder to exercise its discretionary authority, a shareholder must strike out the names of the nominees of management in the enclosed instrument of proxy and insert the name of its nominee in the space provided, and not specify a choice with respect to the matters to be acted upon. This will enable the proxyholder to exercise its discretion and vote on such matters in accordance with its best judgment.

At the time of printing this Information Circular, management of the Company is not aware that any amendments or variations to existing matters or new matters are to be presented for action at the Meeting.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

The Company is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of each of the following persons in any matter to be acted upon at the Meeting other than the election of directors or the appointment of auditors:

- (a) each person who has been a director or executive officer of the Company at any time since the beginning of the Company's last financial year;
- (b) each proposed nominee for election as a director of the Company; and
- (c) each associate or affiliate of any of the foregoing.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The authorized capital of the Company consists of an unlimited number of Common Shares and an unlimited number of preferred shares in the capital of the Company. On September 18, 2024 (the "**Record Date**"), the Company had 28,412,113 Common Shares outstanding and no preferred shares outstanding. All Common Shares in the capital of the Company are of the same class and each carries the right to one vote. Only those shareholders of record on the Record Date are entitled to attend and vote at the Meeting.

To the knowledge of the directors and executive officers of the Company, as of the date of this Information Circular, no person is the registered holder of 10% or more of the Common Shares. To the knowledge of the directors and executive officers of the Company, as of the date of this Information Circular no person beneficially owns, directly or indirectly, or exercise control or direction over 10% or more of the Common Shares, other than Guido Cloetens who is the beneficial owner of 4,413,500 Common Shares representing 15.53% of the issued and outstanding Common Shares.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Interpretation

For the purpose of this Executive Compensation Section, the terms below have the respective meanings ascribed thereto.

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

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

- (a) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief executive officer ("**CEO**"), including an individual performing functions similar to a CEO;
- (b) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief financial officer ("**CFO**"), including an individual performing functions similar to a CFO;

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

During the year ended December 31, 2023, the Company had two (2) NEOs, being Guido Cloetens (CEO and President), and Gordon Steblin (CFO).

Compensation Program Objectives

The objectives of the Company's executive compensation program are as follows:

- to attract, retain and motivate talented executives who create and sustain the Company's continued success;
- to align the interests of the Company's executives with the interests of the Company's shareholders; and
- to provide total compensation to executives that is competitive with that paid by other companies of comparable size engaged in similar business in appropriate regions.

Overall, the executive compensation program aims to design executive compensation packages that meet executive compensation packages for executives with similar talents, qualifications and responsibilities at companies with similar financial, operating and industrial characteristics. The Company is in the early stages of its business as an investment issuer and will not be generating significant revenues from operations for a significant period of time. As a result, the use of traditional performance standards, such as corporate profitability, is not considered by the Company to be appropriate in the evaluation of the performance of the NEOs.

Purpose of the Compensation Program

The Company's executive compensation program has been designed to reward executives for reinforcing the Company's business objectives and values, for achieving the Company's performance objectives and for their individual performances.

Elements of Compensation Program

The executive compensation program consists of a combination of consulting fees, performance bonus and equity-based incentives.

Purpose of Each Element of the Executive Compensation Program

The consulting fees of a NEO are intended to attract and retain executives by providing a reasonable amount of non-contingent remuneration.

In addition to a fixed consulting fee, each NEO is eligible to receive a performance-based bonus meant to motivate the NEO to achieve short-term goals. Bonuses are made by way of cash payments only, which payments are made at the end of the fiscal year.

Equity-based Awards (as defined herein) are generally awarded to NEOs on an annual basis based on performance measured against set objectives. The granting of Awards aligns NEOs' rewards with an increase in shareholder value over the long term. The use of Awards encourages and rewards performance by aligning an increase in each NEO's compensation with increases in the Company's performance and in the value of the shareholders' investments.

Determination of the Amount of Each Element of the Executive Compensation Program, Compensation Risk and Compensation Governance

Compensation of the NEOs of the Company is reviewed annually by the Board, which approves the compensation of the NEOs. The Company does not presently have a compensation committee and the Company has not retained any compensation advisor or compensation consultant in respect of its compensation policies.

From time to time and at least once annually, the Board reviews the risks, if any, associated with the Company's compensation policies and practices at such time. Such a review occurred at the time of preparation of this Compensation Discussion & Analysis. Implicit in the Board's mandate is that the Company's policies and practices respecting compensation, including those applicable to the Company's executives, be designed in a manner which is in the best interests of the Company and its shareholders and risk implications is one of many considerations which are taken into account in such design.

The majority of the Company's executive compensation currently consists of Awards, including Options, RSUs, DSUs, PSUs and SARs granted under the Equity Plan (as defined herein). As of the date of the most recent financial year-end, only Options are outstanding. Such compensation is both "long term" and "at risk" and, accordingly, is directly linked to the achievement of long term value creation. As the benefits of such compensation, if any, are not realized by the executive until a significant period of time has passed, the ability of executives to take inappropriate or excessive risks that are beneficial to them from the standpoint of their compensation at the expense of the Company and its shareholders is limited.

The other two elements of compensation, consulting fees and performance bonuses, represent the remaining portion of an executive's total compensation. While neither salary nor bonus are "long term" or "at risk", as noted above, these components of compensation are not at a level of total compensation whereby an executive would take inappropriate or excessive risks at the expense of the Company and its shareholders that would be beneficial to them from the standpoint of their short term compensation when their long term compensation might be put at risk from their actions.

Due to the small size of the Company, and the current level of the Company's activity, the Board are able to closely monitor and consider any risks which may be associated with the Company's compensation policies and practices. Risks, if any, may be identified and mitigated through regular Board meetings during which, financial and other information of the Company are reviewed, and which includes executive compensation. No risks have been identified arising from the Company's compensation policies and practices that are reasonably likely to have a material adverse effect on the Company.

NEOs and directors of the Company are not permitted to purchase financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director.

Compensation of the NEOs of the Company is reviewed annually by the Board, which approves the compensation of the NEOs.

Consulting Fees

Consulting fees for NEOs are expected to continue to be set annually, having regard to the individual's job responsibilities, contribution, experience and proven or expected performance, as well as to market conditions. In setting base compensation levels, consideration is to be given to such factors as level of responsibility, experience and expertise. Subjective factors such as leadership, commitment and attitude are also to be considered. The Company has not established performance goals for its NEOs.

Performance Bonuses

Each NEO is eligible to receive a performance-based bonus meant to motivate the NEO to achieve short-term goals. Bonuses may be made by way of cash payments or the issuance of (performance) shares, which payments are made at the end of the fiscal year.

Equity Incentive Awards

The Company approved the Omnibus Equity Incentive Plan (the "**Equity Plan**") on October 6, 2022 under which incentive stock options ("**Options**"), restricted share units ("**RSUs**"), deferred share units ("**DSUs**"), performance share units ("**PSUs**") and stock appreciation rights ("**SARs**", which together may be referred to as "**Awards**") are granted to directors, officers, employees and consultants as an incentive to serve the Company in attaining its goal of improved shareholder value. The Board determines which NEOs (and other persons) are entitled to participate in the Equity Plan; determines the number of Awards granted to such individuals; and determines the date on which each Award is granted and the corresponding terms of such Award. The Board makes these determinations subject to the provisions of the Equity Plan and, where applicable, the policies of the Exchange.

Previous grants of Awards are taken into account when considering new grants.

Link to Overall Compensation Objectives

Each element of the executive compensation program has been designed to meet one or more objectives of the overall program. The granting of Awards has been designed to provide total compensation which the Board believes is competitive with that paid by other companies of comparable size engaged in similar business in appropriate regions.

Summary Compensation Table

The following table presents information concerning all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, to NEOs by the Company and its

subsidiaries for services in all capacities to the Company during the three most recently completed financial years:

Name and principal position	Year	Fees Earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$) ⁽⁵⁾	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Guido Cloetens CEO, President and former Chairman	2023	124,500 ⁽²⁾	Nil	7,875 ⁽⁷⁾	Nil	Nil	Nil	Nil	132,375
	2022	120,000 ⁽²⁾	Nil	48,700 ⁽⁶⁾	Nil	Nil	Nil	40,000 ⁽²⁾	208,700
	2021	112,500 ⁽²⁾	Nil	Nil	Nil	Nil	Nil	50,000 ⁽²⁾	162,500
Stuart Rogers ⁽¹⁾ Former President	2023	12,000 ⁽³⁾	Nil	Nil	Nil	Nil	Nil	Nil	12,000
	2022	51,000 ⁽³⁾	Nil	24,350 ⁽⁶⁾	Nil	Nil	Nil	10,000 ⁽³⁾	85,350
	2021	60,000 ⁽³⁾	Nil	Nil	Nil	Nil	Nil	15,000 ⁽³⁾	75,000
Gord Steblin CFO	2023	68,475 ⁽⁴⁾	Nil	6,300 ⁽⁷⁾	Nil	Nil	Nil	Nil	74,775
	2022	65,000 ⁽⁴⁾	Nil	24,350 ⁽⁶⁾	Nil	Nil	Nil	25,000 ⁽⁴⁾	114,350
	2021	60,000 ⁽⁴⁾	Nil	Nil	Nil	Nil	Nil	25,000 ⁽⁴⁾	85,000

Note:

- (1) Mr. Rogers resigned as the Company's President and Mr. Cloetens became President on March 31, 2023.
- (2) Management fees and bonuses paid to a company controlled by Mr. Cloetens.
- (3) Management fees and bonuses paid to a company controlled by Mr. Rogers.
- (4) Fees and bonuses paid to a company controlled by Mr. Steblin.
- (5) Performance bonus.
- (6) On May 17, 2022, the Company granted options to directors and officers with a calculated fair value of \$0.2435 per option using the Black-Scholes Option Pricing Model. 50% vested immediately and 50% vested on May 17, 2023.
- (7) On April 3, 2023, the Company granted options to directors and officers with a calculated fair value of \$0.1575 per option using the Black-Scholes Option Pricing Model. 50% vested immediately and 50% vested on April 3, 2024.

Incentive Plan Awards - Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth information in respect of all share-based awards and option-based awards outstanding at the end of the most recently completed financial year to the NEOs of the Company:

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽¹⁾	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Guido Cloetens <i>CEO, President and former Chairman</i>	200,000	0.42	September 18, 2025	Nil	Nil	Nil
	200,000 ⁽⁴⁾	0.70	May 17, 2027	Nil	Nil	Nil
	50,000 ⁽⁵⁾	0.50	April 3, 2028	Nil	Nil	Nil
Stuart Rogers ⁽²⁾ <i>Former President</i>	100,000 ⁽³⁾	0.42	September 18, 2025	Nil	Nil	Nil
	100,000 ⁽⁴⁾	0.70	May 17, 2027	Nil	Nil	Nil
Gord Steblin <i>CFO</i>	100,000	0.42	September 18, 2025	Nil	Nil	Nil
	100,000 ⁽⁴⁾	0.70	May 17, 2027	Nil	Nil	Nil
	40,000 ⁽⁵⁾	0.50	April 3, 2028	Nil	Nil	Nil

Notes:

- (1) Based on a closing price for the Common Shares of \$0.35 on December 31, 2023.
- (2) Mr. Rogers resigned as the Company's President and Mr. Cloetens became President on March 31, 2023.
- (3) These Options were issued to West Oak Capital Group, Inc., a private company owned by Stuart Rogers.
- (4) 50% vested on May 17, 2022 and 50% vested on May 17, 2023.
- (5) 50% vested on April 3, 2023 and 50% vested on April 3, 2024.

Incentive Plan Awards – Value Vested or Earned During the Most Recently Completed Financial Year

There were no values vested with respect to option-based awards and share-based awards for each NEO during the most recently completed financial year:

Pension Plan Benefits – Defined Benefits Plan

The Company does not have a Defined Benefits Pension Plan.

Pension Plan Benefits – Defined Contribution

The Company does not have a Defined Contribution Pension Plan.

Termination and Change of Control Benefits

The Company has not entered into any agreements which provide for termination or change of control benefits.

Director Compensation

Director Compensation Table

The following table sets forth information with respect to all amounts of compensation provided to the directors of the Company for the most recently completed financial year.

<i>Name</i>	<i>Fees earned (\$)</i>	<i>Share-based awards (\$)</i>	<i>Option-based awards (\$)⁽¹⁾</i>	<i>Non-equity incentive plan compensation (\$)</i>	<i>Pension value (\$)</i>	<i>All other compensation (\$)</i>	<i>Total (\$)</i>
Martin Burian	6,225	Nil	7,875	Nil	Nil	Nil	14,100
Gaston J. Reymenants	6,225	Nil	7,875	Nil	Nil	Nil	14,100
Thibaut Lepouttre ⁽²⁾	4,725 ⁽²⁾	Nil	7,875	Nil	Nil	Nil	12,600

(1) On April 3, 2023, the Company granted options to directors and officers with a calculated fair value of \$0.1575 per option using the Black Scholes Option Pricing Model. 50% vested immediately and 50% vested on April 3, 2024.

(2) Mr. Lepouttre was appointed as a director of the Company on April 1, 2023.

Share-Based Awards, Options-Based Awards and Non-Equity Incentive Plan Compensation

Incentive Plan Awards - Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth information in respect of all share-based awards and option-based awards outstanding at the end of the most recently completed financial year to the directors of the Company:

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)⁽¹⁾	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Martin Burian	50,000	0.42	September 18, 2025	Nil	Nil	Nil
	100,000 ⁽²⁾	0.70	May 17, 2027	Nil	Nil	Nil
	50,000 ⁽³⁾	0.50	April 3, 2028	Nil	Nil	Nil
Gaston J. Reymenants	50,000	0.42	September 18, 2025	Nil	Nil	Nil
	100,000 ⁽²⁾	0.70	May 17, 2027	Nil	Nil	Nil
	50,000 ⁽³⁾	0.50	April 3, 2028	Nil	Nil	Nil
Thibaut Lepouttre ⁽⁴⁾	200,000 ⁽²⁾	0.70	May 17, 2027	Nil	Nil	Nil
	50,000 ⁽³⁾	0.50	April 3, 2028	Nil	Nil	Nil

Note:

(1) Based on a closing price for the Common Shares of \$0.35 on December 31, 2023.

(2) 50% vested on May 17, 2022 and 50% vested on May 17, 2023.

(3) 50% vested on April 3, 2023 and 50% vested on April 3, 2024.

(4) These options were issued to Pertinax Capital BV, a private company owned by Thibaut Lepouttre.

Incentive Plan Awards – Value Vested or Earned During the Most Recently Completed Financial Year

There were no values vested with respect to option-based awards and share-based awards for the directors of the Company during the most recently completed financial year.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLAN

The following table sets out, as of the end of the most recently completed financial year, all required information with respect to compensation plans under which equity securities of the Company are authorized for issuance:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders ⁽¹⁾	1,850,000	\$0.59	3,849,422
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
Total	1,850,000	\$0.59	3,849,422

Note:

(1) The Equity Plan is a fixed 20% plan.

CORPORATE GOVERNANCE

Board of Directors

At the Meeting, shareholders will be asked to approve an ordinary resolution setting the number of directors of the Board at four (4) directors, three (3) of whom will be independent. The definition of independence used by the Company is that used by the Canadian Securities Administrators, which is set out in section 1.4 of National Instrument 52-110 *Audit Committees* (“**NI 52-110**”). A director is independent if he has no direct or indirect material relationship to the Company. A “material relationship” is a relationship which could, in the view of the Board of Directors, be reasonably expected to interfere with the exercise of the director’s independent judgment. Certain types of relationships are by their very nature considered to be material relationships and are specified in section 1.4 of NI 52-110.

Gaston J. Reymenants, Martin Burian and Thibaut Lepouttre will be considered to be independent directors. Guido Cloetens is not considered to be independent of his beneficial ownership of more than 10% of the Common Shares issued and outstanding and as he is management of the Company.

The Board believes that the principal objective of the Company is to generate economic returns with the goal of maximizing shareholder value, and that this is to be accomplished by the Board through its stewardship of the Company. In fulfilling its stewardship function, the Board’s responsibilities will include strategic planning, appointing and overseeing management, succession planning, risk identification and management, environmental oversight,

communications with other parties and overseeing financial and corporate issues. Directors are involved in the supervision of management.

Pursuant to the *Business Corporations Act* (Alberta), directors must declare any interest in a material contract or transaction or a proposed material contract or transaction. Further, the independent members of the Board of Directors meet independently of management members when warranted. During the most recently completed financial year, the Board of Directors met five (5) times and all members of the Board were in attendance at each meeting. The independent directors met once (1) without the non-independent members of the Board in attendance.

Other Directorships

The proposed directors of the Company are also directors of the following other reporting issuers:

Current Director / Nominee	Other Directorships of other Reporting Issuers
Guido Cloetens	Edgemont Gold Corp.
Martin Burian	Nanalysis Scientific Corp. Argentina Lithium & Energy Corp.
Gaston J. Reymenants	Global Energy Metals Corporation

Orientation and Continuing Education

The Company has not yet developed an official orientation or training program for directors. However, if and when new directors are added, they have the opportunity to become familiar with the Company by meeting with other directors and with officers and employees of the Company. As each director has a different skill set and professional background, orientation and training activities are and will continue to be tailored to the particular needs and experience of each director. The Company's financial and legal advisers are also available to the Company's directors.

Nomination of Directors

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

Compensation

The Board has not established a Compensation Committee. The Board as a whole is responsible for reviewing the adequacy and form of compensation paid to the Company's executives and key employees and ensuring that such compensation realistically reflects the responsibilities and risks of such positions. In fulfilling its responsibilities, the Board evaluates the performance of the Chief Executive Officer and other senior management in light of corporate goals and objectives and makes recommendations with respect to compensation levels based on such evaluations.

Other Board Committees

The Board has not established any committees other than the Audit Committee.

Assessments

There is no formal committee with the responsibility for assessing the effectiveness of the Board of Directors as a whole. The Board as a group regularly reviews its performance and assesses the effectiveness of the Board as a whole.

AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITORS

General

The Audit Committee is a standing committee of the Board, the primary function of which is to assist the Board in fulfilling its financial oversight responsibilities, which will include monitoring the quality and integrity of the Company's financial statements and the independence and performance of the Company's external auditor, acting as a liaison between the Board and the Company's external auditor, reviewing the financial information that will be publicly disclosed and reviewing all audit processes and the systems of internal controls management that the Board have established.

Audit Committee Charter

The Board has adopted an Audit Committee Charter, which sets out the Audit Committee's mandate, organization, powers and responsibilities. The Audit Committee Charter is attached as Schedule "A" to this Information Circular.

Composition

As the Common Shares are listed on the Exchange, it is categorized as a venture issuer. As a result, the Company is exempt from the requirements of Part 3 (*Composition of the Audit Committee*) of NI 52-110.

Following the Meeting, the Audit Committee is expected to consist of the following three (3) directors. Also indicated is whether they are "independent" and "financially literate".

Name of Member	Independent ⁽¹⁾	Financially Literate ⁽²⁾
Martin Burian	Yes	Yes
Guido Cloetens	No	Yes
Thibaut Lepouttre	Yes	Yes

Notes:

- (1) A member of the Audit Committee is independent if the member has no direct or indirect "material relationship" with the Company. A material relationship is a relationship which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment. An executive officer of the Company, such as the President, is deemed to have a material relationship with the Company.
- (2) A member of the Audit Committee is financially literate if he has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

Relevant Education and Experience

All of the members and proposed members of the Audit Committee have gained their education and experience by participating in the management of private and publicly traded companies and all members are "financially literate", meaning that they have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can be reasonably expected to be raised by the Company's financial statements. The education, current and past

experience of each Audit Committee member and proposed member that is relevant to the performance of his responsibilities as an Audit Committee member is summarized below:

Name	Education and Experience
Martin Burian	Mr. Burian holds ICD.D (Institute of Corporate Directors), and Chartered Professional Accountant designations. He has a 30-year career in investment banking, is currently Managing Director at RCI Capital Group and held similar senior positions at Haywood Securities, Bolder Investment Partners and Canaccord Capital. Mr. Burian is an independent member of several other public company boards as well as privately-held Heffel Gallery Limited where he is also part-time CFO.
Guido Cloetens	He is a certified investment advisor (EHSAL Brussels) with a degree in corporate finance, investment and financial statement analysis. Mr. Cloetens has over 30 years of experience in wealth management and institutional investing.
Thibaut Lepouttre	Mr. Lepouttre graduated from the University of Leuven with a Bachelor of Laws degree and two Master's degrees in economics. He is the founder of Caesars Report, the first English language website in Continental Europe focused on mining and commodities. He has served as a Technical Advisor to Elysee since May 2022.

Audit Committee Oversight

Since the commencement of the Company's most recently completed financial year, there has not been a recommendation of the Audit Committee to nominate or compensate an external auditor which was 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 exemption in section 2.4 (*De Minimis Non-audit Services*) of NI 52-110 or an exemption from NI 52-110, in whole or in part, granted under Part 8 (*Exemptions*) of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services; however, as provided for in NI 52-110 the Audit Committee must pre-approve all non-audit services to be provided to the Company or its subsidiaries, unless otherwise permitted by NI 52-110.

External Auditor Service Fees (By Category)

Financial Year Ending	Audit Fees ⁽¹⁾	Audit Related Fees ⁽²⁾	Tax Fees ⁽³⁾	All Other Fees ⁽⁴⁾	Total Fees
December 31, 2023	\$55,000	Nil	Nil	Nil	\$55,000
December 31, 2022	\$50,000	Nil	Nil	Nil	\$50,000
December 31, 2021	\$45,549	Nil	Nil	Nil	\$45,549

Notes:

(1) The aggregate fees billed by the Company's auditor for audit fees.

- (2) The aggregate fees billed for assurance and related services by the Company's auditor that are reasonably related to the performance of the audit or review of the Company's financial statements and are not disclosed in the "Audit Fees" column.
- (3) The aggregate fees billed for professional services rendered by the Company's auditor for tax compliance, tax advice and tax planning.
- (4) The aggregate fees billed for professional services other than those listed in the other three columns.

Exemption

Pursuant to section 6.1 of NI 52-110, the Company is exempt from the requirements of Part 3 *Composition of the Audit Committee* and Part 5 *Reporting Obligations* of NI 52-110 because it is a venture issuer.

INDEBTEDNESS OF DIRECTORS AND SENIOR OFFICERS

None of the directors or executive officers of the Company or any subsidiary thereof, has more than "routine indebtedness" to the Company or any subsidiary thereof.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Unless otherwise disclosed herein, no informed person or proposed nominee for election as a director, or any associate or affiliate of any of the foregoing, has or has had any material interest, direct or indirect, in any transaction or proposed transaction since the commencement of the Company's most recently completed financial year, which has materially affected or will materially affect the Company or any of its subsidiaries, other than as disclosed by the Company during the course of the year or as disclosed herein.

PARTICULARS OF MATTERS TO BE ACTED UPON AT THE MEETING

Election of Directors

The board of directors of the Company (the "**Board**") currently consists of four (4) directors, all of whom are elected annually. The term of office for each of the present directors of the Company expires at the Meeting. It is proposed that the number of directors to be elected at the Meeting, for the ensuing year, be fixed at four (4).

The directors of the Company are elected annually and hold office until the next annual general meeting of the shareholders or until their successors are elected. The management of the Company proposes to nominate the persons listed below for election as directors of the Company to serve until their successors are elected or appointed. **In the absence of instructions to the contrary, proxies given pursuant to the solicitation by the management of the Company will be voted FOR the nominees listed in this Information Circular.** Management does not contemplate that any of such nominees will be unable to serve as directors; however, if for any reason any of the proposed nominees do not stand for election or are unable to serve as such, **proxies in favour of management designees will be voted for another nominee in their discretion unless the shareholder has specified in his proxy that his shares are to be withheld from voting in the election of directors.** Each director elected will hold office until the next annual Meeting of shareholders or until his successor is duly elected, unless his office is earlier vacated in accordance with the Articles or By-Laws of the Company.

The following table sets out the names of the nominees for election as directors, the offices they hold within the Company, their occupations, the length of time they have served as directors of the Company, and the number of Common Shares and its subsidiaries which each beneficially

owns directly or indirectly or over which control or direction is exercised as of the date of the notice of meeting:

Name, jurisdiction of residence and office held	Principal occupation in the last five years	Director since	Number of Common Shares beneficially owned
Guido Cloetens ⁽¹⁾ Belgium <i>Chief Executive Officer, President and Director</i>	President of La Vérité BV since 1999; CEO of Lucato BV since January 2016.	July 10, 2012	4,413,500 shares (100,000 held directly and 4,313,500 held indirectly by Lucato BV)
Martin Burian, CPA, ICD.D ⁽¹⁾ Vancouver, British Columbia <i>Non-executive Chairman and Director</i>	Managing Director, Investment Banking at RCI Capital Group Inc. and part-time CFO of Heffel Gallery Limited	June 12, 2013	572,000 shares
Gaston J. Reymenants Belgium <i>Director</i>	Mining Executive; a director (since January 2016) of Global Energy Metals Corp.; a director (from October 2010 to November 2020) of B&W Engineering gcv, a director (from January 2016 to April 2018) of InCor Technologies Ltd.	July 7, 2017	290,000 shares (200,000 held directly and 90,000 held indirectly by Socorp AN)
Thibaut Lepouttre ⁽¹⁾ Belgium <i>Director</i>	Managing Director of Caesar Holdings BVBA since 2012, Managing Director of Pertinax Capital BV since 2013	April 1, 2023	147,000 (47,000 held directly and 100,000 held indirectly by Pertinax Capital BV)

Note:

(1) Member of the Company's Audit Committee

The above information, including information as to Common Shares beneficially owned, has been provided by the respective directors individually.

Biographies of Directors

Guido Cloetens, Chief Executive Officer, President and Director – Guido Cloetens is a certified investment advisor with a degree in Corporate Finance, Investment and Financial Statement Analysis. Mr. Cloetens worked in the banking industry from 1988 until 2012 as an investment advisor for institutional investors, family offices and wealthy individuals. Mr. Cloetens manages and has interests in several privately held companies in Europe and in North America and is a director of Edgemont Gold Corp. He was the Chairman of the Company from July 2012 to March 2023.

Martin Burian, Non-executive Chairman and Director – Mr. Burian has over 29 years of investment banking experience and was Managing Director, Investment Banking at Haywood Securities Inc. from 2010 until May 2013, prior to which he served as President of Bolder Investment Partners from 2009 until its merger with Haywood Securities in 2010. Mr. Burian obtained his Chartered Accountant and Chartered Business Valuator professional designations while at KPMG LLP where he advised on mergers, acquisitions and divestitures. Mr. Burian is now a director of three companies listed on the Exchange. He is also Managing Director of

Investment Banking of RCI Capital Group Inc. a boutique mining focused advisory firm, and also acts as part-time CFO of Heffel Gallery Limited. He was appointed Non-executive Chairman of the Company in March 2023.

Gaston J. Reymenants, *Director* - Mr. Reymenants graduated from the Universities of Brussels, Leuven and Antwerp in Economics, Industrial Marketing, International Law, and Foreign Languages. Mr. Reymenants has had a distinguished career in mining, smelting, refining and metal trading spanning over 48 years, during which he was also responsible for the financing of several off-take projects in Australia, China and the Americas. Mr. Reymenants worked for over 20 years with Falconbridge International (now Glencore) in various managerial positions. Mr. Reymenants was the Managing Director of Kola International Murmansk, and held director and/or senior managerial positions with several companies with base metals, cobalt and gold and platinum metals assets, including Baja Mining, Polymet Mining, Candente Resources Peru, and Caledonia Mining – Nama Project Zambia. Currently, Mr. Reymenants is a non-executive director of Global Energy Metals Corp.

Thibaut Lepouttre, *Director* – Mr. Lepouttre has been involved in researching and analyzing mining companies since 2008 when he founded Caesars Report, the first English language website in Continental Europe focused on mining. He has served as a Technical Advisor to Elysee since May 2022.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No proposed director of the Company:

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

(i) was the subject:

(A) of a cease trade order;

(B) an order similar to a cease trade order; or

(C) an order that denied the relevant company access to any exemption under securities legislation for a period of more than 30 consecutive days,

while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or

(ii) was subject to:

(A) a cease trade order;

(B) an order similar to a cease trade order; or

(C) an order that denied the relevant company access to any exemption under securities legislation for a period of more than 30 consecutive days,

after the proposed director was acting in the capacity as 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;

- (b) is, as at the date of this Information Circular, or has been within 10 years before the date of this Information Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;
- (c) has, within the 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; or
- (d) has been subject to 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 securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

Appointment of Auditor

The management of the Company intends to nominate Lancaster & David, Chartered Professional Accountants of Vancouver, British Columbia for appointment as auditors of the Company. **Forms of proxy given pursuant to the solicitation of the management of the Company, will, on any poll, be voted as directed and, if there is no direction, be voted FOR the appointment of Lancaster & David, Chartered Professional Accountants of Vancouver, British Columbia at a remuneration to be fixed by the directors.** Effective October 6, 2022, Lancaster & David, Chartered Professional Accountants was appointed the Company's auditor by the Board.

OTHER MATTERS

It is not known whether any other matters will come before the Meeting other than those set forth above and in the notice of meeting, but if any other matters do arise, the persons named in the proxy intend to vote on any poll, in accordance with their best judgment, exercising discretionary authority with respect to amendments or variations of matters ratified in the notice of meeting and other matters which may properly come before the Meeting or any adjournment.

NORMAL COURSE ISSUER BID

With the approval of the TSXV, the Company commenced a normal course issuer bid (the "Bid") on May 13, 2024 which will terminate on May 12, 2025 or such earlier time as the Bid is completed or at the option of the Company. Under the Bid, the Company may purchase for cancellation, from time to time, as it considers advisable, up to 1,418,238 of its issued and outstanding Shares. The Bid will be conducted in accordance with applicable securities laws and the policies of the TSXV. During the year ended December 31, 2023, the Company purchased 212,000 Shares pursuant to the Bid at a weighted average price of \$0.42 per Share. Further purchases may be made on the open market through the facilities of the Exchange. Research Capital Corp. of Vancouver,

British Columbia is conducting the Bid on behalf of the Company. The price which the Company will pay for any Common Shares purchased by it will be the prevailing market price of such Common Shares on the TSXV at the time of such purchase. During the previous 12 months, the Company purchased 329,000 of its Shares pursuant to a normal course issuer bid which expired on May 12, 2024 at a weighted average price per Share of \$0.34.

Shareholders may obtain, without charge, a copy of the “Notice of Intention to Make a Normal Course Issuer Bid” filed by the Company with the Exchange by contacting the Company as shown under “Additional Information” below.

ADDITIONAL INFORMATION

Additional information on the Company is available on the internet on SEDAR+ at www.sedarplus.ca. Financial information is provided in the Company’s financial statements and management discussion and analysis which are available on SEDAR+. The audited financial statements for the year ending December 31, 2023 together with the auditor’s report will be presented at the Meeting. You may request copies of the Company’s financial statements and management discussion and analysis by completing the request card included with this Information Circular, in accordance to the instructions therein.

DATED as of September 18, 2024.

BY THE MANAGEMENT OF
ELYSEE DEVELOPMENT CORP.

“Guido Cloetens”

Guido Cloetens
President

Schedule A

**ELYSEE DEVELOPMENT CORP.
(the “Company”)**

AUDIT COMMITTEE CHARTER

(Implemented pursuant to National Instrument 52-110 (the “Instrument”))

A. Composition and Process

1. The Audit Committee shall be composed of a minimum of three members of the Board of Directors, a majority of whom are not officers or employees of the Company or any of its affiliates (as defined in the Business Corporations Act (Alberta)).
2. Members shall serve one-year terms and may serve consecutive terms, which are encouraged to ensure continuity of experience.
3. The Chairperson shall be appointed by the Board of Directors for a one-year term, and may serve any number of consecutive terms.
4. All members of the Audit Committee shall be financially literate. Financial literacy is the ability to read and understand a balance sheet, income statement and cash flow statement that present a breadth and level of complexity comparable to the Company’s financial statements.
5. The Chairperson shall, in consultation with management and the external auditor and internal auditor (if any), establish the agenda for the meetings and ensure that properly prepared agenda materials are circulated to the members with sufficient time for study prior to the meeting. The external auditor will also receive notice of all meetings of the Audit Committee. The Audit Committee may employ a list of prepared questions and considerations as a portion of its review and assessment process.
6. The Audit Committee shall meet at least four times per year and may call special meetings as required. A quorum at meetings of the Audit Committee shall be its Chairperson and one of its other members or the Chairman of the Board of Directors. The Audit Committee may hold its meetings, and members of the Audit Committee may attend meetings, by telephone conference if this is deemed appropriate.
7. The minutes of the Audit Committee meetings shall accurately record the decisions reached and shall be distributed to Audit Committee members with copies to the Board of Directors, the Chief Executive Officer, the Chief Financial Officer and the external auditor.
8. The Audit Committee reviews, prior to their presentation to the Board of Directors and their release, all material financial information required by securities legislation and policies.
9. The Audit Committee enquires about potential claims, assessments and other contingent liabilities.

10. The Audit Committee periodically reviews with management, depreciation and amortization, policies, loss provisions and other accounting policies for appropriateness and consistency.
11. The charter of the Audit Committee shall be reviewed by the Board of Directors on an annual basis.

B. Authority

1. Appointed by the Board of Directors pursuant to provisions of the *Business Corporations Act* (Alberta) and the bylaws of the Company.
2. Primary responsibility for the Company's financial reporting, accounting systems and internal controls is vested in senior management and is overseen by the Board of Directors. The Audit Committee is a standing committee of the Board of Directors established to assist it in fulfilling its responsibilities in this regard. The Audit Committee shall have responsibility for overseeing management reporting on internal controls. While it is management's responsibility to design and implement an effective system of internal control, it is the responsibility of the Audit Committee to ensure that management has done so.
3. In fulfilling its responsibilities, the Audit Committee shall have unrestricted access to the Company's personnel and documents and will be provided with the resources necessary to carry out its responsibilities.
4. The Audit Committee shall have direct communication channels with the internal auditor (if any) and the external auditor to discuss and review specific issues, as appropriate.
5. The Audit Committee shall have the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties.
6. The Audit Committee shall establish the compensation to be paid to any advisors employed by the Audit Committee and such compensation shall be paid by the Company as directed by the Audit Committee.

C. Relationship with External Auditors

1. An external auditor must report directly to the Audit Committee.
2. The Audit Committee is directly responsible for overseeing the work of the external auditor including the resolution of disagreements between management and the external auditor regarding financial reporting.
3. The Audit Committee is responsible for recommending to the Board the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the issue and for determining the compensation of the external auditor.
4. The Audit Committee shall implement Structures and procedures to ensure that it meets with the external auditor on at least annually in the absence of management.

D. Accounting Systems, Internal Controls and Procedures

1. Obtain reasonable assurance from discussions with and/or reports from management, and reports from external auditors that accounting systems are reliable and that the prescribed internal controls are operating effectively for the Company and its subsidiaries and affiliates.
2. The Audit Committee shall review to ensure to its satisfaction that adequate procedures are in place for the review of the Company's disclosure of financial information extracted or derived from the Company's financial statements and will periodically assess the adequacy of those procedures.
3. Direct the external auditor's examinations to particular areas.
4. Review control weaknesses identified by the external auditor, together with management's response.
5. Review with the external auditor its view of the qualifications and performance of the key financial and accounting executives.
6. In order to preserve the independence of the external auditor the Audit Committee will:
 - a) recommend to the Board of Directors the external auditor to be nominated; and
 - b) recommend to the Board of Directors the compensation of the external auditor's engagement.
7. The Audit Committee shall review and pre-approve any engagements for non-audit services to be provided by the external auditor or its affiliates, together with estimated fees, and consider the impact on the independence of the external auditor.
8. Review with management and with the external auditor any proposed changes in major accounting policies, the presentation and impact of significant risks and uncertainties, and key estimates and judgments of management that may be material to financial reporting.
9. The Audit Committee shall review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and most recent former external auditor of the Company.
10. The Audit Committee shall establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and the confidential anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
11. The Audit Committee shall on an annual basis, prior to public disclosure of its annual financial statements, ensure that the external auditor has entered into a participation agreement and has not had its participant status terminated, or, if its participant status was terminated, has been reinstated in accordance with the Canadian Public Accountability Board ("**CPAB**") bylaws and is in compliance with any restriction or sanction imposed by the CPAB.

E. Statutory and Regulatory Responsibilities

1. Annual Financial Information - review the annual audited financial statements, including any letter to shareholders and related press releases and recommend their approval to the Board of Directors, after discussing matters such as the selection of accounting policies (and changes thereto), major accounting judgments, accruals and estimates with management and the external auditor.
2. Annual Report - review the management discussion and analysis (“**MD & A**”) section and all other relevant sections of the annual report to ensure consistency of all financial information included in the annual report.
3. Interim Financial Statements - review the quarterly interim financial statements, including any letter to shareholders and related press releases and recommend their approval to the Board of Directors.
4. Earnings Guidance/Forecasts - review forecasted financial information and forward looking statements.
5. Review the Company’s financial statements, MD & A and earnings press releases before the Company publicly discloses this information.

F. Reporting

1. Report, through the Chairperson of the Audit Committee, to the Board of Directors following each meeting on the major discussions and decisions made by the Audit Committee.
2. Report annually to the Board of Directors on the Audit Committee’s responsibilities and how it has discharged them.
3. Review the Audit Committee’s Charter annually and recommend the approval of any proposed amendments to the Board of Directors.

G. Other Responsibilities

- (a) Investigating fraud, illegal acts or conflicts of interest.
- (b) Discussing selected issues with corporate counsel or the external auditor or management.