

# **BLUERUSH**

**NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS**

**TO BE HELD ON FEBRUARY 23, 2021**

**AND**

**MANAGEMENT INFORMATION CIRCULAR**

**BLUERUSH INC.**

**NOTICE OF ANNUAL & SPECIAL MEETING OF SHAREHOLDERS**

**NOTICE IS HEREBY GIVEN** that the Annual and Special Meeting (the “**Meeting**”) of shareholders (the “**Shareholders**”) of BlueRush Inc. (the “**Corporation**”) will be held by electronic means on Tuesday, the 23<sup>rd</sup> day of February, 2021, at the hour of 12:00 p.m. (EST) for the following purposes:

1. to receive the audited financial statements of the Corporation for the year ended July 31, 2020 and 2019, together with the report of the auditors thereon, and the financial statements of the Corporation for the three months ended October 31, 2020 and 2019;
2. to elect directors for the ensuing year;
3. to appoint auditors of the Corporation for the ensuing year and authorize the directors to fix their remuneration;
4. to consider and, if thought appropriate, to pass, with or without variation, an ordinary resolution (the text of which is disclosed in Section 10(iv) of the Information Circular) to ratify, confirm and approve the 2021 Option Plan (as such term is defined in the Information Circular), as more particularly described in the Information Circular; and
5. to transact such further or other business as may properly come before the said meeting or any adjournment or adjournments thereof.

As described in the notice and access notification mailed to shareholders of the Corporation, the Corporation is delivering this Notice of Meeting and the Information Circular and either a form of proxy for registered shareholders or a voting instruction form for beneficial shareholders (collectively the “**Meeting Materials**”) to shareholders by posting the Meeting Materials online under the Corporation’s profile at [www.sedar.com](http://www.sedar.com) and at <https://bluerush.com/en/investors/shareholder-information>, where they will remain for at least one full year thereafter. The use of this alternative means of delivery is more environmentally friendly as it will help reduce paper use and it will also significantly reduce the Corporation’s printing and mailing costs.

A copy of the audited financial statements of the Corporation for the year ended July 31, 2020 and 2019, together with the report of the auditors thereon, and the financial statements of the Corporation for the three months ended October 31, 2020 and 2019, and accompanying management discussion and analysis, will be available for review at the Meeting and are available to the public on the SEDAR website at [www.sedar.com](http://www.sedar.com).

The record date for the determination of shareholders entitled to receive notice of and to vote at the Meeting is January 11, 2021 (the “**Record Date**”). Shareholders of the Corporation whose names have been entered on the register of shareholders at the close of business on the Record Date will be entitled to receive notice of and to vote at the Meeting.

A shareholder may participate in the Meeting via Zoom or may be represented by proxy.

**In order to register and participate in the Meeting via Zoom, please go to <https://us02web.zoom.us/j/5923198974>.**

Shareholders who are unable to attend the Meeting or any adjournment thereof in person are requested to date, sign and return the accompanying form of proxy for use at the Meeting or any adjournment thereof. To be effective, the enclosed proxy must be submitted by (i) mail with TSX Trust, Attention: Proxy Department, 301 – 100 Adelaide Street West, Toronto, Ontario M5H 4H1, (ii) by facsimile at (416) 595-9593, or (iii) online by entering the 12 digit control number at [www.voteproxyonline.com](http://www.voteproxyonline.com), not later than forty-eight (48) hours (excluding Saturdays, Sundays and holidays) prior to the time set for the Meeting or any adjournment thereof.

**DATED** this 8<sup>th</sup> day of January, 2021.

**BY ORDER OF THE BOARD**

*(signed) “Stephen Taylor”*  
*Chief Executive Officer*

**INFORMATION CIRCULAR**  
**FOR THE ANNUAL & SPECIAL MEETING OF SHAREHOLDERS OF**  
**BLUERUSH INC.**

(this information is given as of January 8, 2021)

**1. SOLICITATION OF PROXIES**

This management information circular (the “Circular”) and accompanying form of proxy are furnished in connection with the solicitation, by management of BlueRush Inc. (the “Corporation”), of proxies to be used at the annual and special meeting of the holders (the “Shareholders”) of common shares (“Common Shares”) of the Corporation (the “Meeting”) referred to in the accompanying Notice of Annual & Special Meeting (the “Notice of Meeting”) to be held on February 23, 2021, at the time and place and for the purposes set forth in the Notice of Meeting. The solicitation will be made primarily by mail, subject to the use of Notice-and-Access Provisions (as defined below) in relation to delivery of the meeting materials, but proxies may also be solicited personally or by telephone by directors and/or officers of the Corporation. The cost of solicitation by management will be borne by the Corporation. Pursuant to National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“NI 54-101”), arrangements have been made with clearing agencies, brokerage houses and other financial intermediaries to forward proxy solicitation material to the beneficial owners of the Common Shares. The cost of any such solicitation will be borne by the Corporation.

**2. NOTICE-AND-ACCESS**

The Corporation is sending out proxy-related materials to Shareholders using the notice-and-access provisions under National Instrument 51-102 – *Continuous Disclosure Obligations* (“NI 51-102”) and NI 54-101 (the “Notice-and-Access Provisions”). The Corporation anticipates that use of the Notice-and-Access Provisions will benefit the Corporation by reducing the postage and material costs associated with the printing and mailing of the proxy-related materials and will additionally reduce the environmental impact of such actions.

Shareholders will be provided with electronic access to the Notice of Meeting and this Circular on the System for Electronic Document Analysis and Retrieval (“SEDAR”) at [www.sedar.com](http://www.sedar.com) and at <https://bluerush.com/en/investors/shareholder-information>.

Shareholders are reminded to review the Circular before voting. Shareholders will receive paper copies of a notice package (the “Notice Package”) via pre-paid mail containing a notice with information prescribed by the Notice-and-Access Provisions and a form of proxy (if you are a registered Shareholder) or a voting instruction form (if you are a non-registered Shareholder). The Corporation will not use procedures known as ‘stratification’ in relation to the use of Notice-and-Access Provisions. Stratification occurs when an issuer using Notice-and-Access Provisions sends a paper copy of the Circular to some securityholders with a Notice Package.

Shareholders with questions about notice-and-access can call TSX Trust toll-free at 1-866-600-5869 (Canada and the U.S. only) or direct at (416) 342-1091 (outside Canada and the U.S.). Shareholders may obtain paper copies of the Circular free of charge by calling (877) 495-7163 at any time up until and including the date of the Meeting, including any adjournment or postponement thereof. Any Shareholder wishing to obtain a paper copy of the meeting materials should submit their request no later than 12:00 p.m. (EST) on February 13, 2020 in order to receive paper copies of the meeting materials in time to vote before the Meeting. Under the Notice-and-Access Provisions, meeting materials will be available for viewing on the Corporation’s website for one year from the date of posting.

**3. RECORD DATE**

Shareholders of record at the close of business on January 11, 2021 are entitled to receive notice of and attend the Meeting in person or by proxy and are entitled to one vote for each Common Share registered in the name of such Shareholder in respect of each matter to be voted upon at the Meeting.

**4. APPOINTMENT OF PROXIES**

The persons named in the enclosed form of proxy are directors and/or officers of the Corporation. Each Shareholder submitting a proxy has the right to appoint a person or company (who need not be a Shareholder), other than the persons named in the enclosed form of proxy, to represent such Shareholder at the Meeting or any adjournment or postponement thereof. Such right may be exercised by inserting the name of such representative in the blank space provided in the enclosed form of proxy. All proxies must be executed by the Shareholder or his or her attorney duly authorized in writing or, if the Shareholder is a corporation, by an officer or attorney thereof duly authorized.

A proxy will not be valid for the Meeting or any adjournment or postponement thereof unless it is completed and delivered to TSX Trust no later than 12:00 p.m. (EST) on February 19, 2021 (or, if the Meeting is adjourned or postponed, 48 hours (Saturdays, Sundays and holidays excepted) prior to the time of holding the Meeting) in accordance with the delivery instructions below or delivered to the chairman (the “**Chairman**”) of the board of directors of the Corporation on the day of the Meeting, prior to the commencement of the Meeting or any adjournment or postponement thereof. The time limit for deposit of proxies may be waived or extended by the Chairman of the Meeting at his discretion, without notice.

A registered Shareholder may submit his/her/its proxy by mail, by facsimile or over the internet in accordance with the instructions below. A non-registered Shareholder should follow the instructions included on the voting instruction form provided by his or her Intermediary (as defined below).

#### *Voting Instructions for Registered Holders*

A registered Shareholder may submit a proxy by (i) mailing a copy to TSX Trust, Attention: Proxy Department, 301 – 100 Adelaide Street West, Toronto, Ontario M5H 4H1, (ii) facsimile at (416) 595-9593, or (iii) online by entering the 12 digit control number at [www.voteproxyonline.com](http://www.voteproxyonline.com).

### **5. REVOCATION OF PROXIES**

Proxies given by Shareholders for use at the Meeting may be revoked at any time prior to their use. Subject to compliance with the requirements described in the following paragraph, the giving of a proxy will not affect the right of a Shareholder to attend, and vote in person at, the Meeting.

In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the Shareholder or his/her attorney duly authorized in writing, or, if the Shareholder is a corporation, under its corporate seal by an officer or attorney thereof duly authorized and deposited with TSX Trust, in a manner provided above under “Proxy and Voting Information – Appointment of Proxies”, at any time up to and including 12:00 p.m. (EST) on February 19, 2021 (or, if the Meeting is adjourned or postponed, 48 hours (Saturdays, Sundays and holidays excepted) prior to the holding of the Meeting) or, with the Chairman at the Meeting on the day of such meeting or any adjournment or postponement thereof, and upon any such deposit, the proxy is revoked.

### **6. NON-REGISTERED HOLDERS**

Only registered Shareholders, or the persons they appoint as their proxies, are permitted to attend and vote at the Meeting. However, in many cases, Common Shares beneficially owned by a non-registered Shareholder (a “**Non-Registered Holder**”) are registered either (i) in the name of an intermediary (each, an “**Intermediary**” and collectively, the “**Intermediaries**”) that the Non-Registered Holder deals with in respect of the Common Shares, such as, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered registered savings plans, registered retirement income funds, registered education savings plans and similar plans, or (ii) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc.) of which the Intermediary is a participant.

In accordance with the requirements of NI 54-101, the Corporation has distributed copies of the form of proxy and supplemental mailing card (collectively, the “**Meeting Materials**”) to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders.

Intermediaries are required to forward the Meeting Materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Intermediaries will generally use service companies (such as Broadridge Financial Solutions, Inc.) to forward the Meeting Materials to Non-Registered Holders. Generally, a Non-Registered Holder who has not waived the right to receive Meeting Materials will receive either a voting instruction form or, less frequently, a form of proxy. The purpose of these forms is to permit Non-Registered Holders to direct the voting of the Common Shares they beneficially own. Non-Registered Holders should follow the procedures set out below, depending on the type of form they receive:

- (1) **Voting Instruction Form.** In most cases, a Non-Registered Holder will receive, as part of the Meeting Materials, a voting instruction form. If the Non-Registered Holder does not wish to attend and vote at the Meeting in person (or have another person attend and vote on the Non-Registered Holder’s behalf), but wishes to direct the voting of the Common Shares they beneficially own, the voting instruction form must be submitted by mail, telephone or over the internet in accordance with the directions on the form. If a Non-Registered Holder wishes to attend and vote at the Meeting in person (or have another person attend and vote on the Non-Registered Holder’s behalf), the Non-Registered Holder must complete, sign and return the voting instruction form in accordance with the directions provided and a form of proxy giving the right to attend and vote will be forwarded to the Non-Registered Holder; or

- (2) **Form of Proxy.** Less frequently, a Non-Registered Holder will receive, as part of the Meeting Materials, a form of proxy that has already been signed by the Intermediary (typically by facsimile, stamped signature) which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Holder but which is otherwise uncompleted. If the Non-Registered Holder does not wish to attend and vote at the Meeting in person (or have another person attend and vote on the Non-Registered Holder's behalf) but wishes to direct the voting of the Common Shares they beneficially own, the Non-Registered Holder must complete the form of proxy and submit it to TSX Trust as described above. If a Non-Registered Holder wishes to attend and vote at the Meeting in person (or have another person attend and vote on the Non-Registered Holder's behalf), the Non-Registered Holder must strike out the persons named in the proxy and insert the Non-Registered Holder's (or such other person's) name in the blank space provided.

**In either case, Non-Registered Holders should carefully follow the instructions of their Intermediaries, including those regarding when and where the proxy or the voting instruction form is to be delivered.**

A Non-Registered Holder may revoke a voting instruction form or a waiver of the right to receive Meeting Materials and to vote given to an Intermediary at any time by written notice to the Intermediary, except that an Intermediary is not required to act on a revocation of a voting instruction form or of a waiver of the right to receive materials and to vote that is not received by the Intermediary at least seven days prior to the Meeting.

A Non-Registered Holder may fall into two categories – those who object to their identity being made known to the issuers of the securities which they own (“**Objecting Beneficial Owners**”) and those who do not object to their identity being made known to the issuers of the securities which they own (“**Non-Objecting Beneficial Owners**”). Subject to the provisions of NI 54-101, issuers may request and obtain a list of their Non-Objecting Beneficial Owners from Intermediaries. Pursuant to NI 54-101, issuers may obtain and use the Non-Objecting Beneficial Owners list in connection with any matters relating to the affairs of the issuer, including the distribution of proxy-related materials directly to Non-Objecting Beneficial Owners. The Corporation is sending Meeting Materials directly to Non-Objecting Beneficial Owners; the Corporation uses and pays Intermediaries and agents to send the Meeting Materials.

These securityholder materials are being sent to both registered Shareholders and Non-Registered Holders utilizing the Notice-and-Access Provisions. If you are a Non-Registered Holder, and the Corporation or its agent sent these materials directly to you, your name, address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding securities on your behalf.

By choosing to send these materials to you directly utilizing the Notice-and-Access Provisions, the Corporation (and not the Intermediary holding securities on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instruction form as specified in the request for voting instructions that was sent to you.

## **7. EXERCISE OF DISCRETION BY PROXIES**

Common Shares represented by properly executed proxies in favour of the persons named in the enclosed form of proxy will be voted on any ballot that may be called for and, where the person whose proxy is solicited specifies a choice with respect to the matters identified in the proxy, the Common Shares will be voted or withheld from voting in accordance with the specifications so made. Where Shareholders have properly executed proxies in favour of the persons named in the enclosed form of proxy and have not specified in the form of proxy the manner in which the named proxies are required to vote the Common Shares represented thereby, such shares will be voted in favour of the passing of the matters set forth in the Notice. If a Shareholder appoints a representative other than the persons designated in the form of proxy, the Corporation assumes no responsibility as to whether the representative so appointed will attend the Meeting on the day thereof or any adjournment or postponement thereof.

The enclosed form of proxy confers discretionary authority with respect to amendments or variations to the matters identified in the Notice of Meeting and with respect to other matters that may properly come before the Meeting. At the date hereof, the management of the Corporation and the directors of the Corporation know of no such amendments, variations or other matters to come before the Meeting. However, if any other matters which at present are not known to the management of the Corporation and the directors of the Corporation should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgment of the named proxies

**Unless otherwise indicated in this Circular and in the form of proxy and Notice of Meeting attached hereto, Shareholders shall mean registered Shareholders.**

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

Except as described elsewhere in this Information Circular, management of the Corporation is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of (a) any director or executive officer of the

Corporation, (b) any proposed nominee for election as a director of the Corporation, and (c) any associates or affiliates of any of the persons or companies listed in (a) and (b), in any matter to be acted on at the Meeting.

## 9. VOTING SECURITIES AND PRINCIPAL HOLDERS

As at the date hereof, the Corporation had 78,366,242 Common Shares outstanding, representing the Corporation's only securities with respect to which a voting right may be exercised at the Meeting. Each Common Share carries the right to one vote at the Meeting. A quorum for the transaction of business at the Meeting is two shareholders, or one or more proxyholders representing two shareholders, or one shareholder and a proxyholder representing another shareholder, holding or representing not less than five percent (5%) of the issued and outstanding Common Shares enjoying voting rights at the Meeting.

To the knowledge of the directors and senior officers of the Corporation as at the date hereof, based on information provided on the System for Disclosure by Insiders (SEDI) and on information filed by third parties on the System for Electronic Document Analysis and Retrieval (SEDAR), no person or corporation beneficially owned, directly or indirectly, or exercised control or discretion over, voting securities of the Corporation carrying more than 10% of the voting rights attached to any class of voting securities of the Corporation, other than the following:

Name	Number of Common Shares	Percentage of Common Shares <sup>(1)</sup>
Laurence Lubin <sup>(2)</sup>	12,410,410	15.8%
Round 13 Capital Founders Fund, L.P. <sup>(3)</sup>	49,514,649	49.7%
Len Smofsky <sup>(4)</sup>	9,009,000	11.5%
Stephen Taylor <sup>(5)</sup>	12,268,706	15.7%

### Notes:

- (1) Calculated on partially diluted basis.
- (2) Of the 12,410,410 Common Shares, Mr. Lubin is the registered and beneficial holder of 11,904,910 Common Shares (and stock options exercisable for 500,000 Common Shares) and is the beneficial holder of 5,500 Common Shares held in a registered account.
- (3) Round 13 Capital Founders Fund, L.P. is the registered and beneficial holder of 28,205,126 Common Shares and two convertible debentures exercisable for an aggregate of up to 21,309,523 Common Shares. These securities are controlled, but not beneficially owned by, John Eckert, a director of the Corporation, who is a Managing Partner of Round 13 Capital Inc., the general partner of Round 13 Capital Founders Fund, L.P. Including stock options exercisable for 1,750,000 Common Shares held by Mr. Eckert, Mr. Eckert controls and directs 37,097,983 Common Shares (50.5%) on a partially diluted basis.
- (4) Of the 9,009,000 Common Shares, Mr. Smofsky is the registered and beneficial holder of 8,500,000 Common Shares (and stock options exercisable for 500,000 Common Shares) and exercises control and direction over 9,000 Common Shares held by his spouse.
- (5) Of the 12,268,706 Common Shares, Mr. Taylor is the registered and beneficial holder of 8,261,422 Common Shares (and stock options and warrants exercisable for 3,735,284 Common Shares) and exercises control and direction over 272,000 Common Shares held by family members.

## 10. BUSINESS OF THE MEETING

To the knowledge of the directors of the Corporation, the only matters to be brought before the Meeting are those set forth in the accompanying Notice of Meeting.

### (i) Financial Statements

Pursuant to the *Business Corporations Act* (Ontario) (the "OBCA"), the directors of the Corporation will place before the shareholders at the Meeting the audited financial statements of the Corporation for the year ended July 31, 2020 and 2019, together with the report of the auditors thereon, and the financial statements of the Corporation for the three months ended October 31, 2020 and 2019. Shareholder approval is not required in relation to the financial statements.

### (ii) Election of Directors

The board of directors of the Corporation presently consists of six directors. All of the current directors have been directors since the dates indicated below and all six of them will be standing for re-election. The Corporation is required to have a minimum of three and a maximum of ten directors. The board of directors recommends that shareholders vote **FOR** the election of the six nominees of management listed in the following table.

Each director will hold office until his reelection or replacement at the next annual meeting of the shareholders unless he resigns his duties or his office becomes vacant following his death, dismissal or any other cause prior to such meeting.

Unless otherwise instructed, proxies and voting instructions given pursuant to this solicitation by the management of the Corporation will be voted for the election of the proposed nominees. **If any proposed nominee is unable to serve as a director, the individuals named in the enclosed form of proxy reserve the right to nominate and vote for another nominee in their discretion.**

*Advance Notice Provisions*

On March 1, 2018, shareholders of the Corporation approved By-law No. 3 of the Corporation, which provides shareholders, as well as the directors and management of the Corporation, with a clear framework for nominating directors of the Corporation in connection with any annual or special meeting of shareholders. By-law No. 3 provides for advance notice of nominations of directors of the Corporation which require that advance notice be provided to the Corporation in circumstances where nominations of persons for election to the board of directors are made by shareholders of the Corporation other than pursuant to: (i) a requisition of a meeting of shareholders made pursuant to the provisions of the BCBCA; or (ii) a shareholder proposal made pursuant to the provisions of the OBCA. A copy of By-law No. 3 are available under the Corporation's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

*Nominees to the Board of Directors*

<b>Name and Residence</b>	<b>Position and Office</b>	<b>Principal Occupation<sup>(1)</sup></b>	<b>Served as Director Since</b>	<b>Number of Common Shares over which Control or Direction is Exercised<sup>(1)</sup></b>
Stephen Taylor <i>Ontario, Canada</i>	Chief Executive Officer and Director	Chief Executive Officer of the Corporation	August 23, 2017	12,268,706 <sup>(3)</sup>
Laurence Lubin <sup>(2)</sup> <i>Ontario, Canada</i>	President and Director	President of the Corporation	March 10, 2005	12,410,410 <sup>(4)</sup>
John Eckert <sup>(2)</sup> <i>Ontario, Canada</i>	Director	Managing Partner of Round 13 Capital Inc., an information technology investment firm.	December 11, 2017	51,264,649 <sup>(5)</sup>
Paul G. Smith <sup>(2)</sup> <i>Ontario, Canada</i>	Director	Chief Executive Officer of Rally Enterprises & Communications Corp., a private telecommunications and information technology service provider	February 1, 2019	402,000 <sup>(6)</sup>
Michael Beckerman <i>Ontario, Canada</i>	Director	Chief Executive Officer and President of MKTG Canada, a marketing and sales consulting firm	February 1, 2019	410,000 <sup>(7)</sup>
Chris Rasmussen <sup>(2)</sup> <i>Ontario, Canada</i>	Director	Chairman of Doxim Inc. since 2000	November 30, 2020	4,166,666 <sup>(8)</sup>

**Notes:**

- (1) The information as to principal occupation, business or employment and shares beneficially owned or controlled is not within the knowledge of management of the Corporation and has been furnished by the respective individuals.
- (2) Member of the Audit Committee.
- (3) Mr. Taylor controls and directs 8,533,422 Common Shares (and stock options and warrants exercisable for 3,735,284 Common Shares).
- (4) Mr. Lubin controls and directs 11,910,410 Common Shares (and stock options exercisable for 500,000 Common Shares).
- (5) Mr. Eckert, who is a Managing Partner of Round 13 Capital Inc., the general partner of Round 13 Capital Founders Fund, L.P., controls and directs 28,205,126 Common Shares held by Round 13 Capital Founders Fund, L.P. and two convertible debentures exercisable for an aggregate of up to 21,309,523 Common Shares held by Round 13 Capital Founders Fund, L.P. In addition, Mr. Eckert controls and directs stock options exercisable for 1,750,000 Common Shares.
- (6) Mr. Smith controls and directs 152,000 Common Shares (and stock options exercisable for 250,000 Common Shares).
- (7) Mr. Beckerman controls and directs 160,000 Common Shares (and stock options exercisable for 250,000 Common Shares).
- (8) Mr. Rasmussen controls and directs a convertible debenture exercisable for up to 4,166,666 Common Shares.

*Corporate Cease Trade Orders or Bankruptcies*

None of the proposed directors of the Corporation is, as at the date hereof, or has been, within the previous 10 years, a director, chief executive officer or chief financial officer of any company (including the Corporation) that, (i) was subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer, or (ii) was subject to an order 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.

None of the proposed directors of the Corporation is, as at the date hereof, or has been, within the previous 10 years, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, other than the following:

Paul G. Smith was a director of Eureka 93 Inc. until August 16, 2019. On February 14, 2020, Eureka 93 Inc. filed a Notice of Intention to Make a Proposal under the *Bankruptcy and Insolvency Act* (Canada) and on August 28, 2020 was deemed to have made an assignment into bankruptcy.

Paul G. Smith was Chairman and Chief Executive Officer of Frontline Broadband Inc., a private telecommunications and information technology service provider in Canada, until June 2020. In July 2020, the Ontario Superior Court of Justice appointed a receiver of the assets of Frontline Broadband Inc. In October 2020, the Court approved the sale of the assets to Rally Enterprises & Communications Corp. and Mr. Smith was appointed the Chairman and Chief Executive Officer of Rally Enterprises & Communications Corp. to continue his role running the acquired telecommunications and information technology business.

#### *Penalties or Sanctions*

None of the proposed directors of the Corporation 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.

#### *Personal Bankruptcies*

None of the proposed directors of the Corporation has, within the 10 years before the date hereof, 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.

#### **(iii) Appointment of Auditor**

Unless otherwise instructed, the persons named in the enclosed proxy or voting instruction form intend to vote such proxy or voting instruction form in favour of the re-appointment of MNP LLP as auditors of the Corporation to hold office until the next annual meeting of shareholders and the authorization of the directors of the Corporation to fix their remuneration.

The directors of the Corporation recommend that shareholders vote in favour of the re-appointment of MNP LLP and the authorization of the directors of the Corporation to fix their remuneration. To be adopted, this resolution is required to be passed by the affirmative vote of a majority of the votes cast at the Meeting.

#### **(iv) Stock Option Plan**

The Corporation has a fixed number stock option plan (the “**2019 Option Plan**”), which was approved by shareholders on February 1, 2019, reserving 15,050,369 Common Shares (20% of the issued and outstanding Common Shares on such date). As at October 31, 2020, there were 12,023,312 Common Shares reserved for issuance under the 2019 Option Plan (or its predecessors plans).

At the Meeting, shareholders will be asked to pass a resolution approving an amended and restated fixed number stock option plan (the “**2021 Option Plan**”), a copy of which is attached hereto as Schedule “A”. The only difference between the 2019 Option Plan and the 2021 Option Plan is to increase the number of shares reserved for issuance, combined with any equity securities granted under all other compensation arrangements adopted by the Corporation, to 20% of the Corporation’s issued and outstanding Common Shares as at the date of the Meeting (15,673,248 based on the number of issued and outstanding Common Shares as at the date hereof, however this will increase if additional Common Shares are issued after the date hereof and prior to the Meeting). The 2021 Option Plan is subject to approval by the TSX Venture Exchange (the “**TSXV**”) and approval by shareholders of the Corporation.

Accordingly, at the Meeting, shareholders are being asked to consider and, if thought advisable, approve an ordinary resolution in the following form:

“BE IT RESOLVED THAT:

- (1) the amended and restated stock option plan of the Corporation, substantially in the form attached at Schedule “A” to the Information Circular of the Corporation dated January 8, 2021, be and the same is hereby ratified, confirmed and approved as the stock option plan of the Corporation;



- (2) any director or officer be and is hereby authorized to amend the stock option plan of the Corporation should such amendments be required by applicable regulatory authorities including, but not limited to, the TSX Venture Exchange; and
- (3) any one director or officer of the Corporation be and is hereby authorized and directed to do all such things and to execute and deliver all documents and instruments as may be necessary or desirable to carry out the terms of this resolution.”

Unless otherwise instructed, the persons named in the enclosed proxy or voting instruction form intend to vote such proxy or voting instruction form in favour of the approval of the 2021 Option Plan. The directors of the Corporation recommend that shareholders vote in favour of the approval of the 2021 Option Plan. To be adopted, this resolution is required to be passed by the affirmative vote of a majority of the votes cast at the Meeting.

## 11. CORPORATE GOVERNANCE DISCLOSURE

Set forth below is a description of the Corporation’s current corporate governance practices, as prescribed by Form 58-101F2, which is attached to National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“NI 58-101”):

### Board of Directors

The directors have determined that John Eckert, Paul G. Smith, Michael Beckerman and Chris Rasmussen, current and prospective members of the board of directors of the Corporation, are independent as such term is defined in NI 58-101, and that Stephen Taylor (Chief Executive Officer) and Laurence Lubin (President), current and prospective members of the board of directors of the Corporation, are not independent as such term is defined in NI 58-101, as they are executive officers (as such term is defined in NI 51-102) of the Corporation.

### Directorships

The following directors and prospective directors of the Corporation are presently directors of other issuers that are reporting issuers (or the equivalent):

Name of Director	Name of Other Reporting Issuers
Paul G. Smith	Park Lawn Corporation
Michael Beckerman	Enthusiast Gaming Holding Inc. Points International Ltd.

### Orientation and Continuing Education

While the Corporation does not currently have a formal orientation and education program for new members of the board of directors, the Corporation provides such orientation and education on an ad hoc and informal basis. The directors believe that these procedures are a practical and effective approach in light of the Corporation’s particular circumstances, including the size of the Corporation, the number, experience and expertise of its directors.

### Ethical Business Conduct

The directors’ maintain that the Corporation must conduct and be seen to conduct its business dealings in accordance with all applicable laws and the highest ethical standards. The Corporation’s reputation for honesty and integrity amongst its shareholders and other stakeholders is key to the success of its business. No employee or director will be permitted to achieve results through violation of laws or regulations, or through unscrupulous dealings.

Any director with a conflict of interest or who is capable of being perceived as being in conflict of interest with respect to the Corporation must abstain from discussion and voting by the board of directors or any committee of the board of directors on any motion to recommend or approve the relevant agreement or transaction. The board of directors must comply with conflict of interest provisions of the OBCA.

### Nomination of Directors

Both the directors and management are responsible for selecting nominees for election to the board of directors. At present, there is no formal process established to identify new candidates for nomination. The board of directors and management determine the requirements for skills and experience needed on the board of directors from time to time. The present board of directors and management expect that new nominees have a track record in general business management, special expertise in an area of

strategic interest to the Corporation, the ability to devote the time required, support for the Corporation's business objectives and a willingness to serve.

### **Compensation**

The directors carry out the evaluation of the Chief Executive Officer and develop the appropriate compensation policies for both the employees of the Corporation and the directors of the Corporation.

To determine appropriate compensation levels, the directors review compensation paid for directors and Chief Executive Officers of companies of similar size and stage of development in the technology industry and determine an appropriate compensation reflecting the need to provide incentive and compensation for the time and effort expended by the directors and senior management while taking into account the financial and other resources of the Corporation. In setting compensation levels, the directors annually review the performance of the Chief Executive Officer in light of the Corporation's objectives and consider other factors that may have impacted the success of the Corporation in achieving its objectives. The directors may engage independent compensation advice in order to fulfill its mandate.

### **Assessments**

The directors believe that nomination to the Corporation's board of directors is not open ended and that directorships should be reviewed carefully for alignment with the strategic needs of the Corporation. To this extent, the directors constantly review (i) individual director performance and the performance of the board of directors as a whole, including processes and effectiveness; and (ii) the performance of the Chairman, if any, of the board of directors.

## **12. AUDIT COMMITTEE**

National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”) requires the Corporation, as a venture issuer, to disclose annually in its Information Circular certain information concerning the constitution of its Audit Committee and its relationship with its independent auditor.

### **Audit Committee Charter**

The Corporation's Audit Committee is governed by an audit committee charter that was established by the directors of the Corporation on September 1, 2004, a copy of which is attached hereto as Schedule “B”.

### **Composition of Audit Committee**

The Corporation's Audit Committee is comprised of four (4) directors, Laurence Lubin, Paul G. Smith, John Eckert and Chris Rasmussen. Each member of the Audit Committee is financially literate, as such term is defined in NI 52-110, and three of the members, Paul G. Smith, John Eckert and Chris Rasmussen, are independent, as such term is defined in NI 52-110 and in the OBCA.

### **Relevant Education and Experience**

In addition to each member's general business experience, the education and experience of each audit committee member relevant to the performance of his responsibilities as an audit committee member is as follows:

Laurence Lubin has over 25 years' experience in the financial services sector, both on the retail and services side. In the 1980s Mr. Lubin served on the management team of FootPrint Software, a provider of integrated software solutions to the financial services industry, which was ultimately acquired by IBM Canada. Mr. Lubin, subsequently founded Fitech, a developer of online applications for Financial Institutions. Fitech was subsequently sold to Ezenet Corp. in 2001. Mr. Lubin is the founder and President of BlueRush where he is working on the next generation of multiple channel sales and marketing technologies. Mr. Lubin holds an MBA from the University of Miami.

John Eckert has been a professional investor for over 25 years. He first provided the initial funding to Softimage, the world-leading 3D animation and first ever public company bought by Microsoft. In 1994, John co-founded McLean Watson Capital, a successful technology investor in Canada. Early stage and growth funding was provided to FloNetwork (sold to Doubleclick) and Fortiva (sold to Proofpoint), Lavalife (sold to Vertrue) and Skywave (sold to Orbcomm). McLean Watson was also the majority investor in i4i, and driving force behind its patent infringement victory against Microsoft. Mr. Eckert was a Vice President and Director of Wood Gundy Inc., where he completed numerous M&A transactions, private placements and public market financings. Mr. Eckert was also the Managing Director of CIBC Wood Gundy Australia. He is a past President and Chair of the Canadian Venture Capital Association and for several years, a judge of the Entrepreneur of the Year Award, sponsored by Ernst & Young.

Paul G. Smith is currently the Chairman and Chief Executive Officer of Rally Enterprises & Communications Corp., a private telecommunications and information technology service provider in Canada. He was Chair of VIA Rail Canada Inc.'s board of directors from 2010 to 2014 after having joined the board in September 2006 and was President & Chief Executive Officer of Equity Financial Holdings Inc., a TSX listed issuer, and a Canadian financial services firm he co-founded whose principal subsidiary is an OSFI-regulated deposit-taking institution. Mr. Smith is a director of several companies and, before joining the private sector, served as Executive Assistant to the Prime Minister of Canada. Mr. Smith holds a Master of Business Administration from INSEAD (France), a Master of Arts in Public Administration from Carleton University, and undergraduate degrees (Accounting, Political Science) from the University of Ottawa. Mr. Smith completed the Directors' Education Program of the Institute of Corporate Directors (ICD) and holds the ICD.D designation.

Chris Rasmussen is the Chairman and founder of Doxim Inc., a leading supplier of customer engagement software, with a focus on regulated business critical communications within financial services and healthcare markets to connect with customers. Prior to founding Doxim, he was a vice-president at Ricoh Canada from 1997 to 2000 and The AIIM Group from 1994 to 1997. Mr. Rasmussen holds a BA from Western University, has served on the board of directors of various private companies and non-profits including industry associations and charitable organizations.

### External Auditor Matters

Since the commencement of the Corporation's most recently completed financial year, the Corporation's directors have not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor and the Corporation has not relied on the exemptions contained in sections 2.4 or 8 of NI 52-110. Section 2.4 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. Part 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by the Corporation's directors and, where applicable, the Audit Committee, on a case-by-case basis.

In the following table, "Audit fees" are fees billed by the Corporation's external auditor for services provided in auditing the Corporation'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 or review of the Corporation'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 fees paid by the Corporation to its auditor in its previous two financial year-ends, by category, are as follows:

Financial Year Ending	Audit Fees	Audit-Related Fees	Tax Fees	All Other Fees
July 31, 2020	\$64,550	\$5,000	Nil	Nil
July 31, 2019	\$48,150	\$10,700	\$7,811	\$3,210

### Exemptions:

The Corporation is a "venture issuer" as defined in NI 52-110 and is relying on the exemption contained in Section 6.1 of NI 52-110, which exempts the Corporation from the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

### 13. EXECUTIVE COMPENSATION

Securities legislation requires the disclosure of the compensation received by each "Named Executive Officer" ("Named Executive Officer") of the Corporation for the most recently completed financial year. "Named Executive Officer" is defined by the legislation to mean: (i) the Chief Executive Officer of the Corporation; (ii) the Chief Financial Officer of the Corporation; (iii) each of the Corporation's three most highly compensated executive officers or the three most highly compensated individuals acting in a similar capacity, other than the Chief Executive Officer and Chief Financial Officer, at the end of the most recently completed financial year and whose total compensation was, individually, more than \$150,000 for that financial year; and (iv) each individual who would be a "Named Executive Officer" under paragraph (iii) but for the fact that the individual was neither an executive officer of the Corporation, nor acting in a similar capacity, at the end of the most recently completed financial year.

## **Compensation Discussion and Analysis**

During the financial year ended July 31, 2020, the Corporation's executive compensation program was administered by the board of directors of the Corporation. The Corporation's executive compensation program has the objective of attracting and retaining a qualified and cohesive group of executives, motivating team performance and the aligning of the interests of executives with the interests of the Corporation's shareholders through a package of compensation that is simple and easy to understand and implement. Compensation under the program was designed to achieve both current and longer term goals of the Corporation and to optimize returns to shareholders. In addition, in order to further align the interests of executives with the interests of the Corporation's shareholders, the Corporation has implemented share ownership incentives through incentive stock options. The Corporation's overall compensation objectives are in line with its peer group of technology companies with opportunities to participate in equity.

In determining the total compensation of any member of senior management, the directors of the Corporation consider all elements of compensation in total rather than one element in isolation. The directors of the Corporation also examine the competitive positioning of total compensation and the mix of fixed, incentive and share-based compensation.

### *Base Salary*

While there is no official set of benchmarks that the Corporation relies on and there is not a defined list of issuers that the Corporation uses as a benchmark, the Corporation makes itself aware of, and is cognisant of, how comparable issuers in its business compensate their executives. The Corporation's peer group in connection with salary compensation consists of a sampling of other technology companies that are reporting issuers in one or more Provinces of Canada. The Chief Executive Officer reviews and updates the directors on the peer group and other informal channels and compares the salaries offered by the Corporation against those of the peer group generally to ensure the Corporation's salary compensation is within the range of expected annual base salary for the group.

### *Bonus Framework*

As the directors of the Corporation believe that a well-balanced executive compensation program must simultaneously motivate and reward participants to deliver financial results while maintaining focus on long-term goals that track financial progress and value creation, during the financial year ended July 31, 2020, the Corporation awarded discretionary bonuses to certain key members of management.

### *Group Benefits*

The Corporation offers a group benefits plan, including medical, dental, life, accidental death and dismemberment and long term disability coverage to all employees upon successfully completing their three month probation period. The Corporation also offers a Group RRSP to all employees upon successfully completing their three month probation period. Employees contribute to the Group RRSP via payroll deductions and the Corporation provides a dollar for dollar match on the first \$500 contributed.

### *Perquisites and Personal Benefits*

While the Corporation reimburses its Named Executive Officer's for expenses incurred in the course of performing their duties as executive officers of the Corporation, other than a car allowance, the Corporation did not provide any compensation that would be considered a perquisite or personal benefit to its Named Executive Officers.

### *Independent Director Compensation*

The directors of the Corporation believe in compensating the independent directors of the Corporation, but as of the date hereof, other than ad hoc payments made to one independent director as disclosed herein, the directors have not approved any such formal compensation plan. The directors of the Corporation are eligible to receive incentive stock options to purchase Common Shares pursuant to the terms of the 2019 Option Plan (defined below).

## **Option-Based Awards**

An important part of the Corporation's compensation program is to offer the opportunity and incentive for executives and staff to own shares of the Corporation. The directors of the Corporation believe that ownership of the Corporation's shares will align the interests of executives and future staff with the interests of the Corporation's shareholders.

Incentive stock options are not granted on a regular schedule but rather as the compensation is reviewed by the directors of the Corporation from time to time with input from the Chief Executive Officer. When reviewing incentive stock option grants, consideration is given to the total compensation package of the executives and staff and a weighting of appropriate incentives

groupings at the senior, mid and junior levels of the staff including past grants. At the time of any incentive stock option grant, consideration is also given to the available incentive stock option pool remaining for new positions being contemplated by the Corporation.

Incentive stock options are granted under the 2019 Option Plan. Pursuant to the 2019 Option Plan the board of directors of the Corporation may from time to time, in its discretion and in accordance with the TSXV requirements, grant to directors, officers and employees of the Corporation as well as Management Company Employees and Consultants (as such terms are defined in Policy 4.4 – *Incentive Stock Options* (“**Policy 4.4**”) of the TSXV, as amended from time to time), non-transferable options to purchase Common Shares, provided that the number of Common Shares reserved for issuance will not exceed 15,050,369, exercisable for a period of up to ten (10) years from the date of the grant. The number of Common Shares reserved for issuance to any individual director or officer of the Corporation will not exceed 5% of the issued and outstanding Common Shares (2% in the case of optionees providing investor relations services to the Corporation) unless disinterested shareholder approval is obtained. The exercise price of any option granted pursuant to the 2019 Option Plan shall be determined by the board of directors when granted, but shall not be less than the Market Price (as such term is defined in Policy 4.4 as amended from time to time). Options granted pursuant to the 2019 Option Plan are non-assignable, except by means of a will or pursuant to the laws of descent and distribution.

Vested options may be exercised no later than 90 days following the date the optionee ceases to be a director, officer or consultant of the Corporation, subject to the expiry date of such option. However, if the employment of an employee or consultant is terminated for cause no option held by such optionee may be exercised following the date upon which termination occurred.

#### Summary Compensation Table for Named Executive Officers

The following table sets forth information concerning the total compensation paid to the Named Executive Officers of the Corporation for the financial years ended July 31, 2020, 2019 and 2018:

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long term incentive plans			
Stephen Taylor <sup>(1)</sup> CEO	2020	223,333	N/A	N/A	N/A	N/A	N/A	69,000 <sup>(2)</sup>	292,333
	2019	198,919	N/A	N/A	N/A	N/A	N/A	52,000 <sup>(2)</sup>	250,919
	2018	102,821	N/A	241,515 <sup>(3)</sup>	N/A	N/A	N/A	79,846 <sup>(2)</sup>	424,182
Dave Badun <sup>(4)</sup> Former CFO	2020	150,000	N/A	N/A	N/A	N/A	N/A	28,500 <sup>(7)</sup>	178,500
	2019	146,083	N/A	7,647 <sup>(5)</sup>	N/A	N/A	N/A	12,500 <sup>(7)</sup>	166,230
	2018	1,154	N/A	87,154 <sup>(6)</sup>	N/A	N/A	N/A	N/A	88,308
Laurence Lubin President	2020	200,000	N/A	N/A	N/A	N/A	N/A	36,000 <sup>(8)</sup>	236,000
	2019	171,017	N/A	N/A	N/A	N/A	N/A	37,000 <sup>(8)</sup>	208,017
	2018	153,058	N/A	48,303 <sup>(9)</sup>	N/A	N/A	N/A	12,000	213,361
Len Smofsky Vice-President	2020	180,000	N/A	N/A	N/A	N/A	N/A	33,600	213,600
	2019	182,423	N/A	N/A	N/A	N/A	N/A	35,750 <sup>(10)</sup>	218,173
	2018	158,365	N/A	48,303 <sup>(9)</sup>	N/A	N/A	N/A	9,000	215,668
Jeffrey Bilyea <sup>(11)</sup> Former COO	2020	245,388	N/A	N/A	N/A	N/A	N/A	58,200	303,588
	2019	205,111	N/A	7,647 <sup>(5)</sup>	N/A	N/A	N/A	32,000 <sup>(12)</sup>	244,758
	2018	97,890	N/A	290,431	N/A	N/A	N/A	N/A	388,321

#### Notes:

- (1) Mr. Taylor has been the Chief Executive Officer of the Corporation since December 11, 2017.
- (2) Prior to being appointed Chief Executive Officer of the Corporation on December 11, 2017, Mr. Taylor was a consultant to the Corporation and earned consulting fees of \$73,846. Mr. Taylor also receives a car allowance of \$1,000/month and was awarded a \$60,000 bonus in 2020 and \$40,000 bonus in 2019 respectively.
- (3) Calculated at the date of the grant using the black-scholes options pricing model with the following assumptions: risk free interest rates of 1.67%; dividend yield of nil; expected stock price volatility of 153.83%; option life of 5.00 years
- (4) Mr. Badun was the Chief Financial Officer of the Corporation from July 30, 2018 to July 31, 2020.
- (5) Calculated at the date of the grant using the black-scholes options pricing model with the following assumptions: risk free interest rates of 1.39%; dividend yield of nil; expected stock price volatility of 125.61%; option life of 5.00 years.
- (6) Calculated at the date of the grant using the black-scholes options pricing model with the following assumptions: risk free interest rates of 2.19%; dividend yield of nil; expected stock price volatility of 133.43%; option life of 5.00 years.
- (7) Mr. Badun receives a car allowance of \$150/month and was awarded a \$27,000 bonus in 2020 and \$12,500 bonus in 2019 respectively.
- (8) Mr. Lubin receives a car allowance of \$1,000/month and was awarded a \$24,000 bonus in 2020 and \$25,000 bonus in 2019 respectively.

- (9) Calculated at the date of the grant using the black-scholes options pricing model with the following assumptions: risk free interest rates of 1.67%; dividend yield of nil; expected stock price volatility of 153.83%; option life of 5.00 years
- (10) Mr. Smofsky receives a car allowance of \$1,000/month and was awarded a \$21,600 bonus in 2020 and \$25,000 bonus in 2019 respectively.
- (11) Mr. Bilyea was the Chief Operating Officer of the Corporation from December 19, 2018 to April 10, 2020.
- (12) Mr. Bilyea received a car allowance of \$1,000/month and was awarded a \$49,200 bonus in 2020 and \$25,000 bonus in 2019 respectively.

## Incentive Plan Awards

### *Outstanding Share-Based Awards and Option-Based Awards*

The following table sets forth all awards outstanding for the Named Executive Officers as of July 31, 2020 (expressed in Canadian dollars):

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 <sup>(1)</sup> (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share based awards that have not vested (\$)
Stephen Taylor	2,500,000	0.10	December 11, 2022	Nil	N/A	N/A
Dave Badun	1,000,000 100,000	0.10 0.085	July 30, 2023 June 12, 2024	Nil	N/A	N/A
Laurence Lubin	500,000	0.10	December 11, 2022	Nil	N/A	N/A
Len Smofsky	500,000	0.10	December 11, 2022	Nil	N/A	N/A
Jeffrey Bilyea	1,500,000 500,000 100,000	0.17 0.125 0.085	January 29, 2023 March 1, 2023 June 12, 2024	Nil	N/A	N/A

#### Notes:

- (1) Aggregate value is calculated based on the difference between the exercise price of the options and the last closing price of the Common Shares on the TSXV during the year ended July 31, 2020, namely \$0.05.

### *Incentive Plan Awards – Value Vested or Earned During the Year*

The following table sets forth the value of all incentive plan awards vested or earned for the Named Executive Officers during the year ended July 31, 2020:

Name	Option-based awards – Value vested during the year <sup>(1)</sup> (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Stephen Taylor	N/A	N/A	N/A
Dave Badun	Nil	N/A	N/A
Laurence Lubin	N/A	N/A	N/A
Len Smofsky	N/A	N/A	N/A
Jeffrey Bilyea	Nil	N/A	N/A

#### Notes:

- (1) Aggregate value is calculated based on the difference between the exercise price of the options on the date they vest and the closing price of the Common Shares on the TSXV on such date, or in the event such date is not a trading date, the closing price on the next trading date.

## Pension Plan Benefits

The Corporation has not implemented a pension plan.

## Termination and Change of Control Benefits

As at the end of the Corporation's most recently completed financial year (July 31, 2020) the Corporation had not entered into any contract, agreement, plan or arrangement that provides for payments to an Named Executive Officer at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Corporation or a change in an Named Executive Officer's responsibilities.

## Director Compensation

No cash compensation was paid to any directors of the Corporation during the financial year ended July 31, 2020. The directors of the Corporation are eligible to receive incentive stock options to purchase Common Shares pursuant to the terms of the 2019 Option Plan.

*Director Compensation Table for Directors (other than the Named Executive Officers)*

The following table sets forth all compensation provided to the directors of the Corporation (other than the Named Executive Officers, whose disclosure with respect to compensation is set out above) for the financial year ended July 31, 2020:

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards <sup>(1)</sup> (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
John Eckert	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Paul G. Smith	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Michael Beckerman	N/A	N/A	N/A	N/A	N/A	N/A	N/A

### *Outstanding Share-Based Awards and Option-Based Awards*

The following table sets forth all awards outstanding for each of the directors of the Corporation (other than the Named Executive Officers, whose disclosure with respect to incentive plan awards is set out above) as of July 31, 2020:

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 <sup>(1)</sup> (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share based awards that have not vested (\$)
John Eckert	1,750,000	\$0.12	March 6, 2023	Nil	N/A	N/A
Paul G. Smith	250,000	\$0.08	February 1, 2024	Nil	N/A	N/A
Michael Beckerman	250,000	\$0.08	February 1, 2024	Nil	N/A	N/A

#### Notes:

- (1) Aggregate value is calculated based on the difference between the exercise price of the options and the last closing price of the Common Shares on the TSXV during the year ended July 31, 2020, namely \$0.05.

### *Incentive Plan Awards – Value Vested or Earned During the Year*

The following table sets forth the value of all incentive plan awards vested or earned for the directors of the Corporation (other than the Named Executive Officers, whose disclosure with respect to incentive plan awards vested or earned is set out above) during the year ended July 31, 2020:

Name	Option-based awards – Value vested during the year <sup>(1)</sup> (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
John Eckert	N/A	N/A	N/A
Paul G. Smith	Nil	N/A	N/A
Michael Beckerman	Nil	N/A	N/A

#### Notes:

- (1) Aggregate value is calculated based on the difference between the exercise price of the options on the date they vest and the closing price of the Common Shares on the TSXV on such date, or in the event such date is not a trading date, the closing price on the next trading date.

## 14. SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table provides information as of July 31, 2020 regarding the number of Common Shares to be issued upon the exercise of outstanding options and the weighted-average exercise price of the outstanding options in connection with the 2019 Option Plan:

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	12,892,754	\$0.09	2,157,615
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
<b>Total</b>	<b>12,892,754</b>	<b>\$0.09</b>	<b>2,157,615</b>

The securities referred to in the table above were granted under the 2019 Option Plan or its predecessors plans.

#### 15. INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No individual who is, or at any time during the most recently completed financial year was, a director or executive officer of the Corporation, each proposed nominee for election as a director of the Corporation, and each associate of any such director, executive officer or proposed nominee, has been indebted to the Corporation or any of its subsidiaries in respect of loans, advances or guarantees of indebtedness.

#### 16. DIRECTOR AND OFFICER INSURANCE

The Corporation maintains an executive and organization liability insurance policy that covers directors and officers for costs incurred to defend and settle claims against directors and officers of the Corporation to an annual limit of \$5,000,000 with retention of \$25,000 on securities and oppressive conduct claims and \$25,000 on all other claims. The cost of coverage for 2020 was approximately \$10,719. Directors and officers do not pay any portion of the premiums and no indemnity claims were made or became payable during 2020.

#### 17. INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

None of the informed persons (as such term is defined in NI 51-102) of the Corporation, any proposed director of the Corporation, or any associate or affiliate of any informed person or proposed director, has had any material interest, direct or indirect, in any transaction of the Corporation since the commencement of the Corporation's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries, except as disclosed below.

Round 13 Capital Founders Fund, L.P. subscribed for \$850,000 of unsecured convertible debentures issued by the Corporation in June 2020 which was a "related party transaction" as defined under Multilateral Instrument 61-101. Mr. John Eckert, an independent director of the Corporation, is a Managing Partner of Round 13 Capital Inc., the general partner of Round 13 Capital Founders Fund, L.P.

In addition, prior to joining the board of directors of the Corporation in November 2020, Mr. Chris Rasmussen subscribed for \$250,000 of the unsecured convertible debentures issued by the Corporation in June 2020.

#### 18. MANAGEMENT CONTRACTS

There are no management functions of the Corporation which are to any substantial degree performed by a person or a company other than the directors or executive officers of the Corporation.

#### 19. PARTICULARS OF OTHER MATTERS TO BE ACTED UPON

Other than the foregoing, management of the Corporation knows of no other matter to come before the Meeting other than those referred to in the Notice of Meeting. However, if any other matters which are not known to the 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.

#### 20. ADDITIONAL INFORMATION



Additional information relating to the Corporation, including copies of the Corporation's financial statements and Management's Discussion and Analysis is available on SEDAR at [www.sedar.com](http://www.sedar.com), copies of which may be obtained from the Corporation upon request. The Corporation may require the payment of a reasonable charge if the request is made by a person who is not a shareholder of the Corporation.

DATED this 8<sup>th</sup> day of January, 2020.

**BY ORDER OF THE BOARD**

*(signed) "Stephen Taylor"*  
Chief Executive Officer

**SCHEDULE "A"**  
**2021 OPTION PLAN**

(see attached)

**AMENDED AND RESTATED  
STOCK OPTION PLAN OF BLUERUSH INC.**

(approved by shareholders on February 23, 2021)

**PART 1 - INTRODUCTION**

**1.01 Purpose**

The purpose of the Plan is to secure for the Corporation and its shareholders the benefits of incentive inherent in share ownership by the directors, officers, key employees and, subject to the terms and conditions herein, consultants of the Corporation and its Affiliates who, in the judgment of the Board, will be largely responsible for its future growth and success.

**1.02 Definitions**

- (a) "Affiliate" has the meaning ascribed thereto in the *Business Corporations Act* (Ontario) as amended from time to time.
- (b) "Associate" has the meaning ascribed to such term in the *Securities Act* (Ontario).
- (c) "Blackout Period" means a period during which the Corporation prohibits Optionees from exercising their Options.
- (d) "Board" means the board of directors of the Corporation.
- (e) "Consultant" has the meaning ascribed to such term in Policy 4.4.
- (f) "Corporation" means BlueRush Inc., a corporation duly incorporated under the laws of the Province of Ontario, and its Affiliates, if any, and includes any successor or assignee entity or entities into which the Corporation may be merged, changed, or consolidated; any entity for whose securities the securities of the Corporation shall be exchanged; and any assignee of or successor to substantially all of the assets of the Corporation.
- (g) "Market Price" has the meaning ascribed to such term in Policy 1.1.
- (h) "Eligible Person" shall mean an officer or director of the Corporation ("**Executive**") or an employee of the Corporation ("**Employee**") or a Management Company Employee or a Consultant.
- (i) "Exchange" means the TSX Venture Exchange.
- (j) "Exercise Notice" means the notice respecting the exercise of an Option, substantially in the form attached to the Option Certificate, duly executed by the Optionee.
- (k) "Exercise Price" means the price at which an Option may be exercised as determined in accordance with section 2.03.
- (l) "Insider" means (i) an insider as defined in the *Securities Act* (Ontario), other than a person who falls within the definition solely by virtue of being a director or senior officer of a subsidiary of the Corporation, and (ii) an Associate of any person who is an insider by virtue of the preceding sub-clause (i).
- (m) "Investor Relations Activities" has the meaning ascribed to such term in Policy 1.1.
- (n) "Management Company Employee" has the meaning ascribed to such term in Policy 4.4.

- (o) "Material Information" has the meaning ascribed to such term in Policy 1.1.
- (p) "Option" shall mean an option granted under the terms of the Plan.
- (q) "Option Certificate" means the certificate, substantially in the form set out as Schedule "A" hereto, evidencing an Option.
- (r) "Option Period" shall mean the period during which an option may be exercised.
- (s) "Optionee" shall mean an Eligible Person to whom an Option has been granted under the terms of the Plan.
- (t) "Outstanding Issue" means the number of Shares outstanding on a non-diluted basis.
- (u) "Plan" means the stock option plan established and operated pursuant to Part 2 hereof.
- (v) "Policy 1.1" means the Exchange's Policy 1.1 entitled "Interpretation" as amended from time to time.
- (w) "Policy 4.4" means the Exchange's Policy 4.4 entitled "Incentive Stock Options" as amended from time to time.
- (x) "Shares" shall mean the common shares of the Corporation.

## **PART 2 - SHARE OPTION PLAN**

### **2.01 Participation**

Options shall be granted only to Eligible Persons.

### **2.02 Determination of Option Recipients**

The Board shall make all necessary or desirable determinations regarding the granting of Options to Eligible Persons and may take into consideration the present and potential contributions of a particular Eligible Person to the success of the Corporation and any other factors which it may deem proper and relevant.

### **2.03 Price**

The price at which an Optionee may purchase a Share upon the exercise of an Option shall be determined from time to time by the Board and shall be as set forth in the Option Certificate issued in respect of such Option but, in any event, shall not be less than the Market Price.

### **2.04 Grant of Options**

The Board may at any time authorize the granting of Options to such Eligible Persons as it may select for the number of Shares that it shall designate, subject to the provisions of the Plan. The date of each grant of Options shall be determined by the Board when the grant is authorized.

In the event that Options are granted to Employees, Management Company Employees or Consultants, the Corporation represents that such Optionees shall be bona fide Employees, Management Company Employees or Consultants, as the case may be.

The Corporation may at the time of granting options hereunder provide for additional terms and conditions which are not inconsistent with Part 2 hereof including, without limitation, terms and conditions deferring or delaying the date at which an Option may be exercised in whole or in part. Such additional terms and conditions

shall be as set forth in the Option Certificate issued in respect of such Option.

Notwithstanding any of the foregoing provisions, the Board may authorize the grant of an Option to a person not then in the employ of the Corporation or of an Affiliate, conditioned upon such person becoming eligible to become an Eligible Person at or prior to the execution of the Option Certificate evidencing the actual grant of such Option.

## **2.05 Term of Options**

Unless otherwise expired pursuant to the terms of the Plan, all Options granted to an Optionee pursuant to this Plan shall expire at the close of business ten (10) years from the date of grant or such earlier date as the Board shall decide when the Option is granted, subject to earlier termination as herein provided.

Upon the expiration of the Option Period, the Options granted shall forthwith expire and terminate and be of no further force or effect whatsoever as to such of the Shares in respect of which the Option hereby granted has not then been exercised.

Notwithstanding the foregoing, if the expiration of the Option Period falls within a Blackout Period the expiration of the Option Period shall be automatically extended for ten (10) business days after the expiry of the Blackout Period on the condition that (i) the Blackout Period was formally imposed by the Corporation pursuant to its internal trading policies as a result of the bona fide existence of undisclosed Material Information, (ii) the Blackout Period must be deemed to have expired upon the general disclosure of the undisclosed Material Information, and (iii) the automatic extension of an Optionee's options will not be permitted where the Optionee or the Corporation is subject to a cease trade order (or similar order under applicable securities laws) in respect of the Corporation's securities.

No Optionee or his or her legal representative, legatees or distributees will be, or will be deemed to be, a holder of any Shares subject to an Option, unless and until certificates for such Shares are issued to him, her or them or a securities intermediary with whom the Optionee (or his or her legal representative, legatees or distributees) has an account, is recorded as the owner of such Shares in a book-entry system under the terms of the Plan.

## **2.06 Exercise of Options**

Except as set forth in section 2.10, no Option may be exercised unless the Optionee is at the time of such exercise;

- (a) in the case of an Employee, in the employ of the Corporation or any Affiliate and shall have been continuously so employed since the grant of his or her Option, or have been a Consultant of the Corporation during such time thereafter, but absence on leave, having the approval of the Corporation or such Affiliate, shall not be considered an interruption of employment for any purpose of the Plan;
- (b) in the case of a Consultant, under contract with the Corporation or any Affiliate and shall have been continuously so contracted since the grant of the Option; or
- (c) in the case of an Executive, a director or officer of the Corporation or any Affiliate and shall have been such a director or officer continuously since the grant of his or her Option.

No Option may be exercised by an Optionee until the Plan has been approved by the shareholders of the Corporation.

The exercise of any Option will be contingent upon receipt by the Corporation of cash payment of the full Exercise Price of the Shares being purchased by 5:00 p.m. (EST) on the last day of the Option Period by delivering to the Corporation an Exercise Notice, the applicable Option Certificate and a certified cheque or bank draft payable to the Corporation in an amount equal to the aggregate Exercise Price of the Shares to be purchased pursuant to the exercise of the Option.

## **2.07 Vesting of Options**

### Executives, Employees, Management Company Employees and Consultants

All Options granted to an Eligible Person, other than Optionees performing Investor Relations Activities, pursuant to this Plan shall vest and become fully exercisable as determined by the Board when the Option is granted.

### Optionees performing Investor Relations Activities

All Options granted to Optionees performing Investor Relations Activities, pursuant to this Plan shall vest and become full exercisable as follows or as determined by the Board when the Option is granted, but in any event such Options shall not vest any sooner:

- (a) one quarter (1/4) of the Options on the date which is three (3) months from the date said Options are granted;
- (b) one quarter (1/4) of the Options on the date which is six (6) months from the date said Options are granted;
- (c) one quarter (1/4) of the Options on the date which is nine (9) months from the date said Options are granted; and
- (d) the final one quarter (1/4) of the Options on the date which is twelve (12) months from the date said Options are granted.

## **2.08 Restrictions on Grant of Options**

The granting of Options shall be subject to the following conditions:

- (a) not more than two (2%) percent of the Outstanding Issue may be granted to any one Consultant in any 12 month period;
- (b) not more than an aggregate of two (2%) percent of the Outstanding Issue may be granted in aggregate to Eligible Persons conducting Investor Relations Activities in any 12 month period;
- (c) unless the Corporation has obtained disinterested shareholder approval, not more than five (5%) percent of the Outstanding Issue may be issued to any one individual in any 12 month period;
- (d) unless the Corporation has obtained disinterested shareholder approval, not more than an aggregate of ten (10%) percent of the Outstanding Issue may be issued to Insiders in any 12 month period; and
- (e) unless the Corporation has obtained disinterested shareholder approval, the Corporation shall not decrease the Exercise Price of Options previously granted to Insiders.

If disinterested shareholder approval is required, the proposed grant(s) or plan must be approved by a majority of the votes cast by all shareholders at the shareholders' meeting excluding votes attaching to shares beneficially owned by (i) Insiders to whom options may be granted under the stock option plan; and (ii) Associates of such Insiders. Holders of non-voting and subordinate voting shares must be given full voting rights on a resolution that requires disinterested shareholder approval.

## **2.09 Lapsed Options**

If Options are surrendered, terminated or expire without being exercised in whole or in part, new Options may be granted covering the Shares not purchased under such lapsed Options.

## **2.10 Effect of Termination of Employment, Death or Disability**

- (a) If an Optionee shall die while employed or retained by the Corporation, or while an Executive, any Options held by the Optionee at the date of death, which have vested pursuant to section 2.07, shall become exercisable, in whole or in part, but only by the persons or persons to whom the Optionee's rights under the Option shall pass by the Optionee's will or the laws of descent and distribution (the "**Successor Optionee**"). All such Options shall be exercisable only to the extent that the Optionee was entitled to exercise the Option at the date of his or her death and only for one (1) year after the date of death or prior to the expiration of the Option Period in respect thereof, whichever is sooner, except that in the event the expiration of the Option Period is earlier than one (1) year after the date of death, with the consent of the Exchange, the Options shall be exercisable for up to one (1) year after the date of death of the Optionee as determined by the Board. Notwithstanding the foregoing, the Board, in its discretion, may resolve that up to all of the Options held by an Optionee at the date of death which have not yet vested shall vest immediately upon death.
- (b) If the employment or engagement of an Optionee shall terminate with the Corporation due to disability while the Optionee is employed or retained by the Corporation, any Option held by the Optionee on the date the employment or engagement of the Optionee is terminated due to disability, which have vested pursuant to section 2.07, shall become exercisable, in whole or in part. All such Options shall be exercisable only to the extent that the Optionee was entitled to exercise the Option at the date of his or her termination due to disability and only for one (1) year after the date of termination or prior to the expiration of the Option Period in respect thereof, whichever is sooner, provided that Options that become exercisable due to disability shall only be exercisable by the person or persons who have the legal authority to act on behalf of the Optionee in connection with the rights of the Optionee to the Options. Notwithstanding the foregoing, the Board, in its discretion, may resolve that up to all of the Options held by an Optionee on the date the employment or engagement of the Optionee is terminated due to disability which have not yet vested shall vest immediately upon such date.
- (c) Subject to section 2.10 (d), if an Optionee ceases to be an Eligible Person (other than as provided in section 2.10 (a) or (b)), any Options held by the Optionee on the date such Optionee ceased to be an Eligible Person, which have vested pursuant to section 2.07, shall be exercisable only to the extent that the Optionee was entitled to exercise the Option at the date such Optionee ceased to be an Eligible Person and only for ninety (90) days after the date such Optionee ceased to be an Eligible Person, subject to the Board's discretion to extend such period for up to one (1) year, or prior to the expiration of the Option Period in respect thereof, whichever is sooner. Notwithstanding the foregoing, the Board, in its discretion, may resolve that up to all of the Options held by an Optionee on the date the Optionee ceased to be an Eligible Person which have not yet vested shall vest immediately upon such date.
- (d) If the employment of an Employee or Consultant is terminated for cause (as determined by the Board) no Option held by such Optionee may be exercised following the date upon which Termination occurred.

## **2.11 Effect of Offer or Sale**

If at any time when the Option hereby granted remains unexercised with respect to any Shares (a) a general offer to purchase all of the Shares is made by a third party, or (b) the Corporation proposes to sell all or substantially all of its assets and undertaking or to merge, amalgamate or be absorbed by or into any other company (save and except for a subsidiary or subsidiaries of the Corporation) under any circumstances which involve or may involve or require the liquidation of the Corporation, a distribution of its assets among its shareholders, or the termination of its corporate existence, the Corporation shall use its commercially reasonable efforts to provide notice of such offer or proposal to the Optionee as soon as practicable and (i) the Corporation may, at its option, permit the Option hereby granted to be exercised, as to all or any of the Shares in respect of which such Option has not previously been exercised by the Optionee at any time up to and including (but not after) a date twenty (20) days following the date of notice of such offer,

sale or other similar transaction or prior to the close of business on the expiration date of the Option Period, whichever is the later, and (ii) the Corporation may, at its option, determine that upon the expiration of such twenty (20) day period, all rights to exercise the Option shall terminate and cease to have any further force or effect.

The Corporation may, in its sole discretion and without the consent of Optionees, provide for one or more of the following: (i) the assumption of the Plan and outstanding Options by the surviving entity or its parent; (ii) the substitution by the surviving entity or its parent of Options with substantially the same terms for such outstanding Options; (iii) immediate exercisability of such outstanding Options followed by cancellation of such Options; and (iv) settlement of the intrinsic value of the outstanding vested Options in cash or cash equivalents or equity followed by the cancellation of all Options (whether or not then vested or exercisable).

## **2.12 Effect of Amalgamation, Consolidation or Merger**

If the Corporation amalgamates, consolidates with or merges with or into another corporation, upon the exercise of an Option following such amalgamation, consolidation or merger, the Optionee shall be entitled to receive, and shall accept, in lieu of Shares, the securities, property or cash which the Optionee would have received upon such amalgamation, consolidation or merger if the Optionee had exercised their Option and held Shares immediately prior to the effective date of such amalgamation, consolidation or merger, and the number of Shares issuable under such Option and the Exercise Price of such Option shall be adjusted appropriately by the directors of the Corporation and such adjustment shall be binding for all purposes herein.

## **2.13 Adjustment in Shares Subject to the Plan**

If there is any change in the Shares through or by means of a declaration of stock dividends of Shares or consolidations, subdivisions or reclassification of Shares, or otherwise, the number of Shares available under the Plan, the Shares subject to any Option, and the Exercise Price thereof shall be adjusted appropriately by the Board and such adjustment shall be effective and binding for all purposes of the Plan.

## **2.14 Hold Period**

All Options and any Shares issued on the exercise of Options may be subject to and legended with a four month hold period commencing on the date the Options were granted pursuant to the rules of the Exchange and applicable securities laws. Any Shares issued on the exercise of Options may be subject resale restrictions contained in National Instrument 45-102 – *Resale of Securities* which would apply to the first trade of the Shares.

## **2.15 Notification of Grant of Option**

Following the granting of an Option by the Board, the Corporation shall notify the Optionee in writing of the Option and shall enclose with such notice the Option Certificate representing the Option so granted. Each Optionee, concurrently with the notice of the grant of an Option, shall be provided with a copy of the Plan.

## **2.16 Options Granted To Corporations**

Except in relation to a Consultant that is a corporation, Options may only be granted to an individual or a corporation that is wholly-owned by an Eligible Person. If a corporation is an Optionee, it must provide the Exchange with a completed Form 4F – *Certification and Undertaking Required from a Corporation Granted an Incentive Stock Option*. The corporation must agree not to effect or permit any transfer of ownership or option of shares of the corporation nor to issue further shares of any class in the corporation to any other individual or entity as long as the Option remains outstanding, except with the written consent of the Exchange.

## **PART 3 - GENERAL**

### **3.01 Number of Shares**

The aggregate number of Shares that may be reserved for issuance, at any time, under the Plan shall not exceed [insert number that is equal to 20% of total Outstanding Issue as of date of Meeting] Shares, being 20% of



the total Outstanding Issue as at the date hereof.

### **3.02 Transferability**

All benefits, rights and options accruing to any Optionee in accordance with the terms and conditions of the Plan shall not be transferable or assignable unless specifically provided herein. During the lifetime of an Optionee, all benefits, rights and options may only be exercised by the Optionee.

### **3.03 Employment**

Nothing contained in any Plan shall confer upon any Optionee any right with respect to employment or continuance of employment with the Corporation or any Affiliate, or interfere in any way with the right of the Corporation or any Affiliate to terminate the Optionee's employment at any time. Participation in any Plan by an Optionee is voluntary.

### **3.04 Approval of Plan**

Options issued under the Plan shall only become exercisable after the Plan has been approved by the shareholders of the Corporation; provided, however:

- (a) unless consistent with the terms contained herein and approved by the Board, nothing contained herein shall in any way affect Options previously granted by the Corporation and currently outstanding;
- (b) the Plan must receive shareholder approval yearly, at the Corporation's annual general meeting.

The obligation of the Corporation to sell and deliver Shares in accordance with the Plan is subject to the approval of any governmental authority having jurisdiction or any stock exchanges on which the Shares are listed for trading which may be required in connection with the authorization, issuance or sale of such Shares by the Corporation. If any Shares cannot be issued to any Optionee for any reason including, without limitation, the failure to obtain such approval, then the obligation of the Corporation to issue such Shares shall terminate and any Optionee's option price paid to the Corporation shall be returned to the Optionee.

### **3.05 Administration of the Plan**

The Board is authorized to interpret the Plan from time to time and to adopt, amend and rescind rules and regulations for carrying out the Plan. The interpretation and construction of any provision of the Plan by the Board shall be final and conclusive. Administration of the Plan shall be the responsibility of the appropriate officers of the Corporation and all costs in respect thereof shall be paid by the Corporation.

### **3.06 Income Taxes**

As a condition of and prior to participation in the Plan, if requested by the Board, a Optionee shall authorize the Corporation in written form to withhold from any remuneration otherwise payable to such Optionee any amounts required by any taxing authority to be withheld for taxes of any kind as a consequence of such participation in the Plan.

In addition, if the Corporation is required under the *Income Tax Act* (Canada) or any other applicable law to make source deductions in respect of employee stock option benefits to the Optionee and to remit to the applicable governmental authority an amount on account of tax on the value of the taxable benefit associated with the issuance of Shares on exercise of Options, then the Optionee shall (i) pay to the Corporation, in addition to the Exercise Price for the Options, sufficient cash as is reasonably determined by the Corporation to be the amount necessary to permit the required tax remittance, (ii) authorize the Corporation, on behalf of the Optionee, to sell in the market on such terms and at such time or times as the Corporation determines a portion of the Shares being issued upon exercise of the Options to realize cash proceeds to be used to satisfy the required tax remittance, or (iii) make other arrangements acceptable to the Corporation to fund the required tax remittance.

### **3.07 Amendments to the Plan**

The Board reserves the right to amend, modify or terminate the Plan at any time if and when it is advisable in the absolute discretion of the Board. However, any amendments of the Plan which could result, at any time, in:

- (a) a material increase in the benefits under the Plan; or
- (b) an increase in the number of Shares which would be issued under the Plan (except any increase resulting automatically from an increase in the total Outstanding Issue); or
- (c) a material modification in the requirement as to eligibility for participation in the Plan;

shall be effective only upon the approval of the shareholders of the Corporation. Any amendment to any provision of the Plan shall be subject to approval, if required, by any regulatory body having jurisdiction over the securities of the Corporation.

### **3.08 No Representation or Warranty**

The Corporation makes no representation or warranty as the future market value of any Shares issued in accordance with the provisions of the Plan.

### **3.09 Interpretation**

The Plan will be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

### **3.10 Compliance with Applicable Law, etc.**

If any provision of the Plan or of any Option Certificate delivered pursuant to the Plan contravenes any law or any order, policy, by-law or regulation of any regulatory body or stock exchange having authority over the Corporation or the Plan then such provision shall be deemed to be amended to the extent required to bring such provision into compliance therewith.

**SCHEDULE "A"**  
**BLUERUSH INC.**  
**STOCK OPTION PLAN**

**If issued to officers or directors - WITHOUT PRIOR WRITTEN APPROVAL OF TSX VENTURE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL [INSERT DATE THAT IS FOUR MONTHS AND A DAY FROM THE GRANT DATE].**

**BLUERUSH MEDIA GROUP CORP.**

**STOCK OPTION PLAN**  
**OPTION CERTIFICATE**

This Certificate is issued pursuant to the provisions of the BlueRush Inc. (the "**Corporation**") stock option plan (the "**Plan**") and evidences that \_\_\_\_\_ is the holder (the "**Optionee**") of an option (the "**Option**") to purchase up to \_\_\_\_\_ common shares (the "**Shares**") in the capital stock of the Corporation at a purchase price of \$ \_\_\_\_\_ per Share (the "**Exercise Price**").

Subject to the provisions of the Plan:

- (a) the effective date of the grant of the Option is \_\_\_\_\_, 20\_\_;
- (b) the Option expires at 5:00 p.m. (EST) on \_\_\_\_\_, 20\_\_; and
- (c) the Options shall vest as follows:

Date	Percent of Stock Options Vested	Number of Stock Options Vested	Aggregate Number of Stock Options Vested

The vested portion or portions of the Option may be exercised at any time and from time to time from and including the date of the grant of the Option through to 5:00 p.m. (EST) on the expiration date of the Option Period by delivering to the Corporation an Exercise Notice, in the form attached as Appendix "I" hereto, together with this Certificate and a certified cheque or bank draft payable to the Corporation in an amount equal to the aggregate of the Exercise Price of the Shares in respect of which the Option is being exercised.

All Options and any Shares issued on the exercise of Options may be subject to resale restrictions and may be subject to and legended with a four month hold period commencing on the date the Options were granted pursuant to the rules of the Exchange and applicable securities laws. The Options hereby granted are subject to the approval of the Exchange.

This Certificate and the Option evidenced hereby is not assignable, transferable or negotiable and is subject to the detailed terms and conditions contained in the Plan, the terms and conditions of which the Optionee hereby expressly agrees with the Corporation to be bound by. This Certificate is issued for convenience only and in the case of any dispute with regard to any matter in respect hereof, the provisions of the Plan and the records of the Corporation shall prevail.

All terms not otherwise defined in this Certificate shall have the meanings given to them under the Plan.

Dated this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

**BLUERUSH INC.**

Per:

\_\_\_\_\_  
Authorized Signatory

**APPENDIX "I"**  
**BLUERUSH INC.**

**STOCK OPTION PLAN**  
**EXERCISE NOTICE**

**TO: BLUERUSH INC. (the "Corporation")**

1. The undersigned (the "**Optionee**"), being the holder of options to purchase \_\_\_\_\_ common shares of the Corporation at the exercise price of \_\_\_\_\_ per share, hereby irrevocably gives notice, pursuant to the stock option plan of the Corporation (the "**Plan**"), of the exercise of the Option to acquire and hereby subscribes for \_\_\_\_\_ of such common shares of the Corporation.

2. The Optionee tenders herewith a certified cheque or bank draft payable to the Corporation in an amount equal to the aggregate Exercise Price of the aforesaid common shares exercised and directs the Corporation to issue a share certificate evidencing said common shares in the name of the Optionee to be mailed to the Optionee at the following address:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

3. By executing this Exercise Notice, the Optionee hereby confirms that the undersigned has read the Plan and agrees to be bound by the provisions of the Plan. All terms not otherwise defined in this Exercise Notice shall have the meanings given to them under the Plan or the attached Option Certificate.

4. The Optionee is resident in \_\_\_\_\_ [name of province].

5. The undersigned Optionee hereby represents, warrants, acknowledges and agrees that the certificate(s) representing the Shares may be subject to and legended with a four month hold period commencing on the date the Options were granted pursuant to the rules of the Exchange and applicable securities laws.

DATED the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
**Signature of Optionee**

**SCHEDULE "B"**  
**AUDIT COMMITTEE CHARTER**

(see attached)

**BLUERUSH MEDIA GROUP CORP.**  
(the “Company”)

**CHARTER OF THE AUDIT COMMITTEE  
OF THE BOARD OF DIRECTORS**

**I. PURPOSE**

The Audit Committee is a committee of the board of directors (the “**Board**”) of the Company. The function of the Audit Committee is to assist the Board in fulfilling its responsibilities to the shareholders of the Company, the securities regulatory authorities and stock exchanges, the investment community and others by:

- (a) reviewing the annual and interim (quarterly) financial statements, related management discussion and analysis (“**MD&A**”) and, where applicable, other financial information disclosed by the Company to any governmental body or the public, prior to its approval by the Board;
- (b) overseeing the review of interim (quarterly) financial statements and/or MD&A by the Company’s external auditor;
- (c) recommending the appointment and compensation of the Company’s external auditor, overseeing the external auditor’s qualifications and independence and providing an open avenue of communication among the external auditor, financial and senior management and the Board;
- (d) directly overseeing the work of the external auditor on the audit of annual financial statements; and
- (e) monitoring the Company’s financial reporting process and internal controls and compliance with legal and regulatory requirements related thereto.

The Audit Committee should primarily fulfill these responsibilities by carrying out the activities enumerated in Section III of this Charter. However, it is not the duty of the Audit Committee to prepare financial statements, to plan or conduct audits, to determine that the financial statements are complete and accurate and are in accordance with generally accepted accounting principles (“**GAAP**”), to conduct investigations, or to assure compliance with laws and regulations or the Company’s internal policies, procedures and controls, as these are the responsibility of management and in certain cases the external auditor.

**II. COMPOSITION**

1. The Audit Committee shall have a minimum of three members.
2. Every Audit Committee member must be a director of the Company. The Audit Committee shall be comprised of such directors as are determined by the Board, each of whom shall be independent within the meaning of National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”) of the Canadian Securities Administrators (or exempt therefrom), and free of any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Audit Committee. Pursuant to the *Business Corporations Act* (Ontario) (the “**OBCA**”) the majority of the Audit Committee members must not be officers, nor employees of the Company or any of its affiliates.
3. All members of the Audit Committee must have (or should gain within a reasonable period of time after appointment) a working familiarity with basic finance and accounting practices and otherwise be financially literate within the meaning of NI 52-110 (or exempt therefrom). Audit Committee members may enhance their familiarity with finance and accounting by participating in educational programs conducted by the Company or an outside consultant.

4. The members of the Audit Committee shall be elected by the Board on an annual basis or until their successors shall be duly appointed. Audit Committee members shall hold office until the next annual meeting of shareholders subsequent to their appointment.
5. Unless a Chair is elected by the full Board, the members of the Audit Committee may designate a Chair by majority vote of the full Audit Committee membership.
6. The Secretary of the Audit Committee will be appointed by the Chair.
7. Any member of the Audit Committee may be removed or replaced at any time by the Board and shall cease to be a member of the Audit Committee on ceasing to be a Director. The Board may fill vacancies on the Audit Committee by election from among the directors on the Board. If and whenever a vacancy shall exist on the Audit Committee, the remaining members may exercise all its powers so long as a quorum remains.

### **III. DUTIES AND RESPONSIBILITIES**

1. The Audit Committee shall review and recommend to the Board for approval:
  - (a) the Company's annual and interim financial statements, including any certification, report, opinion or review rendered by the external auditor, and review related MD&A;
  - (b) press releases of the Company that contain financial information;
  - (c) other financial information provided to any governmental body, stock exchange or the public as they see fit
  - (d) documents referencing, containing or incorporating by reference the annual audited consolidated financial statements or interim financial results (e.g., prospectuses, press releases with financial results and Annual Information Form – when applicable) prior to their release; and
  - (e) any other matter not mentioned herein but otherwise required pursuant to applicable laws, including, without limitation, NI 52-110 and the OBCA.
2. The Audit Committee, in fulfilling its mandate, will:
  - (a) satisfy itself that adequate internal controls and procedures are in place to allow the Chief Executive Officer and the Chief Financial Officer to certify financial statements and other disclosure documents as required under securities laws;
  - (b) review with management relationships with regulators, and the accuracy and timeliness of filing with regulatory authorities (when and if applicable);
  - (c) ensure that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements and periodically assess the adequacy of those procedures;
  - (d) recommend to the Board the selection of the external auditor, consider the independence and effectiveness and approve the fees and other compensation to be paid to the external auditor;
  - (e) review the performance of the external auditor and approve any proposed discharge and replacement of the external auditor when circumstances warrant;
  - (f) review the annual audit plans of the internal and external auditors of the Company;
  - (g) oversee the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company;



- (h) monitor the relationship between management and the external auditor including reviewing any management letters or other reports of the external auditor and discussing any material differences of opinion or disagreements between management and the external auditor;
  - (i) periodically consult with the external auditor out of the presence of management about significant risks or exposures, internal controls and other steps that management has taken to control such risks, and the fullness and accuracy of the organization's financial statements. Particular emphasis should be given to the adequacy of internal controls to expose any payments, transactions, or procedures that might be deemed illegal or otherwise improper;
  - (j) arrange for the external auditor to be available to the Audit Committee and the full Board as needed. Ensure that the auditors communicate directly with the Audit Committee and are made accountable to the Board and the Audit Committee, as representatives of the shareholders to whom the auditors are ultimately responsible;
  - (k) ensure that the external auditors are prohibited from providing non-audit services and approve any permissible non-audit engagements of the external auditors, in accordance with applicable legislation;
  - (l) review with management and the external auditor the Company's major accounting policies, including the impact of alternative accounting policies and key management estimates and judgments that can materially affect the financial results;
  - (m) review with management their approach to controlling and securing corporate assets (including intellectual property) and information systems, the adequacy of staffing of key functions and their plans for improvements;
  - (n) review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company;
  - (o) review the expenses of the Chairman and President of the Company annually;
  - (p) establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal controls, or auditing matters and the confidential, anonymous submission by the Company's employees of concerns regarding questionable accounting or auditing matters; and
  - (q) perform such other duties as required by the Company's incorporating statute and applicable securities legislation and policies, including, without limitation, NI 52-110 and the OBCA.
3. The Audit Committee may engage independent counsel and other advisors as it determines necessary to carry out its duties, and may set and pay the compensation of such counsel and advisors. The Audit Committee may communicate directly with the Company's internal and external counsel and advisors.

#### **IV. MEETING PROCEDURES**

1. The Audit Committee shall meet at such times and places as the Audit Committee may determine, but no less than four times per year. The Audit Committee should meet within forty-five (45) days (sixty (60) days in the event the Company is a "venture issuer" (as such term is defined in National Instrument 51-102 – *Continuous Disclosure Obligations*)) following the end of the first three financial quarters to review and discuss the unaudited financial results for the preceding quarter and the related MD&A, and shall meet within ninety (90) days (one hundred and twenty (120) days in the event the Company is a "venture issuer") following the end of the financial year end to review and discuss the audited financial results for the preceding year and the related MD&A as well as any accompanying press release, or in both cases, by such earlier times as may be required in order to comply with applicable law or any stock exchange regulation.

2. Members of the Audit Committee shall be provided with reasonable notice of the time and place of meetings, which shall be not less than twenty-four (24) hours. The notice period may be waived by all members of the Audit Committee. Each of the Chairman of the Board, the external auditor, the Chief Executive Officer or the Chief Financial Officer shall be entitled to request that any member of the Audit Committee call a meeting.
3. The Audit Committee may ask members of management or others to attend meetings and provide pertinent information as necessary. For purposes of performing their duties, members of the Audit Committee shall have full access to all corporate information and any other information deemed appropriate by them, and shall be permitted to discuss such information and any other matters relating to the financial position of the Company with senior employees, officers and the external auditor of the Company, and others as they consider appropriate. The external auditor may, at its option, attend meetings of the Audit Committee.
4. In order to foster open communication, the Audit Committee or its Chair should meet at least annually with management and the external auditor in separate sessions to discuss any matters that the Audit Committee or each of these groups believes should be discussed privately. In addition, the Audit Committee or its Chair should meet with management quarterly in connection with the Company's interim financial statements.
5. Meetings of the Audit Committee may be conducted with members in attendance in person, by telephone or by video conference facilities.
6. Quorum for the transaction of business at any meeting of the Audit Committee shall be a majority of the number of members of the Audit Committee or such greater number as the Audit Committee shall by resolution determine.
7. A resolution in writing signed by all the members of the Audit Committee is valid as if it had been passed at a meeting of the Audit Committee.
8. The Audit Committee shall ensure that the Board is aware of matters which may significantly impact the financial condition or affairs of the Company.

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