

TIDAL ROYALTY CORP.

(Formerly Tulloch Resources Ltd.)

2900 – 595 Burrard Street
Vancouver, B.C. V7X 1J5

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON SEPTEMBER 05, 2017

AND

INFORMATION CIRCULAR

August 4, 2017

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

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING TIDAL ROYALTY CORP.

TO THE SHAREHOLDERS:

NOTICE IS HEREBY GIVEN that an annual general and extraordinary meeting (the "Meeting") of TIDAL ROYALTY CORP, (formerly Tulloch Resources Ltd.) (the "Company") will be held at the offices of Owen, Bird Law Corporation, 2900 – 595 Burrard Street, Vancouver, British Columbia, V7X 1J5 on Tuesday, September 5, 2017, at 11:00 am (Vancouver time) for the following purposes:

1. to receive the audited financial statements of the Company for the financial years ended July 31, 2016 and July 31, 2015, and accompanying report of the auditor;
2. to appoint Manning Elliott LLP, Chartered Professional Accountants, as the auditor of the Company for the fiscal year ending July 31, 2017;
3. to authorize the directors of the Company to fix the remuneration to be paid to the auditor for the fiscal year ending July 31, 2017;
4. to elect the directors of the Company to serve until the next annual general meeting of the shareholders;
5. to consider and, if thought fit, to approve an ordinary resolution to change the Company's business to become an investment issuer;
6. to consider and, if thought fit, to approve an ordinary resolution to approve a 20% stock option plan and the reservation of 17,568,727 incentive stock options under the plan exercisable at a fixed price of \$0.05 as described in the Information Circular accompanying this Notice of Meeting;
7. to confirm, ratify and approve all acts, resolutions, deeds and things done by and proceedings of the directors and officers of the Company on behalf of the Company since the last annual general meeting of the shareholders; and
8. to transact such further or other business as may properly come before the Meeting and any adjournment or postponement thereof.

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

The Company's board of directors has fixed August 01, 2017 as the record date for the determination of shareholders entitled to notice of and to vote at the Meeting and at any adjournment or postponement thereof. Each registered shareholder at the close of business on that date is entitled to such notice and to vote at the Meeting in the circumstances set out in the accompanying Information Circular.

If you are a registered shareholder of the Company and unable to attend the Meeting in person, please complete, date and sign the accompanying form of proxy and deposit it with the Company's transfer agent, CST Trust Company, Attention: Proxy Department, PO Box 721 Agincourt, ON M1S 0A1 or via Fax to 416.368.2502 by 10:00 a.m. (Vancouver time) on September 1, 2017.

If you are a non-registered shareholder of the Company and received this Notice of Meeting and accompanying materials through a broker, a financial institution, a participant, a trustee or administrator of a self-administered retirement savings plan, retirement income fund, education savings plan or other similar

self-administered savings or investment plan registered under the *Income Tax Act* (Canada), or a nominee of any of the foregoing that holds your security on your behalf (the “**Intermediary**”), please complete and return the materials in accordance with the instructions provided to you by your Intermediary.

DATED at Vancouver, British Columbia, this 4th day of August, 2017.

By Order of the Board of Directors

TIDAL ROYALTY CORP.

“Stuart Wooldridge”

Stuart Wooldridge
President and Chief Executive Officer

TIDAL ROYALTY CORP
INFORMATION CIRCULAR

August 4, 2017

INTRODUCTION

This Information Circular accompanies the Notice of Annual General and Extraordinary Meeting (the “**Notice**”) and is furnished to shareholders holding common shares in the capital of Tidal Royalty Corp. (formerly *Tulloch Resources Ltd.*) (the “**Company**”) in connection with the solicitation by management of the Company of proxies to be voted at the annual general and extraordinary meeting (the “**Meeting**”) of the shareholders to be held at 11:00 a.m. (Vancouver time) on Tuesday, September 5, 2017 at the offices of Owen, Bird Law Corporation, 2900 – 595 Burrard Street, Vancouver, British Columbia, V7X 1J5 or at any adjournment or postponement thereof.

Date and Currency

The date of this Information Circular is August 04, 2017. Unless otherwise stated, all amounts herein are in Canadian dollars.

PROXIES AND VOTING RIGHTS

Management Solicitation

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

No person has been authorized to give any information or to make any representation other than as contained in this Information Circular in connection with the solicitation of proxies. If given or made, such information or representations must not be relied upon as having been authorized by the Company. The delivery of this Information Circular shall not create, under any circumstances, any implication that there has been no change in the information set forth herein since the date of this Information Circular. This Information Circular does not constitute the solicitation of a proxy by anyone in any jurisdiction in which such solicitation is not authorized, or in which the person making such solicitation is not qualified to do so, or to anyone to whom it is unlawful to make such an offer of solicitation.

Appointment of Proxy

Registered shareholders are entitled to vote at the Meeting. A shareholder is entitled to one vote for each common share of the Company that such shareholder holds on the record date of August 01, 2017 (the “**Record Date**”) on the resolutions to be voted upon at the Meeting, and any other matter to come before the Meeting.

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

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

TO EXERCISE THE RIGHT, THE SHAREHOLDER MAY DO SO BY STRIKING OUT THE PRINTED NAMES AND INSERTING THE NAME OF SUCH OTHER PERSON AND, IF DESIRED, AN ALTERNATE TO SUCH PERSON, IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY. SUCH SHAREHOLDER SHOULD NOTIFY THE NOMINEE OF THE APPOINTMENT, OBTAIN THE NOMINEE'S CONSENT TO ACT AS PROXY AND SHOULD PROVIDE INSTRUCTION TO THE NOMINEE ON HOW THE SHAREHOLDER'S SHARES SHOULD BE VOTED. THE NOMINEE SHOULD BRING PERSONAL IDENTIFICATION TO THE MEETING.

In order to be voted, the completed form of proxy must be received by the Company's registrar and transfer agent, CST Trust Company (the "**Transfer Agent**"), Attention: Proxy Department, at its offices located at PO Box 721 Agincourt, ON M1S 0A1 or via Fax to 416.368.2502 by 10:00 a.m. (Vancouver time) on September 01, 2017. Alternatively, the completed form of proxy may be delivered to the Chairman of the Meeting on the day of the Meeting, or any adjournment or postponement thereof.

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

Revocation of Proxies

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

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

Voting of Common Shares and Proxies and Exercise of Discretion by Designated Persons

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

IF NO CHOICE IS SPECIFIED IN THE PROXY WITH RESPECT TO A MATTER TO BE ACTED UPON, THE PROXY CONFERS DISCRETIONARY AUTHORITY WITH RESPECT TO THAT MATTER UPON THE DESIGNATED PERSONS NAMED IN THE FORM OF PROXY. IT IS INTENDED THAT THE DESIGNATED PERSONS WILL VOTE THE COMMON SHARES REPRESENTED BY THE PROXY IN FAVOUR OF EACH MATTER IDENTIFIED IN THE PROXY INCLUDING THE VOTE FOR THE ELECTION OF THE NOMINEES TO THE COMPANY'S BOARD OF DIRECTORS (THE "BOARD"), THE APPOINTMENT OF THE AUDITORS, ADOPTION OF THE NEW ARTICLES, INCREASE IN AUTHORIZED SHARE CAPITAL, CREATION OF PREFERRED SHARES AND APPROVAL OF THE OPTION PLAN.

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

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

NOTICE TO BENEFICIAL SHAREHOLDERS

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

The Company does not have access to names of Beneficial Shareholders. Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their common shares are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is similar to the Form of Proxy provided to registered shareholders by the Company. However, its purpose is limited to instructing the registered shareholder (the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial

Solutions, Inc. ("**Broadridge**") in the United States and in Canada. Broadridge typically prepares a special voting instruction form, mails this form to the Beneficial Shareholders and asks for appropriate instructions regarding the voting of common shares to be voted at the Meeting. Beneficial Shareholders are requested to complete and return the voting instructions to Broadridge by mail or facsimile. Alternatively, Beneficial Shareholders can call a toll-free number and access Broadridge's dedicated voting website (each as noted on the voting instruction form) to deliver their voting instructions and to vote the common shares held by them. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. **A Beneficial Shareholder receiving a Broadridge voting instruction form cannot use that form as a proxy to vote common shares directly**

at the Meeting – the voting instruction form must be returned to Broadridge well in advance of the Meeting in order to have its common shares voted at the Meeting.

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

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

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

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Company is authorized to issue unlimited common shares without par value. As of the Record Date, determined by the Board to be the close of business on August 1, 2017, a total of 2,843,636 post-consolidated common shares were issued and outstanding. Each common share carries the right to one vote at the Meeting.

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

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

Name of Shareholder	Number of Common Shares Owned	Percentage of Outstanding Common Shares¹
CDS & Co. ²	974,587	34.3%

- (1) Based on 2,843,636 post-consolidated common shares issued and outstanding as of August 1, 2017. Management of the Company is unaware of the beneficial shareholders of the common shares registered in the name of CDS & CO (NCI).

RECEIPT OF FINANCIAL STATEMENTS

The financial statements of the Company for the fiscal years ended July 31, 2016 and July 31, 2015 and the accompanying auditors' reports thereon will be presented at the Meeting.

APPOINTMENT OF AUDITOR

At the Meeting, Shareholders will be asked to vote for: the appointment of Manning Elliott LLP, Chartered Professional Accountants, to serve as auditors of the Company for the fiscal year ending July 31, 2017 and to hold office until the next annual meeting of the Shareholders or until such firm is removed from office or resigns as provided by law, and to authorize the Board to fix the remuneration to be paid to the auditors.

Management recommends Shareholders vote for: the appointment of Manning Elliott LLP, Chartered

Professional Accountants, as the Company’s auditors for the Company’s fiscal year ending July 31, 2017 at a remuneration to be fixed by the Board.

ELECTION OF DIRECTORS

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

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

Name Province and Country of Residence and Position(s) with the Company	Principal Occupation Business or Employment for Last Five Years	Periods during which Nominee has Served as a Director	Number of Common Shares Owned⁽¹⁾
Stuart Wooldridge British Columbia, Canada <i>President, Chief Executive Officer and Director</i>	Director of 555155 B.C. Ltd. dba Orca Strategy, a private management consulting company, since 1990. Director of VendTek Systems Inc., from July 2004 to December 2009. Director of Yuntone Capital Corp. (a capital pool company) since March 2008. Director of Weifei Capital Inc from October, 2008 to October 2011. Director of Changyu MedTech Ltd., from May 2009 to March 2012.	Sept 5, 2001 – current	200,000
Theo van der Linde⁽²⁾ British Columbia, Canada <i>Chief Financial Officer & Director</i>	Self-employed Chartered Accountant CFO of Molori Energy Inc. since October 2014; CFO and Director of Elcora Advanced Materials Corp. since July 2012; and a director and CFO of Coronet Metals Inc. since April 2011	Since July 20, 2017	Nil
Brendan Purdy⁽²⁾ Ontario, Canada <i>Director</i>	Practicing member of the Law Society of Upper Canada; Director and CEO of High Hampton Holdings Ltd.; CEO and Director of Natan Resources Ltd.; CEO and Director of Seaway Energy Services from April, 2016 to October 2016; a Director of Greenock Resources Inc. from October 2015 until February, 2016 and a current Director of Boomerang Oil, Inc. since April 2014.	Since July 20, 2017	Nil
Paul Rosen⁽²⁾ Ontario, Canada <i>Director</i>	Member of the Law Society of Upper Canada; Founder, PharmaCan Capital Corp from November 2013 until February 2016; Director of iAnthus Capital Holdings Inc.; Advisor to Alembic Goods	Since July 20, 2017	Nil

- (1) Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, as at August 4, 2017, based upon information furnished to the Company by the individual directors.
- (2) Member of the Audit Committee.

Management recommends the approval of each of the nominees listed above for election as directors of the Company for the ensuing year.

Management does not contemplate that any of its nominees will be unable to serve as directors. If any vacancies occur in the slate of nominees listed above before the Meeting, then the Designated Persons intend to exercise discretionary authority to vote the common shares represented by proxy for the election of any other persons as directors.

Cease Trade Orders

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

- (a) was subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Stuart Wooldridge was an independent director of VendTek Systems Inc. (“**VendTek**”). In 2009, the British Columbia Securities Commission and Alberta Securities Commission issued a cease trade order against VendTek for failure to file financial statements. In 2010, the order was revoked.

Bankruptcies

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

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

Penalties and Sanctions

To the best of management’s knowledge, no proposed director of the Company has been subject to: (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

STATEMENT OF EXECUTIVE COMPENSATION

General

For the purpose of this Information Circular:

“**CEO**” means each 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**” means each 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;

“**NEO**” means:

- (a) a CEO;
- (b) a CFO;
- (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 and whose total compensation was, individually, more than \$150,000 as determined in accordance with subsection 1.3(6) of Form 51-102F6 *Statement of Executive Compensation*; or
- (d) any individual who would be a NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity at the end of the most recently completed financial year.

During the year ended July 31, 2016 the Company had two named NEO’s, namely Stuart Wooldridge, Chief Executive Officer and Rob Trenaman, Chief Financial Officer.

Compensation Discussion and Analysis

The overall objective of the Company’s compensation strategy is to offer medium-term and long-term compensation components to ensure that the Company has in place programs to attract, retain and develop management of the highest caliber and has in place a process to provide for the orderly succession of management, including receipt on an annual basis of any recommendations of the chief executive officer, if any, in this regard. The Company currently has medium-term and long-term compensation components in place, and intends to further develop these compensation components. The objectives of the Company’s compensation policies and procedures are to align the interests of the Company’s employees with the interests of the Company’s shareholders. Therefore a significant portion of the total compensation is based upon overall corporate performance.

The Company does not have in place a Compensation and Nominating Committee. All tasks related to developing and monitoring the Company’s approach to the compensation of officers of the Company and to developing and monitoring the Company’s approach to the nomination of directors to the Board are performed by the members of the Board. The compensation of the NEOs and the Company’s employees is reviewed, recommended and approved by the independent directors of the Company.

The Company chooses to grant stock options to NEOs to satisfy the long-term compensation component. The Board may consider, on an annual basis, an award of bonuses to key executives and senior management. The amount and award of such bonuses is discretionary, depending on, among other factors, the financial performance of the Company and the position of a participant. The Board considers that the payment of such discretionary annual cash bonuses satisfies the medium term compensation component.

In the future, the Board may also consider the grant of options to purchase common shares of the Company with longer future vesting dates to satisfy the long term compensation component.

The Company has not retained a compensation consultant or advisor to assist the Board in determining compensation for any of the Company’s directors or officers. Given the Company’s current stage of development, the Company has not considered the implications of the risks associated with the Company’s compensation practices. The Company has also not adopted any policies with respect to whether NEOs and directors are permitted to purchase financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director.

Option Based Awards

NEOs, as well as directors, employees and consultants, are eligible to participate in the Company’s stock option plan (the “**Plan**”) to receive grants of stock options. Individual stock options are granted by the Board as a whole, with directors abstaining from voting on any proposed grant of options to themselves, and the number of options granted is dependent on, among other things, each optionee’s level of responsibility, authority and importance to the Company and the degree to which such optionee’s long term contribution to the Company will be crucial to its long-term success.

Stock options are normally granted by the Board when an executive officer or director first joins the Company based on his level of responsibility within the Company. Additional grants may be made periodically to ensure that the number of options granted to any particular officer or director is commensurate with their level of ongoing responsibility within the Company. The Board also evaluates the number of options an officer or director has been granted, the exercise price of the options and the term remaining on those options when considering further grants. Options are usually priced at the closing trading price of the Company’s shares on the business day immediately preceding the date of grant and the current policy of the Board is that options expire two to five years from the date of grant. See “Particulars of Matters to Be Acted Upon - Adoption of new Stock Option Plan”.

Compensation Governance

The Board has not adopted any specific policies or practices to determine the compensation for the Company’s directors and officers, other than as disclosed above. The Board has not yet formed a compensation committee or a nominating committee. As such, all tasks related to developing the Company’s approach with respect to compensation and to developing and monitoring the Company’s approach to the nomination of directors to the Board were performed by the members of the Board during the last fiscal year. The Company has also not adopted any policies with respect to whether NEOs and directors are permitted to purchase financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director.

Director and Named Executive Officer Compensation

The following table sets forth all annual and long term compensation for services paid to or earned by each NEO and director for the two most recently completed financial years ended July 31, 2016:

Table of Compensation excluding Compensation Securities

Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Stuart Woolldridge ⁽¹⁾	2016	25,000	Nil	Nil	Nil	Nil	25,000
President, CEO and	2015	55,000	Nil	Nil	Nil	Nil	55,000

Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Director							
Rob Trenaman ⁽²⁾ CFO, Director and former President	2016 2015	Nil Nil	Nil Nil	Nil Ni	Nil Ni	Nil Nil	Nil Ni
Saeed Otufat-Shamsi ⁽²⁾ Former Director	2016 2015	Nil 5,000	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil 5,000
Theo van der Linde ⁽⁴⁾ CFO and Director	N/A						
Kathryn Witter ⁽³⁾ Corporate Secretary	N/A						
Brendan Purdy ⁽⁴⁾ Director	N/A						
Paul Rosen ⁽⁴⁾ Director	N/A						

1. Mr. Wooldridge's compensation is paid to his wholly-owned holding company, 555155 B.C. Ltd.
2. Mr. Trenaman and Mr. Saeed Otufat-Shasi resigned as of June 2, 2017
3. Ms. Witter was appointed as of July 5, 2017
4. Messrs: Purdy, Rosen and van der Linde were appointed as of July 20, 2017.

Stock Options and Other Compensation Securities

No compensation securities were granted nor issued to NEO's nor directors by the Company in the financial year ended July 31, 2016.

Compensation Securities

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 (\$)	Closing price of security or underlying security at year end (\$)	Expiry Date
Stuart Wooldridge ¹ President, CEO and Director	N/A	N/A					
Rob Trenaman ^{1,2} Former CFO, Director and Former President	N/A	N/A					
Saeed Otufat-Shamsi ² Director	N/A	N/A					
Theo van der Linde ³	N/A	N/A					

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 (\$)	Closing price of security or underlying security at year end (\$)	Expiry Date
CFO and Director							
Kathryn Witter ³ Corporate Secretary	N/A	N/A					
Brendan Purdy ³ Director	N/A	N/A					
Paul Rosen ³ Director	N/A	N/A					

5. During the fiscal year ended July 31, 2016 Mr. Wooldridge and Mr. Trenaman had previously granted incentive stock options expire unexercised June 20, 2016.
6. Mr. Trenaman and Mr. Saeed Otufat-Shasi resigned as of June 2, 2017
7. Subsequent to the fiscal year ended July 31, 2016 Messrs van der Linde, Purdy and Rosen were appointed July 20, 2017 and Ms. Witter was appointed July 5, 2017.

Exercise of Compensation Securities by Directors and NEOs

No compensation securities were exercised by any director or Named Executive Officer during the most recently completed financial year ending July 31, 2016.

Stock Option Plans and Other Incentive Plans

The Company has adopted a 20% rolling stock option plan (“Plan”) to replace its previous 10% rolling plan. The Plan provides that the Board may from time to time, in its discretion, grant to directors, officers, employees, technical consultants and other participants to the Company, non-transferrable stock options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 20% of the Company’s issued and outstanding common shares. Such options will be exercisable for a period of up to ten years from the date of grant. In addition, the number of common shares which may be issuable under the Plan within a one year period: (i) to any one individual shall not exceed 5% of the issued and outstanding common shares; and (ii) to a consultant or an employee performing investor relations activities, shall not exceed 2% of the issued and outstanding common shares. The underlying purpose of the Plan is to attract and motivate the directors, officers, employees and consultants of the Company and to advance the interests of the Company by affording such persons with the opportunity to acquire an equity interest in the Company through rights granted under the Plan.

As at the date of the Information Circular, the Company has no options outstanding but has reserved a total of 17,568,727 incentive stock options unallocated at a fixed price \$0.05 per share (assuming the conversion of the Special Warrants).

The Company has no other plan providing for the grant of stock appreciation rights, deferred share units or restricted stock units or any other incentive plan or portion of a plan under which awards are granted.

Employment, Consulting and Management Agreements

There were no agreements or arrangements in place under which compensation was provided during the most recently completed financial year or is payable in respect of services provided to the company that were:

- (a) performed by a director or named executive officer, or
- (b) performed by any other party but are services typically provided by a director or a named executive officer,

other than the grant of options under the Plan, and the reimbursement of expenses any director or NEO may have incurred on behalf of the Company.

In particular, there were no agreements or arrangement containing provisions with respect to change of control, severance, termination or constructive dismissal.

Oversight and Description of Director and Named Executive Officer Compensation

The Company does not have any share-based awards, long-term incentive plans and, save as disclosed above, no remuneration payments were made, directly or indirectly, by the Company to its directors or Named Executive Officers during the fiscal year ended December 31, 2016.

Pension disclosure

The Company does not provide any form of pension to any of its directors or Named Executive Officers.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth details of the Previous Stock Option Plan, being the Company's only equity compensation plan, as of July 31, 2016. The Previous Stock Option Plan was approved by the Company's shareholders at its last annual general and extraordinary meeting on December 17, 2014. The following options all expired, unexercised, in the fiscal year ended July 31, 2016.

Plan Category	Number of shares to be issued upon exercise of outstanding options ⁽¹⁾	Weighted-average exercise price of outstanding options	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by shareholders	75,000	\$0.105	209,363
Equity compensation plans not approved by shareholders	Nil	N/A	N/A
Total	75,000	\$0.105	209,363

⁽¹⁾ Adjusted for 3:1 share consolidation on July 26, 2017. Options expired unexercised.

A copy of the new 20% Plan is attached as Appendix "B" to the Company's management information circular dated August 4, 2017, which was filed under the Company's profile on SEDAR on August 15, 2017 and is available at www.sedar.com. A copy of the 20% Plan is also available for review at the office of Owen, Bird LLP, the registered offices of the Company, at Suite 2900 – 595 Burrard Street, Vancouver, BC, V7J 1X5, during normal business hours up to and including the date of the Meeting.

AUDIT COMMITTEE DISCLOSURE

The Audit Committee Charter

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

Composition of the Audit Committee

As of the date of this Information Circular, the following are the members of the Audit Committee:

Theo van der Linde	Not Independent	Financially literate
Brendan Purdy	Independent	Financially literate
Paul Rosen	Independent	Financially literate

The Company appointed Theo van der Linde, Paul Rosen and Brendan Purdy to the Audit Committee on July 20, 2017.

Relevant Education and Experience

For a description of the education and experience of each audit committee member that is relevant to the performance of their responsibilities as an audit committee member, please review the disclosure for Theo van der Linde, Paul Rosen and Brendan Purdy under the heading “Election of Directors”.

Audit Committee Charter

NI 52-110 requires an audit committee to have a written charter. Following the Meeting, the Company’s will adopt an audit committee charter, the text of which is attached as Schedule A to the Information Circular, at the time the audit committee is appointed for the ensuing year.

Audit Committee Oversight

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

Reliance on Certain Exemptions

Since the commencement of the Company’s most recently completed financial year, the Company has not relied on the exemptions contained in sections 2.4 or 8 of NI 52-110. Section 2.4 provides an exemption from the requirement that the Audit Committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the fiscal year in which the non-audit services were provided. Section 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110 in whole or in part.

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described above under the heading “External Auditor Service Fees”.

External Auditor Service Fees

In the following table, “audit fees” are fees billed by the Company’s external auditor for services provided in auditing the Company’s annual financial statements for the subject year. “Audit-related fees” are fees not included in audit fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit review of the Company’s financial statements. “Tax fees” are fees billed by the auditor for professional services rendered for tax compliance, tax advice and tax planning. “All other fees” are fees billed by the auditor for products and services not included in the foregoing categories.

The aggregate fees billed by the Company’s external auditor in the fiscal years ended July 31, 2016 and 2015 by category, are as follows:

Financial Year Ended July 31	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
2016	\$6,750	Nil	\$1,500	\$0
2015	\$7,000	Nil	\$1,500	\$0

Exemption

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

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No current or former director, executive officer or employee, proposed nominee for election to the Board, or associate of such persons is, or has been, indebted to the Company since the beginning of the most recently completed financial year of the Company and no indebtedness remains outstanding as at the date of this Information Circular.

None of the directors or executive officers of the Company is or, at any time since the beginning of the most recently completed financial year, has been indebted to the Company or its subsidiary. None of the directors’ or executive officers’ indebtedness to another entity is, or at any time since the beginning of the most recently completed financial year, has been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or its subsidiary.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

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

MANAGEMENT CONTRACTS

There were no management functions of the Company, which were, to any substantial degree, performed by

a person other than the directors or executive officers of the Company.

CORPORATE GOVERNANCE

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day-to-day management of the Company. National Policy 58-201 *Corporate Governance Guidelines* establishes corporate governance guidelines which apply to all public companies. These guidelines are not intended to be prescriptive but to be used by issuers in developing their own corporate governance practices. The Board is committed to sound corporate governance practices, which are both in the interest of its shareholders and contribute to effective and efficient decision making.

Pursuant to National Instrument 58-101 *Disclosure of Corporate Governance Practices* (“NI 58-101”) the Company is required to disclose its corporate governance practices, as summarized below. The Board will continue to monitor such practices on an ongoing basis and when necessary implement such additional practices as it deems appropriate

Board of Directors

The Board is currently composed of four directors - Messrs. Stuart Wooldridge (CEO), Theo van der Linde (CFO), Brendan Purdy and Mr. Paul Rosen.

NI 58-101 suggests that the board of directors of a public company should be constituted with a majority of individuals who qualify as “independent” directors. An “independent” director is a director who is independent of management and is free from any interest and any business or other relationship which could, or could reasonably be perceived to materially interfere with the director’s ability to act with a view to the best interests of the Company, other than interests and relationships arising from shareholding. In addition, where a company has a significant shareholder, NP 58-101 suggests that the board of directors should include a number of directors who do not have interests in either the company or the significant shareholder. As of the date of this Information Circular, two (2) of the Company’s four (4) directors are independent. Brendan Purdy and Paul Rosen are considered by the Board to be “independent” within the meaning of NI 58-101 and Stuart Wooldridge (CEO and President) and Theo van der Linde (CFO) are considered to be “non-independent”.

The Company does not currently have a Chairman of the Board and, given the current size and makeup of the Board, does not consider that a Chairman is necessary. The independent directors are able to exercise their responsibilities for independent oversight of management, and will provide leadership through their position on the Board and ability to meet as a group independently of any management directors whenever deemed necessary. The Board will give consideration to appointing an “independent” member as Chairman at such time as it believes that such a position is required.

The mandate of the Board, as prescribed by the British Columbia *Business Corporations Act*, is to manage or supervise the management of the business and affairs of the Company and to act with a view to the best interests of the Company. In doing so, the Board oversees the management of the Company’s affairs directly and through its various committees. In fulfilling its mandate, the Board, among other matters, is responsible for reviewing and approving the Company’s overall business strategies, reviewing and approving significant acquisitions and capital investments; reviewing major strategic initiatives to ensure that the Company’s proposed actions accord with shareholder objectives; reviewing succession planning; assessing management’s performance against industry standards; reviewing and approving the reports and other disclosure issued to shareholders; ensuring the effective operation of the Board; and safeguarding shareholders’ equity interests through the optimum utilization of the Company’s capital resources. The Board also takes responsibility for identifying the principal

risks of the Company's business and for ensuring these risks are effectively monitored and mitigated to the extent reasonably practicable. At this stage of the Company's development, the Board does not believe it is necessary to adopt a written mandate, as sufficient guidance is found in the applicable corporate legislation and regulatory policies. However, as the Company grows, the Board may determine it is appropriate to develop a formal written mandate.

In keeping with its overall responsibility for the stewardship of the Company, the Board is responsible for the integrity of the Company's internal control and management information systems and for the Company's policies respecting corporate disclosure and communications.

Each member of the Board understands that he is entitled, at the cost of the Company, to seek the advice of an independent expert if he reasonably considers it warranted under the circumstances. No director found it necessary to do so during the financial year ended July 31, 2016.

The Board does not, and does not consider it necessary to, have any formal structures or procedures in place to ensure that it can function independently of management. The Board anticipates that as the Company matures as a business enterprise, it will identify additional qualified candidates that have experience relevant to the Company's needs, who are independent of management applying the guidelines contained in applicable legislation.

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Directorships

The following directors and proposed nominees for election as directors of the Company are also directors of other reporting issuers:

Stuart Wooldridge	Yuntone Capital Corp.
Theo van der Linde	Elcora Advanced Materials Corp. Coronet Metals Inc.
Brendan Purdy	High Hampton Holdings Ltd. Natan Resources Ltd. Boomerang Oil, Inc.
Paul Rosen	iAnthus Capital Holdings Inc.

Orientation and Continuing Education

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

Ethical Business Conduct

The Board has 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 director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operate independently of management and in the best interests of the Company.

Nomination of Directors

The Board is responsible for identifying individuals qualified to become new members of the Board and recommending to the Board, new director nominees for the next annual meeting of shareholders.

New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the required time, show support for the Company's mission and strategic objectives, and a willingness to serve.

Compensation

The Board conducts reviews with regard to the compensation of the directors and the executive officers once a year.

Other Board Committees

The Board has only an Audit Committee.

Assessments

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

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

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

PARTICULARS OF MATTERS TO BE ACTED UPON

1. Change of Business – Investment Issuer

The Company's board of directors (the "**Board**") and senior officers ("**Management**") believe that it is in the Company's interests to consider whether the optimal allocation of the Company's working capital would be within the framework of an investment issuer. To allow the Company to proceed expeditiously in the event that the Board and Management, after completing their deliberations on the matter, determine that a change of the Company's business from its current business to an investment issuer (the "**Change of Business**") is in the Company's best interests, the Board and Management are, on the basis set out below, proactively seeking shareholder approval.

The Company anticipates making investments involving conventional equity, debt and other forms of investments in private and public companies and anticipates seeking investment opportunities in the US legal cannabis related industry. While the Company has identified the legal cannabis industry to be of interest for investments, and while it is in discussions to make various acquisitions, it should be noted that (i) no contracts have been entered into, and (ii) as such there is no guarantee the Company will make any investments in cannabis related businesses, or, if made, that any such investments will be profitable.

Composition of Investment Portfolio

The nature and timing of the Company's investments will depend, in part, on available capital at any particular time and the investment opportunities identified and available to the Company. The Company expects its investment activities will be primarily focused on enterprises located in the United States, although investments

may extend globally (including the purchase of securities listed on foreign stock exchanges). The Company believes that any risk of limited diversification may be mitigated by closely monitoring its investments, and liquidating individual investments that show signs of weakness. The actual composition of the Company's investment portfolio will vary over time depending on its assessment of a number of factors, including the performance of the US legal cannabis markets and credit risk. Pending investment of available funds, monies will be held in bank or trust accounts with Schedule A financial institutions.

Investment Objectives

The principal investment objectives of the Company will be as follows:

- to seek high return investment opportunities by investing directly in equity securities of public and private companies through a range of investment instruments;
- to assist in early stage projects by providing financial support;
- to identify early stage opportunities with attractive risk/reward ratios;
- to preserve its capital and limit the downside risk of its capital;
- to achieve a reasonable rate of capital appreciation;
- to minimize the risk associated with investments in securities; and
- to seek liquidity in its investments.

The Company's investment objectives, investment strategy and investment restrictions may be amended from time to time on the recommendation of senior management and approval by the board of directors. The Company does not anticipate the declaration of dividends to shareholders at this time and plans to re-invest the profits of its investments to further the growth and development of the Company's investment portfolio.

Investments

Principal Targets: All aspects of the legal cannabis production, distribution and sales business, and technologies that are used in the cannabis sector such as extraction and processing equipment, delivery services, packaging, branding and security services.

Composition: The actual composition of the Company's investment portfolio will vary over time depending on its assessment of a number of factors, including the performance of the U.S. legal cannabis markets and credit risk. Pending investment of available funds, monies will be held in bank or trust accounts with financial institutions determined by the Board to be acceptable to the Company.

Types: The Company will maintain a flexible position with respect to the form of investments taken, and may employ a wide range of investment instruments, including equity, bridge loans, secured loans, unsecured loans, convertible debentures, warrants and options, royalties, streaming investments, net profit interests and other hybrid instruments.

Jurisdictions: While the Company intends to focus on investments in those U.S. states where the production, distribution and sale for both medicinal and recreational use of cannabis has been legalized, its investments may extend globally. All jurisdictions where the cannabis business is legal will be permissible for investment consideration depending on the risk assessment of the Board and Management at the time the investment is made and the risk-reward relationship associated with each investment in a particular jurisdiction, including the purchase of securities listed on foreign stock exchanges.

Timing: The timing of the Company's investments will depend, in part, on available capital at any particular time, and the investment opportunities identified and available to the Company. Subject to the availability of

capital, the Company intends to create a suitably diversified portfolio of investments. The composition of its investment portfolio will vary over time depending on its assessment of a number of factors including the performance of financial markets and credit risk.

Size: Unlimited, which may result in the Company holding a control position or even complete ownership in a target corporation or possibly requiring future equity or debt financings to raise money for specific investments.

Timelines: Not limited.

Investee Structures: Investments in public or private corporations, partnerships or other legal entities which own and/or operate, or propose to own and/or operate, a cannabis industry business.

Investment Strategy

To achieve the investment objectives as stated above, while mitigating risk, the Company, when appropriate, will seek to employ the following disciplines:

- the Company will undertake due diligence of the relevant business in which the investment will be made, as well as the Investee.
- the Company may select a specific segment of the industry in which to focus its investments and in such a case may retain the services of parties knowledgeable in this space.
- the Company will maintain a flexible position with respect to the form of investment taken and may employ a wide range of investment instruments, including equity, bridge loans, secured loans, unsecured loans, convertible debentures, warrants and options, royalties, streaming investments, net profit interests and other hybrid instruments.
- the Company will work closely with the Investee's management and board, and in some cases, assist in sourcing experienced and qualified persons to add to its board and/or management.
- investments will be made in private, public companies, partnerships or for the Company's own account directly into a project.
- investments may include:
 - acquisitions, short term development and resale of interests, royalties, streaming interests, joint venture percentage or equity holdings in the target Company;
 - direct acquisition of a business or its assets via a wholly owned subsidiary and assisting in developing the underlying business;
 - capital investment in private companies, and assistance in moving them to an acquisition or merger transaction with a larger Company or to the public stage through initial public offering, reverse takeover or other liquidity event;
 - early stage equity investments in public companies believed to have favourable management and business; and
 - where appropriate, acting as a third-party advisor for opportunities in target or other companies, in exchange for a fee.
- the Company will have flexibility on the return sought, while seeking to recapture its capital within a reasonable period following the initial investment.
- the Company will seek to maintain the ability to actively review and revisit all of its investments on an ongoing basis. From time to time, the Company may insist on board or management representation on target companies.
- the Company will watch for liquidity of its investments and seek to realize value from same in a prudent and orderly fashion.

- the Company will take holdings in companies within the framework of the above guidelines, and which from time to time may result in the Company holding a control or complete ownership position in an Investee.
- the Company will utilize the services of both independent organizations and securities dealers to gain additional information on target investments where appropriate.

Notwithstanding the foregoing, from time to time, the Board may authorize such investments outside of these disciplines as it sees fit for the benefit of the Company and its shareholders.

The nature and timing of the Company's investments will depend, in part, on available capital at any particular time and the investment opportunities identified and available to the Company. As noted above, subject to the availability of capital, the Company intends to create a diversified portfolio of investments. The composition of its investment portfolio will vary over time depending on its assessment of a number of factors including the performance of financial markets and credit risk.

As of the date of this Information Circular, the Company has not (i) identified investment opportunities, (ii) determined the particular thresholds of returns to be earned on investments or what will constitute a reasonable rate of capital appreciation, or (iii) investment horizons as to how long the Company will hold any investment.

The Company's investment objectives, investment strategy and investment restrictions may be amended from time to time on the recommendation of senior management and approval by the Board. The Company does not anticipate the declaration of dividends to shareholders during its initial stages and plans to reinvest the profits of its investments to further the growth and development of the Company's investment portfolio.

In light of the numerous investment opportunities across the entire US legal cannabis sector, the Company aims to adopt a flexible approach to investment targets without placing unnecessary limits on potential returns on its investment. This approach is demonstrated in the Company's proposed investment strategy set out above.

The Company will have flexibility on the returns sought from any particular investments and its portfolio as a whole, while seeking to recapture its capital within a reasonable period following the initial investment. The Company will seek to maintain the ability to actively review and revisit all of its investments on an ongoing basis. From time to time, the Company may insist on board or management representation with target companies in order to safeguard and maximize returns from its investments.

Compliance

All investments shall be made in compliance with applicable laws in relevant jurisdictions, and shall be made in accordance with and governed by the rules and policies of applicable regulatory authorities.

From time to time, the Board may authorize such additional investments outside of the guidelines described herein as it sees fit for the benefit of the Company and its shareholders.

Management Participation

The Company may, from time to time, seek a more active role in the corporations in which it invests, and provide such corporations with financial and personnel resources, as well as strategic counsel. The Company may also ask for board representation in cases where it makes a significant investment in the business of an investee corporation.

The Company's nominee(s) shall be determined by the Board as appropriate in such circumstances.

Registration Status

The Company will aim to structure its investments in such a way as to not be deemed either an investment fund

or mutual fund, as defined by applicable securities laws, thereby avoiding the requirement to register as an investment fund manager or investment advisor.

Conflicts of Interest

The Company and its affiliates, directors, officers are or may be involved in other financial, investment and professional activities which may on occasion cause a conflict of interest with their duties to the Company. These include serving as directors, officers, promoters, advisers or agents of other public and private companies, including companies in which the Company may invest. These persons may also engage in transactions with the Company where any one or more of them is acting in a capacity as financial advisor, broker, intermediary, principal, or counterparty, provided that such transactions are carried out on terms similar to those which would apply in a like transaction between parties not connected with any one of them and such transactions are carried out on normal commercial terms as if negotiated at arm's length.

The Company has no restrictions with respect to investing in corporations in which a Board member may already have an interest. However, directors and senior officers will be required to disclose any conflicts of interest, including holding any interest in a potential investment. Further, where a conflict is determined to exist, the person having a disclosable interest shall abstain from making further decisions or recommendations concerning such matter, and any potential investments where there is a material conflict of interest involving an employee, officer or director of the Company may only proceed after receiving approval from the disinterested directors of the Board.

The Company will also be subject to "related party" transaction policies of the securities exchange(s) on which its shares are listed for trading. Such policies may require disinterested shareholder approval and valuations for certain investment transactions.

Prior to making any investment commitment, the Company shall adopt procedures for checking for potential conflicts of interest, which shall include but not be limited to a circulation of the names of a potential target corporation and its affiliates to the Board and Management.

All members of the Board shall be obligated to disclose any interest in the potential investment. In the event a conflict is detected, the target corporation shall be notified of the potential conflict in writing. The members of the Board and its advisors shall be responsible for detecting a potential conflict. Where a conflict is determined to exist within Management or the Board, the individual having a conflicting interest shall provide full disclosure of their interest in the potential investment and, if such person is a Board member, shall abstain from voting on the investment decision but may participate in discussions regarding the potential investment opportunity.

The members of the Board, Management, the Investment Committee, and their respective affiliates (collectively the "**Parties**") are or may be involved in other financial, investment and professional activities which may on occasion cause a conflict of interest with their duties to the Company. These include serving as directors, officers, promoters, advisers or agents of other public and private corporations, including corporations in which the Company may invest. The Parties may also engage in transactions with the Company where any one or more of the Parties is acting in their capacity as financial advisor, broker, intermediary, principal, or counterparty, provided that such transactions are carried out on terms similar to those which would apply in a similar transaction between persons not connected with the Parties or any one of them and such transactions are carried out on normal commercial terms as if negotiated at arm's length.

Risk Factors

Set out in this section below are certain material risk factors relating to the cannabis industry investment business proposed to be carried on by the Company. As the Company proceeds to develop and carry out its business plans, it will be necessary continually to monitor, re-evaluate, and manage such risks.

Regulatory Risks: The cannabis industry activities of the Company will be subject to evolving regulation by governmental authorities. The Company proposes to be, directly or indirectly, engaged in the medical and recreational cannabis industry in the United States where local and state law permits such activities. The legality of the production, extraction, distribution and use of cannabis differs among North American jurisdictions, and there is a growing movement in the United States supporting the legalization of cannabis for medical, as well as non-medical purposes.

The Company's investments are expected to be focused in those U.S. states that have legalized the medical and/or recreational use of cannabis. Currently, the production, distribution and sale for both medicinal and recreational use of cannabis has been legalized in Alaska, California, Colorado, Maine, Massachusetts, Nevada, Oregon, and Washington. Almost half of the U.S. states have enacted legislation to legalize and regulate the sale and use of medical cannabis without limits on THC, while other states have legalized and regulate the sale and use of medical cannabis with strict limits on the levels of THC. However, the U.S. federal government has not enacted similar legislation and the cultivation, sale and use of cannabis remains illegal under federal law pursuant to the U.S. *Controlled Substance Act* of 1970. While the U.S. federal government has stated its present intention not to enforce federal laws relating to cannabis where the conduct at issue is legal under applicable state law, there can be no assurance that it will not enforce such laws in the future. This risk is further compounded due to the recent election of Donald Trump to the U.S. presidency, and his appointment of Sen. Jeff Sessions to the post of Attorney General. Mr. Trump's positions regarding marijuana are difficult to discern; however, Sen. Sessions has been a consistent opponent of marijuana legalization efforts throughout his political career. It remains unclear what stance the new U.S. administration's Department of Justice might take toward legalization efforts in U.S. states.

The federal government of the United States has specifically reserved the right to enforce federal law in regards to the sale and disbursement of medical or adult-use marijuana even if state law sanctioned such sale and disbursement. Further, there can be no assurance that state laws legalizing and regulating the sale and use of cannabis will not be repealed or overturned, or that local governmental authorities will not limit the applicability of state laws within their respective jurisdictions. It is also important to note that local and city ordinances may strictly limit and/or restrict the distribution of cannabis in a manner that will make it extremely difficult or impossible to transact business in the cannabis industry. If the U.S. federal government begins to enforce federal laws relating to cannabis in states where the sale and use of cannabis is currently legal, or if existing state laws are repealed or curtailed, then the Company's investments in such businesses would be materially and adversely affected notwithstanding that the Company may not directly engaged in the sale or distribution of cannabis. U.S. federal actions against any individual or entity engaged in the marijuana industry or a substantial repeal of marijuana related legislation could adversely affect the Company, its business and its investments. The Company's funding of the activities of businesses involved in the medical and recreational cannabis industry may be illegal under the applicable federal laws of the United States and other applicable law. There can be no assurances the federal government of the United States or other jurisdictions will not seek to enforce the applicable laws against the Company. The consequences of such enforcement would be materially adverse to the Company and the Company's business and could result in the forfeiture or seizure of all or substantially all of the Company's assets.

Change in Laws, Regulations and Guidelines: The Company's proposed business operations will be subject to a variety of laws, regulations and guidelines relating to the manufacture, management, transportation, storage and disposal of cannabis, but also including laws and regulations relating to consumable products health and safety, the conduct of operations and the protection of the environment. These laws and regulations are broad in scope and subject to evolving interpretations, which could require the Company to incur substantial costs associated with compliance or alter certain aspects of its business plans. In addition, violations of these laws, or allegations of such violations, could disrupt certain aspects of the Company's business plans and result in a material adverse effect on certain aspects of its planned operations.

Unfavourable Publicity or Consumer Perception: The legal cannabis industry in the United States and Canada is at an early stage of its development. Cannabis has been, and will continue to be, a controlled substance for the foreseeable future. Consumer perceptions regarding legality, morality, consumption, safety, efficacy and quality of cannabis are mixed and evolving. Consumer perception can be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity regarding the consumption of cannabis products. There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favourable to the cannabis market or any particular product, or consistent with earlier publicity. Future research reports, findings, regulatory proceedings, litigation, media attention or other publicity that are perceived as less favourable than, or that question, earlier research reports, findings or publicity could have a material adverse effect on the demand for cannabis and on the business, results of operations, financial condition and cash flows of the Company. Further, adverse publicity reports or other media attention regarding cannabis in general, or associating the consumption of cannabis with illness or other negative effects or events, could have such a material adverse effect. Public opinion and support for medical and recreational cannabis use has traditionally been inconsistent and varies from jurisdiction to jurisdiction. While public opinion and support appears to be rising for legalizing medical and recreational cannabis, it remains a controversial issue subject to differing opinions surrounding the level of legalization (for example, medical marijuana as opposed to legalization in general). The Company's ability to gain and increase market acceptance of its proposed investment business may require substantial expenditures on investor relations, strategic relationships and marketing initiatives. There can be no assurance that such initiatives will be successful and their failure may have an adverse effect on the Company.

Banking: Since the production and possession of cannabis is illegal under U.S. federal law, there is a strong argument that banks cannot accept for deposit funds from businesses involved with the cannabis industry. Consequently, businesses involved in the cannabis industry often have difficulty finding a bank willing to accept their business. The inability to open bank accounts with certain institutions may make it difficult to operate the Company's business

Shareholder Approval

Shareholders will be asked to pass the following ordinary resolution:

“**RESOLVED** as an ordinary resolution of the Company that:

1. the change of business of Tidal Royalty Corp. (the “**Company**”) from its current business to an “Investment Issuer”, be and is hereby approved;
2. the Company's investment strategy and policy as set out in the Company's information circular may be amended in the discretion of the board of directors of the Company (the “**Board**”) to satisfy the requirements or requests of a regulator, or otherwise as determined by the Board to be in the interests of the Company, without requiring further approval of the shareholders of the Company;
3. notwithstanding that this ordinary resolution has been duly passed by the shareholders of the Company, the Board may revoke this resolution at any time and determine not to proceed with the proposed Change of Business as set out in the Company's Information Circular, if such revocation is considered desirable by the Board, without further approval of the shareholders of the Company; and
4. any one director or officer of the Company is authorized and directed, on behalf of the Company, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things that may be necessary or desirable to give effect to this ordinary resolution.”

Recommendation by the Board

The Board of Directors believes that the above-described approval by the Shareholders of the Change of Business is in the best interests of the Company and its Shareholders, and will allow the Company to proceed most expeditiously with the Change of Business. **Therefore, the Board unanimously recommends that Shareholders vote in favour of the resolution approving the Change of Business. The persons named in the enclosed proxy intend to vote for the approval of the foregoing resolutions at the Meeting unless otherwise directed by the Shareholders appointing them.**

2. Adoption of new Stock Option Plan

The Company has cancelled its previous 10% rolling stock option plan and has adopted a new 20% fixed plan (the "Option Plan"). The Company is completing a financing to raise \$4,250,000 through the issuance of 85,000,000 special warrants, (each special warrant convertible into one common share and one share purchase warrant on the earlier of (i) four months and a day following closing, and (ii) a receipt being issued for a final prospectus qualifying the issuance of the shares and warrants). As such, it is anticipated that the Company will have 87,843,636 common shares issued and outstanding upon conversion of the Special Warrants.

Management will be asking shareholders to approve an ordinary resolution to set the number of options available to be granted under the Company's Option Plan at 17,568,727, subject to the special warrant financing completing in the manner outlined above and 85,000,000 common shares being issued upon conversion of such special warrants. Management will further be asking shareholders to approve a fixed pricing of the 17,658,727 options to be exercisable at \$0.05.

The following is a summary of the material terms of the Company's Option Plan:

- The maximum number of Shares with respect to which options may be granted pursuant to the Option Plan shall not exceed 20% of the outstanding Shares;
- The purpose of the Option Plan is to provide the Company with a share-related mechanism to attract, retain and motivate qualified directors, officers, employees and consultants, to reward such of those directors, officers, employees and consultants as may be awarded options under the Option Plan by the Board from time to time for their contributions toward the long term goals of the Company and to enable and encourage such directors, officers, employees and consultants to acquire Shares as long term investments;
- Options may be granted only to directors, officers, employees and consultants of the Company or any related entity of the Company;
- The total number of the Shares that may be reserved for issuance to any one individual under the Option Plan shall not exceed 5% of the outstanding the Shares. The maximum number of options that may be granted to any one consultant under the Option Plan, any other employer or stock options plans or options for serves, within any 12-month period, shall not exceed 2% of the issued and outstanding the Shares at the time of the grant;
- The term of an option shall not exceed five years from the date of the grant of the option in the case of an option being granted prior to the Shares being listed on the Exchange or in the case of an option granted after the Shares have been listed on the Exchange, the tenth anniversary of the grant of the option. If the date on which an option expires occurs during any period imposed by the Company, pursuant to its insider trading policies or otherwise, during which an optionee may be restricted from trading in securities of the Company (a "Blackout Period") or within two business days after the last day of a Blackout Period, the date of the expiry of such option will become the tenth business day following the end of the Blackout Period;

- Subject to allowable adjustments, the option price of any option shall not be lower than the market price on the date on which the grant of the option is approved by the Board;
- An option shall be personal to the optionee and shall be non-assignable and non-transferable (whether by operation of law or otherwise);
- In the event that any optionee ceases to be an eligible person under the Option Plan (i.e. ceases to be an officer, director, employee or consultant for any reason other than death or termination with cause), the optionee will be entitled to exercise his or her options which have vested as of such date of cessation only within a period of one year, in the case of optionees that are directors or officers, or 90 days, in the case of employees or consultants, following the date of such cessation or such other date as may be determined by the Board, but in no event may any options be exercised following the expiry date thereof. In the event an optionee is terminated with cause, the options held by such optionee will expire on the date of such termination. In the event of the death of an optionee, any options held by such optionee which have vested as of the date of death may be exercised within a period of one year following the optionee's death;
- The Board may at any time amend the Option Plan or any options granted thereunder, subject to the receipt of all applicable regulatory approvals, provided that no such amendment may, without the consent of affected optionees, materially decrease the rights or benefits accruing to such optionees or materially increase the obligations of such optionees; and
- In the event that the Company proposes to amalgamate, merge or consolidate with any other corporation (other than a wholly-owned subsidiary) or to liquidate, dissolve or wind-up, or in the event an offer to purchase or repurchase the Shares or any part thereof shall be made to all or substantially all holders of the Shares, the Board will have the discretion to deal with outstanding options in the manner it deems fair and reasonable in the circumstances, which may include accelerated vesting or expiry of the options.

Shareholder Approval

Shareholders will be asked at the Meeting to pass the following ordinary resolution:

“**RESOLVED** as an ordinary resolution of the Company that:

1. The adoption of the 20% fixed stock option plan allowing for the issuance of up to 17,568,727 stock options with a fixed exercise price of \$0.05 be and is hereby approved;
2. any one director or officer of the Company is authorized and directed, on behalf of the Company, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things that may be necessary or desirable to give effect to this ordinary resolution

Recommendation by the Board

The Board of Directors believes that the above-described approval by the Shareholders of the Option Plan will allow the Company to attract, retain and motivate qualified directors, officers, employees and other service providers and to reward those parties for advancing the interests of the Company. **Therefore, the Board unanimously recommends that Shareholders vote in favour of the resolution approving the Change of Business. The persons named in the enclosed proxy intend to vote for the approval of the foregoing resolutions at the Meeting unless otherwise directed by the Shareholders appointing them.**

Ratification of Acts of Directors and Officers

The shareholders will be asked to confirm, ratify and approve all proceedings, resolutions, acts, deeds and things done, on behalf of the Company, by the Board, the directors and the officers of the Company since the last annual general meeting of the shareholders and ending upon the date of this Information Circular.

Unless such authority is withheld, the persons named in the enclosed Proxy intend to vote for the approval and ratification of the proceedings, resolutions, acts, deeds and things done by the Board, the directors and the officers of the Company since the last annual general meeting of the shareholders and to authorize the Board, the directors and the officers of the Company to continue and proceed taking additional action on behalf of the Company during the ensuing year.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com.

Shareholders may contact the Company at its office by mail at 2900 – 595 Burrard Street, PO Box 49130 Vancouver, BC V7X 1J5, to request copies of the Company's financial statements and related Management's Discussion and Analysis (the "MD&A"). Financial information is provided in the Company's audited financial statements and MD&A for the years ended July 31, 2016 and 2015.

OTHER MATTERS

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

APPROVAL OF THE BOARD OF DIRECTORS

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

Dated at Vancouver, BC as of August 4, 2017.

ON BEHALF OF THE BOARD

TIDAL ROYALTY CORP.

“Stuart Wooldridge”

Stuart Wooldridge
President and Chief Executive Officer

Appendix A

Audit Committee Charter

The following Audit Committee Charter was adopted by the Audit Committee of the Board of Directors and the Board of Directors of **TIDAL ROYALTY CORP.** (the “Company”):

Mandate

The primary function of the audit committee (the “Committee”) is to assist the Company’s Board of Directors in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company’s systems of internal controls regarding finance and accounting and the Company’s auditing, accounting and financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Company’s policies, procedures and practices at all levels. The Committee’s primary duties and responsibilities are to:

- serve as an independent and objective party to monitor the Company’s financial reporting and internal control system and review the Company’s financial statements;
- review and appraise the performance of the Company’s external auditors; and
- provide an open avenue of communication among the Company’s auditors, financial and senior management and the Board of Directors.

Composition

The Committee shall be comprised of a minimum three directors as determined by the Board of Directors. If the Company ceases to be a “venture issuer” (as that term is defined in National Instrument 51-102), then all of the members of the Committee shall be free from any relationship that, in the opinion of the Board of Directors, would interfere with the exercise of his or her independent judgment as a member of the Committee.

If the Company ceases to be a “venture issuer” (as that term is defined in National Instrument 51-102), then all members of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Company’s Audit Committee Charter, the definition of “financially literate” is 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 presumably be expected to be raised by the Company’s financial statements.

The members of the Committee shall be elected by the Board of Directors at its first meeting following the annual shareholders’ meeting. Unless a Chair is elected by the full Board of Directors, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.

Meetings

The Committee shall meet a least twice annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee will meet at least annually with the Chief Financial Officer and the external auditors in separate sessions.

Responsibilities and Duties

To fulfill its responsibilities and duties, the Committee shall:

1. Documents/Reports Review
 - (a) review and update this Audit Committee Charter annually; and
 - (b) review the Company's financial statements, MD&A and any annual and interim earnings press releases before the Company publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.

2. External Auditors
 - (a) review annually, the performance of the external auditors who shall be ultimately accountable to the Company's Board of Directors and the Committee as representatives of the shareholders of the Company;
 - (b) obtain annually, a formal written statement of external auditors setting forth all relationships between the external auditors and the Company, consistent with Independence Standards Board Standard 1;
 - (c) review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors;
 - (d) take, or recommend that the Company's full Board of Directors take appropriate action to oversee the independence of the external auditors, including the resolution of disagreements between management and the external auditor regarding financial reporting;
 - (e) recommend to the Company's Board of Directors the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval;
 - (f) recommend to the Company's Board of Directors the compensation to be paid to the external auditors;
 - (g) at each meeting, consult with the external auditors, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements;
 - (h) review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company;
 - (i) review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements; and

- (j) review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:
 - (i) the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount of revenues paid by the Company to its external auditors during the fiscal year in which the non-audit services are provided,
 - (ii) such services were not recognized by the Company at the time of the engagement to be non-audit services, and
 - (iii) such services are promptly brought to the attention of the Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board of Directors to whom authority to grant such approvals has been delegated by the Committee.

Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval such authority may be delegated by the Committee to one or more independent members of the Committee.

3. Financial Reporting Processes

- (a) in consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external;
- (b) consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting;
- (c) consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management;
- (d) review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments;
- (e) following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information;
- (f) review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements;
- (g) review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented;
- (h) review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters;

- (i) review certification process;
- (j) establish a procedure for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and
- (k) establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

4. Other

- (a) review any related-party transactions;
- (b) engage independent counsel and other advisors as it determines necessary to carry out its duties; and
- (c) to set and pay compensation for any independent counsel and other advisors employed by the Committee.

APPENDIX “B”
Stock Option Plan

TIDAL ROYALTY CORP.

STOCK OPTION PLAN

July 2017

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ARTICLE I DEFINITIONS AND INTERPRETATION

1.1 DEFINITIONS

As used herein, unless anything in the subject matter or context is inconsistent therewith, the following terms shall have the meanings set forth below:

“**Administrator**” means the person as may be designated as Administrator by the Board from time to time;

“**Affiliate**” means a corporation that is affiliated with the Company because (i) one of them is the subsidiary of the other; or (ii) each of them is controlled by the same individual or corporation;

“**Applicable Laws**” means all legal requirements relating to the administration of stock option plans, if any, under applicable corporate laws, any applicable state or provincial securities laws, the rules and regulations promulgated thereunder, and the requirements of the Exchange, and the laws of any foreign jurisdiction applicable to Options granted to residents therein;

“**Award Date**” means the date on which the Board grants a particular Option;

“**Board**” means the board of directors of the Company;

“**Company**” means Tidal Royalty Corp. or any “affiliate” thereof (as defined in the Securities Act);

“**Consultant**” means an individual or Consultant Company other than an Employee or a Director of the Company, that (i) provides ongoing consulting, technical, management or other services to the Company or to an Affiliate of the Company; (ii) provides the services under a written contract between the Company or the Affiliate and the individual or the Consultant Company; (iii) spends or will spend a significant amount of time and attention on the affairs and business of the Company or an Affiliate of the Company; and (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;

“**Consultant Company**” means for an individual consultant, a company or partnership of which the individual is an employee, shareholder or partner;

“**Director**” means directors, senior officers and Management Company Employees of the Company;

“**Earlier Termination Date**” means the date determined in accordance with section 3.4 after which a particular Option cannot be exercised;

“**Employee**” means (i) an individual considered an employee of the Company or a subsidiary under the *Income Tax Act* (Canada) (i.e. for whom income tax and other deductions are made by the Company); (ii) an individual who works full-time for the Company or a subsidiary providing services normally provided by an employee but for whom income tax and other deductions are not made; (iii) an individual who works for the Company or a subsidiary on a continuing and regular basis for a minimum amount of time per week, but for whom income tax and other deductions are not made; and (iv) other persons who are providing, have provided, or have agreed to provide a service of value to the Company or a subsidiary;

“**Exchange**” means the CSE Exchange or successor stock exchange;

“**Exercise Notice**” means the notice respecting the exercise of an Option, in the form set out as Schedule “B” hereto, duly executed by the Option Holder;

“**Exercise Period**” means the period during which a particular Option may be exercised and is the period from and including the Award Date through to and including the Expiry Date;

“**Exercise Price**” means the price at which an Option may be exercised as determined in accordance with section 3.5;

“**Expiry Date**” means the date determined in accordance with section 3.3 after which a particular Option cannot be exercised;

“**Investor Relations Activities**” has the same meaning given to it under Policy 1.1 of the CSE Exchange Corporate Finance Manual and Policies;

“**Management Company Employee**” means an individual employed by a corporation providing management services to the Company which are required for the ongoing successful operation of the business enterprise of the Company, but excluding a person engaged in Investor Relations Activities;

“**Option**” means an option to acquire Shares awarded pursuant to the Plan;

“**Option Certificate**” means the certificate, substantially in the form set out as Schedule “A” hereto, evidencing an Option;

“**Option Holder**” means a person who holds an unexercised and unexpired Option or, where applicable, the Personal Representative of such person;

“**Personal Representative**” means (i) in the case of a deceased Option Holder, the executor or administrator of the deceased duly appointed by a court or public authority having jurisdiction to do so; and (ii) in the case of an Option Holder who for any reason is unable to manage his or her affairs, the person entitled by law to act on behalf of such Option Holder;

“**Plan**” means this stock option plan;

“**Securities Act**” means the *Securities Act* (British Columbia); and

“**Share**” or “**Shares**” means, as the case may be, one or more common shares without par value in the capital of the Company.

1.2 CHOICE OF LAW

The Plan is established under, and the provisions of the Plan shall be interpreted and construed solely in accordance with, the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

1.3 HEADINGS

The headings used herein are for convenience only and are not to affect the interpretation of the Plan.

ARTICLE II PURPOSE AND PARTICIPATION

2.1 PURPOSE

The purpose of the Plan is to provide the Company with a share-related mechanism to attract, retain and motivate Directors, Employees and Consultants, to reward such of those persons by the grant of Options under the Plan by the Board from time to time for their contributions toward the long term goals of the Company and to enable and encourage such persons to acquire Shares as long term investments.

2.2 PARTICIPATION

The Board shall, from time to time, in its sole discretion determine those Directors, Employees and/or Consultants, if any, to whom Options are to be awarded. If the Board elects to award an Option to a Director or Consultant, the Board shall, in its sole discretion but subject to section 3.2, determine the number of Shares to be acquired on the exercise of such Option. If the Board elects to award an Option to an Employee, the number of Shares to be acquired on the exercise of such Option shall be determined by the Board in its sole discretion but subject to section 3.2, and in so doing the Board may take into account the following criteria:

- (a) the Employee's remuneration as at the Award Date in relation to the total remuneration payable by the Company to all of its Employees as at the Award Date;
- (b) the length of time that the Employee has provided services to the Company; and
- (c) the nature and quality of work performed by the Employee.

In the case of Options awarded to Employees, Consultants or Management Company Employees, the Company will be deemed to have represented that the recipient is a bona fide Employee, Consultant or Management Company Employee.

2.3 NOTIFICATION OF AWARD

Following the approval by the Board of the awarding of an Option, the Option Holder shall be notified of the award and given an Option Certificate representing the Option so awarded.

2.4 COPY OF PLAN

Each Option Holder, concurrently with the notice of the award of the Option, shall be provided with a copy of the Plan. A copy of any amendment to the Plan shall be promptly provided to each Option Holder.

2.5 LIMITATION

The Plan does not give any Option Holder the right to continue to be employed or engaged by the Company.

ARTICLE III TERMS AND CONDITIONS OF OPTIONS

3.1 BOARD TO ALLOT SHARES

The Shares to be issued to Option Holders upon the exercise of Options shall be allotted and authorized for issuance by the Board prior to the exercise thereof.

3.2 NUMBER OF SHARES

The maximum number of Shares reserved for issuance under the Plan at any one time shall not exceed **17,568,727** Shares.

The total number of Options awarded to any one individual in any 12 month period shall not exceed 5% of the issued and outstanding Shares as at the Award Date (unless the Company has obtained disinterested shareholder approval).

The total number of Options awarded to any one Consultant in a 12 month period shall not exceed 2% of the issued and outstanding Shares as at the Award Date. The total number of Options awarded in any 12 month period to Employees performing investor relations activities for the Company shall not exceed 2% of the issued and outstanding Shares as at the Award Date.

3.3 TERM OF OPTION

Subject to section 3.4, the Expiry Date of an Option shall be the date so fixed by the Board at the time the particular Option is awarded, provided that such date shall not be later than:

- (a) in the case of an Option granted prior to the Shares being listed on the Exchange, the fifth anniversary of the date on which the Shares are listed on the Exchange; or
- (b) in the case of an Option granted after the Shares have been listed on the Exchange, the tenth anniversary of the Award Date of the Option.

3.4 TERMINATION OF OPTION

An Option Holder may exercise an Option in whole or in part at any time or from time to time during the Exercise Period provided that, with respect to the exercise of part of an Option, the Board may at any time and from time to time fix a minimum or maximum number of Shares in respect of which an Option Holder may exercise part of any Option held by such Option Holder. Any Option or part thereof not exercised within the Exercise Period shall terminate and become void as of 5:00 p.m. (Vancouver time) on the first to occur of the Expiry Date or the Earlier Termination Date. The Earlier Termination Date shall be the date established, if applicable, in subsections (a) or (b) below.

(a) Death

In the event that the Option Holder should die while he or she is still (i) a Director, Consultant or Employee (other than a Consultant or an Employee performing Investor Relations Activities), the Expiry Date shall be 12 months from the date of death of the Option Holder; or (ii) a person performing Investor Relations Activities, the Expiry Date shall be 90 days from the date of death of the Option Holder.

(b) Ceasing to be a Director, Employee or Consultant

In the event that the Option Holder ceases to be a Director, Employee or Consultant other than by reason of death and ceases to be eligible through another capacity to hold an Option, the Expiry Date of the Option shall be the 30th day following the date the Option Holder ceases to be a Director, Employee or Consultant unless any of the following apply:

- (i) the Option Holder ceases to meet the qualifications for directors prescribed by the corporate legislation to which the Company is then subject and the Option Holder is not eligible through another capacity to hold an Option;
- (ii) the Option Holder ceases to be a director of the Company by reason of a special resolution to that effect having been passed by the members of the Company pursuant to the corporate legislation to which the Company is then subject and the Option Holder is not eligible through another capacity to hold an Option;
- (iii) the Option Holder's relationship with the Company or the Management Company is terminated for cause; or
- (iv) an order of the British Columbia Securities Commission or other regulatory authority having jurisdiction is made prohibiting the Option Holder from holding an Option,

in which case the Earlier Termination Date shall be the date on which any of the above occurs.

3.5 EXERCISE PRICE

The Exercise Price shall be that price per Share, as determined by the Board in its sole discretion, and announced as of the Award Date, at which an Option Holder may purchase a Share upon the exercise of an Option, and if the Shares are then listed on the Exchange, shall not be less than the closing price of the Shares on the Exchange on the day preceding the Award Date, less any discount permitted by the Exchange.

3.6 REDUCTION IN EXERCISE PRICE

Disinterested shareholder approval will be obtained for any reduction in the exercise price of an Option if the Option Holder is an insider of the Company at the time of the proposed amendment.

3.7 ASSIGNMENT OF OPTIONS

Options may not be assigned or transferred, provided however that the Personal Representative of an Option Holder may, to the extent permitted by section 4.1, exercise the Option within the Exercise Period.

3.8 ADJUSTMENTS

If prior to the complete exercise of any Option the Shares are consolidated, subdivided, converted,

exchanged or reclassified or in any way substituted for (collectively the “Event”), an Option, to the extent that it has not been exercised, shall be adjusted by the Board in accordance with such Event in the manner the Board deems appropriate. No fractional Shares shall be issued upon the exercise of the Options and accordingly, if as a result of the Event an Option Holder would become entitled to a fractional share, such Option Holder shall have the right to purchase only the next lowest whole number of shares and no payment or other adjustment will be made with respect to the fractional interest so disregarded.

3.9 VESTING

The following provisions regarding vesting shall apply to the Options:

- (a) For so long as the Company is not classified as a Tier 1 issuer or equivalent designation on the Exchange, all Options awarded pursuant to the Plan, except in exceptional circumstances as determined by the Board, must contain conditions relating to the vesting of the right to exercise an Option awarded to any Option Holder, which will provide that the right to purchase the Shares under the Option may not be exercised any earlier than six equal quarterly releases over a period of 18 months from the Award Date.

In the event that the classification of the Company on the Exchange is upgraded to that of a Tier 1 issuer or equivalent designation, or the Shares are no longer listed on the Exchange, the Board may, in its sole discretion at the time the Option is awarded, but will not be required to, impose conditions relating to the vesting of the right to exercise an Option awarded to any Option Holder. The Board may (but will not be required to) accelerate or remove the vesting provisions applying to previously granted Options.

- (b) The Board may grant Options bearing vesting provisions less favourable than those specified in subsections 3.9(a). Notwithstanding the provisions of subsections 3.9(a) and subject to Exchange acceptance, the Board may grant Options bearing vesting provisions more favourable than those specified in subsections 3.9(a).
- (c) Option Certificates will disclose vesting conditions which are as specified by the Board.
- (d) The vesting schedule in subsection 3.9(a) shall be automatically and immediately accelerated such that all remaining Options will then be available for exercise upon the occurrence of a *take over bid* which is a *formal bid*, as those terms are defined under the Securities Act.

3.10 HOLD PERIODS

1.

- (a) If required by Applicable Laws, any Options will be subject to a hold period expiring on the date that is four months and a day after the Date of Grant, and the Option Agreements and the certificates representing any Shares issued prior to the expiry of such hold period will bear a legend in substantially the following form:

2. “UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THE SECURITIES REPRESENTED HEREBY MUST NOT TRADE THE SECURITIES BEFORE [INSERT THE DATE THAT IS FOUR MONTHS AND ONE DAY AFTER THE DATE OF GRANT].”

ARTICLE IV EXERCISE OF OPTION

4.1 EXERCISE OF OPTION

An Option may be exercised only by the Option Holder or the Personal Representative of any Option Holder. An Option Holder or the Personal Representative of any Option Holder may exercise an Option in whole or in part, subject to any applicable exercise restrictions, at any time or from time to time during the Exercise Period up to 5:00 p.m. (Vancouver time) on the Expiry Date by delivering to the Administrator an Exercise Notice, the applicable Option Certificate and a certified cheque or bank draft (or other payment method acceptable to the Company) payable to the Company in an amount equal to the aggregate Exercise Price of the Shares to be purchased pursuant to the exercise of the Option.

4.2 EXERCISE RESTRICTIONS

The Board may, at the time an Option is awarded or upon renegotiation of the same, attach restrictions relating to the exercise of the Option in addition to the vesting provisions specified in section 3.9. Any such restrictions shall be recorded on the applicable Option Certificate.

4.3 ISSUE OF SHARE CERTIFICATES

As soon as practicable following the receipt of the Exercise Notice, the Administrator shall cause to be delivered to the Option Holder a certificate for the Shares so purchased bearing such legends denoting trading restrictions as may be required by applicable securities laws and/or the Exchange. It is the Option Holder's responsibility to comply with any such trading restrictions. If the number of Shares so purchased is less than the number of Shares subject to the Option Certificate surrendered, the Administrator shall forward a new Option Certificate to the Option Holder concurrently with delivery of the aforesaid share certificate for the balance of the Shares available under the Option.

4.4 CONDITION OF ISSUE

The issue of Shares by the Company pursuant to the exercise of an Option is subject to this Plan and compliance with the laws, rules and regulations of all regulatory bodies applicable to the issuance and distribution of such Shares and to the listing requirements of any stock exchange or exchanges on which the Shares may be listed. The Option Holder agrees to comply with all such laws, rules and regulations and agrees to furnish to the Company any information, report and/or undertakings required to comply with and to fully cooperate with the Company in complying with such laws, rules and regulations.

ARTICLE V ADMINISTRATION

5.1 ADMINISTRATION

The Plan shall be administered by the Administrator on the instructions of the Board or such committee of the Board authorized to act in respect of matters relating to the Plan. The Board or such committee may make, amend and repeal at any time and from time to time such regulations not inconsistent with the Plan as it may deem necessary or advisable for the proper administration and operation of the Plan and such regulations shall form part of the Plan. The Board may delegate to the Administrator or any other person such administrative duties and powers as it may see fit.

5.2 INTERPRETATION

The interpretation by the Board or its authorized committee of any of the provisions of the Plan and any determination by it pursuant thereto shall be final and conclusive and shall not be subject to any dispute by any Option Holder. No member of the Board or any person acting pursuant to authority delegated by the Board hereunder shall be liable for any action or determination in connection with the Plan made or taken in good faith and each member of the Board and each such person shall be entitled to indemnification with respect to any such action or determination in the manner provided for by the Company.

ARTICLE VI AMENDMENT AND TERMINATION

6.1 PROSPECTIVE AMENDMENT

Subject to applicable regulatory approval, the Board may from time to time amend the Plan and the terms and condition of any Option thereafter to be awarded and, without limiting the generality of the foregoing, may make such amendment for the purpose of meeting any changes in any relevant law, rule or regulation applicable to the Plan, any Option or the Shares, or for any other purpose which may be permitted by all relevant laws, rules and regulations, provided always that any such amendment shall not alter the terms or conditions of any Option or impair any right of any Option Holder pursuant to any Option awarded prior to such amendment.

6.2 RETROSPECTIVE AMENDMENT

Subject to applicable regulatory approval, the Board may from time to time retrospectively amend the Plan and may also, with the consent of the affected Option Holders, retrospectively amend the terms and conditions of any Options which have been previously awarded.

6.3 TERMINATION

The Board may terminate the Plan at any time provided that such termination shall not alter the terms or conditions of any Option or impair any right of any Option Holder pursuant to any Option awarded prior to the date of such termination and notwithstanding such termination the Company, such Options and such Option Holders shall continue to be governed by the provisions of the Plan.

6.4 AGREEMENT

The Company and every person to whom an Option is awarded hereunder shall be bound by and subject to the terms and conditions of the Plan.

ARTICLE VII APPROVALS REQUIRED FOR PLAN

7.1 APPROVALS REQUIRED FOR PLAN

The Plan is subject to shareholder and regulatory approvals if required.

7.2 SUBSTANTIVE AMENDMENTS TO PLAN

Any substantive amendments to the Plan shall be subject to the Company first obtaining shareholder and regulatory approvals if required

Schedule A

TIDAL ROYALTY CORP.

**STOCK OPTION PLAN
OPTION CERTIFICATE**

[If the Option is granted to an Insider, insert the following hold period legend: Unless permitted under securities legislation, the holder of the securities represented hereby must not trade the securities before (four months and one day after the date of grant)].

This certificate is issued pursuant to the provisions of the TIDAL ROYALTY CORP. (the "Company") Stock Option Plan (the "Plan") and evidences that _____ is the holder of an option (the "Option") to purchase up to _____ common shares (the "Shares") in the capital stock of the Company at a purchase price of \$ ____ per Share. Subject to the provisions of the Plan:

- (a) the Award Date of this Option is _____, and
- (b) the Expiry Date of this Option is _____.

Applicable Vesting or Other Restrictions

The Options will vest to the Optionee, and be eligible to be exercised on the basis of not more than one-sixth of the number of Options granted every three months following the Award Date (expiring 18 months from the Award Date).

This Option may be exercised in accordance with its terms at any time and from time to time from and including the Award Date through to and including up to 5:00 p.m. (Vancouver time) on the Expiry Date, by delivering to the Administrator of the Plan an Exercise Notice, in the form provided in the Plan, together with this certificate and a certified cheque or bank draft payable to the Company in an amount equal to the aggregate of the Exercise Price of the Shares in respect of which this Option is being exercised.

This certificate and the Option evidenced hereby is not assignable, transferable or negotiable and is subject to the detailed terms and conditions contained in the Plan. This certificate is issued for convenience only and in the case of any dispute with regard to any matter in respect hereof, the provisions of the Plan and the records of the Company shall prevail.

TIDAL ROYALTY CORP.
by its authorized signatory:

NAME, TITLE

Schedule B

EXERCISE NOTICE

To: The Administrator, Stock Option Plan
TIDAL ROYALTY CORP.

The undersigned hereby irrevocably gives notice, pursuant to the TIDAL ROYALTY CORP. (the "Company") Stock Option Plan (the "Plan"), of the exercise of the Option to acquire and hereby subscribes for (cross out inapplicable item):

- (a) all of the Shares; or
(b) _____ of the Shares, which are the subject of the Option Certificate attached hereto.

Calculation of total Exercise Price:

- (i) number of Shares to be acquired on exercise: _____ Shares
(ii) times the Exercise Price per Share: \$_____
TOTAL EXERCISE PRICE, enclosed herewith: \$_____

The undersigned tenders herewith a certified cheque or bank draft (circle one) in the amount of \$_____ payable to the Company in an amount equal to the total Exercise Price of the aforesaid Shares, as calculated above, and directs the Company to issue the share certificate evidencing said Shares in the name of the undersigned to be mailed to the undersigned at the following address:

DATED the _____ day of _____, 200__.

Signature of Witness

Signature of Option Holder

Name of Witness (please print)

Name of Option Holder (please print)