



**Cypher  
Metaverse Inc.**

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**NOTICE OF MEETING  
AND  
MANAGEMENT INFORMATION CIRCULAR  
IN RESPECT OF AN  
ANNUAL GENERAL MEETING OF SHAREHOLDERS**

**To be held on July 18, 2022 at 9:00 a.m. (Calgary time)**

**DATED: JUNE 7, 2022**



## CYPHER METAVERSE INC.

### NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS to be held on July 18, 2022 at 9:00 am (Vancouver time)

**NOTICE IS HEREBY GIVEN** that the annual general meeting (the "**Meeting**") of the holders of common shares ("**Shareholders**") of Cypher Metaverse Inc. (the "**Company**") will be held on Monday, the 18<sup>th</sup> day of July, 2022 at 9:00 a.m. (Calgary time) at the offices of Dentons Canada LLP, 15<sup>th</sup> Floor, Bankers Court, 850 – 2<sup>nd</sup> Street SW, Calgary, AB, T2P 0R8 for the following purposes:

1. To receive the audited consolidated annual financial statements of the Company for the year ended December 31, 2021 together with the report of the auditors thereon.
2. To fix the number of directors and elect directors of the Company for the ensuing year, as described in the Information Circular accompanying this Notice of Meeting.
3. To appoint auditors of the Company for the ensuing year and to authorize the Board of Directors to fix the auditors' remuneration, as described in the Information Circular accompanying this Notice of Meeting.
4. To transact such other business as may properly come before the Meeting or any adjournment or adjournments thereof.

**The specific details of the matters to be considered at the Meeting are set out in the Information Circular dated June 7, 2022, which accompanies this Notice of Meeting. Only Shareholders of record at the close of business on June 6, 2022, are entitled to receive notice of and to vote at the Meeting or any adjournment thereof.**

**If you are a registered Shareholder** and are unable to attend the Meeting in person, please date and execute the accompanying form of proxy and return it in the envelope provided to Odyssey Trust Company, Traders Bank Building 702, 67 Yonge Street, Toronto, ON, M5E 1J8, Attn: Proxy Department, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time fixed for the Meeting or an adjournment thereof.

**If you are not a registered Shareholder** and receive these materials through your broker or through another intermediary, please complete and return the form of proxy in accordance with the instructions provided to you by your broker or by the other intermediary.

Dated at Vancouver, British Columbia, this 7<sup>th</sup> day of June, 2022.

BY ORDER OF THE BOARD OF DIRECTORS

"George Tsafalas"  
George Tsafalas  
Chief Executive Officer

**Cypher Metaverse Inc.  
1780-355 Burrard Street  
Vancouver, BC, V6C 2C8**

**GENERAL PROXY INFORMATION**

**Purpose of Solicitation**

This management information circular ("Circular") is furnished in connection with the solicitation of proxies by the management of Cypher Metaverse Inc. (the "Company" or "Cypher") for use at the annual general meeting of the Company referred to in this Circular, scheduled to take place on Monday, July 18, 2022 at 9:00 a.m. (Calgary time) (the "Meeting") of the holders ("Shareholders") of common shares ("Shares").

The Meeting of Shareholders of Shares of the Company will be held on July 18, 2022 at 9:00 a.m. (Calgary time) at the place and for the purposes set out in the accompanying Notice of Meeting. As a Shareholder you are cordially invited to be present at the Meeting. To ensure that you will be represented at the Meeting in the event that you are a registered Shareholder and unable to attend personally, you are requested to date, complete and sign the accompanying form of proxy enclosed herewith and return the same to Odyssey Trust Company, Traders Bank Building 702, 67 Yonge Street, Toronto, ON, M5E 1J8, Attn: Proxy Department, or by email at [proxy@odysseytrust.com](mailto:proxy@odysseytrust.com) or online at <https://login.odysseytrust.com/pxlogin> not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time fixed for the Meeting or an adjournment thereof. If you are a Beneficial Shareholder (as defined below) and receive these materials through your broker or through another intermediary, please complete and return the instrument of proxy or voting instruction form ("VIF") in accordance with the instructions provided therein.

Solicitation of proxies will be primarily by mail, but may also be by telephone, facsimile, in person or by other means of communication by directors, officers and employees of Cypher who will not be additionally compensated. All costs and expenses incurred in connection with the solicitation of proxies will be borne by Cypher.

**Appointment and Revocation of Proxies**

Enclosed herewith is a form of proxy ("**Proxy**") for use at the Meeting. The persons named in the Proxy are directors and/or officers of Cypher. **A Shareholder submitting a proxy has the right to appoint a nominee (who need not be a Shareholder) to represent such Shareholder at the Meeting other than the persons designated in the enclosed Proxy by inserting the name of the chosen nominee in the space provided for that purpose on the Proxy and by striking out the printed names.**

A Proxy will not be valid for the Meeting or any adjournment thereof unless it is signed by the Shareholder or by the Shareholder's attorney authorized in writing or, if the Shareholder is a corporation, it must be executed by a duly authorized officer or attorney thereof. The proxy to be acted upon must be deposited with Odyssey Trust Company, the registrar and transfer agent for the Shares, at Traders Bank Building 702, 67 Yonge Street, Toronto, ON, M5E 1J8, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time fixed for the Meeting or an adjournment thereof.

A Shareholder who has given a Proxy may revoke it prior to its use, in any manner permitted by law, including by instrument in writing, executed by the Shareholder or by his or her attorney authorized in writing or, if the Shareholder is a corporation, executed by a duly authorized officer or attorney thereof, and deposited at the registered office of the Company at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the Proxy is to be used or with the chairman of the Meeting on the day of the Meeting or any adjournment thereof.

## Advice to Beneficial Holders of Shares

**The information set forth in this section is of significant importance to many Shareholders, as a substantial number of Shareholders do not hold Shares in their own name.** Shareholders who do not hold their Shares in their own name (referred to in this Circular as "**Beneficial Shareholders**") should note that only Proxies deposited by Shareholders whose names appear on the records of Cypher as the registered Shareholders can be recognized and acted upon at the Meeting. If Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those Shares will not be registered in the Shareholder's name on the records of Cypher. Such Shares will more likely be registered under the names of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for CDS Depository and Clearing Services Inc., which acts as nominee for many Canadian brokerage firms). Shares held by brokers or their agents or nominees can only be voted or withheld from voting upon the instructions of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting Shares for the broker's clients. **Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their Shares are communicated to the appropriate person.**

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions which should be carefully followed by Beneficial Shareholders in order to ensure that their Shares are voted at the Meeting. Often, the form of proxy supplied to a Beneficial Shareholder by its broker is identical to the form of proxy provided to registered Shareholders; however, its purpose is limited to instructing the registered Shareholder how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Services, Inc. ("**Broadridge**"). Broadridge typically mails a scannable VIF in lieu of the form of proxy. The Beneficial Shareholder is requested to complete and return the VIF to them by mail or facsimile. Alternatively, the Beneficial Shareholder can call a toll-free telephone number or visit [www.proxyvote.com](http://www.proxyvote.com) to vote the Shares held by the Beneficial Shareholder. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Shares to be represented at the Meeting. A Beneficial Shareholder receiving a VIF cannot use that VIF to vote Shares directly at the Meeting as the VIF must be returned as directed by Broadridge well in advance of the Meeting in order to have the Shares voted.

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

### Voting of Proxies

All Shares represented at the Meeting by properly executed Proxies will be voted on any matter that may be called for and, where a choice with respect to any matter to be acted upon has been specified in the accompanying Proxy, the Shares represented by the Proxy will be voted or withheld from voting in accordance with such instructions. **In the absence of any such instruction, the persons whose names appear on the printed Proxy will vote in favour of all the matters set out thereon. The enclosed Proxy confers discretionary authority upon the persons named therein. If any other business or amendments or variations to matters identified in the Notice of Meeting properly comes before the Meeting, then discretionary authority is conferred upon the person appointed in the Proxy to vote in the manner they see fit, in accordance with their best judgment.**

At the time of the printing of this Circular, the management of Cypher knew of no such amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Meeting.

## **Notice and Access**

The Company is using the notice and access provisions of National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* and National Instrument 51-102 *Continuous Disclosure Obligations* ("**Notice and Access**") to provide meeting materials electronically, for both registered and non-registered shareholders. Instead of mailing meeting materials to Shareholders, the Company has posted this Circular and form of proxy on its website at [www.cypher-meta.com](http://www.cypher-meta.com), in addition to on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") at [www.sedar.com](http://www.sedar.com). The Company has sent the Notice of Meeting and a Proxy or VIF (collectively, the "**Notice Package**") to all Shareholders informing them that this Circular is available online and explaining how this Circular may be accessed. The Company will not directly send the Notice Package to non-registered Shareholders. Instead, the Company will pay intermediaries to forward the Notice Package to all non-registered Shareholders.

The Company has elected to utilize Notice and Access because it allows for a reduction in the use of printed paper materials and has reduced printing and mailing costs associated with the Company's shareholder meetings. In accordance with Notice and Access, the Company set the Record Date (as defined below) at least 40 days before the Meeting.

Registered and non-registered Shareholders who have signed up for electronic delivery of this Circular will continue to receive it by email. No Shareholders will receive a paper copy of this Circular unless they contact the Company, in which case the Company will mail this Circular within three business days of any request, provided the request is made before the date of the Meeting or any adjournment thereof. We must receive your request before 5:00 p.m. (Vancouver time) on July 11, 2022, to ensure you will receive paper copies in advance of the deadline to submit your vote. If your request is made after the Meeting and within one year of the Circular being filed, the Company will mail the Circular within 10 calendar days of any request.

## **Voting Shares and Principal Holders Thereof**

The board of directors of the Company (the "**Board**") has fixed June 6, 2022 (the "**Record Date**"), as the record date. Shareholders at the close of business on the Record Date, are entitled to receive notice of the Meeting and to vote thereat or at any adjournments thereof on the basis of one vote for each Share held, except to the extent that: (i) a registered Shareholder has transferred the ownership of any Shares subsequent to the Record Date; and (ii) the transferee of those Shares produces properly endorsed share certificates, or otherwise establishes that he or she owns the Shares and demands, not later than 10 days before the Meeting, that his or her name be included on the list of persons entitled to vote at the Meeting, in which case, the transferee shall be entitled to vote such Shares at the Meeting. The transfer books will not be closed.

As of the Record Date and the date hereof, 146,979,060 Shares were issued and outstanding as fully paid and non-assessable.

As of the Record Date, to the knowledge of the directors and executive officers of Cypher, there are no persons or companies who beneficially own, directly or indirectly, or control or direct Shares carrying 10% or more of the voting rights attached to all of the Shares.

As of the date hereof, the directors and executive officers of Cypher, as a group, beneficially owned, directly or indirectly, 383,333 Shares, representing 0.26% of the issued and outstanding Shares.

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

No director or executive officer of the Company, or any person who has held such a position since the beginning of the last completed financial year-end of the Company, nor any nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting, other than the election of directors, the appointment of the auditor and as may be otherwise set out herein.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as otherwise disclosed herein, no informed person of the Company, proposed director of the Company or any associate or affiliate of an informed person or proposed director, has any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries.

## VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

### Cypher Shares

The Company is authorized to issue an unlimited number of Shares. As at the date of this Circular, there were 146,979,060 issued and outstanding Shares of Cypher, each Share carrying the right to one vote.

### Principal Holders of Cypher Shares

As at June 7, 2022, to the knowledge of the directors and executive officers of the Company, and based on a review of the records maintained by Odyssey Trust Company, electronic filings with SEDAR and insider reports filed with the System for Electronic Disclosure by Insiders, no person owns, directly or indirectly, or exercises control or direction over, Shares carrying more than 10% of the voting rights attached to all outstanding Shares.

## VOTES NECESSARY TO PASS RESOLUTIONS

A simple majority of affirmative votes cast in person or by proxy at the Meeting is required to pass the resolution(s) described herein as ordinary resolutions.

## ELECTION OF DIRECTORS

The Board currently consists of three directors and the Board proposes that the number of directors be fixed at three at the Meeting. Shareholders will therefore be asked to approve by an ordinary resolution that the number of directors elected be fixed at three.

The term of office of each of the current directors will end at the conclusion of the Meeting. Unless the director's office is earlier vacated in accordance with the provisions of the *Business Corporations Act* (British Columbia), each director elected will hold office until the conclusion of the next annual general meeting of the Company, or if no director is then elected, until a successor is elected.

The following table sets out the names of management's nominees for election as directors, all major offices and positions with the Company or any of its significant affiliates each nominee holds, each nominee's principal occupation, business or employment for the five preceding years for new director nominees, the period of time during which each nominee has been a director of the Company and the number of Shares of the Company beneficially owned by each nominee, directly or indirectly, or over which each exercised control or direction, as at the date of this Circular.

Name, City and Province of Residence	Principal Occupation / Employment During the Past Five Years <sup>(2)</sup>	Current Position(s) with Cypher	Director / Officer Since	Number/ Percentage of Shares Beneficially Owned or over which Control or Direction is Exercised
<b>George Tsafalas<sup>(1)</sup></b> Vancouver, BC	Executive and investment professional.	CEO, President and Director	June 29, 2017	283,333 (0.189%)
<b>Brian Keane<sup>(1)</sup></b> New York, NY	Mr. Keane has been a self-employed businessman from 2000 to present.	Director	September 29, 2017	100,000 (0.072%)

Name, City and Province of Residence	Principal Occupation / Employment During the Past Five Years <sup>(2)</sup>	Current Position(s) with Cypher	Director / Officer Since	Number/ Percentage of Shares Beneficially Owned or over which Control or Direction is Exercised
Harrison Ross <sup>(1)</sup> Vancouver, BC	Executive and investment professional. Mr. Ross has been the CEO of Health Logic Interactive Inc. from November 16, 2021 to present. Mr. Ross has also been VP Finance of Marizyme Inc. from December 23, 2021 to present.	Director	October 4, 2021	Nil

**Notes:**

- (1) Member of the Audit Committee.
- (2) The information as to principal occupation, business or employment, penalties, sanctions, cease trade orders, bankruptcies, Shares beneficially owned or controlled is not within the knowledge of the management of and has been furnished by the respective nominees.

**Cease Trade Orders, Bankruptcies, Penalties or Sanctions**

*Cease Trade Orders*

To the knowledge of the Company, no director or executive officer of the Company (nor any personal holding company of any of such persons) is, as of the date of this Circular, or was within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Company), that:

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

*Bankruptcies*

To the knowledge of the Company, no director or executive officer of the Company (nor any personal holding company of any of such persons), or shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company:

- (a) is, as of the date of this Circular, or has been within the 10 years before the date of this Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver

manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

### *Penalties or Sanctions*

To the knowledge of the Company, no director or executive officer of the Company (nor any personal holding company of any of such persons), or shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

## **CORPORATE GOVERNANCE**

### **General**

The Board believes that good corporate governance improves corporate performance and benefits all Shareholders. National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("**NI 58-101**") prescribes certain disclosure by the Company of its corporate governance practices. This section sets out the Company's approach to corporate governance and addresses the Company's compliance with NI 58-101.

### **Board of Directors**

Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A "material relationship" is a relationship, which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director's independent judgment.

The Board facilitates its independent supervision over management by holding periodic Board meetings to discuss the operations of the Company. The non-independent director by virtue of holding a management position with the Company is the CEO, George Tsafalas. Brian Keane and Harrison Ross are independent members of the Board.

### **Board Mandate**

Cypher seeks early-stage investments in emerging technology sectors, including the blockchain ecosystem, fintech and the metaverse. The Company identifies such opportunities and applies its relationships and capital to advance its interests.

### **Directorships**

The following table sets forth the directors of Cypher who currently hold directorships in other reporting issuers:

<b>Name of Director</b>	<b>Other Issuer</b>
Brian Keane	Callitas Health Inc. The Gummy Project
Harrison Ross	Health Logic Interactive Inc.

### **Orientation and Continuing Education**

When new directors are appointed they receive orientation, commensurate with their previous experience, on the Company's business and industry and on the responsibilities of directors. Board meetings may also include presentations by the Company's management and employees to give the directors additional insight into the Company's business. Directors are encouraged to take continuing education courses to enhance their knowledge of corporate governance.

### **Ethical Business Conduct**

The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual directors' participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

### **Nomination of Directors**

The Board considers its size each year when it considers the number of directors to recommend to the Shareholders for election at the annual meeting of Shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience. The Board does not have a nominating committee, and these functions are currently performed by the Board as a whole. However, if there is a change in the number of directors required by the Company, this policy will be reviewed.

### **Compensation**

The Board, as a whole, determines compensation for the directors, CEO and CFO. The compensation is discussed and determined during board meetings. The following criteria have been taken into consideration while determining compensation: financial position of the Company, amount of time spent on the business of the Company, qualifications of directors, CEO and CFO and organizational commitment.

### **Other Board Committees**

The Board has no committees other than the audit committee. Further information in respect of the audit committee is set out in Schedule A attached hereto.

### **Assessments**

The Board monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and committees.

### **Director Term Limits and Other Mechanisms of Board Renewal**

The Company has not adopted term limits or other mechanisms to force a director to be removed from the Board. The articles of the Company provide that directors will serve until the next annual general meeting of shareholders and if qualified can be nominated by the governance committee for re-election. Accordingly, the Board has determined that term limits or mandatory retirement based on age is not necessary. The Board believes that sustained leadership and intimate knowledge of the Company is an asset to the operations and the future of the Company. The Board also believes that an imposition of term limits is inflexible and could possibly result in experienced directors being forced to resign or being barred from standing for re-election based solely on tenure. The Board considers performance and contribution of individual directors on an ongoing basis.

## **Policies Regarding the Representation of Women on the Board**

The Company has not adopted written policies relating to the identification and nomination of women to the Board. While committed to diversity, the Company is of the view that the identification and nomination of individuals to the Board should be made on the basis of the knowledge and experience of candidates.

The Company does not consider the level of representation of women on the Board in identifying and nominating candidates for election or re-election. The Company is aware and committed to diversity but is of the view that director identification and selection should focus on the knowledge and experience of candidates.

The Company does not consider the level of representation of women in executive officer positions when making executive officer appointments. The Company is of the view that executive officer appointments should be made on the basis of the knowledge and experience of candidates.

The Company has not adopted targets regarding the representation of women on the Board or in executive officer positions. The Company believes that targets are unnecessary and would detract from a focus on the knowledge and experience of candidates.

The Company has no women on its Board, representing 0% of board membership and one woman in an executive officer position, representing 50% of all executive officers.

## **EXECUTIVE COMPENSATION AND REMUNERATION OF DIRECTORS**

### **Compensation Discussion and Analysis**

#### *Introduction*

Under applicable securities legislation, the Company is required to disclose certain financial and other information relating to the compensation of the "NEOs" and for the directors of the Company. The Company is a venture issuer and is disclosing its executive compensation in accordance with Form 51-102F6V *Statement of Executive Compensation – Venture Issuers*.

For the period ending December 31, 2021, the Corporation had the following NEOs:

- George Tsafalas – President and CEO.
- Tatiana Kovaleva – CFO.

#### *Compensation Governance*

Given the small size of the Company and the Board, no formal compensation committee has been appointed. The non-management directors on the Board review and approve the annual compensation of the CEO and, based on the recommendation of the CEO, review and approve the annual compensation of senior management.

#### *Objectives of Any Compensation Program or Strategy*

The Board determines the compensation to be paid or awarded to the NEOs of the Company. To achieve the Company's objectives, the Company believes it is critical to create and maintain compensation programs that attract and retain committed, highly qualified personnel by providing appropriate rewards and incentives and that align the interest of the officers of the Company with those of the Shareholders to provide incentive to the officers to enhance Shareholder value. However, as a small company the Company is constrained by the amount of capital it has available to it. This element was the primary focus of all compensation decisions in 2021.

In 2021, compensation for the NEOs consisted of the three elements: base salary, bonus, and long-term equity incentives.

### *How the Corporation Determines the Amount for Each Element*

As indicated above, executive compensation is the responsibility of the Board.

During the fiscal year ended December 31, 2021, the Board had no meetings dedicated solely to compensation.

The Board uses all the data available to ensure that the Company is maintaining a level of compensation that is both commensurate with the size of the Company and sufficient to retain personnel it considers essential to the success of the Company. In reviewing comparative data, the Board does not engage in benchmarking for the purpose of establishing compensation levels relative to any predetermined point. In the Board's view, external and third-party survey data provides an insight into external competitiveness, but it is not an appropriate single basis for establishing compensation levels. This is primarily due to the differences in the size of comparable companies and the lack of sufficient appropriate matches to provide statistical relevance.

In the process used by the Board to establish and adjust executive compensation levels, third-party survey data may be considered, along with an assessment of individual performance, experience and potential to contribute to operations and growth of the Company. However, the Company largely relies on Board discussion and familiarity with the NEOs without any formal objectives or criteria. The Board can exercise both positive and negative discretion in relation to the compensation awards and its allocation between cash and non-cash awards.

The CEO of the Company makes recommendations to the Board regarding total compensation to the NEOs of the Company (excluding the CEO), including base salaries, bonuses, and long-term equity incentive grants. These recommendations are considered by the Board against information derived from publicly available information and adjusted, as applicable, for inflation and anticipated increases in the current year.

#### *Salary*

Base salary represents the fixed element of the NEO's cash compensation. The base salary reflects the Boards' consideration of each individual's level of responsibility, expertise, skills, knowledge and performance. Base salaries for the NEOs of the Company are reviewed annually by the Board.

In 2021, the Board did increase the base salary amounts for the CEO and CFO.

#### *Annual Cash Bonus Awards*

The Board has the authority, based upon management recommendations, to award discretionary annual bonuses to the executive officers. The annual discretionary bonuses are intended to compensate officers for achieving superior financial and operational results for the Company. The discretionary annual bonus may be paid in cash or shares in an amount reviewed with management and recommended by the Board and approved by the Board. The actual amount of bonus is determined following a review by the Board of each executive's individual role during the previous year.

Bonuses awarded by the Board are intended to be competitive with the market while rewarding senior executives for creating qualitative improvements in the Company's performance, including delivering near-term financial and operating results, developing long-term growth prospects, improving the efficiency and effectiveness of business operations and building a culture of teamwork focused on creating long-term shareholder value. Consistent with a flexible nature of the annual bonus program, the Board does not assign any specific weight to any particular element of performance nor is any specific weight assigned to a specific performance goal in the aggregate. The Board considers not only the Company's performance during the year, but also with respect to market and economic trends and forces, extraordinary internal and market-driven events, unanticipated developments and other extenuating circumstances. In sum, the Board analyzes the total mix of available information on a qualitative, rather than quantitative, basis in making bonus determinations.

In 2021, no bonuses were awarded to the NEOs.

### Long-Term Incentive Programs

The allocation of stock options ("**Options**") and the terms designed in those Options are an integral component of the compensation package of the executive officers of the Company. The Company has a stock option plan (the "**Plan**") in place for the purpose of providing Options to the executive officers of the Company. The Board believes that the grant of Options to the executive officers and Share ownership by such officers serves to motivate achievement of the Company's long-term strategic objectives and the result will benefit all Shareholders of the Company. Options are awarded to employees of the Company by the Board based upon the recommendation of the CEO, who bases his decision upon the level of responsibility and contribution of the individuals toward the Company's ultimate goals and objectives. Also, the Board considers the overall number of Options that are outstanding relative to the number of outstanding Shares of the Company in determining whether to make any new grants of Options and the size of such grants. The granting of these specific Options is reviewed by management for final recommendation to the Board for approval.

### Hedging Activities

Although the Company has no formal hedging policy in place with respect to purchases of securities by NEOs or directors designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by such individuals, to the Company's knowledge, no NEO or director has hedged the economic value of his direct or indirect interests in the market value of the Shares so held or granted as compensation.

### Risk Assessment and Oversight

The Board is keenly aware of the fact that compensation practices can have unintended risk consequences. The Board will continually review the Company's compensation policies to identify any practice that might encourage an employee to expose the Company to unacceptable risks. At the present time, the Board is satisfied that the current executive compensation program does not encourage the Company's executives to expose the business to inappropriate risk. The Board takes a conservative approach to executive compensation rewarding individuals for the success of the Company once that success has been demonstrated and incenting them to continue that success through the grant of long-term incentive awards. In addition, the Plan limits the number of Options a particular NEO is entitled to receive.

### Summary Compensation Table

The following table is a summary of all compensation (excluding compensation securities) paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, to our directors and NEOs for the two most recently completed financial years.

Name and principal position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites <sup>(1)</sup> (\$)	Value of all other compensation (\$)	Total compensation <sup>(2)(3)</sup> (\$)
George Tsafalas <i>President, CEO and Director</i>	2021	190,523	Nil	Nil	Nil	Nil	190,523
	2020	170,625	Nil	Nil	Nil	Nil	170,625
Tatiana Kovaleva <i>CFO</i>	2021	90,825	Nil	Nil	Nil	Nil	90,825
	2020	61,950	Nil	Nil	Nil	Nil	61,950
Brian Keane <i>Director</i>	2021	77,825	Nil	Nil	Nil	Nil	77,825
	2020	40,500	Nil	Nil	Nil	Nil	40,500

Name and principal position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites <sup>(1)</sup> (\$)	Value of all other compensation (\$)	Total compensation <sup>(2)(3)</sup> (\$)
Morie Shacker <sup>(4)</sup> <i>Director</i>	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil
Harrison Ross <sup>(5)</sup> <i>Director</i>	2021	4,725	Nil	Nil	Nil	Nil	4,725
	2020	N/A	N/A	N/A	N/A	N/A	N/A

**Notes:**

- (1) The value of perquisites and benefits, if any, for each NEO or director was less than (a) \$15,000, if the NEO or director's total salary for the financial year was \$150,000 or less; (b) 10% of the NEO or director's salary for the financial year, if the NEO or director's total salary for the financial year was greater than \$150,000 but less than \$500,000; or (c) \$50,000, if the NEO or director's total salary for the financial year was \$500,000 or greater.
- (2) In 2021, Mr. Tsafalas received compensation in the amount of \$190,523 for his role as President and CEO and Nil for his role as director.
- (3) In 2020, Mr. Tsafalas received compensation in the amount of \$170,625 for his role as President and CEO and Nil for his role as director.
- (4) Mr. Shacker resigned from the Board on October 4, 2021.
- (5) Mr. Ross was appointed to the Board on October 4, 2021.

**External Management Companies**

None of our NEOs or directors have been retained or employed by an external management company which has entered into an understanding, arrangement or agreement with us to provide executive management services to us, directly or indirectly.

**Stock Options and other Compensation Securities**

The following table provides a summary of all compensation securities granted or issued to each NEO and to each director of the Company during the most recently completed financial year of the Company for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries:

Compensation Securities							
Name and principal position	Type of compensation security	Number of compensation securities, number of underlying securities and percentage of class <sup>(1)(2)</sup>	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
George Tsafalas <i>President, CEO and Director</i>	Option	800,000 (0.61%)	January 6, 2021	0.23	0.23	0.105	January 6, 2026
	Option	700,000 (0.54%)	February 8, 2021	0.30	0.315	0.105	February 8, 2026
	Option	1,500,000 (1.15%)	April 12, 2021	0.265	0.265	0.105	April 12, 2026
	Option	1,875,000 (1.43%)	December 9, 2021	0.12	0.12	0.105	December 9, 2026

Compensation Securities							
Name and principal position	Type of compensation security	Number of compensation securities, number of underlying securities and percentage of class <sup>(1)(2)</sup>	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
Tatiana Kovaleva <i>CFO</i>	Option	200,000 (0.15%)	January 6, 2021	0.23	0.23	0.105	January 6, 2026
	Option	100,000 (0.075%)	February 8, 2021	0.30	0.315	0.105	February 8, 2026
	Option	200,000 (0.15%)	April 12, 2021	0.265	0.265	0.105	April 12, 2026
	Option	200,000 (0.15%)	December 9, 2021	0.12	0.12	0.105	December 9, 2026
Brian Keane <i>Director</i>	Option	200,000 (0.15%)	January 6, 2021	0.23	0.23	0.105	January 6, 2026
	Option	200,000 (0.15%)	February 8, 2021	0.30	0.315	0.105	February 8, 2026
	Option	200,000 (0.15%)	April 12, 2021	0.265	0.265	0.105	April 12, 2026
	Option	400,000 (0.30%)	December 9, 2021	0.12	0.12	0.105	December 9, 2026
Morie Shacker <i>Director</i>	Option	200,000 (0.15%)	January 6, 2021	0.23	0.23	0.105	January 6, 2026
	Option	100,000 (0.075%)	February 8, 2021	0.30	0.315	0.105	February 8, 2026
	Option	200,000 (0.15%)	April 12, 2021	0.265	0.265	0.105	April 12, 2026
Harrison Ross <i>Director</i>	Option	500,000 (0.38%)	December 9, 2021	0.12	0.12	0.105	December 9, 2026

**Notes:**

- (1) Each Option is exercisable for one Share.
- (2) Based on 130,779,061 Shares outstanding as at December 31, 2021.
- (3) As at December 31, 2021, (a) Mr. Tsafalas owned 2,675,000 Options, exercisable for 2,675,000 Shares of the Cypher, (b) Ms. Kovaleva owned 200,000 Options, exercisable for 200,000 Shares of Cypher, (c) Mr. Keane owned 400,000 Options exercisable for 400,000 Shares of Cypher, and (d) Mr. Ross owned 500,000 Options exercisable for 500,000 Shares of Cypher.
- (4) During the fiscal year ended December 31, 2021, Cypher's board of directors assessed the outstanding stock option pool and determined it was in the best interest of the Company to cancel certain options to better align incentives with current market conditions. The Company cancelled the following Options on November 23, 2021: (a) 2,200,000 Options owned by Mr. Tsafalas; (b) 200,000 Options owned by Ms. Kovaleva; (c) 400,000 Options owned by Mr. Keane; and (d) 300,000 Options owned by Mr. Shacker.
- (5) All of the outstanding Options became exercisable upon the grant date.

## Exercise of Compensation Securities by NEOs

During the fiscal year ended December 31, 2021, the NEOs and directors exercised the following compensation securities.

Name and principal position	Type of compensation security	Number of underlying securities exercised	Exercise price per security (\$)	Date of exercise	Closing price per security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date (\$)
Tatiana Kovaleva <i>CFO</i>	Option	20,000	0.23	Jan 27, 2021	0.25	0.02	5,000
	Option	20,000	0.23	Feb 1, 2021	0.30	0.07	6,000
	Option	20,000	0.23	Feb 8, 2021	0.315	0.085	6,300
	Option	40,000	0.23	Feb 12, 2021	0.31	0.08	12,400
	Option	70,000	0.23	Feb 16, 2021	0.37	0.14	25,900
	Option	30,000	0.23	Feb 17, 2021	0.73	0.50	21,900
	Option	90,000	0.30	Feb 19, 2021	0.70	0.40	63,000
	Option	10,000	0.30	Feb 23, 2021	0.495	0.20	4,950
Brian Keane <i>Director</i>	Option	200,000	0.23	Feb 17, 2021	0.73	0.50	146,000
Morie Shacker <i>Director</i>	Option	200,000	0.23	Feb 17, 2021	0.73	0.50	146,000

## Description of the Plan

The Company has adopted the Plan pursuant to which the Board may, from time to time, grant Options to directors, officers, employees and consultants of the Company. The number of Shares granted under each Option and the vesting terms thereof are in the discretion of the Board. Options granted under the Plan must have a term of no more than five years from the date of grant. The exercise price of each Option granted under the Plan is in the discretion of the Board, provided that the exercise price cannot be below the closing price of the Shares on the Canadian Securities Exchange (the "CSE") on the last trading day before the date of grant. Any outstanding Options granted under the Plan expire on a date not exceeding 90 days following the date that the holder ceases to be an officer, director, employee or consultant of the Company, as the case may be, except in the case of death in which case the Options expire one year from the date of death. Options granted under the Plan are non-assignable and non-transferable. Outstanding Options granted under the Plan may be adjusted in certain events, as to exercise price (subject to disinterested shareholder approval prior to any reduction to the exercise price if the affected optionee is an insider (as defined in the *Securities Act* (Alberta)) of the Company at the time of the proposed amendment) and number of Shares, to prevent dilution or enlargement. The number of Shares that may be optioned under the Plan is limited to 10% of the outstanding Shares from time to time.

As of December 31, 2021, 13,075,000 Shares (representing approximately 10% of the issued and outstanding Shares as at such date) were reserved for issuance pursuant to Options granted under the Plan.

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

The Company does not, and did not during the most recently completed financial year, have in place any employment, consulting or management agreements between the Company or any subsidiary or affiliate thereof and any of its NEOs.

There are no employment, consulting or management agreements in place with any of the directors of the Company.

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

Cypher does not have a formal compensation committee. The independent directors consider and determine all compensation matters in respect of our NEOs and directors. The objective of our compensation arrangements is to compensate the executive officers for their services at a level that is both in line with our fiscal resources and competitive with companies at a similar stage of development.

We compensate our executive officers based on their skill, qualifications, experience, level of responsibility involved in their position, our existing stage development, our resources, industry practice and regulatory guidelines regarding executive compensation.

At this time, we do not have a formal compensation program with specific performance goals or similar conditions. Executive compensation is based upon the need to provide a compensation package that will allow us to attract and retain qualified and experienced executives, balanced with a pay-for-performance philosophy. The Plan will continue to be used to provide share-purchase Options to executives. The Options are granted in consideration of the level of responsibility of the executive as well as his or her impact to our long-term operating performance. In determining the number of Options to grant to an executive officer, the Board takes into account the number of Options, if any, previously granted to such executive officer and the exercise price of any outstanding Options in order to ensure that each grant is in accordance with the policies of the CSE, and to closely align the interests of each executive officer with the interests of our Shareholders.

We plan to continually assess and, if required, revise our compensation plans in accordance with our growth and activity level. We believe this flexible approach is required for a company in our current state of development.

### **Pension Disclosure**

We do not have any pension or retirement plans that are applicable to the NEOs or directors. We have not provided compensation, monetary or otherwise, to any person who now or previously has acted as an NEO, in connection with or related to the retirement, termination or resignation of such person, and we have not provided any compensation to any such person as a result of a change of control.

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

The following table sets forth the number of Shares to be issued upon exercise of outstanding Options, warrants and/or rights issued pursuant to equity compensation plans, the weighted average exercise price of such outstanding Options, warrants and/or rights and the number of Shares remaining available for future issuance under equity compensation plans of the Company as of December 31, 2021.

Plan Category	Number of Shares to be issued upon exercise of outstanding Options, warrants and rights	Weighted-average exercise price of outstanding Options, warrants and rights	Number of Shares remaining available for future issuance under equity compensation plans (excluding Shares reflected in the first column) <sup>(1)</sup>
Equity compensation plans approved by securityholders	13,875,888	\$0.13	2,908
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	13,875,888	\$0.13	2,908

**Note:**

(1) Based on 130,779,061 Shares outstanding as at December 31, 2021.

**INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

No directors, proposed nominees for election as directors, executive officers or their respective associates or affiliates, or other management of the Company were indebted to the Company as of the end of the most recently completed financial year or as at the date hereof.

**MANAGEMENT CONTRACTS**

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

**PARTICULARS OF MATTERS TO BE ACTED UPON**

**Financial Statements**

The Shareholders will receive and consider the Company's audited consolidated annual financial statements for the fiscal year ended December 31, 2021, together with the auditor's report thereon. A copy of the financial statements is available for review on SEDAR at [www.sedar.com](http://www.sedar.com).

**Fixing Number of Directors**

At the Meeting, Shareholders will be asked to fix the number of directors for the present time at three as may be adjusted between shareholders' meetings by way of resolution of the Board. Accordingly, unless otherwise directed, it is the intention of management to vote proxies in the accompanying form in favour of fixing the number of directors to be elected at the Meeting to three.

**Election of Directors**

At the Meeting, Shareholders will be asked to elect the proposed directors set forth below to hold office until the next annual meeting or until their successors are elected or appointed. There are presently three directors, each of whom retires from office at the Meeting. Unless otherwise directed, it is the intention of management to vote proxies in the accompanying form in favour of the election as directors of the nominees set forth below to hold office until the next annual general meeting, or until their successors are elected or appointed:

George Tsafalas  
 Brian Keane  
 Harrison Ross

See "Election of Directors" above for more information regarding each of the proposed director nominees.

## **Appointment of Auditor**

The Corporation's auditor is PKF Antares Professional Corporation, Chartered Accountants ("**PKF**"). PKF was first appointed as auditor of the Corporation on September 28, 2021 after Baker Tilly WM LLP, the Corporation's former auditor, agreed to resign. Baker Tilly WM LLP had served as the Company's auditor from 2017 up to its resignation on September 28, 2021.

The decision to change the auditors of the Company was made by the Board of Directors to utilize the services of an auditor more familiar with the Company's audit needs.

In accordance with Section 4.11 of National Instrument 51-102 *Continuous Disclosure Obligations*, a copy of the notice of change of auditors of the Corporation, dated September 28, 2021 (the "**Notice of Change of Auditors**"), is attached hereto as Schedule "B". A copy of the letter from the former auditor, Baker Tilly WM LLP, dated September 29, 2021, agreeing with the contents of the Notice of Change of Auditors, and a copy of the letter from PKF dated September 29, 2021, agreeing with the contents of the Notice of Change of Auditors is also attached as Schedule "B" to this Circular.

At the Meeting, Shareholders will be asked to vote for the appointment of PKF, of Calgary, Alberta, as auditors of the Corporation until the close of the next annual general meeting, at such remuneration as may be approved by the Board.

To be effective, the resolution must be passed by at least a majority of the votes cast at the Meeting. The persons named in the enclosed form of proxy intend to vote FOR this resolution at the Meeting. **The Board recommends that you vote FOR the ordinary resolution approving PKF as the auditor.**

## **ADDITIONAL INFORMATION**

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com). Shareholders may contact the Company to request copies of the Company's financial statements and management's discussion and analysis by sending a written request to Cypher Metaverse Inc., Suite 1780, 355 Burrard Street St., Vancouver, BC, V6C 2C8, Attention: George Tsafalas, CEO or Tatiana Kovaleva, CFO. Financial information is provided in the Company's comparative financial statements and management discussion and analysis for its most recently completed financial year.

## **TRANSFER AGENT AND REGISTRAR**

Cypher's registrar and transfer agent is Odyssey Trust Company, 1230, 300 5<sup>th</sup> Avenue SW, Calgary, AB, T2P 3C4.

## **OTHER MATTERS**

The Board is not aware of any other matters which they anticipate will come before the Meeting as of the date of this Circular.

## SCHEDULE A

### Cypher Metaverse Inc.

#### AUDIT COMMITTEE DISCLOSURE

National Instrument 52-110 *Audit Committees* ("**NI 52-110**") requires the Company, as a venture issuer, to disclose annually in its Circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor, as set forth below:

#### 1. The Audit Committee's Charter

##### The Audit Committee Charter of Cypher Metaverse Inc. (the "Company")

###### *Purpose of the Committee*

The purpose of the Audit Committee (the "**Committee**") of the Board of Directors (the "**Board**") of the Company is to provide an open avenue of communication between management, the Company's independent auditor and the Board and to assist the Board in its oversight of:

- the integrity, adequacy and timeliness of the Company's financial reporting and disclosure practices;
- the Company's compliance with legal and regulatory requirements related to financial reporting; and
- the independence and performance of the Company's independent auditor.

The Committee shall also perform any other activities consistent with this Charter, the Company's charter documents and governing laws as the Committee or Board deems necessary or appropriate.

The Committee shall consist of at least three directors. Members of the Committee shall be appointed by the Board and may be removed by the Board in its discretion. The members of the Committee shall elect a Chairman from among their number. A majority of the members of the Committee must not be officers or employees of the Company or of an affiliate of the Company. The quorum for a meeting of the Committee is a majority of the members who are not officers or employees of the Company or of an affiliate of the Company. With the exception of the foregoing quorum requirement, the Committee may determine its own procedures.

The Committee's role is one of oversight. Management is responsible for preparing the Company's financial statements and other financial information and for the fair presentation of the information set forth in the financial statements in accordance with generally accepted accounting principles ("**IFRS**"). Management is also responsible for establishing internal controls and procedures and for maintaining the appropriate accounting and financial reporting principles and policies designed to assure compliance with accounting standards and all applicable laws and regulations.

The independent auditor's responsibility is to audit the Company's financial statements and provide its opinion, based on its audit conducted in accordance with generally accepted auditing standards, that the financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of the Company in accordance with IFRS.

The Committee is responsible for recommending to the Board the independent auditor to be nominated for the purpose of auditing the Company's financial statements, preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, and for reviewing and recommending the compensation of the independent auditor. The Committee is also directly responsible for the evaluation

of and oversight of the work of the independent auditor. The independent auditor shall report directly to the Committee.

### ***Authority and Responsibility***

In addition to the foregoing, in performing its oversight responsibilities the Committee shall:

1. Monitor the adequacy of this Charter and recommend any proposed changes to the Board.
2. Review the appointments of the Company's Chief Financial Officer and any other key financial executives involved in the financial reporting process.
3. Review with management and the independent auditor the adequacy and effectiveness of the Company's accounting and financial controls and the adequacy and timeliness of its financial reporting processes.
4. Review with management and the independent auditor the annual financial statements and related documents and review with management the unaudited quarterly financial statements and related documents, prior to filing or distribution, including matters required to be reviewed under applicable legal or regulatory requirements.
5. Where appropriate and prior to release, review with management any news releases that disclose annual or interim financial results or contain other significant financial information that has not previously been released to the public.
6. Review the Company's financial reporting and accounting standards and principles and significant changes in such standards or principles or in their application, including key accounting decisions affecting the financial statements, alternatives thereto and the rationale for decisions made.
7. Review the quality and appropriateness of the accounting policies and the clarity of financial information and disclosure practices adopted by the Company, including consideration of the independent auditor's judgment about the quality and appropriateness of the Company's accounting policies. This review may include discussions with the independent auditor without the presence of management.
8. Review with management and the independent auditor significant related party transactions and potential conflicts of interest.
9. Pre-approve all non-audit services to be provided to the Company by the independent auditor.
10. Monitor the independence of the independent auditor by reviewing all relationships between the independent auditor and the Company and all non-audit work performed for the Company by the independent auditor.
11. Establish and review the Company's procedures for the:
  - receipt, retention and treatment of complaints regarding accounting, financial disclosure, internal controls or auditing matters; and
  - confidential, anonymous submission by employees regarding questionable accounting, auditing and financial reporting and disclosure matters.

12. Conduct or authorize investigations into any matters that the Committee believes is within the scope of its responsibilities. The Committee has the authority to retain independent counsel, accountants or other advisors to assist it, as it considers necessary, to carry out its duties, and to set and pay the compensation of such advisors at the expense of the Company.
13. Perform such other functions and exercise such other powers as are prescribed from time to time for the audit committee of a reporting corporation in National Instrument 52-110 of the Canadian Securities Administrators, the *Business Corporations Act* (British Columbia) and the charter documents of the Company.

## **2. Composition of the Audit Committee**

George Tsafalas, Brian Keane and Harrison Ross are members of the Committee. Each member of the Committee is financially literate as defined by NI 52-110. George Tsafalas is not an independent member of the audit committee by virtue of his position as CEO. Brian Keane and Harrison Ross are independent directors of the Company.

A member of the Committee is independent if the member has no direct or indirect material relationship with the Company. A material relationship means a relationship which could, in the view of the Company's Board, reasonably interfere with the exercise of a member's independent judgment.

A member of the Committee is considered financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company.

## **3. Relevant Education and Experience**

The following is the description of education and experience of each Committee member that is relevant to the performance of his duties.

Mr. George Tsafalas has been a Senior Executive, Chief Financial Officer, Executive Member of the Board of Directors and Chair of the audit committee of several companies, where he acquired his financial literacy.

Mr. Brian Keane has over 18 years of capital markets, investing and C-level consulting experience in over 100 emerging growth companies in the US, Canada, Caribbean and Asia, transacting over \$2 billion in deal value. His previous Wall Street experience includes: Rodman & Renshaw, LLC, Ladenburg Thalmann & Co., TechVest, & Qualified Capital where he focused on life science, biotech, mining and emerging growth companies. He earned a BS from the University of Scranton and a JD from New York Law School.

Mr. Ross is currently VP of finance at Marizyme Inc. (OTCQB:MRZM), a medical device development and commercialization company. Prior to that, Mr. Ross was CFO of Health Logic Interactive Inc., and its subsidiary My Health Logic Inc., which completed its sale to Marizyme Inc. (OTCQB:MRZM) in December, 2021. Mr. Ross' previous work experience includes being CFO at DC Acquisition, a Capital Pool Company listed on the TSX.V that raised over \$2.5 million and completed its acquisition of Kiaro Holdings (TSXV:KO). Mr. Ross has also helped manage over a combined \$500 million at the investment firm Duncan Ross and Associates and for the family office Belkorp Industries, where he served as an equity analyst in both cases. Mr. Ross has also spent time working at the family-owned company Graymont Limited and the investment arm of CIBC, Wood Gundy. Mr. Ross received his Bachelor of Management and Organizational Studies degree from University of Western Ontario, with a specialization in Accounting and received his CFA designation in 2017.

#### 4. Audit Committee Oversight

Since the commencement of the Company's most recently completed financial year, the Committee has not made any recommendations to the Board to nominate or compensate any external auditor that was not adopted by the Board.

#### 5. Pre-Approval Policies and Procedures

The Committee has not adopted specific policies and procedures for the engagement of non-audit services.

#### 6. External Auditor Service Fees

The Committee has reviewed the nature and amount of the non-audit services provided by the auditors to the Company to ensure auditor independence. Fees incurred with the auditors for audit and non-audit services during the last two fiscal years for audit fees are outlined in the following table.

Financial Year Ending	Audit Fees <sup>(1)</sup>	Audit Related Fees <sup>(2)</sup>	Tax Fees <sup>(3)</sup>	All Other Fees <sup>(4)</sup>
December 31, 2021	\$72,500	Nil	Nil	Nil
December 31, 2020	\$48,000	\$1,200	\$3,843.75	\$2,306.25

**Notes:**

- (1) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of the Company's consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) "Audit Related Fees" include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) "All Other Fees" include all other non-audit services.

#### 7. Exemptions

In respect to the most recently completed financial year, the Company is relying on the exemption set out in section 6.1 of NI 52-110 with respect to compliance with the requirements of Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) of NI 52-110.

**SCHEDULE B**

**Cypher Metaverse Inc.**

**CHANGE OF AUDITORS**

(see attached)

**CODEBASE VENTURES INC.**  
**CHANGE OF AUDITOR NOTICE**

**TO:** Baker Tilly WM LLP

**AND TO:** Antares Professional Corporation

**AND TO:** Alberta Securities Commission  
British Columbia Securities Commission  
Ontario Securities Commission

In accordance with Section 4.11 of National Instrument 51-102 - *Continuous Disclosure Obligations* ("**NI 51-102**"), Codebase Ventures Inc. (the "**Corporation**") hereby gives notice and confirms that:

1. Baker Tilly WM LLP (the "**Former Auditor**"), has resigned at the request of the Corporation as auditor of the Corporation, effective September 28, 2021;
2. The Corporation has appointed Antares Professional Corporation (the "**Successor Auditor**") as the auditor of the Corporation;
3. The Audit Committee of the Corporation has considered the resignation of the Former Auditor as the Corporation's auditor and recommended the appointment of the Successor Auditor as the Corporation's auditor.
4. the resignation of the Former Auditor as the Corporation's auditor and appointment of the Successor Auditor as the Corporation's auditor were approved by the Board of Directors of the Corporation and the Audit Committee
5. the Former Auditor has not expressed any modified opinion in its audit reports for the period commencing at the beginning of the Corporation's two most recent financial years and ending at the date of this notice; and
6. to the knowledge of the directors of the Corporation, no "reportable event" as such term is defined in NI-51-102 has occurred in connection with the audits for the period commencing at the beginning of the Corporation's two most recent financial years and ending at the date of this notice.

**DATED** the 28<sup>th</sup> day of September, 2021.

**CODEBASE VENTURES INC.**

Per: \_\_\_\_\_

Name: Tatiana Kovaleva

Title: Chief Financial Officer



**Baker Tilly WM LLP**  
900 – 400 Burrard Street  
Vancouver, British Columbia  
Canada V6C 3B7  
T: +1 604.684.6212  
F: +1 604.688.3497

vancouver@bakertilly.ca  
[www.bakertilly.ca](http://www.bakertilly.ca)

September 29, 2021

British Columbia Securities Commission  
Alberta Securities Commission  
Ontario Securities Commission

Dear Sirs:

**Re: Codebase Ventures Inc. (the “Company”)**

As required by National Instrument 51-102, Continuous Disclosure Obligations, we wish to advise that we have reviewed the “Notice of Change of Auditors” dated September 28, 2021, and confirm that, based on our knowledge of the information stated therein, we agree with the statements in the Notice.

In this regard, we confirm that there are no reportable events between the Company and our office as the former auditor of the Company, based on the information that we have on the Company at this time.

Yours very truly,

*Baker Tilly WM LLP*

Baker Tilly WM LLP  
Chartered Professional Accountants



September 29, 2021

British Columbia Securities Commission  
Alberta Securities Commission  
Ontario Securities Commission

Re: Codebase Ventures Inc. (the "Company")

Dear Sirs/Madams:

We have read the notice of change of auditor (the "Notice") of the Company, dated September 28, 2021 and are in agreement with the statements in such Notice that relate to us.

Very truly yours,

PKF Antares

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*Antares Professional Corporation, Chartered Professional Accountants  
Suite 400, 906 12 Avenue SW, Calgary, Canada T2R 1K7  
T: +1 403 375 9955, [www.pkfantares.com](http://www.pkfantares.com)*

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