



CORE ONE LABS INC.

**NOTICE OF MEETING AND
MANAGEMENT INFORMATION CIRCULAR**

for the

**ANNUAL GENERAL AND SPECIAL MEETING OF
SHAREHOLDERS**

to be held on

OCTOBER 28, 2021



NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the Annual General and Special Meeting of Shareholders (the "Meeting") of Core One Labs Inc. (the "Company") will be held at #3123 – 595 Burrard Street, Vancouver, British Columbia, V7X 1J1, on **October 28, 2021 at 11:00 a.m.** for the following purposes:

1. To receive and consider the audited annual financial statements of the Company for the fiscal year ended December 31, 2020, together with the auditor's report and management's discussion and analysis related thereto;
2. To fix the number of directors to be elected for the ensuing year at five (5);
3. To elect directors of the Company for the ensuing year;
4. To appoint the auditors for the Company for the ensuing year and authorize the Directors to fix the auditors' remuneration;
5. To consider and thought fit, pass an ordinary resolution to ratify and re-approve the Company's rolling stock option plan;
6. To consider and if thought fit, pass an ordinary resolution to approve the Company's Restricted Share Unit Plan; and
7. To transact such other business as may properly come before the Meeting or any adjournment thereof;

all as more particularly set out in the attached Management Information Circular. The form of proxy accompanies this Notice. The audited financial statements, auditors' report and management's discussion and analysis are being mailed to shareholders with the Notice of Meeting and this Information Circular.

The Directors have fixed the close of business on September 21, 2021 as the record date for determination of shareholders entitled to notice of and the right to vote at the Meeting either in person or by proxy. The Company intends to hold the Meeting in person. However, due to the COVID-19 pandemic, to mitigate risk to the health and safety of our communities, shareholders and employees, the Company requests that shareholders not attend the Meeting in person. The Company encourages shareholders to instead vote their shares in advance of the Meeting via mail, facsimile or online. No management presentation will be made at the Meeting.

If any shareholder does wish to attend the Meeting in person, please contact Michelle Borthwick at (604) 609-6100 or email mborthwick@fiorecorporation.com in order for arrangements to be made that comply with all recommendations, regulations and orders related to the COVID-19 pandemic. The Meeting can accommodate no more than four (4) shareholders in person. Attendance will be on a first come, first served basis. No shareholder who is experiencing any symptoms of COVID-19, including fever, cough or difficulty breathing will be permitted to attend the Meeting in person. The Company may take additional precautionary measures in relation to the Meeting as necessary in response to further developments related to the COVID-19 pandemic and shall comply with all applicable recommendations, regulations and orders related thereto. In the event it is not possible or advisable to

hold the Meeting in person, the Company will announce alternative arrangements for the Meeting as promptly as practicable, which may include holding the Meeting entirely by electronic means.

If you are a *registered shareholder*, instead of attending the Meeting in person, we encourage you to instead complete, sign, date and return the enclosed form of proxy to the Company's Registrar and Transfer Agent, Computershare Trust Company of Canada, Attention: Proxy Department, by mail at: 100 University Ave., 8th Floor, Toronto, Ontario, M5J 2Y1, or by fax at: 1 (866) 249-7775 within North America, and outside North America at: (416) 263-9524. Proxies must be received no later than 11:00 a.m. (Vancouver (PDT) time) on Tuesday, October 26, 2021, or if the Meeting is adjourned or postponed, no later than 48 hours preceding the time of such adjourned or postponed meeting (excluding Saturdays, Sundays and statutory or civic holidays in the City of Vancouver, British Columbia). Late proxies may be accepted or rejected by the Chairman of the Meeting at his discretion, and the Chairman is under no obligation to accept or reject any particular late proxy.

If you are a *non-registered shareholder* of the Company and receive these materials through your broker or through another intermediary, please complete and return the materials in accordance with the instructions provided to you by your broker or such other intermediary. **If you are a non-registered shareholder and do not complete and return the materials in accordance with such instructions, you may lose the right to vote.**

If you have any questions about the procedures required to qualify to vote at the Meeting or about obtaining, completing and depositing the required form of proxy, you should contact Computershare Trust Company of Canada by telephone at: 1 (800) 564-6253.

BY ORDER OF THE BOARD OF DIRECTORS

"Joel Shacker"
Chief Executive Officer and Director

September 21, 2021
Vancouver, British Columbia

CORE ONE LABS INC.

MANAGEMENT INFORMATION CIRCULAR FOR THE ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

This information is given as at September 21, 2021

This Information Circular is furnished in connection with the solicitation of proxies by the management (the "Management") of **Core One Labs Inc.** (the "Company"), for use at the Annual General and Special Meeting (the "Meeting"), of the shareholders of the Company, to be held at the time and place and for the purposes set forth in the accompanying Notice of Meeting and at any adjournment thereof.

The Company intends to hold the Meeting in person. However, due to the COVID-19 pandemic, to mitigate risk to the health and safety of our communities, shareholders and employees, the Company requests that shareholders not attend the Meeting in person. The Company encourages shareholders to instead vote their shares in advance of the Meeting via mail, facsimile or online. No management presentation will be made at the Meeting.

If any shareholder does wish to attend the Meeting in person, please contact Michelle Borthwick at (604) 606-6142 or email mborthwick@fiorecorporation.com in order for arrangements to be made that comply with all recommendations, regulations and orders related to the COVID-19 pandemic. The Meeting can accommodate no more than four (4) shareholders in person. Attendance will be on a first come, first served basis. No shareholder who is experiencing any symptoms of COVID-19, including fever, cough or difficulty breathing will be permitted to attend the Meeting in person. The Company may take additional precautionary measures in relation to the Meeting as necessary in response to further developments related to the COVID-19 pandemic and shall comply with all applicable recommendations, regulations and orders related thereto. In the event it is not possible or advisable to hold the Meeting in person, the Company will announce alternative arrangements for the Meeting as promptly as practicable, which may include holding the Meeting entirely by electronic means.

Except to the extent otherwise stated herein, all information set forth herein is given as of the Record Date, and all dollar amounts set forth herein unless specifically noted otherwise are stated in Canadian dollars. Information set forth herein as to shareholdings is based upon information supplied by the respective persons holding such Common Shares.

PERSONS MAKING THIS SOLICITATION OF PROXIES

This solicitation is made on behalf of Management of the Company. It is expected that the solicitation will be primarily by Mail. Proxies may also be solicited personally by employees of the Company. Cost of the Solicitation will be borne by the Company. In addition to the use of mail, proxies may be solicited by personal interviews, personal delivery, telephone or any form of electronic communication or by directors, officers and employees of the Company who will not be directly compensated therefore. The Company has arranged for intermediaries to forward meeting materials to beneficial owners of the Shares held of record by those intermediaries and the Company may reimburse the intermediaries for their reasonable fees and disbursements in that regard.

PROXY INSTRUCTIONS

Appointment of Proxy

The persons named in the accompanying instrument of proxy are directors or officers of the Company. **A shareholder has the right to appoint a person to attend and act for him on his behalf at the Meeting other than the persons named in the enclosed instrument of proxy. To exercise this right, a shareholder shall strike out the names of the persons named in the instrument of proxy and insert the name of his nominee in the blank space provided, or complete another instrument of proxy.**

The completed instrument of PROXY must be dated and signed and the duly completed instrument of proxy must be deposited at the Company's Transfer Agent, COMPUTERSHARE TRUST COMPANY OF CANADA no later than forty eight (48) hours (excluding Saturdays, Sundays and holidays) prior to the time of the Meeting, or adjournment thereof or may be accepted by the Chairman of the Meeting prior to the commencement of the Meeting. The mailing address for proxies is:

**Computershare Trust Company of Canada
Proxy Dept. 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1,
fax number within North America: 1-866-249-7775 outside North America: (416) 263-9524.**

The instrument of proxy must be signed by the shareholder or by his duly authorized attorney. If signed by a duly authorized attorney, the instrument of proxy must be accompanied by the original power of attorney or a notarially certified copy thereof. If the shareholder is a Company, the instrument of proxy must be signed by a duly authorized attorney, officer, or corporate representative, and must be accompanied by the original power of attorney or document whereby the duly authorized officer or corporate representative derives his power, as the case may be, or a notarially certified copy thereof.

The articles of the Company confer discretionary authority upon the Chairman of the Meeting to accept proxies which do not strictly conform to the foregoing requirements and certain other requirements set forth in the articles.

Voting by Proxy and Exercise of Discretion

On any poll, the persons named in the enclosed instrument of proxy will vote the shares in respect of which they are appointed and, where directions are given by the shareholder in respect of voting for or against any resolution, will do so in accordance with such direction.

In the absence of any direction in the instrument of proxy, it is intended that such shares will be voted in favour of the motions proposed to be made at the Meeting and for the election of the management nominees for directors and auditor, as stated under the headings in this Information Circular. The instrument of proxy enclosed, when properly signed, confers discretionary authority with respect to amendments or variations to any matters which may properly be brought before the Meeting. At the time of printing of this Information Circular, the management of the Company is not aware that any such amendments, variations or other matters are to be presented for action at the Meeting. However, if any other matters which are not now known to the management should properly come before the Meeting, the proxies hereby solicited will be exercised on such matters in accordance with the best judgment of the nominee.

REVOCATION OF PROXIES

Any registered shareholder who has returned a proxy may revoke it at any time before it has expired. In addition to revocation in any other manner permitted by law, a shareholder may revoke a proxy either by (a) signing a proxy bearing a later date and depositing it at the place and within the time aforesaid, or (b) signing and dating a written notice of revocation (in the same manner as the instrument of proxy is required to be executed as set out in the notes to the instrument of proxy) and either depositing it at the place and within the time aforesaid or with the Chairman of the Meeting on the day of the Meeting or on the day of any adjournment thereof, or (c) registering with the scrutineer at the Meeting as a shareholder present in person, whereupon such proxy shall be deemed to be have been revoked. **Only registered shareholders have the right to revoke a proxy. Non-Registered Holders (as defined below under "Non-Registered Holders of Common Shares") who wish to change their vote must arrange for their respective intermediaries to revoke the proxy on their behalf.**

NON-REGISTERED HOLDERS OF COMPANY'S SHARES

Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Most shareholders of the Company are "non-registered" shareholders ("Non-Registered Holders") because the shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased their shares. In addition, a person is not a registered shareholder in respect of shares which are held on behalf of that person but which are registered either: (a) in the name of an intermediary (an "Intermediary") that the Non-Registered Holder deals with in respect of the shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSP's, RRIF's, RESP's and similar plans); or (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited) of which the Intermediary is a participant. In accordance with the requirements of National Instrument 54-101 ("NI 54-101") of the Canadian Securities Administrators, the Company has distributed copies of the Notice of Meeting, this Information Circular and the Instrument of Proxy (collectively, the "Proxy Solicitation Materials") to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders.

Intermediaries are required to forward the Proxy Solicitation Materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them or unless there is a special meeting involving abridged timing under NI 54-101. Very often, Intermediaries will use service companies, such as ADP Independent Investor Communication Company ("ADP"), to forward the Proxy Solicitation Materials to Non-Registered Holders. Generally, Non-Registered Holders who have not waived the right to receive Proxy Solicitation Materials, or where there is a special meeting involving abridged timing under NI 54-101, will either:

- (a) be given a form of proxy which **has already been signed by the Intermediary** (typically by facsimile, stamped signature), which is restricted as to the number of shares beneficially owned by the Non-Registered Holder but which is otherwise incomplete. Because the Intermediary has already signed the form of Proxy, this form of Proxy is not required to be signed by the Non-Registered Holder when submitting the Proxy. In this case, the Non-Registered Holder who wishes to submit a Proxy should otherwise properly complete the form of Proxy and **deposit it with the Transfer Agent as provided above**; or
- (b) more typically, be given a voting instruction form which is **not signed by the Intermediary**, and which when properly completed and signed by the Non-Registered Holder and **returned to the Intermediary or its service company** (such as ADP), will constitute voting instructions (often called a "proxy authorization form") which the Intermediary must follow. Typically, the proxy authorization form will consist of a one-page pre-printed form. In the alternative, instead of the one-page pre-printed form, the proxy authorization

form will consist of a regular printed proxy form accompanied by a page of instructions which contains a removable label containing a bar-code and other information. In order for the form of Proxy to validly constitute a proxy authorization form, the Non-Registered Holder must remove the label from the instructions and affix it to the form of Proxy, properly complete and sign the form of Proxy and return it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company.

In either case, the purpose of this procedure is to permit Non-Registered Holders to direct the voting of the Shares which they beneficially own. Should a Non-Registered Holder who received one of the above-mentioned forms wish to vote at the Meeting in person, the Non-Registered Holder should strike out the names of the management proxyholders named in the form and insert their own name in the blank space provided. **In either case, Non-Registered Holders should carefully follow the instructions of their Intermediary or its agents, including those regarding when and where the Proxy or proxy authorization form is to be delivered.**

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Other than as disclosed elsewhere in this Information Circular, none of the directors or senior officers of the Company, no proposed nominee for election as a director of the Company, none of the persons who have been directors or senior officers of the Company since the commencement of the Company's last completed financial year and no associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The authorized capital of the Company consists of an unlimited number of common shares without par value. As at September 21, 2021 there are 15,506,925 common shares issued and outstanding. Each Common Share carries the right to one vote. At a general meeting of the Company, on a show of hands, every shareholder present in person shall have one vote and, on a poll, every shareholder shall have one vote for each share of which he is the holder.

Only shareholders of record on the close of business on the 21st day of September, 2021 who either personally attend the Meeting or who complete and deliver an instrument of proxy in the manner and subject to the provisions set out under the heading "Appointment and Revocation of Proxies" will be entitled to have his or her shares voted at the Meeting or any adjournment thereof.

To the knowledge of the directors and senior officers of the Company no person owns, directly or indirectly, or exercise control or discretion over, shares carrying more than 10% of the voting rights attached to all outstanding common shares of the Company as at September 21, 2021.

AUDIT COMMITTEE

The audit committee has various responsibilities as set forth in National Instrument 52-110 ("NI 52-110")

Audit Committee Charter and Composition of the Audit Committee

The audit committee's charter is set out below:

1.0 Purpose of the Committee

1.1 The Audit Committee represents the Board in discharging its responsibility relating to the accounting, reporting and financial practices of the Company and its subsidiaries, and has general responsibility for oversight of internal controls, accounting and auditing activities and legal compliance of the Company and its subsidiaries.

2.0 Members of the Committee

2.1 The Audit Committee shall consist of no less than three Directors a majority of whom shall be "independent" as defined under National Instrument 52-110, while the Company is in the developmental stage of its business. The members of the Committee shall be selected annually by the Board and shall serve at the pleasure of the Board.

2.2 At least one Member of the Audit Committee must be "financially literate" as defined under National Instrument 52-110, having sufficient accounting or related financial management expertise to read and understand a set of financial statements, including the related notes, that present a breadth and level of complexity of the accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

3.0 Meeting Requirements

3.1 The Committee will, where possible, meet on a regular basis at least once every quarter, and will hold special meetings as it deems necessary or appropriate in its judgment. Meetings may be held in person or telephonically, and shall be at such times and places as the Committee determines. Without meeting, the Committee may act by unanimous written consent of all members, which shall constitute a meeting for the purposes of this charter.

3.2 A majority of the members of the Committee shall constitute a quorum.

4.0 Duties and Responsibilities

The Audit Committee's function is one of oversight only and shall not relieve the Company's management of its responsibilities for preparing financial statements which accurately and fairly present the Company's financial results and conditions or the responsibilities of the external auditors relating to the audit or review of financial statements. Specifically, the Audit Committee will:

- (a) have the authority with respect to the appointment, retention or discharge of the independent public accountants as auditors of the Company (the "auditors") who perform the annual audit in accordance with applicable securities laws, and who shall be ultimately accountable to the Board through the Audit Committee;
- (b) review with the auditors the scope of the audit and the results of the annual audit examination by the auditors, including any reports of the auditors prepared in connection with the annual audit;
- (c) review information, including written statements from the auditors, concerning any relationships between the auditors and the Company or any other relationships that may adversely affect the independence of the auditors and assess the independence of the auditors;

- (d) review and discuss with management and the auditors the Company's audited financial statements and accompanying Management's Discussion and Analysis of Financial Conditions ("MD&A"), including a discussion with the auditors of their judgments as to the quality of the Company's accounting principles and report on them to the Board;
- (e) review and discuss with management the Company's interim financial statements and interim MD&A and report on them to the Board;
- (f) pre-approve all auditing services and non-audit services provided to the Company by the auditors to the extent and in the manner required by applicable law or regulation. In no circumstances shall the auditors provide any non-audit services to the Company that are prohibited by applicable law or regulation;
- (g) evaluate the external auditor's performance for the preceding fiscal year, reviewing their fees and making recommendations to the Board;
- (h) periodically review the adequacy of the Company's internal controls and ensure that such internal controls are effective;
- (i) review changes in the accounting policies of the Company and accounting and financial reporting proposals that are provided by the auditors that may have a significant impact on the Company's financial reports, and report on them to the Board;
- (j) oversee and annually review the Company's Code of Business Conduct and Ethics;
- (k) approve material contracts where the Board of Directors determines that it has a conflict;
- (l) establish procedures for the receipt, retention and treatment of complaints received by the Company regarding the audit or other accounting matters;
- (m) where unanimously considered necessary by the Audit Committee, engage independent counsel and/or other advisors at the Company's expense to advise on material issues affecting the Company which the Audit Committee considers are not appropriate for the full Board;
- (n) satisfy itself that management has put into place procedures that facilitate compliance with the provisions of applicable securities laws and regulation relating to insider trading, continuous disclosure and financial reporting;
- (o) review and monitor all related party transactions which may be entered into by the Company; and
- (p) periodically review the adequacy of its charter and recommending any changes thereto to the Board.

5.0 Miscellaneous

5.1 Nothing contained in this Charter is intended to extend applicable standards of liability under statutory or regulatory requirements for the directors of the Company or members of the Committee. The purposes and responsibilities outlined in this Charter are meant to serve as guidelines rather than as inflexible rules and the Committee is encouraged to adopt such additional procedures and standards as it deems necessary from time to time to fulfill its responsibilities.

The members of the audit committee are Joel Shacker, Ryan Hoggan and Patrick Morris, of which Mr. Hoggan and Mr. Morris are considered independent pursuant to NI 52-110. Mr. Shacker is not considered to be independent as a result of his role as the Company's Chief Executive Officer. All members of the Audit Committee are considered to be financially literate.

A member of the audit 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 Board, reasonably interfere with the exercise of a member's independent judgment.

A member of the audit 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.

Relevant Education and Experience

The education and experience of each member of the Audit Committee relevant to the performance of his responsibilities as an Audit Committee member and, in particular, any education or experience that would provide the member with:

- (a) an understanding of the accounting principles used by the Company to prepare its financial statements;
- (b) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves;
- (c) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements, or experience actively supervising one or more persons engaged in such activities; and

an understanding of internal controls and procedures for financial reporting, are as follows:

Mr. Shacker has worked extensively in the cannabis and finance space over the past six years. Mr. Shacker is the President of Thoughtful Brands Inc. (previously Mota Ventures Corp.) where, under his guidance, the company transitioned from a mining and asset acquisition to a vertically integrated fully licensed non-psychoactive cannabidiol (CBD) business based out of Vancouver, B.C., Mr. Shacker was also previously the CEO of Balsam Technologies Inc. (now Blender Bites Limited) and previously sat on the board of directors for publicly trading cannabis lifestyle company Weekend Unlimited Inc. Mr. Shacker holds a business administration degree (honours) from Ivey Business School, specializing in finance.

Mr. Ryan Hoggan is currently the Chief Executive Officer of Thoughtful Brands Inc. He has more than eighteen years of leadership, global business development and entrepreneurship experience in the health equipment, medical devices and natural health product sectors. Mr. Hoggan holds a Bachelor of Business Administration (BBA) from Westminster College, a Master of Business Administration (MBA) from the University of Arizona and a Master of Global Management (MGM) from the Thunderbird School of Global Management at Arizona State University.

Mr. Patrick Morris is an entrepreneur and capital market executive with over 15 years of experience, raising funds for microcap companies in a number of industries, including pharmaceutical cannabis, resource exploration, blockchain technologies and finance. In addition, Mr. Morris co-created and co-produced Canada's first nationally syndicated radio show about growth stock opportunities, which was broadcast on 14 of the top-rated news talk stations across Canada. Prior to entering the capital markets, Mr. Morris had five years of experience in wine and spirits importing, sales and portfolio management.

Audit Committee Oversight

The audit committee has not made any recommendations to the board of directors to nominate or compensate any external auditor.

Reliance of Certain Exemptions

The Company's auditors have not provided any material non-audited services.

Pre-Approval Policies on Certain Exemptions

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

External Auditor Services Fees

The audit committee has reviewed the nature and amount of the services provided by DMCL LLP, Chartered Professional Accountants to the Company to ensure auditor independence. Fees incurred with DMCL LLP for audit services in the last two fiscal years are outlined below:

Nature of Services	Fees Paid to Auditor in Year Ended December 31, 2020	Fees Paid to Auditor in Year Ended December 31, 2019
Audit Fees ⁽¹⁾	\$130,000	\$130,000
Audit Related Fees ⁽²⁾	Nil	Nil
Tax Fees ⁽³⁾	\$3,000	\$4,000
All other Fees ⁽⁴⁾	Nil	Nil
Total	\$133,000	\$134,000

- (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 reflect 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 include 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" includes all other non-audit services".

Exemptions

The Issuer is relying on the exemptions provided for in Section 6.1 of NI 52-110 in respect of the composition of its audit committee and in respect of certain of its reporting obligations under NI 52-110.

CORPORATE GOVERNANCE

General

National Policy 58-201 establishes corporate governance guidelines which apply to all public companies. The Company has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Company's practices comply with the guidelines; however, the Board considers that some of the guidelines are not suitable for the Company at its current stage of development and therefore such guidelines have not been adopted. National Instrument 58-101 mandates disclosure of corporate governance practices which disclosure is set out below.

Composition of the Board

The Board facilitates its exercise of independent supervision over management by ensuring that the Board is composed of a majority of independent 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 has five directors, two of which are considered to be independent. Mr. Morris and Mr. Hoggan are considered to be independent directors for the purposes of NI 58-10. Dr. Hancock, Mr. Shacker, and Mr. Balderson are not considered to be independent due to their relationships as senior officers.

Mandate of the Board

The Board has responsibility for the stewardship of the Company including responsibility for strategic planning, identification of the principal risks of the Company's business and implementation of appropriate systems to manage these risks, succession planning (including appointing, training and monitoring senior management), communications with investors and the financial community and the integrity of the Company's internal control and management information systems.

The Board sets long term goals and objectives for the Company and formulates the plans and strategies necessary to achieve those objectives and to supervise senior management in their implementation. The Board delegates the responsibility for managing the day-to-day affairs of the Company to senior management but retains a supervisory role in respect of, and ultimate responsibility for, all matters relating to the Company and its business. The Board is responsible for protecting shareholders' interests and ensuring that the incentives of the shareholders and of management are aligned.

As part of its ongoing review of business operations, the Board reviews, as frequently as required, the principal risks inherent in the Company's business including financial risks, through periodic reports from management of such risks, and assesses the systems established to manage those risks. Directly and through the Audit Committee, the Board also assesses the integrity of internal control over financial reporting and management information systems.

In addition to those matters that must, by law, be approved by the Board, the Board is required to approve any material dispositions, acquisitions and investments outside the ordinary course of business, long-term strategy, and organizational development plans. Management of the Company is authorized to act without board approval, on all ordinary course matters relating to the Company's business.

The Board also monitors the Company's compliance with timely disclosure obligations and reviews material disclosure documents prior to distribution. The Board is responsible for selecting the President and appointing senior management and for monitoring their performance.

Directorship

The following is a list of each director of the Company who is also a director of other reporting issuers (or equivalent) in a Canadian or foreign jurisdiction as of the date of this Prospectus:

<u>Name of director</u>	<u>Other reporting issuer</u>
Dr. Robert Hancock	None
Mr. Joel Shacker	Thoughtful Brands Inc. Gold Line Resources Ltd. Happy Supplements Inc.
Mr. Patrick Morris	Blender Bites Limited Core One Labs Inc. Thoughtful Brands Inc.
Mr. Ryan Hoggan	Thoughtful Brands Inc.
Mr. Geoff Balderson	Dynamo Capital Corp. Four Nines Gold Inc. Gambier Gold Corp. Goldeneye Resources Corp. Happy Supplements Inc. Hawkmoon Resources Corp. Lida Resources Inc. New Wave Holdings Corp. Nexco Resources Inc. Plant Veda Foods Ltd. Shooting Start Acquisition Corp. Spectre Capital Corp.

Position Descriptions

The Board has not developed written position descriptions for the chair or the chair of any board committees or for the CEO. Given the size of the Company's infrastructure and the existence of only a small number of officers, the Board does not feel that it is necessary at this time to formalize position descriptions in order to delineate their respective responsibilities.

Orientation and Continuing Education

When new directors are appointed, they receive orientation, commensurate with their previous experience, on the Company's properties, business and industry and on the responsibilities of directors. New directors also receive historical public information about the Company and the mandates of the committees of the Board. Board meetings

may also include presentations by the Company's management and employees to give the directors additional insight into the Company's business. In addition, new directors are encouraged to visit and meet with management on a regular basis and to pursue continuing education opportunities where appropriate.

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. Further, the Company's auditor has full and unrestricted access to the audit committee at all times to discuss the audit of the Company's financial statements and any related findings as to the integrity of the financial reporting process.

Nomination of Directors

The Board will consider its size each year when it considers the number of directors to recommend to the shareholders of the Company 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 determines the compensation for the directors and CEO. A summary of the compensation received by the Named Executive Officers of the Company for the financial year ended December 31, 2020 is provided in this Circular under the heading: "Director and Named Executive Officer Compensation". A summary of the compensation received by the directors for the financial year ended December 31, 2020 is also provided in this Circular under the heading: "Director and Named Executive Officer Compensation".

Other Board Committees

The Board has no committees other than the Audit Committee as described above under the heading "*Audit Committee*".

Assessments

The Board regularly assesses its own effectiveness and the effectiveness and contribution of each Board committee member and Director.

EXECUTIVE COMPENSATION

For the purpose of this statement of executive compensation:

"**CEO**" of the Company means an individual who acted as Chief Executive Officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year;

"**CFO**" of the Company means an individual who acted as Chief Financial Officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year;

“external management company” includes a subsidiary, affiliate or associate of the external management company;

“compensation securities” includes options, convertible securities, exchangeable securities and similar instruments, including stock appreciation rights, deferred share units and DSU/RSUs granted or issued by the Company or one of its subsidiaries (if any) for services provided or to be provided, directly or indirectly to the Company or any of its subsidiaries (if any);

“Executive Officer” of an entity means an individual who is:

- a. the chair of the Company, if any;
- b. the vice-chair of the Company, if any;
- c. the president of the Company;
- d. a vice-president of the Company in charge of a principal business unit, division or function including sales, finance or production;
- e. an officer of the Company (or subsidiary, if any) who performs a policy-making function in respect of the Company; or
- f. any other individual who performs a policy-making function in respect of the Company;

“Named Executive Officer” or **“NEO”** means:

- a. the CEO of the Company;
- b. the CFO of the Company;
- c. each of the Company’s three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000;
- d. any additional individuals for whom disclosure would have been provided under paragraph (i) above except that the individual was not serving as an executive officer of the Company, nor in a similar capacity, as at the end of the most recently completed financial year end.

“plan” includes any plan, contract, authorization or arrangement, whether or not set out in any formal document, where cash, compensation securities or any other property may be received, whether for one or more persons; and

“Underlying Securities” means any securities issuable on conversion, exchange or exercise of compensation securities.

In May 2020, the Company consolidated its issued and outstanding common shares on the basis of six (6) pre-consolidated shares for every one (1) post-consolidated share. In July 2020, the Company further consolidated its issued and outstanding shares on the basis of two (2) pre-consolidated shares for every one (1) post-consolidated

share. In July 2021, the Company further consolidated its issued and outstanding shares on the basis of eight (8) pre-consolidated shares for every one (1) post-consolidated share. All shares, options, warrants and per share amounts were adjusted to reflect the consolidation ratios and are presented in this Circular on a post-consolidation basis.

As of December 31, 2020, the Company had four Named Executive Officers, namely Casey Fenwick, President; Joel Shacker, CEO; Geoff Balderson, CFO and Corporate Secretary; and Dr. John Sanderson, Chief Science Officer.

As of December 31, 2019, the Company had four Named Executive Officers, namely Brad Eckenweiler, CEO; Casey Fenwick, President; Yana Silina, CFO and Corporate Secretary; and John Sanderson, Chief Science Officer.

Director and Named Executive Officer Compensation

The following table (presented in accordance with National Instrument Form 51-102F6V), sets forth all direct and indirect compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, by the Company or any subsidiary thereof to each NEO and each director of the Company, in any capacity, including, for greater certainty, all plan and non-plan compensation, direct and indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite paid, payable, awarded, granted, given or otherwise provided to the NEO or director for services provided and for services to be provided, directly or indirectly, to the Company or any subsidiary thereof for each of the two most recently completed financial years, other than stock options and other compensation securities unless otherwise noted.

Name and Position	Year Ended Dec 31	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites (\$)	Value of All Other Compensation (\$)	Total Compensation (\$)
Joel Shacker, CEO and Director ⁽¹⁾	2020	\$60,000	Nil	N/A	N/A	Nil	\$60,000
	2019	Nil	Nil	N/A	N/A	Nil	Nil
Geoff Balderson, CFO and Corporate Secretary ⁽²⁾	2020	Nil	Nil	N/A	N/A	Nil	Nil
	2019	Nil	Nil	N/A	N/A	Nil	Nil
Casey Fenwick, former President ⁽³⁾	2020	Nil	Nil	N/A	N/A	Nil	Nil
	2019	\$238,842	Nil	N/A	N/A	\$1,130,665 ⁽⁴⁾	\$1,369,507
Brad Eckenweiler, former CEO ⁽⁵⁾	2020	Nil	Nil	N/A	N/A	Nil	Nil
	2019	Nil	Nil	N/A	N/A	\$691,722 ⁽⁶⁾	\$691,722
Yana Silina, former CFO and Corporate Secretary ⁽⁷⁾	2020	Nil	Nil	N/A	N/A	Nil	Nil
	2019	Nil	Nil	N/A	N/A	\$265,901 ⁽⁸⁾	\$265,901

Name and Position	Year Ended Dec 31	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites (\$)	Value of All Other Compensation (\$)	Total Compensation (\$)
Dr. John Sanderson, CTO and Director ⁽⁹⁾	2020	\$60,000	Nil	N/A	N/A	Nil	\$60,000
	2019	Nil	Nil	N/A	N/A	\$225,632 ⁽¹⁰⁾	\$225,632
Ryan Hoggan, Director ⁽¹¹⁾	2020	Nil	Nil	N/A	N/A	Nil	Nil
	2019	Nil	Nil	N/A	N/A	Nil	Nil
Patrick Morris, Director ⁽¹²⁾	2020	Nil	Nil	Nil	N/A	N/A	Nil
	2019	Nil	Nil	Nil	N/A	N/A	Nil

Notes:

- Mr. Shacker was appointed as a Director of the Company on May 29, 2020 and as CEO of the Company on July 3, 2020. Mr. Shacker, through 1156724 BC Ltd., received all compensation for his work as an NEO of the Company and not as a director.
- Mr. Balderson was appointed Chief Financial Officer and Corporate Secretary of the Company on August 19, 2020.
- Mr. Fenwick served as the President of the Company from February 4, 2019 to January 15, 2021.
- Mr. Fenwick received an annual salary of US\$180,000 in addition to regular payroll benefits the Company had set up for its US-based employees. Includes amounts payable under employment agreements and/or consulting contracts. This amount Includes amounts payable under employment agreements and/or consulting contracts as well as option-based awards.
- Mr. Eckenweiler served as CEO of the Company from May 22, 2015 to July 3, 2020.
- This amount Includes amounts payable under employment agreements and/or consulting contracts as well as option-based awards.
- Ms. Silina served as Chief Financial Officer and Corporate Secretary of the Company from November 27, 2015 until April 30, 2020.
- This amount includes option-based awards.
- Dr. Sanderson served as the Chief Science Officer of the Company from August 26, 2016 to July 7, 2021. Dr. Sanderson has not received any compensation for his role as a director.
- On May 23, 2017, in consideration for an exclusive worldwide license to the technology relating to the transmucosal delivery of biologically active substances granted to the Company by Dr. Sanderson and Nanostrips Inc., a company controlled by Dr. Sanderson, the Company issued Dr. Sanderson 1,000,000 common shares of the Company valued at \$590,000.
- Mr. Hoggan was appointed a Director of the Company on July 3, 2020.
- Mr. Morris was appointed a Director of the Company on January 21, 2020.

External Management Companies

Mr. Shacker provided services as CEO to the Company through 1156724 BC Ltd., which has received monthly fees of \$10,000 since June 1, 2020 pursuant to a consulting agreement.

Stock Options and Other Compensation Securities

The following table discloses all compensation securities granted or issued to each NEO or director by the Company or its subsidiaries in the year ended December 31, 2020 for services provided or to be provided, directly or indirectly to the Company or any of its subsidiaries:

Name and Position	Type of Compensation Security	Number of Compensation Securities, Number of Underlying Securities and Percentage of Class	Date of Issue or Grant	Issue, Conversion or Exercise Price (\$)	Closing Price of Security or Underlying Security on Date of Grant ⁽³⁾	Closing Price of Security or Underlying Security at Year End ⁽³⁾	Expiry Date
Joel Shacker, CEO and Director ⁽¹⁾	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Geoff Balderson, CFO and Corporate Secretary ⁽⁵⁾	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Dr. John Sanderson, CSO and Director	Stock options ⁽²⁾	12,500 ⁽¹⁰⁾	May 28, 2020	2.64	2.48	7.12	May 1, 2022
Casey Fenwick, former President and Director	Stock options ⁽²⁾	43,750 ⁽¹⁰⁾	May 28, 2020	2.64	2.48	7.12	January 15, 2022
Brad Eckenweiler, former CEO and Director ⁽⁶⁾	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Yana Silina, former CFO and Corporate Secretary ⁽⁷⁾	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Ryan Hoggan, Director ⁽⁸⁾	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Patrick Morris, Director ⁽⁹⁾	Stock options ⁽²⁾	6,250 ⁽¹⁰⁾	May 28, 2020	2.64	2.48	7.12	May 1, 2022

Notes:

1. Mr. Shacker was appointed to the Board of Directors of the Company on May 29, 2020 and as Chief Executive Officer on July 3, 2020.
2. Each option entitles the holder to acquire one Common Share upon exercise. All options vest on the date of grant.
3. Reflects the closing price of the Common Shares on the CSE on the applicable date.
4. As approved by the Board of Directors of the Company, these options expire 12-months from the date of Mr. Fenwick's resignation.
5. Mr. Balderson was appointed as the Chief Financial Officer and Corporate Secretary of the Company on August 19, 2020.
6. Mr. Eckenweiler resigned as CEO and a director of the Company on July 3, 2020.
7. Ms. Silina resigned as CFO and Corporate Secretary of the Company on April 30, 2020.

8. Mr. Hoggan was appointed to the Board of Directors of the Company on July 3, 2020.
9. Mr. Morris was appointed to the Board of Directors of the Company on January 21, 2020.
10. Represents less than 1% of the issued and outstanding common shares. Effective September 6, 2019, the Company consolidated its outstanding Common Shares on a six old for one new basis. Effective July 7, 2020 the Company consolidated its outstanding Common Shares on a two old for one new basis. Effective July 15, 2021 the Company consolidated its outstanding Common Shares on an eight old for one new basis. Options and per share prices reflect present post-consolidation amounts and values.

Exercise of Compensation Securities by Directors and NEOs

No compensation securities were exercised by directors and NEOs during the year ended December 31, 2020.

Stock Option Plans and Other Incentive Plans

The Company has in effect a 10% rolling stock option plan (the “Stock Option Plan”) in order to provide effective incentives to directors, officers, senior management personnel and employees of the Company and to enable the Company to attract and retain experienced and qualified individuals in those positions by permitting such individuals to directly participate in an increase in per share value created for the Company’s shareholders. As at September 21, 2021, there are 1,364,312 options outstanding under the Stock Option Plan.

A copy of the Company's incentive stock option plan is available under the Company’s profile on SEDAR at www.sedar.com.

Employment, consulting and management agreements

The Company engaged 1156724 BC Ltd. to provide Chief Executive Officer services as of June 1, 2020. The services are provided by Joel Shacker. The Company does not have any other agreement or arrangement under which compensation was provided during the most recently completed financial year or is payable in respect of services provided to the Company or any of its subsidiaries that were (a) performed by a director or NEO, or (b) performed by any other party but are services typically provided by a director or a named executive officer.

The Company does not have any contracts, agreements, plans or arrangements that provides for payments to a director or NEO at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Company or a change in an NEO’s responsibilities.

Oversight and Description of Director and Named Executive Officer Compensation

The objective of the Company’s compensation program is to compensate the executive officers for their services to the Company at a level that is both in line with the Company’s fiscal resources and competitive with companies at a similar stage of development. The Company’s board oversees compensation for the Company. Mr. Ryan Hoggan and Mr. Patrick Morris are independent. The Company has not adopted a formal charter.

The Company does not have a formal compensation program. The Board meets to discuss and determine management compensation, without reference to formal objectives, criteria or analysis. The general objectives of the Company’s compensation strategy are to (a) compensate management in a manner that encourages and rewards a high level of performance and results with a view to increasing long-term shareholder value; (b) align management’s interests with the long-term interests of shareholders; (c) provide a compensation package that is commensurate with other junior venture companies to enable the Company to attract and retain talent; and (d) ensure that the total compensation package is designed in a manner that takes into account the constraints that the Company is under by

virtue of the fact that it is a junior venture company without a history of earnings. The Board, as a whole, ensures that total compensation paid to all NEOs is fair and reasonable. The Board relies on the education and experience of its members, as officers and directors with other companies, in assessing compensation levels.

Compensation for this fiscal year and prior fiscal years have historically been based upon a negotiated salary, with stock options and bonuses potentially being issued and paid as an incentive for performance.

Compensation for the most recently completed financial year should not be considered an indicator of expected compensation levels in future periods. All compensation is subject to and dependent on the Company's financial resources and prospects.

Pension Disclosure

The Company does not have any pension or retirement plan which is applicable to the NEOs or directors. The Company has not provided compensation, monetary or otherwise, to any person who now or previously has acted as an NEO of the Company, in connection with or related to the retirement, termination or resignation of such person, and the Company has provided no compensation to any such person as a result of a change of control of the Company.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The only equity compensation plan that the Company currently has in place is its Stock Option Plan which was previously adopted by the Company. As at September 21, 2021, the Stock Option Plan reserves a maximum of 1,364,312 Common Shares for issuance upon the exercise of options. Options granted under the Stock Option Plan will comply with the rules and regulations of the Exchange regarding share incentive arrangements.

The purpose of the Stock Option Plan is to attract and retain employees, consultants, officers and directors to the Company and to motivate them to advance the interests of the Company by affording them with the opportunity, through share options, to acquire an equity interest in the Company and benefit from its growth. The Stock Option Plan authorizes the Board to grant, in its absolute discretion, stock options to directors, officers, employees or consultants on such terms, limitations, conditions and restrictions, as it deems necessary and advisable, subject to terms of the Plan and regulatory and Exchange approval.

Equity Compensation Plan Information as at September 21, 2021

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column(a))
Equity compensation plans approved by securityholders	1,364,312 common shares	\$7.29	186,380 common shares
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
Total	1,364,312 common shares	\$7.29	186,380 common shares

INDEBTEDNESS OF DIRECTORS, EXECUTIVE OFFICERS AND SENIOR OFFICERS

No person who is or at any time during the most recently completed financial year was a director, executive officer or senior officer of the Company, no proposed nominee for election as a director of the Company, and no associate of any of the foregoing persons has been indebted to the Company at any time since the commencement of the Company's last completed financial year. No guarantee, support agreement, letter of credit or other similar arrangement or understanding has been provided by the Company at any time since the beginning of the most recently completed financial year with respect to any indebtedness of any such person.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as previously disclosed in an Information Circular, no informed person (a director , officer or holder of 10% of more of the Shares) or proposed nominee for election as a director of the Company or an associate or affiliate of any such informed person or proposed nominee, has any material interest, direct or indirect, in any material transaction since the commencement of the Company's last completed financial year or in any proposed transaction, which, in either case, has materially affected or will materially affect the Company.

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 senior officers of the Company.

PARTICULARS OF MATTERS TO BE ACTED UPON

APPOINTMENT OF AUDITORS

It is proposed DMCL LLP, Chartered Professional Accountants of Vancouver, British Columbia be appointed as the auditors of the Company to hold office until the next annual meeting of the shareholders or until a successor is appointed, and that the directors be authorized to determine the auditor's remuneration.

Unless otherwise specified, the persons named in the enclosed Form of Proxy will vote for the appointment of DMCL LLP, Chartered Professional Accountants, of Vancouver, BC as auditor of the Company until the next Annual General Meeting of Shareholders, at a remuneration to be fixed by the directors.

ELECTION OF DIRECTORS

Management intends to propose for adoption an ordinary resolution that the number of directors of the Company be fixed at five (5). If there are more nominees for election than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected until all such vacancies have been filled.

Each director of the Company is elected annually and holds office until the next Annual General Meeting of the shareholders unless that person ceases to be a director before then. In the absence of instructions to the contrary, the shares represented by proxy will, on a poll, be voted for the nominees herein listed. **Management does not contemplate that any of the nominees will be unable to serve as a director.**

The following table sets out the names of management's nominees for election as directors, all major offices and positions with the Company and any of its significant affiliates each now 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 has been a director of the Company and the number of shares of the Company beneficially owned each, directly or indirectly, or over which each exercised control or direction, as at the date of this Information Circular:

Name of Nominee and Present Offices Held	Present Principal Occupation ⁽¹⁾	Director Since	Shares Beneficially Owned or Controlled ⁽³⁾
Dr. Robert E.W. Hancock Vancouver, BC Executive Chairman	Executive Chairman of the Company since January 5, 2021; Chairman and Chief Executive Officer of Vocan Biotechnologies Inc.	January 5, 2021	209,793
Joel Shacker ⁽²⁾ Vancouver, BC Chief Executive Officer and Director	Chief Executive Officer of the Company since July 3 2020; President of Thoughtful Brands Inc.; former Chief Executive Officer of Balsam Technologies Inc.; former President of Ananda Technologies Inc. from 2015 to 2017; former Associate at Stadnyk and Partners from 2018 to 2019; former Director and consultant of Weekend Unlimited Inc. from 2018 to 2019.	May 29, 2020	Nil

Geoff Balderson Vancouver, BC Chief Financial Officer, Corporate Secretary and Director	Chief Financial Officer of the Company since August 19, 2020; President of Flow Capital Corp. and Harmony Corporate Services Ltd., private business consulting companies located in Vancouver, British Columbia.	July 7, 2021	Nil
Ryan Hoggan ⁽²⁾ Utah, USA Director	Chief Executive Officer of Thoughtful Brands Inc.; previously Principal of Hoggan Health Industries and Founder of Hoggan Medical.	July 3, 2020	Nil
Patrick Morris ⁽²⁾ Vancouver, BC Director	Currently and was previously an entrepreneur and capital market executive with over 15 years of experience, raising funds for microcap companies in a number of industries, including pharmaceutical cannabis, resource exploration, blockchain technologies and finance.	January 21, 2020	3,125

Notes:

- (1) The information as to principal occupation, business or employment and shares beneficially owned or controlled is not within the knowledge of the management of the Company and has been furnished by the respective nominees. Each nominee has held the same or similar principal occupation with the organization indicated or a predecessor thereof for the last five years.
- (2) Member of Audit Committee.
- (3) The approximate number of shares of the Company carrying the right to vote in all circumstances beneficially owned directly or indirectly, or over which control or direction is exercised by each proposed nominee as at the date hereof is based on information furnished by the transfer agent of the Company and by the nominees themselves.

Pursuant to the provisions of the *Business Corporations Act* (British Columbia), the Company is required to have an audit committee which, at the present time, is comprised of Joel Shacker, Ryan Hoggan, and Patrick Morris. For additional information regarding the Company's Audit Committee, please see below. The Company does not have an executive committee.

Except as disclosed below, as at the date of this Information Circular and within the ten years before the date of this Information Circular, no proposed director:

- (a) is or has been a director or executive officer of any company (including the Company), that while that person was acting in that capacity:
 - i. was the subject of a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; except for Messrs. Joel Shacker, Ryan Hoggan and Patrick Morris who were (and remain) directors of the Company on July 14, 2020 when the British Columbia Securities Commission ("BCSC") issued a cease trade order against the Company for failure to file its audited financial statements for the year ended December 31, 2019 and related MD&A. The Company was unable to file its December 31, 2019 financial statements and MD&A by the required filing deadline because it experienced significant delays in preparing them due to the Covid-19 pandemic, which prevented

travel to its operations in Adelanto, California, USA from Vancouver, BC, Canada. The cease trade order was lifted on August 26, 2020.

- ii. was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;
 - iii. 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 10 years before the date of the Information Circular become 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 the assets of the director, officers or shareholders.

Re-Approval of Rolling Stock Option Plan

At the annual and special meeting of shareholders of the Company held on October 8, 2020, the shareholders of the Company approved the Company's Stock Option Plan which entitles the Company to grant stock options to purchase up to a maximum of 10% of the Common Shares issued and outstanding as at the time of grant.

As of September 21, 2021, the Company had 15,506,925 Common Shares issued and outstanding. Accordingly, as of September 21, a maximum of 1,550,692 Common Shares are permitted to be issued pursuant to stock options granted under the Stock Option Plan. As of September 21, 2021 there were 1,364,312 stock options outstanding under the Stock Option Plan, leaving 186,380 Common Shares available for issuance pursuant to the grant of further stock options.

At the Meeting, Shareholders will be asked to pass an ordinary resolution to ratify, confirm and approve the Stock Option Plan, a summary of which is set forth below:

- (a) the Stock Option Plan reserves, for issuance pursuant to the exercise of stock options, a maximum number of common shares of the Corporation equal to up to a maximum of 10% of the issued common shares of the Corporation at the time of any stock option grant;
- (b) an optionee must either be an Eligible Charitable Organization or a Director, Employee or Consultant of the Corporation (as defined in the Stock Option Plan) at the time the option is granted in order to be eligible for the grant of a stock option to the optionee;
- (c) the aggregate number of options granted to any one Person (and companies wholly owned by that Person) in a 12 month period must not exceed 5% of the issued common shares of the Corporation calculated on the date an option is granted to the Person (unless the Corporation has obtained the requisite Disinterested Shareholder Approval);
- (d) the aggregate number of options granted to any one Consultant in a 12 month period must not exceed 2% of the issued common shares of the Corporation, calculated at the date an option is granted to the Consultant;

- (e) the aggregate number of options granted to all Persons retained to provide Investor Relations Activities must not exceed 2% of the issued shares of the Corporation in any 12 month period, calculated at the date an option is granted to any such Person;
- (f) options issued to Persons retained to provide Investor Relations Activities must vest in stages over a period of not less than 12 months with no more than 1/4 of the options vesting in any 3 month period;
- (g) the minimum exercise price per common share of a stock option must not be less than the Market Price of the common shares of the Corporation, subject to a minimum exercise price of \$0.05;
- (h) options can be exercisable for a maximum of 10 years from the date of grant (subject to extension where the expiry date falls within a “blackout period” (see (o) below);
- (i) stock options (other than options held by a person involved in investor relations activities) will cease to be exercisable 90 days after the optionee ceases to be a Director (which term includes a senior officer), Employee, Consultant, Eligible Charitable Organization or Management Company Employee otherwise than by death, or for a “reasonable period” after the optionee ceases to serve in such capacity, as determined by the Board of Directors. Stock options granted to persons involved in Investor Relations Activities will cease to be exercisable 30 days after the optionee ceases to serve in such capacity otherwise than by death, or for a “reasonable period” after the optionee ceases to serve in such capacity, as determined by the Board of Directors;
- (j) all options are non-assignable and non-transferable;
- (k) Disinterested Shareholder Approval will be obtained for any reduction in the exercise price of a stock option if the optionee is an Insider of the Corporation at the time of the proposed amendment;
- (l) the Stock Option Plan contains provisions for adjustment in the number of common shares or other property issuable on exercise of a stock option in the event of a share consolidation, split, reclassification or other capital reorganization, or a stock dividend, amalgamation, merger or other relevant corporate transaction, or any other relevant change in or event affecting the common shares;
- (m) upon the occurrence of an Accelerated Vesting Event (as defined in the Stock Option Plan), the Board of Directors will have the power, at its sole discretion and without being required to obtain the approval of Shareholders or the holder of any stock option, to make such changes to the terms of stock options as it considers fair and appropriate in the circumstances, including but not limited to: (a) accelerating the vesting of stock options, conditionally or unconditionally; (b) terminating every stock option if under the transaction giving rise to the Accelerated Vesting Event, options in replacement of the stock options are proposed to be granted to or exchanged with the holders of stock options, which replacement options treat the holders of stock options in a manner which the Board of Directors considers fair and appropriate in the circumstances having regard to the treatment of holders of common shares under such transaction; (c) otherwise modifying the terms of any stock option to assist the holder to tender into any take-over bid or other transaction constituting an Accelerated Vesting Event; or (d) following the successful completion of such Accelerated Vesting Event, terminating any stock option to the extent it has not been exercised prior to successful completion of the Accelerated Vesting Event. The determination of the Board of Directors in respect of any such Accelerated Vesting Event shall for the purposes of the New Option Plan be final, conclusive and binding;

- (n) in connection with the exercise of an option, as a condition to such exercise the Corporation shall require the optionee to pay to the Corporation an amount as necessary so as to ensure that the Corporation is in compliance with the applicable provisions of any federal, provincial or local laws relating to the withholding of tax or other required deductions relating to the exercise of such option; and
- (o) a stock option will be automatically extended past its expiry date if such expiry date falls within a blackout period during which the Corporation prohibits optionees from exercising their options, subject to the following requirements: (a) the blackout period must (i) be formally imposed by the Corporation pursuant to its internal trading policies; and (ii) must expire upon the general disclosure of undisclosed Material Information; and (b) the automatic extension of an optionee's stock option will not be permitted where the optionee or the Corporation is subject to a cease trade order (or similar order under Securities Laws) in respect of the Corporation's securities.

“Consultant”, “Director”, “Disinterested Shareholder Approval”, “Eligible Charitable Organization”, “Employee”, “Investor Relations Activities”, “Management Company Employee”, “Material Information” and “Person” all have the same definition as set out in the Stock Option Plan.

At the Meeting, the shareholders will be asked to consider, and if thought fit, to pass, with or without variation, an ordinary resolution to ratify, confirm and re-approve the Stock Option Plan, substantially in the form below:

“BE IT RESOLVED THAT:

- (a) the Stock Option Plan dated July 8, 2020 is hereby ratified, confirmed and approved as the stock option plan of the Company;
- (b) the Company is authorized to grant stock options pursuant to, and subject to the terms and conditions of, the Stock Option Plan entitling all of the optionholders in the aggregate to purchase up to such number of Common Shares as is equal to 10% of the number of Common Shares issued and outstanding on the applicable grant date;
- (c) the Board or any committee created pursuant to the Stock Option Plan is authorized to make such amendments to the Stock Option Plan from time to time as the Board may, in its discretion, consider to be appropriate, provided that such amendments will be subject to the approval of all applicable regulatory authorities and in certain cases, in accordance with the terms of the Stock Option Plan, the shareholders; and
- (d) any director or officer of the Company is hereby authorized and directed, acting for, in the name of and on behalf of the Company, to execute or cause to be executed, under the seal of the Company or otherwise, and to deliver or to cause to be delivered, all such other deeds, documents, instruments and assurances and to do or cause to be done all such other acts as in the opinion of such director or officer of the Company may be necessary or desirable to carry out the terms of the foregoing resolutions.”

Management of the Company recommends that Shareholders vote FOR the Stock Option Plan Resolution at the Meeting. The Designated Persons intend to vote the Shares represented by a form of proxy FOR the Stock Option Plan Resolution, unless instructed otherwise by an applicable Shareholder.

Adoption and Approval of Restricted Share Unit Plan

The Company proposes to implement a restricted share unit plan (the “RSU Plan”) for officers, employees, consultants and directors. The RSU Plan provides for the issue of Shares to participants for the purpose of advancing the interests of the Company through the motivation, attraction, and retention of officers, employees, consultants, and directors of the Company and its affiliates and to secure for the Company and its shareholders the benefits inherent in the ownership of Shares by key officers, employees, consultants, and directors of the Company and its affiliates; it being recognized generally that restricted share plans aid in attracting, retaining, and encouraging employees due to the opportunity offered to them, to acquire a proprietary interest in the Company.

The following is a summary of the RSU Plan and is qualified in its entirety by reference to the full text of the RSU Plan which is attached hereto as Schedule “A”.

The RSU Plan shall be administered by the Board or a committee of the Board (the “Committee”) and the Committee will have full authority to administer the RSU Plan including the authority to interpret and construe any provision of the RSU Plan and to adopt, amend and rescind such rules and regulations for administering the RSU Plan as the Committee may deem necessary in order to comply with the requirements of the RSU Plan.

The aggregate maximum number of Shares available for issuance from treasury under the RSU Plan shall not exceed 10% of the total number of Shares outstanding at any given time. Any restricted share unit which has been granted under the RSU Plan and which has been cancelled or terminated in accordance with the terms of the RSU Plan without the applicable Restricted Period having expired, or which have been exercised and for which Restricted Shares have been issued, will again be available under the RSU Plan.

Under the RSU Plan, eligible participants will be issued restricted share units (“RSUs”) from time to time that each represent the right to receive, subject to adjustments in certain circumstances, one Common Share in consideration for past performance upon expiry of an applicable restricted period. Each grant of RSUs will be reflected in a letter agreement that sets out the applicable restricted period (i.e. vesting period) for those RSUs, as determined by the Committee.

Participants who are residents of Canada for the purposes of the Income Tax Act (Canada) and not subject to the provisions of the Internal Revenue Code may elect to defer receipt all or any part of their RSUs until a deferred payment date if they elect to do so by written notice to the Company no later than 60 days prior to the expiry of the applicable restricted period.

Upon the termination or resignation of an eligible participant, RSUs of the participant that were subject to a restricted period would terminate without settlement for Shares, except as explicitly provided otherwise by the Committee. In the event of death or disability of a participant’s RSUs will automatically vest.

In the event of (i) a change of control (as defined under the RSU Plan), and (ii) within 12 months of such change of control the participant is terminated or otherwise subject to a triggering event (as such term is defined under the RSU Plan), then all RSUs outstanding of such participant shall immediately vest on the date of such termination/resignation notwithstanding the restricted period.

In the event a cash dividend is paid to shareholders of the Company on the Shares while an RSU is outstanding, the Committee may, in its sole discretion, elect to credit each participant with additional RSUs.

The Board may from time to time in its discretion (without shareholder approval) amend, modify and change the provisions of the RSU Plan (including any grant letters), including, without limitation:

- (a) amendments of a house keeping nature; and
- (b) changes to the Restricted Period of any RSUs.

However, other than as set out above, any amendment, modification or change to the provisions of the RSU Plan which would:

- (a) increase the number of Shares or maximum percentage of Shares which may be issued pursuant to the plan, except for certain exceptions;
- (b) reduce the range of amendments requiring shareholder approval contemplated in the plan;
- (c) permit RSUs to be transferred other than for normal estate settlement purposes;
- (d) change insider participation limits which would result in shareholder approval being required on a disinterested basis;
- (e) materially modify the eligibility requirements for participation in the plan; or
- (f) modify section 2.06 on the RSU Plan,

shall only be effective on such amendment, modification or change being approved by the shareholders of the Company. In addition, any such amendment, modification or change of any provision of the Plan shall be subject to the approval, if required, by any stock exchange having jurisdiction over the securities of the Company.

At the Meeting, Shareholders will be asked to approve the RSU Resolution substantially in the form below:

“BE IT RESOLVED THAT:

- (a) Subject to regulatory approval, the restricted share unit plan (the “RSU Plan”) of Core One Labs Inc. (the “Company”), as described in the management information circular of the Company dated September 21, 2021, be and is hereby approved and adopted;
- (b) The Company is hereby authorized to grant and settle RSUs under the RSU Plan in accordance with the terms and conditions of the RSU Plan; and
- (c) Any one director or officer of the Company be and is hereby authorized and directed to do all such acts and things, and to execute and deliver, under the corporate seal of the Company or otherwise, all such deeds, documents, instruments and assurances, as in his or her opinion may be necessary or desirable to give effect to the foregoing resolutions, including, without limitation, making any changes to the RSU Plan required by applicable securities regulatory authorities and to complete all transactions in connection with the administration of the RSU Plan.”

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

Management of the Company recommends that Shareholders vote FOR the RSU Resolution at the Meeting. The Designated Persons intend to vote the Shares represented by a form of proxy FOR the RSU Resolution, unless instructed otherwise by an applicable Shareholder.

OTHER MATTERS TO BE ACTED UPON

It is not known that any other matters will come before the Meeting other than as set forth above and in the Notice of Meeting, but if such should occur the persons named in the accompanying form of proxy intend to vote on them in accordance with their best judgment exercising discretionary authority with respect to amendments or variations of matters identified in the Notice of Meeting and other matters which may properly come before the meeting or any adjournment thereof.

ADDITIONAL INFORMATION

Additional information relating to the Company is on SEDAR at www.sedar.com. Shareholders may contact the Company at #3123 – 595 Burrard Street, Vancouver, BC, V7X 1J1 to request copies of the Company 's financial statements and MD&A. Financial information is provided in the Company's comparative financial statements and MD&A for its most recently completed financial year which are filed on SEDAR.

BOARD APPROVAL

The contents of this Information Circular have been approved and its mailing has been authorized by the directors of the Company.

DATED at Vancouver, British Columbia, this 21st day of September, 2021.

BY ORDER OF THE BOARD

"Joel Shacker"
Joel Shacker, Director

SCHEDULE "A"

CORE ONE LABS INC. RESTRICTED SHARE UNIT PLAN (Effective October 28, 2021)

ARTICLE 1 DEFINITIONS AND INTERPRETATION

Section 1.01 Definitions

For the purposes of this Plan, unless such word or term is otherwise defined herein or the context in which such word or term is used herein otherwise requires, the following words and terms with the initial letter or letters thereof capitalized shall have the following meanings:

"Affiliate" means any corporation that is an affiliate of the Company as defined in National Instrument 45-106 - *Prospectus Exemptions*, as may be amended from time to time;

"Associate", where used to indicate a relationship with any person or company, is as defined in the *Securities Act* (British Columbia), as may be amended from time to time;

"Board" means the Board of Directors of the Company;

"Change of Control" means:

- (a) there is a report filed with any securities commission or securities regulatory authority in Canada, disclosing that any offeror (as the term "offeror" is defined in Section 1.1 of Multilateral Instrument 62-104 *Take-Over Bids and Issuer Bids*) has acquired beneficial ownership of, or the power to exercise control or direction over, or securities convertible into, any shares of capital stock of any class of the Company carrying voting rights under all circumstances (the **"Voting Shares"**), that, together with the offeror's securities would constitute Voting Shares of the Company representing more than 50% of the total voting power attached to all Voting Shares of the Company then outstanding.
- (b) there is consummated any amalgamation, consolidation, statutory arrangement, merger, business combination or other similar transaction involving the Company: (1) in which the Company is not the continuing or surviving corporation, or (2) pursuant to which any Voting Shares of the Company would be reclassified, changed or converted into or exchanged for cash, securities or other property, other than (in each case) an amalgamation, consolidation, statutory arrangement, merger, business combination or other similar transaction involving the Company in which the holders of the Voting Shares of the Company immediately prior to such amalgamation, consolidation, statutory arrangement, merger, business combination or other similar transaction have, directly or indirectly, more than 50% of the Voting Shares of the continuing or surviving corporation immediately after such transaction,
- (c) any person or group of persons shall succeed in having a sufficient number of its nominees elected as directors of the Company such that such nominees, when added to any existing directors of the Company, will constitute a majority of the directors of the Company, or
- (d) there is consummated a sale, transfer or disposition by the Company of all or substantially all of the assets of the Company, provided that an event shall not constitute a Change of Control if its sole purpose is to change the jurisdiction of the Company's organization or to create a holding company, partnership or trust that will be owned in substantially the same proportions by the persons who held the Company's securities immediately before such event.

"Committee" means the Board or, if the Board so determines in accordance with Section 2.03 of the Plan, the committee of the Board authorized to administer the Plan which includes any compensation committee of the Board;

"Company" means Core One Labs Inc. and includes any successor corporation thereof;

"CSE" mean the Canadian Securities Exchange;

"Deferred Payment Date" for a Participant means the date after the Restricted Period which is the earlier of (i) the date to which the Participant has elected to defer receipt of Restricted Shares in accordance with Section 3.05 of this Restricted Share Units Plan; and (ii) the Participant's Termination or Retirement Date;

"Insider" means: (i) an insider as defined in the *Securities Act* (British Columbia), as may be amended from time to time, other than a person who is an Insider solely by virtue of being a director or senior officer of an Affiliate; and (ii) an Associate of any person who is an insider by virtue of (i);

"Investor Relations Activities" means any activities or oral or written communications, by or on behalf of the Company or shareholder of the Company, that promote or reasonably could be expected to promote the purchase or sale of securities of the Company, but does not include:

- (a) the dissemination of information provided, or records prepared, in the ordinary course of business of the Company
 - i. to promote the sale of products or services of the Company, or
 - ii. to raise public awareness of the Company,
 - iii. that cannot reasonably be considered to promote the purchase or sale of securities of the Company;
- (b) activities or communications necessary to comply with the requirements of
 - i. applicable securities laws, policies or regulations,
 - ii. the rules, and regulations of the CSE or the by-laws, rules or other regulatory instruments of any other self-regulatory body or exchange having jurisdiction over the Company;
 - iii. communications by a publisher of, or writer for, a newspaper, magazine or business or financial publication, that is of general and regular paid circulation, distributed only to subscribers to it for value or to purchasers of it, if
 - 1. the communication is only through the newspaper, magazine or publication, and
 - 2. the publisher or writer received no commission or other consideration other than for acting in the capacity of publisher or writer; or
- (c) activities or communications that may be otherwise specified by the CSE;

"Market Price" at any date in respect of the Shares shall be, the closing trading price of such Shares on the CSE (or such other main stock exchange on which the Shares are listed) on the last trading day immediately before the date on which the Market Price is determined. In the event that the Shares are not then listed and posted for trading on the CSE (or another exchange), the Market Price shall be the fair market value of such Shares as determined by the Board in its sole discretion;

"Participant" means each of the following to whom Restricted Share Units are granted hereunder:

- (a) a senior officer or director of the Company or any of its subsidiaries;
- (b) either:

- i. an individual who is considered an employee under the *Income Tax Act* (Canada),
- ii. an individual who works full-time for the Company providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source, or
- iii. an individual who works for the Company on a continuing and regular basis for a minimum amount of time per week (the number of hours should be disclosed in the submission) providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source,

any such individual, an "**Employee**";

- (c) an individual employed by a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual (a "**Company**") which individual is providing management services to the Company through such Company, or an individual (together with a Company, a "**Person**") providing management services directly to the Company, which management services are required for the ongoing successful operation of the business enterprise of the Company, but excluding a Person engaged in Investor Relations Activities (as hereafter defined) (a "**Management Company Employee**"); or
- (d) an individual (or a company or partnership of which the individual is an employee, shareholder or partner), other than an Employee, Management Company Employee, director or senior officer, who:
 - i. provides ongoing consulting services to the Company or an Affiliate of the Company under a written contract;
 - ii. possesses technical, business or management expertise of value to the Company or an Affiliate of the Company;
 - iii. spends a significant amount of time and attention on the business and affairs of the Company or an Affiliate of the Company;
 - iv. has a relationship with the Company or an Affiliate of the Company that enables the individual to be knowledgeable about the business and affairs of the Company; and
 - v. does not engage in Investor Relations Activities (as hereafter defined)
 any such individual, a "**Consultant**".

Subject to the foregoing, the Committee shall have full and final authority to determine the persons who are to be granted Restricted Share Units under the Plan;

"**Plan**" means the Company's Restricted Share Plan, as same may be amended from time to time;

"**Restricted Period**" means any period of time that a Restricted Share Unit is not exercisable and the Participant holding such Restricted Share Unit remains ineligible to receive Restricted Shares, determined by the Committee in its absolute discretion, however, such period of time may be reduced or eliminated from time to time and at any time and for any reason as determined by the Committee, including but not limited to circumstances involving death or disability of a Participant;

"**Retirement**" means the Participant ceasing to be an officer or Employee or a director after attaining a stipulated age in accordance with the Company's normal retirement policy or earlier with the Company's consent;

"**Retirement Date**" means the date on which a Participant ceases to be an officer, Employee or director due to the Retirement of the Participant;

"Restricted Share Units" has such meaning as ascribed to such term at Section 3.02 of this Plan; **"Restricted Shares"** means the Shares issuable upon the expiry of an applicable Restricted Period;

"Shares" means the common shares in the capital of the Company, as adjusted in accordance with the provisions of Article Five of this Plan;

"Termination" means: (i) in the case of a director, the removal of or failure to re-elect or re-appoint the director as a director of the Company or any Affiliate; and (ii) in the case of an officer, Employee, Management Company Employee, or Consultant, the later of (a) the date of notification, and (b) the last day of work following notification, of termination of the officer, Employee, Management Company Employee or Consultant with or without cause by the Company or an Affiliate, in each case, without regard to any period of reasonable notice or severance that may follow notification or last day of work, except where required by applicable employment standards legislation or the cessation of service of the officer, Employee, Management Company Employee or Consultant with the Company or an Affiliate as a result of the resignation or otherwise, other than the Retirement, of the employee or Officer; for greater certainty, in each case, other than for death or disability of a Participant;

"Triggering Event" means (i) in the case of a director, the removal of or failure to re-elect or re-appoint the director as a director of the Company or any Affiliate; (ii) in the case of an officer, Employee, Management Company Employee, or Consultant, the termination of the officer, Employee, Management Company Employee or Consultant, without cause; (iii) in the case of an Employee or an officer, he or she resigns as a result of a material adverse change imposed by the Company or the Affiliate (as the case may be) in duties, powers, rights, discretion, prestige, salary, benefits, perquisites, as they exist, and with respect to financial entitlements, the conditions under and manner in which they were payable, immediately prior to the Change of Control, or a material diminution of title imposed by the Company or the Affiliate (as the case may be), as it exists immediately prior to the Change of Control in either case without the individual's written agreement;

"U.S. Taxpayer" means a Participant who is a U.S. citizen, U.S. permanent resident or U.S. tax resident or a Participant for whom a benefit under this Plan would otherwise be subject to U.S. taxation under the U.S. Internal Revenue Code of 1986, as amended, and the rulings and regulations in effect thereunder.

Section 1.02 Headings

The headings of all articles, Sections, and paragraphs in the Plan are inserted for convenience of reference only and shall not affect the construction or interpretation of the Plan.

Section 1.03 Context, Construction

Whenever the singular or masculine are used in the Plan, the same shall be construed as being the plural or feminine or neuter or vice versa where the context so requires.

Section 1.04 References to this Restricted Share Plan

The words "herein", "hereby", "hereunder", "hereof" and similar expressions mean or refer to the Plan as a whole and not to any particular article, Section, paragraph or other part hereof.

Section 1.05 Canadian Funds

Unless otherwise specifically provided, all references to dollar amounts in the Plan are references to lawful money of Canada.

ARTICLE 2

PURPOSE AND ADMINISTRATION OF THE RESTRICTED SHARE PLAN

Section 2.01 Purpose of the Restricted Share Plan

The Plan provides for the acquisition of Shares by Participants for the purpose of advancing the interests of the Company through the motivation, attraction and retention of officers, Employees, Consultants and directors of the Company and its Affiliates and to secure for the Company and the shareholders of the Company the benefits inherent in the ownership of Shares by key officers, Employees, Consultants and directors of the Company and its Affiliates, it being generally recognized that restricted share plans aid in attracting, retaining and encouraging officers, Employees, Consultants and directors due to the opportunity offered to them to acquire a proprietary interest in the Company.

Section 2.02 Administration of the Restricted Share Plan

The Plan shall be administered by the Committee which shall have full authority to administer the Plan including the authority to interpret and construe any provision of the Plan and to adopt, amend and rescind such rules and regulations for administering the Plan as the Committee may deem necessary in order to comply with the requirements of the Plan. All actions taken and all interpretations and determinations made by the Committee in good faith shall be final and conclusive and shall be binding on the Participants and the Company. No member of the Committee shall be personally liable for any action taken or determination or interpretation made in good faith in connection with the Plan and all members of the Committee shall, in addition to their rights as directors of the Company, be fully protected, indemnified and held harmless by the Company with respect to any such action taken or determination or interpretation made in good faith. The appropriate officers of the Company are hereby authorized and empowered to do all things and execute and deliver all instruments, undertakings and applications and writings as they, in their absolute discretion, consider necessary for the implementation of the Plan and of the rules and regulations established for administering the Plan. All costs incurred in connection with the Plan shall be for the account of the Company.

Section 2.03 Delegation to Committee

All of the powers exercisable hereunder by the directors of the Company may, to the extent permitted by applicable law and as determined by resolution of the directors of the Company, be exercised by the compensation committee of the Board.

Section 2.04 Record Keeping

The Company shall maintain a register in which shall be recorded:

1. the name and address of each Participant;
2. the number of Restricted Share Units granted to each Participant and the date of grant;
3. the Restricted Period(s) (and other conditions) applicable to such Restricted Share Units; and

Section 2.05 Determination of Participants and Participation

The Committee shall from time to time determine the Participants who may participate in the Plan. The Committee shall from time to time determine the Participants to whom Restricted Share Units shall be granted and the provisions and restrictions with respect to such grant, all such determinations to be made in accordance with the terms and conditions of the Plan, and the Committee may take into consideration the present and potential contributions of and the services rendered by the particular Participant to the success of the Company and any other factors which the Committee deems appropriate and relevant.

Section 2.06 Maximum Number of Shares:

The aggregate maximum number of Shares available for issuance from treasury under this Plan, subject to adjustment pursuant to Section 5.06, shall not exceed 10% of the total number of Shares outstanding at any given time. Any Restricted Share Unit which has been granted under the Plan and which has been cancelled or terminated in accordance with the terms of the Plan without the applicable Restricted Period having expired, or which have been exercised and for which Restricted Shares have been issued, will again be available under the Plan.

Section 2.07 Maximum Term

The maximum term for Restricted Share Units is up to ten (10) years but may be such shorter term as the Company chooses.

ARTICLE 3 RESTRICTED SHARE PLAN

Section 3.01 Restricted Share Plan

The Plan is hereby established for the Participants.

Section 3.02 Participants

The Committee shall have the right to grant, in its sole and absolute discretion, to any Participant rights to acquire any number of fully paid and non-assessable Shares ("**Restricted Share Units**") in consideration of past services to the

Company, subject to the Plan and agreement with a Participant and with such provisions, conditions (including any performance conditions) and restrictions as the Committee may determine. At the end of the Restricted Period or Deferred Payment Date (if any) applicable to a Restricted Share Unit, subject to any applicable conditions pursuant to the terms of such Restricted Share Unit, and without the payment of additional consideration or any other further action on the part of the holder of the Restricted Share Unit, the Company shall issue to the Participant holding the Restricted Share Unit one Share for each Restricted Share Unit held by the Participant for which the Restricted Period has expired.

Section 3.03 Restricted Share Unit Grant Letter

Each grant of a Restricted Share Unit under the Plan shall be evidenced by a Restricted Share Unit grant letter from the Company and agreed to by the Participant. Such Restricted Share Unit grant letter shall be subject to all applicable terms and conditions of the Plan and may be subject to any other terms and conditions which are not inconsistent with the Plan and which the Committee deems appropriate for inclusion in a Restricted Share Unit grant letter. The provisions of the various Restricted Share Unit grant letters issued under the Plan need not be identical. To the extent that there is any inconsistency between the Plan and the Restricted Share Unit grant letter or any other communications, the Plan shall prevail.

Section 3.04 Restricted Period

Concurrent with the determination to grant Restricted Share Units to a Participant, the Committee shall determine the Restricted Period applicable to such Restricted Share Units.

Section 3.05 Deferred Payment Date

Participants who are residents of Canada for the purposes of the *Income Tax Act* (Canada) and not subject to the provisions of the *Internal Revenue Code* may elect to defer receipt all or any part of their Restricted Shares until a Deferred Payment Date. Any other Participants may not elect a Deferred Payment Date.

Section 3.06 Notice of Deferred Payment Date

Qualifying Participants who elect to set a Deferred Payment Date must give the Company written notice of the Deferred Payment Date not later than sixty (60) days prior to the expiration of the Restricted Period. For certainty, Participants shall not be permitted to give any such notice after the day which is sixty (60) days prior to the expiration of the Restricted Period and a notice once given may not be changed or revoked.

Section 3.07 Retirement or Termination during Restricted Period

In the event of the Retirement or Termination of a Participant during the Restricted Period, any Restricted Share Units held by the Participant shall immediately terminate and be of no further force or effect; provided, however, that the Committee shall have the absolute discretion to modify the Restricted Shares Units to provide that the Restricted Period shall terminate immediately prior to a Participant's Termination or Retirement, or allow the Restricted Share Units to continue in accordance with their terms.

Section 3.08 Payment of Dividends

In the event a cash dividend is paid to shareholders of the Company on the Shares while a Restricted Share Unit is outstanding, the Committee may, in its sole discretion, elect to credit each Participant with additional Restricted Share Units. In such case, the number of additional Restricted Share Units will be equal to the aggregate amount of dividends that would have been paid to the Participant if the Restricted Share Units in the Participant's account on the record date had been Shares divided by the Market Price of a Share on the date on which dividends were paid by the Company. If the foregoing shall result in a fractional Restricted Share Unit, the fraction shall be disregarded.

Section 3.09 Death or Disability of Participant: In the event of:

- (a) the death of a Participant, any Restricted Share Units held by such Participant will vest on the date of death of such Participant and the Restricted Shares represented by the Restricted Share Units held by such Participant will be issued to the Participant's estate as soon as reasonably practical thereafter, but in any event no later than ninety (90) days thereafter; and
- (b) the disability of a Participant (determined in accordance with the Company's normal disability practices), any Restricted Share Units held by such Participant will vest on the date in which such Participant is determined to be totally disabled and the Restricted Shares represented by the Restricted Share Units held by the Participant will be issued to the Participant as soon as reasonably practical, but in any event no later than thirty (30) days following receipt by the Company of notice of disability.

Section 3.10 Change of Control

In the event of (i) a Change of Control, and (ii) within 12 months of such Change of Control the Participant is subject to a Triggering Event, then all Restricted Share Units outstanding of such Participant shall immediately vest on the date of such termination/resignation notwithstanding the Restricted Period. In any event, upon a Change of Control, Participants shall not be treated any more favourably than shareholders of the Company with respect to the consideration that the Participants would be entitled to receive for their Shares.

Section 3.11 Trading Blackout Periods

Unless otherwise determined by resolution of the Committee, in the event that any Restricted Period or Deferred Payment Date, as applicable, expires during, or within 48 hours after a self-imposed blackout period on the trading of securities of the Company, such expiry will occur on the day immediately following the end of the blackout period, or such 48-hour period, as applicable.

Section 3.12 Necessary Approvals

The Plan shall be subject to the approval of the shareholders of the Company to be given by a resolution passed at a meeting of the shareholders of the Company and acceptance by the regulatory authority having jurisdiction over the securities of the Company.

ARTICLE 4 WITHHOLDING TAXES

Section 4.01 Withholding Taxes: The Company or its Affiliates may take such steps as are considered necessary or appropriate to deduct any appropriate withholding taxes or other withholding liabilities which the Company or its Affiliate is required by any law or regulation of any governmental authority whatsoever to withhold in connection with any Share including, without limiting the generality of the foregoing, the withholding of all or any portion of any payment or the withholding of the issue of Shares to be issued under the Plan, until such time as the Participant has paid the Company or its Affiliate for any amount which the Company and its Affiliates are required to withhold with respect to such taxes.

ARTICLE 5 GENERAL

Section 5.01 Effective Time of Restricted Share Plan

The Restricted Share Units Plan herein shall become effective on the date on which it is approved by the shareholders. The Plan shall remain in effect until it is terminated by the Board.

Section 5.02 Amendment of Restricted Share Plan

The Board may from time to time in its discretion (without shareholder approval) amend, modify and change the provisions of the Plan (including any grant letters), including, without limitation:

- (a) amendments of a house keeping nature; and
- (b) changes to the Restricted Period of any Restricted Share Units.

However, other than as set out above, any amendment, modification or change to the provisions of the Plan which would:

- (a) increase the number of Shares or maximum percentage of Shares which may be issued pursuant to the Plan other than by virtue of Section 5.06 of the Plan;
- (b) reduce the range of amendments requiring shareholder approval contemplated in this section;
- (c) permit Restricted Share Units to be transferred other than for normal estate settlement purposes;
- (d) change insider participation limits which would result in shareholder approval being required on a disinterested basis;
- (e) materially modify the eligibility requirements for participation in the Plan; or
- (f) modify Section 2.06,

shall only be effective on such amendment, modification or change being approved by the shareholders of the Company. In addition, any such amendment, modification or change of any provision of the Plan shall be subject to the approval, if required, by any stock exchange having jurisdiction over the securities of the Company.

Section 5.03 Non-Assignable

Except pursuant to a will or by the laws of descent and distribution, no Restricted Share Unit and no other right or interest of a Participant is assignable or transferable.

Section 5.04 Rights as a Shareholder

No holder of any Restricted Share Units shall have any rights as a shareholder of the Company prior to the end of the applicable Restricted Period. Subject to Sections 3.08 and 5.06, no holder of any Restricted Share Units shall be entitled to receive, and no adjustment shall be made for, any dividends, distributions or any other rights declared for shareholders of the Company for which the record date is prior to the date of expiry of the Restricted Period applicable to any Restricted Share Unit.

Section 5.05 No Contract of Employment

Nothing contained in the Plan shall confer or be deemed to confer upon any Participant the right to continue in the employment of, or to provide services to, the Company or its Affiliates nor interfere or be deemed to interfere in any way with any right of the Company or its Affiliates to discharge any Participant at any time for any reason whatsoever, with or without cause. Participation in the Plan by a Participant shall be voluntary.

Section 5.06 Adjustment in Number of Shares Subject to the Restricted Share Plan

In the event there is any change in the Shares, whether by reason of a stock dividend, consolidation, subdivision, reclassification, amalgamation, merger, business combination or arrangement, or otherwise, an appropriate adjustment shall be made to outstanding Restricted Share Units by the Board, in its sole discretion, to reflect such changes. If the foregoing adjustment shall result in a fractional securities or Restricted Share Unit, the fraction shall be disregarded. All such adjustments shall be conclusive, final and binding for all purposes of this Plan.

Section 5.07 No Representation or Warranty

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

Section 5.08 Compliance with Applicable Law

If any provision of the Plan or any Restricted Share Unit contravenes any law or any order, policy, by-law or regulation of any regulatory body having jurisdiction, then such provision shall be deemed to be amended to the extent necessary to bring such provision into compliance therewith. Furthermore, this Plan is intended to be exempt from Section 409A of the Internal Revenue Code of 1986, as amended, to the extent applicable, as a short-term deferral and will be interpreted accordingly to the maximum extent permissible.

Section 5.09 Interpretation

This Plan shall be governed by and construed in accordance with the laws of the Province of British Columbia.