

# **World Class Extractions Inc.**

Suite 308, 9080 University Crescent, Burnaby, British Columbia, V5A 0B7



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

**to be held on June 26, 2020**

**and**

## **MANAGEMENT INFORMATION CIRCULAR**

**as at May 19, 2020**



**WORLD-CLASS**  
Extractions  
Suite 308, 9080 University Crescent  
Burnaby, British Columbia, V5A 0B7

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

**NOTICE IS HEREBY GIVEN** that the Annual General and Special Meeting (the “**Meeting**”) of the holders of common shares (“**Shareholders**”) of World Class Extractions Inc. (the “**Company**”) will be held on Friday, June 26, 2020 at 10:00 a.m. (Vancouver time) at the offices of the Company located at Suite 308, 9080 University Crescent, Burnaby, British Columbia, V5A 0B7, for the following purposes:

1. To receive and consider the audited consolidated financial statements of the Company for the four-month period ended April 30, 2019 and the period from January 25, 2018 to December 31, 2018 and for the years ended December 31, 2018 and 2017, together with the reports of the auditor thereon.
2. To fix the number of directors of the Company for the ensuing year at five (5).
3. To elect directors to hold office for the ensuing year.
4. To re-appoint MNP LLP as auditors of the Company for the ensuing year and to authorize the board of directors to fix the remuneration of the auditor.
5. To create a new class of an unlimited number of Class “A” preferred shares issuable in one or more series and amend the Articles of the Company to include any necessary rights and restrictions.
6. To create a new class of an unlimited number of Class “B” preferred shares issuable in one or more series and amend the Articles of the Company to include any necessary rights and restrictions.
7. To create a new class of an unlimited number of Class “C” preferred shares issuable in one or more series and amend the Articles of the Company to include any necessary rights and restrictions.
8. To create a new class of an unlimited number of Class “D” preferred shares issuable in one or more series and amend the Articles of the Company to include any necessary rights and restrictions.
9. To create a new class of an unlimited number of Class “E” preferred shares issuable in one or more series and amend the Articles of the Company to include any necessary rights and restrictions.
10. To transact such other business as may come before the Meeting or at any adjournment thereof.

A management information circular (“**Circular**”) accompanies this Notice. The Circular contains details of matters to be considered at the Meeting.

**A shareholder who is unable to attend the Meeting in person and who wishes to ensure that such shareholder’s shares will be voted at the Meeting is requested to complete, date and sign the enclosed form of proxy and deliver it in accordance with the instructions and deposit deadlines set out in the form of proxy and in the Circular.** As set out in the enclosed Circular and notes to the form of proxy, the enclosed proxy is solicited by management and the proposed proxy nominees named in the form of proxy, have been appointed by management. However, you may amend the proposed proxy nominees, if you so desire, by striking out the names listed therein and inserting in the space provided the name of the person you wish to represent you at the Meeting.

In light of ongoing concerns regarding the spread of COVID-19, shareholders are encouraged to vote on the matters before the Meeting by proxy. We encourage shareholders not to attend the Meeting in person, particularly if they are experiencing any of the described COVID-19 symptoms. As always, we encourage

shareholders to vote their shares prior to the Meeting by following the voting instructions in the accompanying Circular.

We may take additional precautionary measures in relation to the Meeting in response to further developments with the COVID-19 outbreak. In the event it is not possible or advisable to hold the Meeting in person, we will announce alternative arrangements for the Meeting as promptly as practicable, which may include delaying the Meeting or holding the Meeting entirely by electronic means, telephone or other communication facilities. Please monitor our website at [www.worldclassextractions.com](http://www.worldclassextractions.com) for updated information. **If you are a registered shareholder or appointed proxyholder and are planning to attend the Meeting, please notify the Company in advance of the Meeting at either the email address or phone number provided below:**

**Email: [Rosy@worldclassextractions.com](mailto:Rosy@worldclassextractions.com)**

**Telephone: 604-473-9569**

We also encourage registered shareholders or appointed proxyholders to check our website one week prior to the date of the Meeting for updates.

The Circular and the other Meeting materials will be available on SEDAR at [www.sedar.com](http://www.sedar.com).

DATED at the City of Vancouver, in the Province of British Columbia, as of the 19<sup>th</sup> day of May, 2020.

By order of the Board of Directors

**WORLD CLASS EXTRACTIONS**

*s/ "Rosy Mondin*

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**Rosy Mondin**

**Chief Executive Officer and Director**



# WORLD-CLASS Extractions

Suite 308, 9080 University Crescent  
Burnaby, British Columbia, V5A 0B7

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## MANAGEMENT INFORMATION CIRCULAR

For the Annual General and Special Meeting of Shareholders  
to be held on Friday, June 26, 2020

### GENERAL PROXY INFORMATION

#### Solicitation of Proxies

This management information circular (the “**Circular**”) is furnished in connection with the solicitation of proxies by the management of World Class Extractions Inc. (the “**Company**”), for use at the Annual General and Special Meeting (the “**Meeting**”) of the shareholders (“**Shareholders**”) of the Company to be held on June 26, 2020, at the time and place and for the purposes set forth in the accompanying Notice of Meeting of the Shareholders (“**Notice**”) and at any adjournment thereof.

The enclosed instrument of proxy (the “**Proxy**”) is solicited by the management of the Company. The solicitation will be primarily by mail however, proxies may be solicited personally or by telephone by the regular officers and employees of the Company. The cost of solicitation will be borne by the Company. Unless otherwise stated, this Circular contains information as at May 19, 2020. References in this Circular to the Meeting include any adjournment or postponement thereof and, unless otherwise indicated, in this Circular all references to “\$” are to Canadian dollars

#### Appointment and Revocation of Proxies

The persons named in the accompanying form of proxy (the “**Proxy**”) are directors and/or officers of the Company. **A shareholder has the right to appoint a person (who need not be a Shareholder) to attend and act for such Shareholder and on his or her behalf at the meeting other than the persons named in the enclosed instrument of proxy.** Such right may be exercised by inserting in the blank space provided for that purpose the name of the desired person or by completing another proper form of proxy and, in either case, delivering the completed and executed proxy to the Company’s transfer agent, Computershare Investor Services Inc., by fax within North America at 1-866-249-7775, or outside North America at (416) 263-9524, or by mail or by hand delivery at 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, or over the internet or telephone as set forth in the form of proxy, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting.

The Proxy must be signed and dated by the Shareholder or by his attorney in writing, or, if the Shareholder is a Company, it must either be under its common seal or signed by a duly authorized officer.

A Shareholder who has given a Proxy may revoke it at any time before it is exercised. In addition to revocation in any other manner permitted by law, a Proxy may be revoked by instrument in writing executed by the Shareholder or by his attorney authorized in writing, or, if the Shareholder is a Company, it must either be under its common seal, or signed by a duly authorized officer and deposited with the Company’s registrar and transfer agent, Computershare Investor Services Inc. at 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, at any time up to and including the last business day preceding the Meeting at which the Proxy is to be used, or to the Chair of the Meeting on the day of the Meeting. A revocation of a Proxy does not affect any matter on which a vote has been taken prior to the revocation.

These security holder materials are being sent to both registered and non-registered owners of the securities. If you are a non-registered owner, and the issuer or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf.

By choosing to send these materials to you directly, the Company (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

## **VOTING BY PROXYHOLDER**

### **COVID-19**

In light of ongoing concerns regarding the spread of COVID-19, Shareholders are encouraged to vote on the matters before the Meeting by Proxy. We encourage Shareholders not to attend the Meeting in person, particularly if they are experiencing any of the described COVID-19 symptoms. As always, we encourage Shareholders to vote their Common Shares prior to the Meeting by following the instructions set out herein.

We may take additional precautionary measures in relation to the Meeting in response to further developments with the COVID-19 outbreak. In the event it is not possible or advisable to hold the Meeting in person, we will announce alternative arrangements for the Meeting as promptly as practicable, which may include delaying the Meeting or holding the Meeting entirely by electronic means, telephone or other communication facilities. Please monitor our website at [www.worldclassextractions.com](http://www.worldclassextractions.com) for updated information. **If you are a Registered Shareholder (as defined below) or appointed proxyholder and are planning to attend the Meeting, please notify the Company in advance of the Meeting at either the email address or phone number provided below:**

**Email: [Rosy@worldclassextractions.com](mailto:Rosy@worldclassextractions.com)**

**Telephone: 604-473-9569**

We also encourage Registered Shareholders or appointed proxyholders to check our website one week prior to the date of the Meeting for updates.

### **Manner of Voting**

The common shares represented by the 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 on the Proxy with respect to any matter to be acted upon, the shares will be voted accordingly. On any poll, the persons named in the Proxy (the “**Proxyholders**”) will vote the shares in respect of which they are appointed. Where directions are given by the Shareholder in respect of voting for or against any resolution, the Proxyholder will do so in accordance with such direction.

The Proxy, when properly signed, confers discretionary authority on the Proxyholder with respect to amendments or variations to the matters which may properly be brought before the Meeting. At the time of printing this Circular, management is not aware that any such amendments, variations or other matters are to be presented for action at the Meeting. However, if any other matters which are not now known to management should properly come before the Meeting, the proxies hereby solicited will be exercised on such matters in accordance with the best judgment of the Proxyholder.

**In the absence of instructions to the contrary, the Proxyholders intend to vote the common shares represented by each Proxy, properly executed, in favour of the motions proposed to be made at the Meeting as stated under the headings in this Circular.**

### **Voting Thresholds Required for Approval**

In order to approve a motion proposed at the Meeting, a majority of not less than one-half of the votes cast will be required (an “**Ordinary Resolution**”) unless the motion requires a special resolution (a “**Special Resolution**”), in which case a majority of not less than two-thirds of the votes cast will be required. In the event a motion proposed at the Meeting requires disinterested Shareholder approval, common shares held by Shareholders of the Company who are also “insiders”, as such term is defined under applicable securities laws, will be excluded from the count of votes cast on such motion.

## **ADVICE TO REGISTERED SHAREHOLDERS**

Shareholders whose names appear on the records of the Company as the registered holders of common shares in the capital of the Company (the “**Registered Shareholders**”) may choose to vote by proxy whether or not they are able to attend the Meeting in person.

Accompanying this Circular is a Proxy for use at the Meeting. If a Registered Shareholder cannot attend the meeting in person, they may vote by proxy in one of the following ways:

- (a) by mailing the signed Proxy to Computershare Investor Services Inc., Proxy Department at 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1;
- (b) by hand delivering the signed Proxy to Computershare Investor Services Inc., 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1;
- (c) by transmitting the signed Proxy by facsimile to Computershare Investor Services Inc. to (416) 263-9524 or 1-866-249-7775;
- (d) by using the internet at [www.investorvote.com](http://www.investorvote.com) using the 15-digit control number located at the bottom of your Proxy; or
- (e) by telephone at 1-866-732-VOTE (8683) (toll free within North America) or 1-312-5884290 (outside North America).

### **Returning your Proxy Form**

To be effective, we must receive your completed proxy form or voting instruction no later than 10:00 a.m. (Vancouver time) on June 24, 2020.

If the Meeting is postponed or adjourned, we must receive your completed form of proxy by 5:00 p.m. (Vancouver time), two full business days before any adjourned or postponed Meeting at which the proxy is to be used. Late proxies may be accepted or rejected by the Chair of the Meeting at his discretion and he is under no obligation to accept or reject a late proxy. The Chair of the Meeting may waive or extend the proxy cut-off without notice.

### **ADVICE TO BENEFICIAL SHAREHOLDERS**

**The information set forth in this section is of significant importance to many Shareholders as a substantial number of Shareholders do not hold shares in their own name.**

Shareholders who do not hold their shares in their own name (referred to in this information circular as “**Beneficial Shareholders**”) should note that only proxies deposited by Registered Shareholders whose names appear on the records of the Company as the registered holders of shares can be recognized and acted upon at the Meeting.

If shares are listed in an account statement provided to a Shareholder by an intermediary, such as a brokerage firm, then, in almost all cases, those shares will not be registered in the Shareholder’s name on the records of the Company. Such shares will more likely be registered under the name of the Shareholder’s intermediary or an agent of that intermediary, and consequently the Shareholder will be a Beneficial Shareholder. In Canada, the vast majority of such shares are registered under the name CDS & Co. (being the registration name for the Canadian Depository for Securities, which acts as nominee for many Canadian brokerage firms). The shares held by intermediaries or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, an intermediary and its agents are prohibited from voting shares for the intermediary’s clients. **Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their shares are communicated to the appropriate person.**

Applicable regulatory rules require 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 shares are voted at the Meeting. The purpose of the form of proxy or voting instruction form provided to a Beneficial Shareholder by its broker, agent or nominee is limited to instructing the registered holder of the shares on how to vote such shares on behalf of the Beneficial Shareholder.

The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Investor Communications (“**Broadridge**”). Broadridge typically supplies a voting instruction form, mails those forms to Beneficial Shareholders and asks those Beneficial Shareholders to return the forms to Broadridge or follow specific telephone or other voting procedures. Broadridge then tabulates the results of all instructions received by it and provides appropriate instructions respecting the voting of the shares to be represented at the Meeting. **A Beneficial Shareholder receiving a voting instruction form from Broadridge cannot use that form to vote shares directly at the Meeting. Instead, the voting instruction form must be returned to Broadridge or the alternate voting procedures must be completed well in advance of the Meeting in order to ensure such shares are voted.**

There are two kinds of Beneficial Shareholders, those who object to their name being made known to the issuers of securities which they own (“**OBOs**” for Objecting Beneficial Owners) and those who do not object to the issuers of the securities they own knowing who they are (“**NOBOs**” for Non-Objecting Beneficial Owners). Pursuant to National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”) issuers can obtain a list of their NOBOs from intermediaries for distribution of proxy related materials directly to NOBOs. This year, the Company has decided to take advantage of those provisions of NI 54-101 that permit it to directly deliver proxy-related materials to its NOBOs. As a result, NOBOs can expect to receive a scannable Voting Instruction Form (“**VIF**”) from our Transfer Agent, Computershare. These VIFs are to be completed and returned to Computershare in the envelope provided or by facsimile. In addition, Computershare provides both telephone voting and internet voting as described on the VIF itself which contains complete instructions. Computershare will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the shares represented by the VIFs they receive. The Company does not intend to pay for intermediaries to deliver these securityholder materials to OBOs and, as a result, OBOs will not be sent paper copies unless their intermediary assumes the costs.

These proxy-related materials are being sent to both Registered Shareholders and Beneficial Shareholders of the Company. If you are a Beneficial Shareholder and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf. In this event, by choosing to send these materials to you directly, the Company (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you; and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

Although Beneficial Shareholders may not be recognized directly at the Meeting for the purpose of voting shares registered in the name of their broker, agent or nominee, a Beneficial Shareholder may attend the Meeting as a Proxyholder for a Registered Shareholder and vote their shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their shares as Proxyholder for a Registered Shareholder should contact their broker, agent or nominee well in advance of the Meeting to determine the steps necessary to permit them to indirectly vote their shares as a Proxyholder.

#### **NOTICE AND ACCESS**

The Company is not relying on the notice-and-access delivery procedures outlined in NI 54-101 to distribute copies of the Circular, Proxy or VIF.

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

Except as otherwise disclosed herein, none of the directors (“**Directors**”) or officers (“**Officers**”) of the Company, at any time since the beginning of the Company’s last financial year, nor any proposed nominee for election as a Director, or any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matters to be acted upon at the Meeting exclusive of the election of directors or the appointment of auditors.

## **RECORD DATE, VOTING SHARES AND PRINCIPAL HOLDERS THEREOF**

A Shareholder of record at the close of business on May 19, 2020 (the "**Record Date**") who either personally attends the Meeting or who has completed and delivered a Proxy in the manner and subject to the provisions described above, shall be entitled to vote or to have such shareholder's shares voted at the Meeting, or any adjournment thereof. Under the Company's articles, the quorum for the transaction of business at a meeting of shareholders is one person who is a shareholder, or who is otherwise permitted to vote shares of the Company at a meeting of shareholders pursuant to the articles of the Company, present in person or by proxy.

The Company's authorized capital consists of an unlimited number of common shares ("**Common Shares**") without par value. As at the Record Date, the Company has 625,196,572 Common Shares issued and outstanding, each share carrying the right to one vote.

To the best of knowledge of the directors and executive officers of the Company, as of the date of the Circular, no persons or corporations beneficially own, directly or indirectly, or exercise control or direction over, Common Shares carrying more than 10% of the voting rights attached to all outstanding Common Shares of the Company.

## **STATEMENT OF EXECUTIVE COMPENSATION**

On March 11, 2019, the Company (previously called CBD Med Research Corp. ("**CBD**")) completed its reverse takeover transaction (the "**Transaction**" or "**RTO**") with World Class Extractions (Ontario) Inc. (formerly World Class Extractions Inc.) ("**WCE**"), a private company incorporated under the laws in Ontario on January 25, 2018. Pursuant to the RTO, CBD acquired all of the issued and outstanding shares of WCE for the issuance of one (1) CBD share for each WCE share. CBD did not have any significant operations at the time of the Transaction. Following the closing of the Transaction, CBD changed its name to World Class Extractions Inc. and World Class Extraction (Ontario) Inc. became a wholly owned subsidiary of World Class Extractions Inc.

On June 17, 2019, the Company and Quadron Cannatech Corporation ("**Quadron**") completed a plan of arrangement (the "**Arrangement**") under the provisions of the British Columbia *Business Corporations Act*, pursuant to which the Company acquired all of the common shares of Quadron following Quadron's amalgamation with the Company's wholly-owned subsidiary, 1212476 B.C. Ltd. to form a new wholly-owned subsidiary of the Company continuing as "Quadron Cannatech Corporation".

The following information regarding executive compensation is presented in accordance with *National Instrument Form 51-102F6V – Statement of Executive Compensation* and sets forth compensation for each of the NEOs and directors of WCE before and after the RTO. Information for the Company (pre-RTO) and Quadron has not been included.

In this section "**Named Executive Officer**" or "**NEO**" means: (a) the Chief Executive Officer ("**CEO**"); (b) the Chief Financial Officer ("**CFO**"); and (c) each of the Company's three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, whose total compensation was more than \$150,000 during the four-month period ended April 30, 2019 and the period from January 25, 2018 to December 31, 2018.

### **Director and NEO Compensation, Excluding Compensation Securities**

The following table sets out all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company to each NEO, in any capacity, and each director, during the four-month period ended April 30, 2019 and the period from January 25, 2018 to December 31, 2018.



**Table of Compensation Excluding Compensation Securities**

<b>Name and position</b>	<b>Year<sup>(1)</sup></b>	<b>Salary, consulting fee, retainer or commission (\$)</b>	<b>Bonus (\$)</b>	<b>Committee or meeting fees (\$)</b>	<b>Value of perquisites (\$)</b>	<b>Value of all other compensation (\$)</b>	<b>Total compensation (\$)</b>
Michael McCombie, CEO <sup>(2)</sup>	April 30, 2019	48,000	Nil	Nil	Nil	Nil	48,000
	December 31, 2018	100,000	Nil	Nil	Nil	Nil	100,000
Donal Carroll, CFO and Director <sup>(3)</sup>	April 30, 2019	48,000	Nil	Nil	Nil	Nil	48,000
	December 31, 2018	96,000	Nil	Nil	Nil	Nil	96,000
Gary F. Zak, Former CEO and Former Director <sup>(4)</sup>	April 30, 2019	3,675	Nil	Nil	Nil	Nil	3,675
	December 31, 2018	Nil	Nil	Nil	Nil	Nil	Nil
Kenneth Philippe, Former CFO <sup>(5)</sup>	April 30, 2019	5,000	Nil	Nil	Nil	Nil	5,000
	December 31, 2018	12,000	Nil	Nil	Nil	Nil	12,000
Dr. S Sethu Raman, Director <sup>(6)</sup>	April 30, 2019	10,500	Nil	Nil	Nil	Nil	10,500
	December 31, 2018	Nil	Nil	Nil	Nil	Nil	Nil
Shimmy Posen, Corporate Secretary and Director <sup>(7)</sup>	April 30, 2019	208,527	Nil	Nil	Nil	Nil	208,527
	December 31, 2018	Nil	Nil	Nil	Nil	Nil	Nil
Jon Bridgman, Director <sup>(8)</sup>	April 30, 2019	Nil	Nil	Nil	Nil	Nil	Nil
	December 31, 2018	Nil	Nil	Nil	Nil	Nil	Nil
Binyomin Posen, Director <sup>(9)</sup>	April 30, 2019	Nil	Nil	Nil	Nil	Nil	Nil
	December 31, 2018	Nil	Nil	Nil	Nil	Nil	Nil

**Notes:**

- (1) Four-month period ended April 30, 2019 and the period from January 25, 2018 to December 31, 2018.
- (2) Michael McCombie was appointed CEO of the Company January 25, 2018. Mr. McCombie resigned as CEO when Rosy Mondin was appointed CEO of the Company June 17, 2019, the date of the merger between the Company and Quadron Cannatech Corporation.
- (3) Donal Carroll was appointed CFO and Director of the Company January 25, 2018. Mr. Carroll resigned as CFO when Zara Kanji was appointed CFO of the Company June 17, 2019, the date of the merger between the Company and Quadron Cannatech Corporation.
- (4) Gary Zak was CEO and a director of CBD Med Research Corp., prior to its reverse takeover of the Company effective March 11, 2019. Gary Zak resigned as CEO of the Company March 11, 2019 and later as a director of the Company June 17, 2019, the date of the merger between the Company and Quadron Cannatech Corporation.
- (5) Kenneth Phillippe was CFO and a director of CBD Med Research Corp., prior to its reverse takeover of the Company effective March 11, 2019. Mr. Phillippe resigned as CFO and a director of the Company March 11, 2019.

- (6) Dr. S Sethu Raman was a director of CBD Med Research Corp., prior to its reverse takeover of the Company effective March 11, 2019. Dr. Raman resigned as a director of the Company June 17, 2019, the date of the merger between the Company and Quadron Cannatech Corporation.
- (7) Shimmy Posen was appointed a director of the Company January 25, 2018 and resigned March 11, 2019. Mr. Posen was appointed Corporate Secretary of the Company March 20, 2019.
- (8) Jon Bridgeman was appointed a director of the Company January 25, 2018 and resigned June 17, 2019, the date of the merger between the Company and Quadron Cannatech Corporation.
- (9) Binyomin Posen was appointed a director of the Company March 11, 2019 and resigned June 17, 2019, the date of the merger between the Company and Quadron Cannatech Corporation.

### **Stock Option Plans and Other Incentive Plans**

The Company's shareholders implemented the Company's stock option plan at the Company's annual shareholder meeting held on October 24, 2018 (the "**Stock Option Plan**"). The Stock Option Plan provides that the aggregate number of securities reserved for issuance will be 10% of the number of common shares of the Company issued and outstanding from time to time. The Stock Option Plan was established to provide incentive to qualified parties to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company. Management proposes stock option grants to the Board of Directors based on such criteria as performance, previous grants and hiring incentives.

The Stock Option Plan is administered by the Company's Board of Directors, which has full and final authority with respect to the granting of all options thereunder. Options may be granted under the Stock Option Plan to certain qualified parties, such as directors, senior officers, employees and consultants of the Company or its subsidiaries. The exercise prices will be determined by the Board of Directors, provided that it is not less than such minimum price as is permitted by the policies of any stock exchange on which the Shares may be listed. All options granted under the Stock Option Plan will expire not later than the date that is ten years from the date that such options are granted. Options granted under the Stock Option Plan are not transferable or assignable other than by testamentary instrument or pursuant to the laws of succession.

### **Stock Options and other Compensation Securities**

The following table sets forth information concerning all compensation securities granted or issued to each director and NEO by the Company in the most recently completed financial year, being the four-month period ended April 30, 2019 and the period from January 25, 2018 to December 31, 2018, for services provided to the Company.

<b>Compensation Securities</b>							
<b>Name and Position</b>	<b>Type of compensation security</b>	<b>Number of compensation securities, number of underlying securities, and percentage of class</b>	<b>Date of issue or grant</b>	<b>Issue, conversion or exercise price (\$)</b>	<b>Closing price of security underlying security on date of grant (\$)<sup>(1)</sup></b>	<b>Closing price of security or underlying security at year end (\$)</b>	<b>Expiry date</b>
Michael McCombie, CEO <sup>(2)</sup>	Stock Options	1,000,000	March 18, 2019	0.17	0.145	0.205	March 19, 2022

Donal Carroll, CFO and Director <sup>(3)</sup>	Stock Options	750,000	March 18, 2019	0.17	0.145	0.205	March 19, 2022
Shimmy Posen, Corporate Secretary and Director <sup>(4)</sup>	Stock Options	3,450,000	July 6, 2018	0.10	0.10	0.205	July 7, 2021
		1,000,000	March 18, 2019	0.17	0.145	0.205	March 19, 2022
Gary F. Zak, Former CEO and Former Director <sup>(5)</sup>	Stock Options	500,000	March 18, 2019	0.17	0.145	0.205	March 19, 2022
Kenneth Philippe, Former CFO <sup>(6)</sup>	Stock Options	Nil	N/A	N/A	N/A	N/A	N/A
Dr. S Sethu Raman, Director <sup>(7)</sup>	Stock Options	500,000	March 18, 2019	0.17	0.145	0.205	March 19, 2022
Binyomin Posen, Director <sup>(8)</sup>	Stock Options	500,000	March 18, 2019	0.17	0.145	0.205	March 19, 2022
Jon Bridgman, Director <sup>(9)</sup>	Stock Options	150,000	July 6, 2018	0.10	0.10	0.205	July 7, 2021
		100,000	March 18, 2019	0.17	0.145	0.205	March 19, 2022

**Notes:**

- (1) Based on the private company World Class Extractions Inc. prior to trading March 21, 2019.
- (2) Michael McCombie was appointed CEO of the Company January 25, 2018. Mr. McCombie resigned as CEO when Rosy Mondin was appointed CEO of the Company June 17, 2019, the date of the merger between the Company and Quadron Cannatech Corporation.
- (3) Donal Carroll was appointed CFO and Director of the Company January 25, 2018. Mr. Carroll resigned as CFO when Zara Kanji was appointed CFO of the Company June 17, 2019, the date of the merger between the Company and Quadron Cannatech Corporation.
- (4) Shimmy Posen was appointed a director of the Company January 25, 2018 and resigned March 11, 2019. Mr. Posen was appointed Corporate Secretary of the Company March 20, 2019.
- (5) Gary Zak was CEO and a director of CBD Med Research Corp., prior to its reverse takeover of the Company effective March 11, 2019. Gary Zak resigned as CEO of the Company March 11, 2019 and later as a director of the Company June 17, 2019, the date of the merger between the Company and Quadron Cannatech Corporation.
- (6) Kenneth Philippe was CFO and a director of CBD Med Research Corp., prior to its reverse takeover of the Company effective March 11, 2019. Mr. Philippe resigned as CFO and a director of the Company March 11, 2019.
- (7) Dr. S Sethu Raman was a director of CBD Med Research Corp., prior to its reverse takeover of the Company effective March 11, 2019. Dr. Raman resigned as a director of the Company June 17, 2019, the date of the merger between the Company and Quadron Cannatech Corporation.
- (8) Binyomin Posen was appointed a director of the Company March 11, 2019 and resigned June 17, 2019, the date of the merger between the Company and Quadron Cannatech Corporation.
- (9) Jon Bridgeman was appointed a director of the Company January 25, 2018 and resigned June 17, 2019, the date of the merger between the Company and Quadron Cannatech Corporation.

### **Exercise of Compensation Securities by Directors and NEOs**

No NEO or Director of the Company exercised compensation securities in the most recently completed financial year, being the four-month period ended April 30, 2019 and the period from January 25, 2018 to December 31, 2018.

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

Management functions of the Company are not, to any substantial degree, performed other than by directors or NEOs of the Company. There are no agreements or arrangements that provide for compensation to NEOs or directors of the Company, or that provide for payments to a NEO or director at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, severance, a change of control in the Company or a change in the NEO or director's responsibilities.

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

#### ***Compensation of NEOs***

Compensation of NEOs is reviewed annually and determined by the Board. The level of compensation for NEOs is determined after consideration of various relevant factors, including the expected nature and quantity of duties and responsibilities, past performance, comparison with compensation paid by other issuers of comparable size and nature, and the availability of financial resources.

#### ***Elements of NEO Compensation***

As discussed above, the Company provides an Option Plan to motivate NEOs by providing them with the opportunity, through Options, to acquire an interest in the Company and benefit from the Company's growth. The Board does not employ a prescribed methodology when determining the grant or allocation of Options to NEOs. Other than the Option Plan, the Company does not offer any long-term incentive plans, share compensation plans, retirement plans, pension plans, or any other such benefit programs for NEOs.

#### ***Compensation of Directors***

Compensation of directors of the Company is reviewed annually. The level of compensation for directors is determined after consideration of various relevant factors, including the expected nature and quantity of duties and responsibilities, past performance, comparison with compensation paid by other issuers of comparable size and nature, and the availability of financial resources.

In the Board's view, there is, and has been, no need for the Company to design or implement a formal compensation program for directors. While the Board considers Option grants to directors under the Option Plan from time to time, the Board does not employ a prescribed methodology when determining the grant or allocation of Options. Other than the Option Plan, as discussed above, the Company does not offer any long-term incentive plans, share compensation plans or any other such benefit programs for directors.

### **Pension Plan Benefits**

No pension, retirement or deferred compensation plans, including defined contribution plans, have been instituted by the Company and none are proposed at this time.

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

The following table sets forth information with respect to all compensation plans under which equity securities are authorized for issuance as of the four-month period ended April 30, 2019 and the period from January 25, 2018 to December 31, 2018 .

<b>Equity Compensation Plan Information</b>			
<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights</b>	<b>Number of securities remaining available for future issuance under equity compensation plans excluding securities reflected in column (a)</b>
	(a)	(b)	(c)
Equity compensation plans approved by securityholders	26,150,000	\$0.11	18,968,015
Equity compensation plans not approved by securityholders	Nil	N/A	N/A
<b>TOTAL</b>	26,150,000		18,968,015

### **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

As of the date hereof, other than indebtedness that has been entirely repaid on or before the date of this information circular or “routine indebtedness” as defined in Form 51-102F5 of National Instrument 51-102 none of:

- (a) the individuals who are, or at any time since the beginning of the last financial year of the Company were, a director or executive officer of the Company;
- (b) the proposed nominees for election as a director of the Company; or
- (c) any associates of the foregoing persons,

is, or at any time since the beginning of the most recently completed financial year has been, indebted to the Company or any subsidiary of the Company, or is a person whose 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 any subsidiary of the Company.

### **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

For purposes of the following discussion, “**Informed Person**” means (a) a Director or executive officer of the Company; (b) a director or executive officer of a person or company that is itself an Informed Person or a subsidiary of the Company; (c) any person or company who beneficially owns, or controls or directs, directly or indirectly, voting securities of the Company or a combination of both carrying more than 10 percent of the voting rights attached to all outstanding voting securities of the Company, other than the voting securities held by the person or company as underwriter in the course of a distribution; and (d) the Company itself if it has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

Except as disclosed below, elsewhere herein or in the notes to the Company's financial statements for the latest financial year end, none of

- (a) the Informed Persons of the Company;
- (b) the proposed nominees for election as a Director; or
- (c) any associate or affiliate of the foregoing persons,

has any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in a proposed transaction which has materially affected or would materially affect the Company or any subsidiary of the Company.

### **REQUEST FOR FINANCIAL STATEMENTS**

NI 51-102 sets out the procedures for a shareholder to receive financial statements. If you wish to receive financial statements, you may use the enclosed form or provide instructions in any other written format. Registered shareholders must also provide written instructions in order to receive the Financial Statements.

### **PARTICULARS OF MATTERS TO BE ACTED UPON**

#### **Presentation of Financial Statements**

The audited consolidated financial statements of the Company for the four-month period ended April 30, 2019 and the period from January 25, 2018 to December 31, 2018 (the "**Financial Statement**"), together with the auditor's reports (the "**Auditor's Report**") thereon will be presented to Shareholders at the Meeting, but no vote thereon is required. The Financial Statements, Auditor's Report and related management's discussion and analysis (the "**MD&A**") are available under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com). The Notice, Circular and Proxy will be available from Computershare at 510 Burrard Street, 2nd Floor, Vancouver, British Columbia, V6C 3B9.

#### **Appointment and Remuneration of Auditor**

Shareholders will be asked to approve the re-appointment of MNP LLP as the auditor of the Company to hold office until the next Annual General Meeting of the Shareholders at a remuneration to be fixed by the Board of Directors.

**In the absence of instructions to the contrary, the Proxyholders intend to vote the Common Shares represented by each Proxy, properly executed, FOR appointing MNP LLP as the Company's independent auditor for the ensuing year, and FOR authorizing the Board to fix the auditor's pay.**

#### **Fixing the Number of Directors**

The Board of Directors presently consists of five (5) directors and management proposes, and the persons named in the accompanying form of proxy intend to vote in favour of fixing the number of directors for the ensuing year at five (5).

**In the absence of instructions to the contrary, the Proxyholders intend to vote the Common Shares represented by each Proxy, properly executed, FOR fixing the number of Directors at five (5) for the ensuing year.**

#### **Election of Directors**

Each Director of the Company is elected annually and holds office until the next annual general meeting of Shareholders or until their successor is duly elected, unless their office is earlier vacated in accordance with the Articles of the Company. Although management is nominating five (5) individuals to stand for election, the names of further nominees for directors may come from the floor at the Meeting.

**In the absence of instructions to the contrary, the Proxyholders intend to the vote the Common Shares represented by each Proxy, properly executed, FOR the nominees herein listed. Management does not contemplate that any of the nominees will be unable to serve as a Director.**

#### ***Information Concerning Nominees Submitted by Management***

The following table sets out the names of the persons proposed to be nominated by Management for election as a Director, the province or state and country in which they are ordinarily resident, the positions and offices which each presently holds with the Company, the period of time for which each has been a director of the Company, the respective principal occupations or employment during the past five years if such nominee is not presently an elected Director and the number of Common Shares of the Company

which each beneficially owns, directly or indirectly, or over which control or direction is exercised as of the date of this Circular.

<b>Name, Province and Country of ordinary residence, and positions held with the Company<sup>(1)</sup></b>	<b>Principal occupation and, IF NOT an elected Director, principal occupation during the past five years<sup>(1)</sup></b>	<b>Date(s) serving as a Director</b>	<b>No. of shares beneficially owned or controlled<sup>(1)</sup></b>
<b>Anthony Durkacz</b> Ontario, Canada <i>Director and Chair of Board of Directors</i>	Provides financial and investor relations consulting services to micro and small cap companies in various sectors and develops investment strategies for high net worth individuals.	June 17, 2019	32,330,852
<b>Donal V. Carroll<sup>(2)</sup></b> Ontario, Canada <i>Director</i>	corporate finance leadership and public company experience, as well as in-depth experience in syndicated investments in equity and debt securities.	January 25, 2018	2,200,001
<b>Chand Jagpal<sup>(2)</sup></b> British Columbia, Canada <i>Director</i>	Public company management, including accounting/financial disclosure and compliance responsibilities.	June 17, 2019	Nil
<b>Rosy Mondin</b> British Columbia, Canada <i>Director and CEO</i>	Independent corporate lawyer for 20 years.	June 17, 2019	4,430,000
<b>Michael Galloro<sup>(2)</sup></b> Ontario, Canada <i>Director</i>	Transaction and Public Markets Advisory, Accountant	April 8, 2020	Nil

Notes:

- (1) The information as to the Province or State and Country of residence, principal occupation and Shares beneficially owned or over which a director exercises control or direction, not being within the knowledge of the Corporation, has been furnished by the respective directors individually as of May 19, 2020, being the Record Date of this Circular.
- (2) Member of the Audit Committee.

The Company does not currently have an Executive Committee of its Board of Directors. Pursuant to National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”), the Company is required to have an audit committee of its Board of Directors (the “**Audit Committee**”). As at the date of this Circular, the members of the Audit Committee are Donal Carroll, Chand Jagpal and Michael Galloro.

### **Director Biographies**

#### *Anthony Durkacz*

Anthony Durkacz is currently a Director and Executive Vice President at First Republic Capital Corporation, which he joined in January 2014. Mr. Durkacz is also the owner and President of Fortius Research & Trading Corp., which provides financial and investor relations consulting services to micro and small cap companies in various sectors and develops investment strategies for high net worth individuals. He also served as COO and CFO of MKU Canada Inc. engaging in mergers and acquisitions globally, and from 2002 to 2006 he served as the CFO of Astris Energi Inc., a dually listed public company in the USA and Canada which was acquired by an international conglomerate. He began his career at TD Securities on the capital markets trading floor. Mr. Durkacz holds an Honours Bachelor of Business Administration from Brock University with a major in Accounting and Finance.

*Donal Carroll*

Donal Carroll, has over 15 years of corporate finance leadership and public company experience, as well as in-depth experience in syndicated investments in equity and debt securities. Throughout his career with Danaher Corporation (NYSE: DHR), Unilever PLC (NYSE: UL), and Cardinal Meat Specialists Ltd., Mr. Carroll was instrumental in major restructuring activities, mergers and acquisitions, and the implementation of new internal controls and enterprise resource planning systems. Mr. Carroll is currently the Chief Financial Officer of FSD Pharma Inc. (CSE: HUGE). He also serves as Director of Bird River Resources Inc. (CSE: BDR), a natural resources company focused on the energy sector. Mr. Carroll holds a CPA-CMA designation as well as a Bachelor of Commerce degree from University College, Dublin.

*Chand Jagpal*

Mr. Jagpal has over 20 years' experience in public company management including accounting/financial disclosure and compliance responsibilities in the medical cannabis, agriculture, biotech, nutraceuticals, real estate development and business software systems industries. He is currently a board member of various public and private companies.

*Rosy Mondin*

With over 20 years of legal and entrepreneurial experience, specializing in corporate law and regulatory affairs, Ms. Mondin has held executive positions for venture capital corporations and has served as a strategic director for companies involved in the processing, distribution and safe use of medical cannabis. Ms. Mondin became the CEO of the Company after its merger with Quadron Cannatech Corporation in June 2019. She currently serves as special advisor to the Association of Canadian Cannabis Retailers (ACCRES) and is a member of FinCanna Capital's Advisory Board.

Ms. Mondin has been invited to participate in round table consultations with various government stakeholders including Health Canada and was invited to present to the Senate Standing Committee. She is a renowned keynote speaker for major industry events having spoken at the Lift Cannabis Expo, O'Cannabiz Conference and the International Cannabis Business Conference, to name a few. Ms. Mondin has also been interviewed by major media channels including BNN, CBC, CTV and the Globe & Mail for her expertise in the cannabis industry. Ms. Mondin was presented with the inaugural 'Woman in Weed – Trailblazer' Award at the 2018 Canadian Cannabis Awards. She has been widely recognized as one of the most influential women in the cannabis space as featured in 'Women in Weed' and 'The Growth Op'.

*Michael Galloro*

Michael Galloro is an accomplished financial executive with over 25 years of experience. He is a Principal at ALOE Finance, a transaction services boutique firm focused on the small and mid-cap space that has worked with several go public strategies over the years in a multitude of industries. Mr. Galloro has worked closely with emerging private and publicly listed companies operating globally, and has assisted with M&A, financings and corporate structuring, both in the Canadian and the US securities markets. Mr. Galloro's experience includes holding senior officer roles and board of director positions, providing key skills to navigate the world of public markets.

***Cease Trade Orders, Corporate and Personal Bankruptcies, Penalties and Sanctions***

For purposes of the disclosure in this section, an "order" means a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days; and for purposes of item (a)(i) below, specifically includes a management cease trade order which applies to directors or executive officers of a relevant company that was in effect for a period of more than 30 consecutive days whether or not the proposed director was named in the order.

To the best of knowledge of the Company except as noted below, none of the proposed directors, including any personal holding company of a proposed director:



- (a) is, as at the date of this Circular, or has been, within the 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that:
  - (i) was subject to an order that was issued while the proposed director was acting in the capacity as a director, chief executive officer or chief financial officer of the company; or
  - (ii) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as a director, chief executive officer or chief financial officer of the company; or
- (b) is, as at the date of this Circular, or has been, within the 10 years before the date of this Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets;
- (c) has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director;
- (d) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority since December 31, 2000, or before December 31, 2000 if the disclosure of which would likely be important to a reasonable security holder in deciding whether to vote for a proposed director, or
- (e) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

### **Alteration of Authorized Share Structure**

The authorized share structure of the Company presently consists of an unlimited number of Common Shares without par value without special rights or restrictions attached. The Company proposes an amendment to its Notice of Articles and Articles by adding Class A, Class B, Class C, Class D and Class E preferred shares, each issuable in one or more series (the “**Preferred Shares**”) to its authorized share structure such that an unlimited number of Preferred Shares without par value and with the special rights or restrictions attached, may be issued. The management of the Company is of the view that having the five new classes of Preferred Shares will provide greater flexibility for the Company to carry out its future capital raising activities.

Accordingly, the Shareholders will be asked to approve, adopt and ratify the following five ordinary resolutions:

#### *Class A Preferred Shares*

“**BE IT RESOLVED**, as an ordinary resolution, that:

1. The Directors may, in their absolute discretion, elect not to implement the foregoing resolution.
2. A new class of an unlimited number of Class “A” preferred shares issuable in one or more series (“**Class A Preferred Shares**”) be created.
3. The following special rights and restrictions be created and attached to the Class A Preferred Shares:

- a) The directors of the Company shall, subject as hereinafter provided, by resolution duly passed before the first issue of the Class A Preferred Shares of any series, alter the Notice of Articles of the Company to fix the number of Class A Preferred Shares, and to determine the designation of the Class A Preferred Shares of such series and alter the Articles and authorize the alteration of the Notice of Articles to create, define and attach the special rights and restrictions to be attached to the Class A Preferred Shares of such series.
  
- b) The Class A Preferred Shares of any series may have attached thereto the special rights and restrictions with regard to dividends (which, in the case of fixed dividends, shall in all cases be cumulative), whether in cash or otherwise, the right to convert such shares into Common shares or otherwise including, without limiting the generality of the foregoing, the special rights and restrictions with respect to:
  - (i) the redemption or purchase of Class A Preferred Shares by the Company;
  - (ii) retraction privileges;
  - (iii) sinking funds or funds for the purchase or redemption of Class A Preferred Shares;
  - (iv) payment of dividends on any other shares of the Company;
  - (v) redemption, purchase or other retirement of any shares of the Company or of any subsidiary of the Company;
  - (vi) the exercise by the Company of any right to elect that any one or more dividends are to be paid out of one or more special surplus accounts recognized for tax purposes;
  - (vii) subdivision, consolidation or reclassification of any shares of the Company;
  - (viii) borrowing by the Company or any subsidiary of the Company;
  - (ix) the creation or issue of any debt or equity securities by the Company or any subsidiary of the Company including the issue of any Class A Preferred Shares in addition to the Class A Preferred Shares at any time outstanding;
  - (x) reduction of capital by the Company or any subsidiary of the Company;
  - (xi) retirement of notes, bonds or debentures or other indebtedness of the Company or any subsidiary of the Company;
  - (xii) conduct of the business of the Company or investment of its funds;
  - (xiii) meetings of holders of Class A Preferred Shares; and
  - (xiv) the right of holders of Class A Preferred Shares to convert or exchange such shares into shares of any class of the Company or into or for any other securities of the Company or into or for shares or securities of any other corporation.
  
- c) The holders of Class A Preferred Shares shall be entitled to:
  - (i) preference with respect to payment of dividends over the Common shares and over any other shares ranking junior to the Class A Preferred Shares with respect to payment of dividends;
  - (ii) preference with respect to distribution of assets in the event of liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or any other distribution of the assets of the Company among its shareholders for the purpose of winding-up its affairs over the Common shares and over any other

- shares ranking junior to the Class A Preferred Shares with respect to the repayment of capital;
- (iii) with respect to each series such other preferences over the Common shares and over any other shares ranking junior to the Class A Preferred Shares in any respect, as are not inconsistent with the provisions of this part as may be determined for that series; and
  - (iv) for the purposes of subsections (c)(i) and (c)(ii) above, Class B Preferred Shares, Class C Preferred Shares, Class D Preferred Shares and Class E Preferred Shares shall rank junior to the Class A Preferred Shares.
- d) The Class A Preferred Shares of each series shall rank ratably with the Class A Preferred Shares of every other series on the return of capital and in the distribution of assets in the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or any other distribution of the assets of the company among its shareholders for the purpose of winding-up its affairs. When fixed cumulative dividends that are due on any series of Class A Preferred Shares are not paid in full, the shares of all series of Class A Preferred Shares participate ratably in respect of accumulated dividends in accordance with the amounts that would be payable on those shares if all the accumulated dividends were paid in full.
  - e) Subject to such rights relating to the election of directors on a default in payment of dividends as may be attached to any series of the Class A Preferred Shares by the directors, holders of the Class A Preferred Shares shall not be entitled as such to receive notice of, or to attend or vote at, any general meeting of members of the Company.
  - f) The Company shall not without, but may from time to time with, the authorization of the holders of the Class A Preferred Shares required by the *Business Corporations Act* (British Columbia), increase the authorized number of Class A Preferred Shares or create any class of shares ranking in priority to or on a parity with the Class A Preferred Shares.
- 4. The Articles of the Company be altered to include the foregoing special rights and restrictions as Part 27 of the Company's Articles.
  - 5. The Articles and Notice of Articles of the Company be altered accordingly, and any one director or officer of the Company is hereby authorized and directed, in accordance with section 259(4) of the *Business Corporations Act* (British Columbia), to
    - a. deposit these resolutions with the Company's records office, and
    - b. file an Alteration Notice to a Notice of Articles (the "**Notice**") in the prescribed form with the British Columbia Registrar of Companies (the "**Registrar**").
  - 6. The Company hereby appoints Cassels Brock & Blackwell LLP to act as its agent to file the Notice with the Registrar.
  - 7. The foregoing alteration to the Articles of the Company shall not take effect until the Notice of Alteration to the Notice of Articles of the Company has been filed with the Registrar and takes effect."

Management of the Company recommends to the Shareholders that the resolution above be passed. In order to be effective, the resolution in substantially the form set out above must be approved by an ordinary resolution by those Shareholders who, being entitled to do so, vote in person or by proxy at the Meeting in respect of the resolution. The amendments to the Company's Notice of Articles and Articles with respect to the foregoing resolutions shall take effect immediately on the date and time the Notice of Alteration is filed with the Registrar of Companies (British Columbia).

**In the absence of instructions to the contrary, the Proxyholders intend to vote the Common Shares represented by each Proxy, properly executed, FOR approving the alteration of the Company's authorized share capital as noted above.**

*Class B Preferred Shares*

**"BE IT RESOLVED**, as an ordinary resolution, that:

1. The Directors may, in their absolute discretion, elect not to implement the foregoing resolution.
2. A new class of an unlimited number of Class "B" preferred shares issuable in one or more series ("**Class B Preferred Shares**") be created.
3. The following special rights and restrictions be created and attached to the Class B Preferred Shares:
  - a) The directors of the Company shall, subject as hereinafter provided, by resolution duly passed before the first issue of the Class B Preferred Shares of any series, alter the Notice of Articles of the Company to fix the number of Class B Preferred Shares, and to determine the designation of the Class B Preferred Shares of such series and alter the Articles and authorize the alteration of the Notice of Articles to create, define and attach the special rights and restrictions to be attached to the Class B Preferred Shares of such series.
  - b) The Class B Preferred Shares of any series may have attached thereto the special rights and restrictions with regard to dividends (which, in the case of fixed dividends, shall in all cases be cumulative), whether in cash or otherwise, the right to convert such shares into Common shares or otherwise including, without limiting the generality of the foregoing, the special rights and restrictions with respect to:
    - (i) the redemption or purchase of Class B Preferred Shares by the Company;
    - (ii) retraction privileges;
    - (iii) sinking funds or funds for the purchase or redemption of Class B Preferred Shares;
    - (iv) payment of dividends on any other shares of the Company;
    - (v) redemption, purchase or other retirement of any shares of the Company or of any subsidiary of the Company;
    - (vi) the exercise by the Company of any right to elect that any one or more dividends are to be paid out of one or more special surplus accounts recognized for tax purposes;
    - (vii) subdivision, consolidation or reclassification of any shares of the Company;
    - (viii) borrowing by the Company or any subsidiary of the Company;
    - (ix) the creation or issue of any debt or equity securities by the Company or any subsidiary of the Company including the issue of any Class B Preferred Shares in addition to the Class B Preferred Shares at any time outstanding;
    - (x) reduction of capital by the Company or any subsidiary of the Company;
    - (xi) retirement of notes, bonds or debentures or other indebtedness of the Company or any subsidiary of the Company;
    - (xii) conduct of the business of the Company or investment of its funds;
    - (xiii) meetings of holders of Class B Preferred Shares; and

- (xiv) the right of holders of Class B Preferred Shares to convert or exchange such shares into shares of any class of the Company or into or for any other securities of the Company or into or for shares or securities of any other corporation.
- c) The holders of Class B Preferred Shares shall be entitled to:
- (i) preference with respect to payment of dividends over the Common shares and over any other shares ranking junior to the Class B Preferred Shares with respect to payment of dividends;
  - (ii) preference with respect to distribution of assets in the event of liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or any other distribution of the assets of the Company among its shareholders for the purpose of winding-up its affairs over the Common shares and over any other shares ranking junior to the Class B Preferred Shares with respect to the repayment of capital;
  - (iii) with respect to each series such other preferences over the Common shares and over any other shares ranking junior to the Class B Preferred Shares in any respect, as are not inconsistent with the provisions of this part as may be determined for that series; and
  - (iv) for the purposes of subsections (c)(i) and (c)(ii) above, Class C Preferred Shares, Class D Preferred Shares and Class E Preferred Shares shall rank junior to the Class B Preferred Shares.
- d) The Class B Preferred Shares of each series shall rank ratably with the Class B Preferred Shares of every other series on the return of capital and in the distribution of assets in the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or any other distribution of the assets of the company among its shareholders for the purpose of winding-up its affairs. When fixed cumulative dividends that are due on any series of Class B Preferred Shares are not paid in full, the shares of all series of Class B Preferred Shares participate ratably in respect of accumulated dividends in accordance with the amounts that would be payable on those shares if all the accumulated dividends were paid in full.
- e) Subject to such rights relating to the election of directors on a default in payment of dividends as may be attached to any series of the Class B Preferred Shares by the directors, holders of the Class B Preferred Shares shall not be entitled as such to receive notice of, or to attend or vote at, any general meeting of members of the Company.
- f) The Company shall not without, but may from time to time with, the authorization of the holders of the Class B Preferred Shares required by the *Business Corporations Act* (British Columbia), increase the authorized number of Class B Preferred Shares or create any class of shares ranking in priority to or on a parity with the Class B Preferred Shares.
4. The Articles of the Company be altered to include the foregoing special rights and restrictions as Part 27 of the Company's Articles.
5. The Articles and Notice of Articles of the Company be altered accordingly, and any one director or officer of the Company is hereby authorized and directed, in accordance with section 259(4) of the *Business Corporations Act* (British Columbia), to
- a. deposit these resolutions with the Company's records office, and
  - b. file an Alteration Notice to a Notice of Articles (the "**Notice**") in the prescribed form with the British Columbia Registrar of Companies (the "**Registrar**").

6. The Company hereby appoints Cassels Brock & Blackwell LLP to act as its agent to file the Notice with the Registrar.
7. The foregoing alteration to the Articles of the Company shall not take effect until the Notice of Alteration to the Notice of Articles of the Company has been filed with the Registrar and takes effect.”

Management of the Company recommends to the Shareholders that the resolution above be passed. In order to be effective, the resolution in substantially the form set out above must be approved by an ordinary resolution by those Shareholders who, being entitled to do so, vote in person or by proxy at the Meeting in respect of the resolution. The amendments to the Company’s Notice of Articles and Articles with respect to the foregoing resolutions shall take effect immediately on the date and time the Notice of Alteration is filed with the Registrar of Companies (British Columbia).

**In the absence of instructions to the contrary, the Proxyholders intend to vote the Common Shares represented by each Proxy, properly executed, FOR approving the alteration of the Company’s authorized share capital as noted above.**

*Class C Preferred Shares*

“**BE IT RESOLVED**, as an ordinary resolution, that:

1. The Directors may, in their absolute discretion, elect not to implement the foregoing resolution.
2. A new class of an unlimited number of Class “C” preferred shares issuable in one or more series (“**Class C Preferred Shares**”) be created.
3. The following special rights and restrictions be created and attached to the Class C Preferred Shares:
  - a) The directors of the Company shall, subject as hereinafter provided, by resolution duly passed before the first issue of the Class C Preferred Shares of any series, alter the Notice of Articles of the Company to fix the number of Class C Preferred Shares, and to determine the designation of the Class C Preferred Shares of such series and alter the Articles and authorize the alteration of the Notice of Articles to create, define and attach the special rights and restrictions to be attached to the Class C Preferred Shares of such series.
  - b) The Class C Preferred Shares of any series may have attached thereto the special rights and restrictions with regard to dividends (which, in the case of fixed dividends, shall in all cases be cumulative), whether in cash or otherwise, the right to convert such shares into Common shares or otherwise including, without limiting the generality of the foregoing, the special rights and restrictions with respect to:
    - (i) the redemption or purchase of Class C Preferred Shares by the Company;
    - (ii) retraction privileges;
    - (iii) sinking funds or funds for the purchase or redemption of Class C Preferred Shares;
    - (iv) payment of dividends on any other shares of the Company;
    - (v) redemption, purchase or other retirement of any shares of the Company or of any subsidiary of the Company;
    - (vi) the exercise by the Company of any right to elect that any one or more dividends are to be paid out of one or more special surplus accounts recognized for tax purposes;
    - (vii) subdivision, consolidation or reclassification of any shares of the Company;

- (viii) borrowing by the Company or any subsidiary of the Company;
  - (ix) the creation or issue of any debt or equity securities by the Company or any subsidiary of the Company including the issue of any Class C Preferred Shares in addition to the Class C Preferred Shares at any time outstanding;
  - (x) reduction of capital by the Company or any subsidiary of the Company;
  - (xi) retirement of notes, bonds or debentures or other indebtedness of the Company or any subsidiary of the Company;
  - (xii) conduct of the business of the Company or investment of its funds;
  - (xiii) meetings of holders of Class C Preferred Shares; and
  - (xiv) the right of holders of Class C Preferred Shares to convert or exchange such shares into shares of any class of the Company or into or for any other securities of the Company or into or for shares or securities of any other corporation.
- c) The holders of Class C Preferred Shares shall be entitled to:
- (i) preference with respect to payment of dividends over the Common shares and over any other shares ranking junior to the Class C Preferred Shares with respect to payment of dividends;
  - (ii) preference with respect to distribution of assets in the event of liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or any other distribution of the assets of the Company among its shareholders for the purpose of winding-up its affairs over the Common shares and over any other shares ranking junior to the Class C Preferred Shares with respect to the repayment of capital;
  - (iii) with respect to each series such other preferences over the Common shares and over any other shares ranking junior to the Class C Preferred Shares in any respect, as are not inconsistent with the provisions of this part as may be determined for that series; and
  - (iv) for the purposes of subsections (c)(i) and (c)(ii) above, Class D Preferred Shares and Class E Preferred Shares shall rank junior to the Class C Preferred Shares.
- d) The Class C Preferred Shares of each series shall rank ratably with the Class C Preferred Shares of every other series on the return of capital and in the distribution of assets in the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or any other distribution of the assets of the company among its shareholders for the purpose of winding-up its affairs. When fixed cumulative dividends that are due on any series of Class C Preferred Shares are not paid in full, the shares of all series of Class C Preferred Shares participate ratably in respect of accumulated dividends in accordance with the amounts that would be payable on those shares if all the accumulated dividends were paid in full.
- e) Subject to such rights relating to the election of directors on a default in payment of dividends as may be attached to any series of the Class C Preferred Shares by the directors, holders of the Class C Preferred Shares shall not be entitled as such to receive notice of, or to attend or vote at, any general meeting of members of the Company.
- f) The Company shall not without, but may from time to time with, the authorization of the holders of the Class C Preferred Shares required by the *Business Corporations Act* (British

Columbia), increase the authorized number of Class C Preferred Shares or create any class of shares ranking in priority to or on a parity with the Class C Preferred Shares.

4. The Articles of the Company be altered to include the foregoing special rights and restrictions as Part 27 of the Company's Articles.
5. The Articles and Notice of Articles of the Company be altered accordingly, and any one director or officer of the Company is hereby authorized and directed, in accordance with section 259(4) of the *Business Corporations Act* (British Columbia), to
  - a. deposit these resolutions with the Company's records office, and
  - b. file an Alteration Notice to a Notice of Articles (the "**Notice**") in the prescribed form with the British Columbia Registrar of Companies (the "**Registrar**").
6. The Company hereby appoints Cassels Brock & Blackwell LLP to act as its agent to file the Notice with the Registrar.
7. The foregoing alteration to the Articles of the Company shall not take effect until the Notice of Alteration to the Notice of Articles of the Company has been filed with the Registrar and takes effect."

Management of the Company recommends to the Shareholders that the resolution above be passed. In order to be effective, the resolution in substantially the form set out above must be approved by an ordinary resolution by those Shareholders who, being entitled to do so, vote in person or by proxy at the Meeting in respect of the resolution. The amendments to the Company's Notice of Articles and Articles with respect to the foregoing resolutions shall take effect immediately on the date and time the Notice of Alteration is filed with the Registrar of Companies (British Columbia).

**In the absence of instructions to the contrary, the Proxyholders intend to vote the Common Shares represented by each Proxy, properly executed, FOR approving the alteration of the Company's authorized share capital as noted above.**

#### *Class D Preferred Shares*

**"BE IT RESOLVED**, as an ordinary resolution, that:

1. The Directors may, in their absolute discretion, elect not to implement the foregoing resolution.
2. A new class of an unlimited number of Class "D" preferred shares issuable in one or more series ("**Class D Preferred Shares**") be created.
3. The following special rights and restrictions be created and attached to the Class D Preferred Shares:
  - a) The directors of the Company shall, subject as hereinafter provided, by resolution duly passed before the first issue of the Class D Preferred Shares of any series, alter the Notice of Articles of the Company to fix the number of Class D Preferred Shares, and to determine the designation of the Class D Preferred Shares of such series and alter the Articles and authorize the alteration of the Notice of Articles to create, define and attach the special rights and restrictions to be attached to the Class D Preferred Shares of such series.
  - b) The Class D Preferred Shares of any series may have attached thereto the special rights and restrictions with regard to dividends (which, in the case of fixed dividends, shall in all cases be cumulative), whether in cash or otherwise, the right to convert such shares into



Common shares or otherwise including, without limiting the generality of the foregoing, the special rights and restrictions with respect to:

- (i) the redemption or purchase of Class D Preferred Shares by the Company;
  - (ii) retraction privileges;
  - (iii) sinking funds or funds for the purchase or redemption of Class D Preferred Shares;
  - (iv) payment of dividends on any other shares of the Company;
  - (v) redemption, purchase or other retirement of any shares of the Company or of any subsidiary of the Company;
  - (vi) the exercise by the Company of any right to elect that any one or more dividends are to be paid out of one or more special surplus accounts recognized for tax purposes;
  - (vii) subdivision, consolidation or reclassification of any shares of the Company;
  - (viii) borrowing by the Company or any subsidiary of the Company;
  - (ix) the creation or issue of any debt or equity securities by the Company or any subsidiary of the Company including the issue of any Class D Preferred Shares in addition to the Class D Preferred Shares at any time outstanding;
  - (x) reduction of capital by the Company or any subsidiary of the Company;
  - (xi) retirement of notes, bonds or debentures or other indebtedness of the Company or any subsidiary of the Company;
  - (xii) conduct of the business of the Company or investment of its funds;
  - (xiii) meetings of holders of Class D Preferred Shares; and
  - (xiv) the right of holders of Class D Preferred Shares to convert or exchange such shares into shares of any class of the Company or into or for any other securities of the Company or into or for shares or securities of any other corporation.
- c) The holders of Class D Preferred Shares shall be entitled to:
- (i) preference with respect to payment of dividends over the Common shares and over any other shares ranking junior to the Class D Preferred Shares with respect to payment of dividends;
  - (ii) preference with respect to distribution of assets in the event of liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or any other distribution of the assets of the Company among its shareholders for the purpose of winding-up its affairs over the Common shares and over any other shares ranking junior to the Class D Preferred Shares with respect to the repayment of capital;
  - (iii) with respect to each series such other preferences over the Common shares and over any other shares ranking junior to the Class D Preferred Shares in any respect, as are not inconsistent with the provisions of this part as may be determined for that series; and
  - (iv) for the purposes of subsections (c)(i) and (c)(ii) above, Class E Preferred Shares shall rank junior to the Class D Preferred Shares.

- d) The Class D Preferred Shares of each series shall rank ratably with the Class D Preferred Shares of every other series on the return of capital and in the distribution of assets in the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or any other distribution of the assets of the company among its shareholders for the purpose of winding-up its affairs. When fixed cumulative dividends that are due on any series of Class D Preferred Shares are not paid in full, the shares of all series of Class D Preferred Shares participate ratably in respect of accumulated dividends in accordance with the amounts that would be payable on those shares if all the accumulated dividends were paid in full.
  - e) Subject to such rights relating to the election of directors on a default in payment of dividends as may be attached to any series of the Class D Preferred Shares by the directors, holders of the Class D Preferred Shares shall not be entitled as such to receive notice of, or to attend or vote at, any general meeting of members of the Company.
  - f) The Company shall not without, but may from time to time with, the authorization of the holders of the Class D Preferred Shares required by the *Business Corporations Act* (British Columbia), increase the authorized number of Class D Preferred Shares or create any class of shares ranking in priority to or on a parity with the Class D Preferred Shares.
4. The Articles of the Company be altered to include the foregoing special rights and restrictions as Part 27 of the Company's Articles.
  5. The Articles and Notice of Articles of the Company be altered accordingly, and any one director or officer of the Company is hereby authorized and directed, in accordance with section 259(4) of the *Business Corporations Act* (British Columbia), to
    - a. deposit these resolutions with the Company's records office, and
    - b. file an Alteration Notice to a Notice of Articles (the "**Notice**") in the prescribed form with the British Columbia Registrar of Companies (the "**Registrar**").
  6. The Company hereby appoints Cassels Brock & Blackwell LLP to act as its agent to file the Notice with the Registrar.
  7. The foregoing alteration to the Articles of the Company shall not take effect until the Notice of Alteration to the Notice of Articles of the Company has been filed with the Registrar and takes effect."

Management of the Company recommends to the Shareholders that the resolution above be passed. In order to be effective, the resolution in substantially the form set out above must be approved by an ordinary resolution by those Shareholders who, being entitled to do so, vote in person or by proxy at the Meeting in respect of the resolution. The amendments to the Company's Notice of Articles and Articles with respect to the foregoing resolutions shall take effect immediately on the date and time the Notice of Alteration is filed with the Registrar of Companies (British Columbia).

**In the absence of instructions to the contrary, the Proxyholders intend to vote the Common Shares represented by each Proxy, properly executed, FOR approving the alteration of the Company's authorized share capital as noted above.**

#### *Class E Preferred Shares*

**"BE IT RESOLVED**, as an ordinary resolution, that:

1. The Directors may, in their absolute discretion, elect not to implement the foregoing resolution.
2. A new class of an unlimited number of Class "E" preferred shares issuable in one or more series ("**Class E Preferred Shares**") be created.

3. The following special rights and restrictions be created and attached to the Class E Preferred Shares:
  - a) The directors of the Company shall, subject as hereinafter provided, by resolution duly passed before the first issue of the Class E Preferred Shares of any series, alter the Notice of Articles of the Company to fix the number of Class E Preferred Shares, and to determine the designation of the Class E Preferred Shares of such series and alter the Articles and authorize the alteration of the Notice of Articles to create, define and attach the special rights and restrictions to be attached to the Class E Preferred Shares of such series.
  - b) The Class E Preferred Shares of any series may have attached thereto the special rights and restrictions with regard to dividends (which, in the case of fixed dividends, shall in all cases be cumulative), whether in cash or otherwise, the right to convert such shares into Common shares or otherwise including, without limiting the generality of the foregoing, the special rights and restrictions with respect to:
    - (i) the redemption or purchase of Class E Preferred Shares by the Company;
    - (ii) retraction privileges;
    - (iii) sinking funds or funds for the purchase or redemption of Class E Preferred Shares;
    - (iv) payment of dividends on any other shares of the Company;
    - (v) redemption, purchase or other retirement of any shares of the Company or of any subsidiary of the Company;
    - (vi) the exercise by the Company of any right to elect that any one or more dividends are to be paid out of one or more special surplus accounts recognized for tax purposes;
    - (vii) subdivision, consolidation or reclassification of any shares of the Company;
    - (viii) borrowing by the Company or any subsidiary of the Company;
    - (ix) the creation or issue of any debt or equity securities by the Company or any subsidiary of the Company including the issue of any Class E Preferred Shares in addition to the Class E Preferred Shares at any time outstanding;
    - (x) reduction of capital by the Company or any subsidiary of the Company;
    - (xi) retirement of notes, bonds or debentures or other indebtedness of the Company or any subsidiary of the Company;
    - (xii) conduct of the business of the Company or investment of its funds;
    - (xiii) meetings of holders of Class E Preferred Shares; and
    - (xiv) the right of holders of Class E Preferred Shares to convert or exchange such shares into shares of any class of the Company or into or for any other securities of the Company or into or for shares or securities of any other corporation.
  - c) The holders of Class E Preferred Shares shall be entitled to:
    - (i) preference with respect to payment of dividends over the Common shares and over any other shares ranking junior to the Class E Preferred Shares with respect to payment of dividends;
    - (ii) preference with respect to distribution of assets in the event of liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or any

other distribution of the assets of the Company among its shareholders for the purpose of winding-up its affairs over the Common shares and over any other shares ranking junior to the Class E Preferred Shares with respect to the repayment of capital; and

- (iii) with respect to each series such other preferences over the Common shares and over any other shares ranking junior to the Class E Preferred Shares in any respect, as are not inconsistent with the provisions of this part as may be determined for that series.
  - d) The Class E Preferred Shares of each series shall rank ratably with the Class E Preferred Shares of every other series on the return of capital and in the distribution of assets in the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or any other distribution of the assets of the company among its shareholders for the purpose of winding-up its affairs. When fixed cumulative dividends that are due on any series of Class E Preferred Shares are not paid in full, the shares of all series of Class E Preferred Shares participate ratably in respect of accumulated dividends in accordance with the amounts that would be payable on those shares if all the accumulated dividends were paid in full.
  - e) Subject to such rights relating to the election of directors on a default in payment of dividends as may be attached to any series of the Class E Preferred Shares by the directors, holders of the Class E Preferred Shares shall not be entitled as such to receive notice of, or to attend or vote at, any general meeting of members of the Company.
  - f) The Company shall not without, but may from time to time with, the authorization of the holders of the Class E Preferred Shares required by the *Business Corporations Act* (British Columbia), increase the authorized number of Class E Preferred Shares or create any class of shares ranking in priority to or on a parity with the Class E Preferred Shares.
4. The Articles of the Company be altered to include the foregoing special rights and restrictions as Part 27 of the Company's Articles.
  5. The Articles and Notice of Articles of the Company be altered accordingly, and any one director or officer of the Company is hereby authorized and directed, in accordance with section 259(4) of the *Business Corporations Act* (British Columbia), to
    - a. deposit these resolutions with the Company's records office, and
    - b. file an Alteration Notice to a Notice of Articles (the "**Notice**") in the prescribed form with the British Columbia Registrar of Companies (the "**Registrar**").
  6. The Company hereby appoints Cassels Brock & Blackwell LLP to act as its agent to file the Notice with the Registrar.
  7. The foregoing alteration to the Articles of the Company shall not take effect until the Notice of Alteration to the Notice of Articles of the Company has been filed with the Registrar and takes effect."

Management of the Company recommends to the Shareholders that the resolution above be passed. In order to be effective, the resolution in substantially the form set out above must be approved by an ordinary resolution by those Shareholders who, being entitled to do so, vote in person or by proxy at the Meeting in respect of the resolution. The amendments to the Company's Notice of Articles and Articles with respect to the foregoing resolutions shall take effect immediately on the date and time the Notice of Alteration is filed with the Registrar of Companies (British Columbia).

**In the absence of instructions to the contrary, the Proxyholders intend to vote the Common Shares represented by each Proxy, properly executed, FOR approving the alteration of the Company's authorized share capital.**

#### **OTHER MATTERS**

As of the date of this circular, management knows of no other matters to be acted upon at this Annual General and Special Meeting. However, should any other matters properly come before the Meeting, the shares represented by the proxy solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting the shares represented by the proxy.

#### **ADDITIONAL INFORMATION**

Additional information relating to the Company is on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information relating to the Company is provided in the Company's comparative financial statements and related MD&A for the financial year ended April 30, 2019.

#### **AUDIT COMMITTEE DISCLOSURE**

National Instrument 52-110 – Audit Committees (“**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. This information with respect to the Company is provided in Schedule “A”.

#### **CORPORATE GOVERNANCE DISCLOSURE**

In accordance with National Instrument 58-101 Disclosure of Corporate Governance Practices, (“**NI 58-101**”) the Company is required to disclose, on an annual basis, its approach to corporate governance. The Company's corporate governance practices comply with the applicable guidelines and a description is set out in Schedule “B” to this Information Circular, in the format suggested by NI 58-101F2 Corporate Governance Disclosure.

#### **ADDITIONAL INFORMATION**

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information relating to the Company is provided in the Financial Statements and related MD&A. Shareholders may contact the Company to request copies of Financial Statements and related MD&A at its head office, Suite 308, 9080 University Crescent Burnaby, British Columbia, V5A 0B7.

The Notice, Circular, Request for Financial Statements and form of Proxy will be available on SEDAR at [www.sedar.com](http://www.sedar.com) under the Company's profile or from the Company's head office located at Suite 308, 9080 University Crescent Burnaby, British Columbia, V5A 0B7.

#### **DIRECTOR APPROVAL**

The contents of this Circular and the sending thereof to the Shareholders of the Company have been approved by the Board of Directors.

**DATED** at Vancouver, British Columbia, this 19<sup>th</sup> day of May, 2020.

#### **WORLD CLASS EXTRACTIONS**

*/s/ Rosy Mondin*

Chief Executive Officer and Director



**SCHEDULE "A"**

**FORM 52-110F2  
AUDIT COMMITTEE DISCLOSURE  
(VENTURE ISSUERS)**

**Item 1: The Audit Committee Charter**

**Charter of the Audit Committee of the Board of Directors of  
World Class Extractions Inc. (formerly CBD Med Research Corp.) (the "Company")**

**MANDATE AND OBJECTIVE**

The board of directors (the "**Board**") of the Company has delegated, to the Audit Committee (the "**Committee**"), the Board's responsibility for oversight of the nature and scope of the annual audit; management's reporting on internal accounting standards and practices, financial information and accounting systems and procedures; financial reporting and statements; and approval of interim financial statements and other mandatory disclosure releases containing financial information. The Committee shall also recommend to the Board approval of the annual audited financial statements and Management's Discussion and Analysis.

The primary objectives of the Committee are:

1. To assist the Board to meet their responsibilities in respect of the preparation and disclosure of the financial statements of the Company and related matters;
2. To provide better communication amongst the Board, management and the independent auditor;
3. To enhance the auditor's independence;
4. To increase the credibility and objectivity of financial reports; and
5. To strengthen the role of the independent directors by facilitating in depth discussions between directors on the Committee, management and the independent auditor.

**MEMBERSHIP OF COMMITTEE**

1. The Committee shall comprise at least three (3) directors of the Company, at least two of whom shall be independent as defined in applicable securities legislation and policies and all of whose qualifications shall comply with applicable securities legislation.
2. Unless designated by the Board, the members of the Committee shall elect a Chair from among the members who shall preside at all meetings of the Committee.
3. Any member of the Committee may be removed or replaced at any time by the Board, and shall cease to be a member of the Committee as soon as such member ceases to be a director. The Board shall fill vacancies on the Committee but, until the vacancy is filled the remaining members may exercise all the Committee's powers so long as a quorum remains. Subject to the foregoing, each member of the Committee shall hold such office until the close of the next annual meeting of shareholders following appointment as a member of the Committee.

**RESPONSIBILITIES OF COMMITTEE**

1. The responsibilities of the Committee include:
  - a. overseeing the work of the independent auditor, including resolution of disagreements, if any, between management and the auditor regarding financial reporting;
  - b. satisfying itself with respect to, and periodically assessing, the adequacy of the Company's internal control systems for:

- i. identifying, monitoring and mitigating business risks;
    - ii. ensuring compliance with the policies of the Board and with the law;
    - iii. reviewing public disclosure of financial information extracted or derived from the Company's financial statements, and
    - iv. ensuring that all public reporting and securities filings, financial or otherwise, is timely, accurate and complete, and presented in compliance with all applicable law;
  - c. reviewing all financial statements, related management's discussion and analysis (MD&A) and earnings press releases prior to public disclosure thereof, and reviewing the annual audited financial statements of the Company and related MD&A prior to their submission to the Board for approval;
  - d. communicating directly with the internal and external auditors.
2. With respect to the independent auditor, the Committee shall:
  - a. recommend to the Board the nomination of the independent auditor;
  - b. recommend to the Board the terms of engagement of the auditor, including the compensation of the auditor;
  - c. confirm that the auditor shall communicate directly with the Committee;
  - d. review and discuss annually with the auditor all significant relationships such auditor has with the Company to determine the auditor's independence;
  - e. if there is to be a change in auditor, review the issues related to the change and the information to be included in the required notice to securities regulators of such change;
  - f. review and approve any non-audit services to be provided to the Company or its subsidiaries by the auditor and consider the impact on the independence of the auditor. The Committee may delegate to one or more members the authority to approve the provision of non-audit services, provided that the member report to the Committee at the next scheduled meeting such pre-approval; and
  - g. review and approve the Company's hiring policies regarding employees and former employees of the present and former independent auditors of the Company.
3. The Committee shall review the independent auditor's assessment of the internal controls of the Company, its written reports containing recommendations for improvement, and management's response and follow-up to any identified weaknesses. The Committee shall also review the annual audit plan and, upon completion of the audit, the auditor's reports upon the financial statements of the Company and its subsidiaries.
4. The Committee shall review and discuss with management, the auditors and the Company's legal counsel, as appropriate, any legal, regulatory or compliance matters that could have a significant impact on the Company's financial statements, including off balance sheet structures, applicable changes in accounting standards or rules, or compliance with applicable laws and regulations, inquiries received from regulators or government agencies and any pending material litigation.
5. The Committee shall review risk management policies and procedures of the Company and receive regular reports on insurance claims and litigation.
6. The Committee shall establish procedures for:
  - a. the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and



- b. the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
7. The Committee may engage, at the Company's expense, such advisors as it determines necessary to carry out its duties, and may set the compensation for such advisors.
8. The Committee shall have the authority to investigate any financial activity of the Company, and all employees of the Company shall cooperate as requested by the Committee.

#### **MEETINGS AND ADMINISTRATIVE MATTERS**

1. At all meetings, every question shall be decided by a majority of the votes cast. In case of an equality of votes, the Chairman of the meeting shall not be entitled to a second or casting vote.
2. The Chair shall preside at all meetings of the Committee, unless the Chair is not present, in which case the members of the Committee present shall designate from among the members present the Chair for purposes of the meeting.
3. A quorum for meetings of the Committee shall be a majority of its members, and the rules for calling, holding, conducting and adjourning meetings of the Committee shall be the same as those governing the Board unless otherwise determined by the Committee or the Board.
4. The Committee shall meet at least four times per year. Minutes of all meetings of the Committee shall be taken, and shall be circulated to directors who are not members of the Committee.
5. The Chief Financial Officer shall attend meetings of the Committee as requested by the Chairman.
6. The Committee shall meet with the independent auditor at least once per year (in connection with the preparation of the year end financial statements) and at such other times as the auditor and the Committee consider appropriate.
7. Agendas, approved by the Chair, shall be circulated to Committee members along with background information on a timely basis prior to the Committee meetings.
8. The Committee may invite such officers, directors and employees of the Company as it may see fit to attend its meetings and assist in the discussion and consideration of the matters being considered by the Committee.

#### **Item 2: Composition of the Audit Committee**

National Instrument 52-110 Audit Committees, (“**NI 52-110**”) provides that a member of an audit committee is “independent” if the member has no direct or indirect material relationship with the Company, which could, in the view of the Company's Board, reasonably interfere with the exercise of the member's independent judgment.

NI 52-110 provides that an individual is “financially literate” if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements. The following sets out the members of the audit committee and their education and experience that is relevant to the performance of his responsibilities as an audit committee member.

The Committee is comprised of three directors, Donal Carrol, Chand Jagpal and Michael Gallaro, all of whom are independent and “financially literate” as defined in NI 52-110.

#### **Item 3: Relevant Education and Experience**

The Instrument provides that an individual is “financially literate” if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

All members of the Audit Committee are considered financially literate and have been involved in enterprises which publicly report financial results, each of which requires a working understanding of, and ability to analyze and assess, financial information (including financial statements).

#### *Donal Carroll*

Donal Carroll, has over 15 years of corporate finance leadership and public company experience, as well as in-depth experience in syndicated investments in equity and debt securities. Throughout his career with Danaher Corporation (NYSE: DHR), Unilever PLC (NYSE: UL), and Cardinal Meat Specialists Ltd., Mr. Carroll was instrumental in major restructuring activities, mergers and acquisitions, and the implementation of new internal controls and enterprise resource planning systems. Mr. Carroll is currently the Chief Financial Officer of FSD Pharma Inc. (CSE: HUGE). He also serves as Director of Bird River Resources Inc. (CSE: BDR), a natural resources company focused on the energy sector. Mr. Carroll holds a CPA-CMA designation as well as a Bachelor of Commerce degree from University College, Dublin.

#### *Chand Jagpal*

Mr. Jagpal has over 20 years of experience in public company management, including accounting/financial disclosure and compliance responsibilities in the medical cannabis, agriculture, biotech, nutraceutical, real estate development and business software system industries. He is currently a board member of various public and private companies. Mr. Jagpal recently structured and co-ordinated a reverse takeover for a California-based medical cannabis company and has been a recurring authority with quotations on CNN Money, Reuters and other cannabis-specific publications.

#### *Michael Galloro*

Michael Galloro is an accomplished financial executive with over 25 years of experience. He is a Principal at ALOE Finance, a transaction services boutique firm focused on the small and mid-cap space that has worked with several go public strategies over the years in a multitude of industries. Mr. Galloro has worked closely with emerging private and publicly listed companies operating globally, and assisting with M&A, financings and corporate structuring, both in the Canadian and the US securities markets. Mr. Galloro's experience includes holding senior officer roles and board of director positions, providing key skills to navigate the world of public markets.

#### **Item 4: Audit Committee Oversight**

At no time during 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 Board.

#### **Item 5: Reliance on Certain Exemptions**

During the most recently completed financial year, the Company has not relied on certain exemptions set out in NI 52-110, namely section 2.4 (De Minimis Non-audit Services), subsection 6.1.1(4) (Circumstance Affecting the Business or Operations of the Venture Issuer), subsection 6.1.1(5) (Events Outside Control of Member), subsection 6.1.1(6) (Death, Incapacity or Resignation), and any exemption, in whole or in part, in Part 8 (Exemptions).

#### **Item 6: Pre-Approval Policies and Procedures**

The Audit Committee has not adopted formal policies and procedures for the engagement of non-audit services. Subject to the requirements of the NI 52-110, the engagement of non-audit services is considered by, as applicable, the Board and the Audit Committee, on a case by case basis.

#### **Item 7: External Auditor Service Fees (By Category)**

The following table sets out the aggregate fees charged to the Company by the external auditor in each of the last two financial years for the category of fees described.

Financial Period End	Audit Fees <sup>(1)</sup>	Audit Related Fees <sup>(2)</sup>	Tax Fees <sup>(3)</sup>	All Other Fees <sup>(4)</sup>
April 30, 2019 <sup>(5)</sup>	50,000	5,000	7,650.50	3,850
December 31, 2018	33,500	-	4,659.85	2,345

- (1) "Audit fees" include aggregate fees billed by the Company's external auditor in each of the last three fiscal years for audit fees.
- (2) "Audited related fees" include the aggregate fees billed in each of the last three fiscal years for assurance and related services by the Company's external auditor that are reasonably related to the performance of the audit or review of the Company's financial statements and are not reported under "Audit fees" above. The services provided include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) "Tax fees" include the aggregate fees billed in each of the last three fiscal years for professional services rendered by the Company's external auditor for tax compliance, tax advice and tax planning. The services provided include tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) "All other fees" include the aggregate fees billed in each of the last three fiscal years for products and services provided by the Company's external auditor, other than "Audit fees", "Audit related fees" and "Tax fees" above.
- (5) Four-month period ended April 30, 2019 and the period from January 25, 2018 to December 31, 2018.

### **Item 8: Exemption**

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

## **SCHEDULE “B”**

### **FORM 58-101F2 CORPORATE GOVERNANCE DISCLOSURE (VENTURE ISSUERS)**

Corporate Governance is the process and structure used to direct and manage the business and affairs of an issuer with the objective of enhancing value for its owners. NI 58-101 requires the Company to disclose in this Information Circular a summary of the corporate governance policies that the Company has in place.

The mandate of the Board is to supervise the management of the Company and to act in the best interests of the Company. The Board acts in accordance with:

- (a) the Business Corporations Act (British Columbia);
- (b) the Company's articles of incorporation; and
- (c) other applicable laws and Issuer policies.

#### **Item 1: Board of Directors**

The Board facilitates its exercise of independent supervision over the Company's management through frequent meetings of the Board.

The Board approves all significant decisions that affect the Company before they are implemented. The Board supervises their implementation and reviews the results. The Board is actively involved in the Company's strategic planning process. The Board discusses and reviews all materials relating to the strategic plan with management.

The Board is responsible for reviewing and approving the strategic plan. At least one Board meeting each year is devoted to discussing and considering the strategic plan, which takes into account the risks and opportunities of the business. Management must seek the Board's approval for any transaction that would have a significant impact on the strategic plan. The Board periodically reviews the Company's business and implementation of appropriate systems to manage any associated risks, communications with investors and the financial community and the integrity of the Company's internal control and management information systems. The Board also monitors the Company's compliance with its timely disclosure obligations and reviews material disclosure documents prior to distribution.

The Board periodically discusses the systems of internal control with the Company's external auditor.

The Board is responsible for choosing the Chief Executive Officer and appointing senior management and for monitoring their performance and developing descriptions of the positions for the Board, including the limits on management's responsibilities and the corporate objectives to be met by the management.

The Board approves all the Company's major communications, including annual and quarterly reports, financing documents and press releases. The Board approves the Company's communication policy that covers the accurate and timely communication of all important information. It is reviewed annually. This policy includes procedures for communicating with analysts by conference calls.

The Board, through its Audit Committee, examines the effectiveness of the Company's internal control processes and management information systems. The Board consults with the internal auditor and management of the Company to ensure the integrity of these systems. The internal auditor submits a report to the Audit Committee each year on the quality of the Company's internal control processes and management information systems.

The Board is responsible for determining whether or not each director is an independent director. Directors who also act as officers of the Company are not considered independent. Directors who do not also act as officers of the Company, do not work in the day-to-day operations of the Company, are not party to any material contracts with the Company, or receive any fees from the Company except as disclosed herein.

The Company's Board consists of four directors, three of whom are independent based upon the tests for independence set forth in NI 52-110. Donal V. Carroll, Anthony Durkacz and Chand Jagpal. are independent. Rosy Mondin is not independent as she is the Company's Chief Executive Officer.

**Item 2: Directorships**

The current directors of the Company are currently directors of the following other reporting issuers:

Name of Director	Name of Reporting Issuer
Donal V. Carroll	Bird River Resources Inc. Alkaline Spring Inc.
Anthony Durkacz	FSD Pharma Inc.
Chand Jagpal	ME Resource Corp.
Rosy Mondin	N/A
Michael Galloro	Sustainco Inc. Goldstream Minerals Inc. Cool Holdings Inc. Fountain Asset Corp. 1169071 BC Ltd. 1168077 BC Ltd. AF1 Capital Corp.

**Item 3: Orientation and Continuing Education**

Each new director of the Company is briefed about the nature of the Company's business, its corporate strategy and current issues within the Company. New directors are encouraged to review the Company's public disclosure records as filed on SEDAR at [www.sedar.com](http://www.sedar.com). Directors are also provided with access to management to better understand the operations of the Company, and to the Company's legal counsel to discuss their legal obligations as directors of the Company.

The Company expects its directors to pursue such continuing education opportunities as may be required to ensure that they maintain the skill and knowledge necessary to fulfill their duties as members of the Board.

**Item 4: Ethical Business Conduct**

The Board has not adopted a formal code of ethics. In the Board's view, the fiduciary duties placed on individual directors by corporate legislation and the common law, and the restrictions placed by 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 operates independently of management and in the best interests of the Company.

Although the Company has not adopted a formal code of ethics, the Company promotes an ethical business culture. Directors and officers of the Company are encouraged to conduct themselves and the business of the Company with the utmost honesty and integrity. Directors are also encouraged to consult with the Company's professional advisors with respect to any issues related to ethical business conduct.

**Item 5: Nomination of Directors**

The Board is responsible for identifying individuals qualified to become new Board members and recommending to the Board new director nominees for the next annual meeting of the 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 time required, shown support for the Company's mission and strategic objectives, and a willingness to serve.

**Item 6: Compensation**

The Board as a whole determines the compensation of the Company's Chief Executive Officer and Chief Financial Officer with reference to industry standards and the financial situation of the Company. The Board has the sole responsibility for determining the compensation of the directors of the Company.

Given the Company's size, operating history and revenue, the Board does not plan to form a compensation committee to monitor and review the salary and benefits of the executive officers of the Company at the present time. The Board will carry out these functions until such time as it deems the formation of a compensation committee is warranted.

**Item 7: Other Board Committees**

The Board shall ensure there is an audit committee at all times in compliance with regulatory requirements. Additional committees may be formed as required.

**Item 8: Assessments**

The Board does not have any formal process for assessing the effectiveness of the Board, its committees, or individual directors. Such assessments are done on an informal basis by the CEO and the Board as a whole.