



CANSORTIUM

CANSORTIUM INC.
82 NE 26th Street, Unit 110
Miami, FL 33137

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual and special meeting (the “**Meeting**”) of the shareholders of Cansortium Inc. (the “**Corporation**”) will be held on Wednesday, August 16, 2023, at 10:00 a.m. (Toronto time) at 5540 W. Executive Drive, Ste. 100, Tampa, Florida 33609 for the following purposes:

1. to receive the audited consolidated financial statements of the Corporation’s for the year ended December 31, 2022 and the auditors’ report thereon;
2. to elect each of the directors for the ensuing year;
3. to re-appoint Baker Tilly US, LLP as auditors of the Corporation for the ensuing year and to authorize the directors to fix the auditors’ remuneration;
4. to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution, the full text of which is set forth in the Circular (as defined below), re-approving the Corporation’s 10% “rolling” stock option plan for a further three years including the approval of all unallocated stock options to purchase common shares in the capital of the Corporation (“**Common Shares**”) thereunder;
5. to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution, the full text of which is set forth in the Circular, re-approving the Corporation’s restricted share unit award plan for a further three years including the approval of all unallocated restricted share units to receive Common Shares thereunder; and
6. to transact such further and other business as may properly be brought before the meeting or any adjournment thereof.

Accompanying this Notice of Meeting is a management information circular dated July 17, 2023 (the “**Circular**”), a form of proxy, a Return Card and a return envelope. Information relating to the items above is set forth in the Circular. The board of directors of the Corporation has fixed June 20, 2023 as the record date (the “**Record Date**”) for the determination of shareholders entitled to notice of, and to vote at, the Meeting and any adjournment thereof. Only shareholders whose names have been entered in the registers of shareholders on the close of business on the Record Date will be entitled to receive notice of and to vote 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 execute the enclosed form of proxy and deliver it by facsimile, by hand or by mail in accordance with the instructions set out in the form of proxy and in the Circular.

It is desirable that as many shares as possible be represented at the Meeting. You are encouraged to complete the enclosed form of proxy and return it as soon as possible in the envelope provided for that purpose. To be valid, all forms of proxy must be delivered to the Proxy Department of Odyssey Trust Company, 702-

67 Yonge St., Toronto, Ontario M5E 1J8 no later than 10:00 a.m. (Toronto time) on August 14, 2023 or at least 48 hours, excluding Saturdays, Sundays and statutory holidays, before any adjournment or postponement of the Meeting. Late forms of proxy may be accepted or rejected by the chair of the Meeting in his or her discretion but he or she is under no obligation to accept or reject any particular late forms of proxy. As an alternative to completing and submitting an instrument of proxy, you may vote electronically on the internet at <https://login.odysseytrust.com/pxlogin>. Shareholders who wish to vote using the internet should follow the instructions in the enclosed form of proxy.

Dated this 17th day of July, 2023.

BY ORDER OF THE BOARD

“William Smith”

William Smith
Executive Chairman

CANSORTIUM INC.
82 NE 26th Street, Unit 110
Miami, FL 33137

MANAGEMENT INFORMATION CIRCULAR

FOR THE ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS TO BE
HELD ON AUGUST 16, 2023

GENERAL PROXY INFORMATION

Solicitation of Proxies

The information contained in this management information circular (the “**Circular**”) is furnished in connection with the solicitation by the management of Cansortium Inc. (the “**Corporation**”) of proxies to be voted at the Annual General and Special Meeting (the “**Meeting**”) of the holders (the “**Common Shareholders**”) of the common shares (the “**Common Shares**”) and the holders (the “**Proportionate Shareholders**”) and together with the Common Shareholders, the “**Shareholders**”) of the proportionate voting shares (the “**Proportionate Voting Shares**”) and together with the Common Shares, the “**Shares**”) of the Corporation to be held at 5540 W. Executive Drive, Ste. 100, Tampa, Florida 33609 on August 16, 2023 at 10:00 a.m. (Toronto time) for the purposes set forth in the accompanying Notice of Annual General and Special Meeting of Shareholders (the “**Notice of Meeting**”) and at any adjournment(s) or postponements(s) thereof. Unless otherwise stated the information provided in this Circular is provided as of June 30, 2023.

The solicitation of proxies is made on behalf of the management of the Corporation. Such solicitation will be made primarily by mail, but proxies may be solicited personally or by telephone by directors (“**Directors**”) and officers of the Corporation, who will not be remunerated therefore. The costs incurred in the preparation and mailing of the form of proxy, Notice of Meeting and this Circular will be borne by the Corporation. The cost of the solicitation will be borne by the Corporation.

Voting in advance of the Meeting using the Form of Proxy for Registered Holders (as defined below) and voting instruction form for Beneficial Holders (as defined below) in accordance with the instructions set out on your Instrument of Proxy or voting instruction form will ensure your votes are counted at the Meeting.

We encourage you to make sure that your votes are represented at the meeting. Please take the time to vote using the Instrument of Proxy or voting instruction form sent to you in accordance with the instructions thereon so that your shares are voted according to your instructions and represented at the Meeting. As an alternative to completing and physically submitting an instrument of proxy or voting instruction form, shareholders may vote electronically via the Internet at <https://login.odysseytrust.com/pxlogin>. Please follow the directions on the instrument of proxy or voting instruction form.

Please see the information under the heading “Appointment, Time for Deposit and Revocation of Proxies” below for important details regarding voting at the Meeting.

The Board of Directors of the Corporation (the “**Board**”) has fixed the close of business on June 20, 2023 as the record date, being the date for the determination of the registered Shareholders entitled to receive notice of, and to vote at, the Meeting (the “**Record Date**”).

Appointment, Time for Deposit and Revocation of Proxies

Appointment of a Proxy

Those Shareholders who wish to be represented at the Meeting by proxy must complete and deliver a proper instrument of proxy to the Proxy Department of Odyssey Trust Company, 702-67 Yonge St., Toronto, Ontario M5E 1J8. As an alternative to completing and submitting a proxy for use at the Meeting, a Shareholder may vote electronically on the internet at <https://login.odysseytrust.com/pxlogin>. Votes cast electronically are in all respects equivalent to, and will be treated in the same manner as, votes cast via a paper Instrument of Proxy. Shareholders who wish to vote using internet should follow the instructions provided in the enclosed Instrument of Proxy. Votes cast electronically must be submitted no later than 10:00 a.m. (Toronto time) on August 14, 2023 or at least 48 hours, excluding Saturdays, Sundays and statutory holidays, before any adjournment or postponement of the Meeting.

The persons named as proxyholders in the Instrument of Proxy accompanying this Circular are Directors or officers of the Corporation and are representatives of the Corporation's management for the Meeting. A Shareholder who wishes to appoint some other person (who need not be a Shareholder) as his, her or its representative at the Meeting may do so by either: (i) crossing out the names of the management nominees AND legibly printing the other person's name in the blank space provided in the accompanying Instrument of Proxy; or (ii) completing another valid instrument of proxy. A Shareholder who appoints a proxy who is someone other than the management representatives named in the Instrument of Proxy should notify the nominee of the appointment, obtain the nominee's consent to act as proxy, and provide instructions on how Shares are to be voted. The nominee should bring personal identification to the Meeting. In any case, the instrument of proxy should be dated and executed by the Shareholder or an attorney authorized in writing, with proof of such authorization attached (where an attorney executed the proxy form).

In order to validly appoint a proxy, Instruments of Proxy must be deposited with the Corporation's transfer agent, Odyssey Trust Company, 702-67 Yonge St., Toronto, ON M5E 1J8, not later than 10:00 a.m. (Toronto time) on August 14, 2023 or at least 48 hours, excluding Saturdays, Sundays and statutory holidays, before any adjournment or postponement of the Meeting. After such time, the chair of the Meeting may accept or reject a instrument of proxy delivered to him or her in his or her discretion but is under no obligation to accept or reject any particular late Instrument of Proxy. A return envelope has been included with the material for the Meeting.

Legal Proxy – United States Non-Registered Shareholders

If you are a non-registered shareholder located in the United States and wish to attend, participate or vote at the Meeting or, if permitted, appoint a third party as your proxyholder, in addition to the steps described above, you must obtain a valid legal proxy from your intermediary. Follow the instructions from your intermediary included with the legal proxy form and the voting information form sent to you, or contact your intermediary to request a legal proxy form or a legal proxy if you have not received one. After obtaining a valid legal proxy from your intermediary, you must then submit such legal proxy form to Odyssey Trust Company. Requests for registration from non-registered shareholders located in the United States that wish to attend, participate or vote at the Meeting or, if permitted, appoint a third party as their proxyholder must be sent by e-mail to appointee@odysseytrust.com and received by 10:00 a.m. (Toronto time) on August 14, 2023.

Revoking a Proxy

A proxy given pursuant to this solicitation may be revoked at any time prior to its use. A Shareholder who has given a proxy may revoke the proxy by:

- (i) completing and signing a proxy bearing a later date and depositing it at the offices of Odyssey Trust Company, at any time up to and including the last Business Day preceding the day of the Meeting or any adjournment or postponement thereof;
- (ii) depositing an instrument in writing executed by the Shareholder or by the Shareholder's attorney duly authorized in writing or, if the Shareholder is a body corporate, under its corporate seal or, by a duly authorized officer or attorney either with Odyssey Trust Company, at any time up to and including the last Business Day preceding the day of the Meeting or any adjournment or postponement thereof or with the Chair of the Meeting prior to the commencement of the Meeting on the day of the Meeting or any adjournment or postponement thereof; or
- (iii) in any other manner permitted by law. Such instrument will not be effective with respect to any matter on which a vote has already been cast pursuant to such proxy.

A revocation of a proxy will not affect a matter on which a vote is taken before the revocation.

If a Shareholder has voted on the internet and wishes to change such vote, such Shareholder may vote again through such means before 10:00 a.m. (Toronto time) on August 14, 2023 or at least 48 hours, excluding Saturdays, Sundays and statutory holidays, before any adjournment or postponement of the Meeting.

Signature on Proxies

The Instrument of Proxy must be executed by the Shareholder or his or her duly appointed attorney authorized in writing or, if the Shareholder is a corporation, by a duly authorized officer whose title must be indicated. An Instrument of Proxy signed by a person acting as attorney or in some other representative capacity should indicate that person's capacity (following his or her signature) and should be accompanied by the appropriate instrument evidencing qualification and authority to act (unless such instrument has been previously filed with the Corporation).

Voting of Proxies

A Shareholder forwarding the enclosed form of proxy may indicate the manner in which the appointee is to vote with respect to any specific item by checking the appropriate space. If the Shareholder giving the proxy wishes to confer a discretionary authority with respect to any item of business, then the space opposite the item is to be left blank. The shares represented by the proxy submitted by a Shareholder will be voted or withheld from voting in accordance with the instructions, if any, of the Shareholder on any ballot that may be called for. If the Shareholder specifies a choice with respect to any matter to be acted upon, the securities will be voted accordingly by the proxy.

In the absence of such direction in respect of a particular matter, such shares will be voted in favor of such matter. The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting. As of the date of this Circular, management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting. However, if any such amendments, variations or other matters which are not now

known to the management of the Corporation should properly come before the Meeting, the shares represented by the proxies hereby solicited will be voted thereon in accordance with the best judgment of the person or persons voting such proxies.

All matters to be voted upon as set forth in the Notice of Meeting require approval by a simple majority of all votes cast at the Meeting, other than as otherwise set out in this Circular.

Non-Registered Holders

Only registered holders of Shares or the persons they appoint as their proxies are permitted to vote at the Meeting. Many Shareholders are “non-registered” Shareholders (“**Non-Registered Shareholders**”) because the shares they own are not registered in their names but are instead either (i) registered in the name of an intermediary (the “**Intermediary**”) that the Non-Registered Shareholder deals with in respect of the Shares, such as, among others, brokerage firms, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans, or (ii) in the name of a clearing agency (such as the Canadian Depository for Securities Limited) of which the Intermediary is a participant. In accordance with the requirements of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”) of the Canadian Securities Administrators, the Corporation has distributed copies of the Notice of Meeting, this Circular and the enclosed form of proxy (collectively the “**Meeting Materials**”) to Intermediaries and clearing agencies for onward distribution to Non-Registered Shareholders of Shares.

Intermediaries are required to forward the Meeting Materials to Non-Registered Shareholders unless a Non-Registered Shareholder has waived the right to receive them. Intermediaries often use service companies to forward the meeting materials to Non-Registered Shareholders. A Non-Registered Shareholder who has not waived the right to receive the Meeting Materials will either be given:

- (a) a voting instruction form **which is not signed by the Intermediary** and which, when properly completed and signed by the Non-Registered Shareholder and **returned to the Intermediary or its service company**, in accordance with the directions of the Intermediary and which will constitute voting instructions which the Intermediary must follow; or
- (b) a form of proxy **which has already been signed by the Intermediary** (typically a facsimile signature), which is restricted as to the number of shares beneficially owned by the Non-Registered Shareholder but which is otherwise not completed by the Intermediary. This form of proxy does not require the Intermediary to sign when submitting the proxy. In this case the Non-Registered Shareholder who wishes to submit a proxy should properly complete the form of proxy and **deposit it with the Corporation, c/o Odyssey Trust Company, 702-67 Yonge St., Toronto, ON M5E 1J8.**

In either case, the purpose of these procedures is to permit the Non-Registered Shareholder to direct the voting of the shares of the Corporation the Non-Registered Shareholder beneficially owns. Should a Non-Registered Shareholder wish to attend and vote at the Meeting in person, (or have another person attend and vote on behalf of the Non-Registered Shareholder), the Non-Registered Shareholder should strike out the persons named in the form of proxy and insert his or her name in the space provided for the purpose on the voting instructions form and return it in accordance with the directions of the Intermediary. The Corporation has elected to pay for the delivery of the Meeting Materials to objecting Non-Registered Shareholders.

The Non-Registered Shareholder should carefully follow the instructions of their Intermediary, including those regarding when and where the proxy or voting instructions form is to be delivered.

A Non-Registered Shareholder may revoke a form of proxy or voting instructions form given to an Intermediary by contacting the Intermediary through which the Non-Registered Shareholder's Shares are held and following the instructions of the Intermediary respecting the revocation of proxies. In order to ensure that an Intermediary acts upon a revocation of a proxy form or voting instruction form, the written notice should be received by the Intermediary well in advance of the Meeting.

Non-Objecting Beneficial Owners

These Meeting Materials are being sent to both registered and non-registered owners of the securities. If you are a Non-Registered Shareholder who does not object to the Corporation knowing who you are, the Corporation has sent these materials directly to you, and your name and address and information about your holdings of securities have been obtained in accordance with NI 54-101 from the intermediary holding on your behalf. By choosing to send these materials to you directly, the Corporation (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 or form of proxy delivered to you.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

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

VOTING SHARES AND PRINCIPAL HOLDERS

The authorized capital of the Corporation consists of an unlimited number of Common Shares and an unlimited number of Proportionate Voting Shares.

As of June 30, 2023, the Corporation had: (i) 272,418,520 Common Shares outstanding, each of which carries the right to one (1) vote in respect of each of the matters properly coming before the Meeting; and (ii) 2,592,664 Proportionate Voting Shares outstanding, each of which carries the right to ten (10) votes in respect of each of the matters properly coming before the Meeting.

Each Proportionate Voting Share is convertible, at the option of the holder, into 10 Common Shares. As at June 30, 2023, the Common Shares represent approximately 91.3% of the voting rights attached to the outstanding securities of the Corporation and the Proportionate Voting Shares represent approximately 8.7% of the voting rights attached to the outstanding securities of the Corporation.

Generally, the Common Shares and Proportionate Voting Shares have the same rights, are equal in all respects and are treated by the Corporation as if they were shares of one class only. Proportionate Voting Shares, or fractions thereof, may at any time, at the option of the holder and subject to certain restrictions, be converted into Common Shares at a ratio of ten (10) Common Shares per Proportionate Voting Share. Prior to conversion, each Proportionate Voting Share, or fraction thereof, carries ten (10) votes per share (compared to one vote per Common Share) and is entitled to dividends and liquidation distributions in an amount equal to ten (10) times the amount distributed in respect of each Common Share.

If an offer is being made for Proportionate Voting Shares (a “PVS Offer”) where: (i) by reason of applicable securities legislation or stock exchange requirements, the offer must be made to all holders of the class of Proportionate Voting Shares; and (ii) no equivalent offer is made for the Common Shares, the holders of Common Shares have the right, pursuant to the Articles, at their option, to convert their Common Shares into Proportionate Voting Shares for the purpose of allowing the holders of the Common Shares to tender to such PVS Offer, provided that such conversion into Proportionate Voting Shares will be solely for the purpose of tendering the Proportionate Voting Shares to the PVS Offer in question and that any Proportionate Voting Shares that are tendered to the PVS Offer but that are not, for any reason, taken up and paid for by the offeror will automatically be reconverted into the Common Shares that existed prior to such conversion.

In the event that holders of Common Shares are entitled to convert their Common Shares into Proportionate Voting Shares in connection with a PVS Offer pursuant to (ii) above, holders of an aggregate of Common Shares of less than ten (10) (an “Odd Lot”) will be entitled to convert all but not less than all of such Odd Lot of Common Shares into an applicable fraction of one Proportionate Voting Share, provided that such conversion into a fractional Proportionate Voting Share will be solely for the purpose of tendering the fractional Proportionate Voting Share to the PVS Offer in question and that any fraction of a Proportionate Voting Share that is tendered to the PVS Offer but that is not, for any reason, taken up and paid for by the offeror will automatically be reconverted into the Common Shares that existed prior to such conversion.

Unless otherwise stated herein, each resolution identified in the accompanying Notice of Meeting will be an ordinary resolution requiring for its approval a majority of the votes in respect of the resolution.

The By-Laws of the Corporation provide that holders of fifteen percent (15%) of Shares entitled to vote at the Meeting, whether present in person or represented by proxy, shall constitute a quorum for the Meeting.

As of the Record Date, to the knowledge of the Directors and executive officers of the Corporation, no person beneficially owns, directly or indirectly, or exercises control over, Shares carrying 10% or more of the voting rights attached to any class of Shares of the Corporation, except as follows:

Name, Jurisdiction of Residence	Number of Shares ⁽¹⁾⁽²⁾	Class of Shares	Percentage of Class ⁽¹⁾⁽²⁾	Percentage of Voting Rights of the Shares
William Smith (Gulf Breeze, Florida)	1,421,538 ⁽³⁾	Proportionate Voting Shares	54.5%	4.8%
	60,438,785 ⁽³⁾	Common Shares	22.2%	20.3%
Brian Brady (Okemos, Michigan)	28,079,165	Common Shares	10.3%	9.4%

Notes:

- (1) Based on information provided on the System for Disclosure by Insiders (SEDI) and on information filed by third parties on the System for Electronic Document Analysis and Retrieval (SEDAR).
- (2) On an issued and undiluted basis, not giving effect to the exercise of securities convertible, redeemable or exchangeable into Common Shares held by such person, as applicable.
- (3) 1,364,248 Common Shares are owned by William Smith; 19,012,622 Common Shares are owned by Sage Investing LLC; 18,506,432 Common Shares and 1,421,538 Proportionate Voting Shares are owned by Endeavour Holdings,

LLC; and 21,555,483 Common Shares are owned by Can Endeavour LLC, all of which are companies owned and/or controlled by William Smith.

EXECUTIVE COMPENSATION

Named Executive Officers

Pursuant to applicable securities regulations, the Corporation must disclose the compensation paid to its “**Named Executive Officers**” (or “**NEOs**”). This includes the Corporation’s Chief Executive Officer, the Corporation’s Chief Financial Officer and the other three most highly compensated Executive Officers including any of the Corporation’s subsidiaries provided that disclosure is not required for those Executive Officers, other than the Chief Executive Officer and Chief Financial Officer, whose total compensation did not exceed \$150,000.

An “**Executive Officer**” of the Corporation means an individual who at any time during the financial year was (a) a chair, vice-chair or president of the Corporation; (b) a vice-president of the Corporation in charge of a principal business unit, division or function including sales, finance or production; or (c) performing a policy-making function in respect of the issuer.

Compensation Discussion and Analysis

In this Circular, references to “\$” or “dollars” are to United States dollars; references to “CAD\$” are to Canadian dollars. Amounts are stated in United States dollars unless otherwise indicated.

The purpose of this Compensation Discussion and Analysis is to provide information about the Corporation’s executive compensation objectives and processes and to discuss compensation decisions relating to its NEOs.

The Board assumes responsibility for reviewing and monitoring the long-range compensation strategy for the senior management of the Corporation. In determining executive compensation, the Board considers the Corporation’s financial circumstances at the time decisions are made regarding executive compensation, and also the anticipated financial situation of the Corporation in the mid-term and long-term.

The Board’s responsibilities relating to the compensation and retention of Named Executive Officers include, but are not limited to:

- setting policies for Named Executive Officers’ remuneration;
- reviewing and approving salary, bonus, and other benefits, direct or indirect, and any change-of-control packages of the Chief Executive Officer;
- considering the recommendations of the Chief Executive Officer and setting the terms and conditions of employment including, approving the salary, bonus, and other benefits, direct or indirect, and any change-of-control packages, of the Named Executive Officers of the Corporation; and
- overseeing the administration of the Corporation’s compensation plans, including the Option Plan (as defined herein), RSU Plan (as defined herein) and such other compensation plans or structures as are adopted by the Corporation from time to time.

The following executive compensation principles guide the Board in fulfilling its roles and responsibilities in the design and ongoing administration of the Corporation's executive compensation program:

- compensation levels and opportunities must be market competitive to attract and retain qualified and experienced executives, while being fair and reasonable to Shareholders;
- compensation must incorporate an appropriate balance of short-term and long-term rewards; and
- compensation programs must align executives' long-term financial interests with those of Shareholders by providing equity-based incentives.

The Corporation does not have formal benchmarks for assessing and setting executive compensation. However, the Corporation reviews compensation programs of companies in its peer group to ensure that executive compensation is within the parameters of companies of a similar size and within the same industry. Levels of compensation are also established and maintained with the intent of attracting and retaining superior quality employees while ensuring that the levels are not contrary to the interests of Shareholders.

The Corporation's general executive compensation philosophy is to, whenever possible, pay its Named Executive Officers "base" compensation in the form of salaries that are competitive in comparison to those earned by executive officers holding comparable positions with other entities similar to the Corporation, while at the same time providing its Named Executive Officers with the opportunity to earn above average "total" compensation through the Option Plan and other equity-based compensation structures as may be approved by the Corporation's Shareholders.

The Corporation's executive compensation program is designed to encourage, compensate and reward employees on the basis of individual and corporate performance, both in the short-term and the long term. For NEOs, the compensation program is designed to provide a larger portion of variable incentives tied to corporate performance. NEO compensation includes base salary, bonus and benefits, and stock options. Salaries are a base level of compensation designed to attract and retain executive officers with the appropriate skills and experience. Stock option grants through the Option Plan were designed to provide incentives to increase shareholder value over the longer-term and thereby better align executive compensation with the interests of Shareholders.

Each element of executive compensation is carefully considered by the Board to ensure that there is the right mix of short-term and long-term incentives for the purposes of achieving the Corporation's goals and objectives.

Base Salary

An NEO's base salary is intended to remunerate the NEO for discharging job responsibilities and reflects the executive's performance over time. Individual salary adjustments take into account performance contributions in connection with their specific duties. The base salary of each Named Executive Officer is determined by the Board based on an assessment by the Board of his or her sustained performance and consideration of competitive compensation levels for the markets in which the Corporation operates. In making its determinations, the Board also considers the particular skills and experience of the individual. A final determination on executive compensation, including salary, is made by the Board in its sole discretion and its knowledge of the industry and geographic markets in which the Corporation operates. The Board does not use any type of quantitative formula to determine the base salary level of any of the NEOs.

Base salaries are reviewed annually to ensure that they properly reflect a balance of market conditions, the levels of responsibilities and accountability of each individual, their unique experience, skills and capability and level of sustained performance.

Equity Based Awards

Equity-based awards are a variable element of compensation that allows the Corporation to incentivize and retain its executive officers for their sustained contributions to the Corporation. Equity awards reward performance and continued employment with the Corporation. The equity awards included in the Corporation's compensation structure include stock options ("**Options**") and restricted share units ("**RSUs**").

For a description of the terms of the Option Plan and RSU Plan, including who is entitled to Options and RSUs, vesting terms, settlement, and other relevant terms, see "*The Option Plan*" and "*The RSU Plan*" below.

The Options component of Named Executive Officers' compensation is intended to advance the interests of the Corporation by encouraging the directors, officers, employees and consultants of the Corporation to remain associated with the Corporation and providing them with additional incentive in their efforts on behalf of the Corporation in the conduct of its affairs. Grants under the Option Plan are intended to provide long term awards linked directly to the market value performance of the Common Shares. The Board reviews management's recommendations and Options are granted according to the specific level of responsibility of the particular executive and the number of Options for each level of responsibility is determined by the Board.

The RSU Plan is designed to be a long term incentive for the directors, officers, consultants, contractors and other key employees of the Corporation. RSUs provide the Corporation with an additional compensation tool to help retain and attract highly qualified directors, officers, consultants, contractors and employees.

The number of outstanding Options and RSUs are considered by the Board when determining the number of Options to be granted in any particular year due to the limited number of Options and RSUs, on a collective basis, which are available for grant under the Option Plan and RSU Plan, respectively.

Given that the Corporation has 298,345,160 Common Shares issued and outstanding as at the date of this Circular (assuming the conversion of all Proportionate Voting Shares into Common Shares), the aggregate number of Common Shares available for issuance under the Option Plan and RSU Plan, on a collective basis, is 29,834,516. As of June 30, 2023, there were 10,555,556 Options outstanding under the Option Plan and nil RSUs outstanding under the RSU Plan.

The Option Plan

The Corporation has adopted a 10% "rolling" stock option plan dated effective March 17, 2019 (the "**Option Plan**"), in accordance with provisions allowable for a Canadian Securities Exchange (the "**CSE**") issuer. The Option Plan has been established to provide incentives to increase individual performance and shareholder value, and to assist with the retention of directors, officers, employees and consultants. The following provides a summary of the principal features of the Option Plan, a copy of which is attached hereto as Schedule "A". Capitalized terms used but not defined have the meanings ascribed to them in the Option Plan.

As a result, should the Corporation issue additional Common Shares in the future, the number of Common Shares issuable under the Option Plan will increase accordingly. The Option Plan of the Corporation is considered an “evergreen” plan, since the Common Shares covered by Options which have been exercised or which have been cancelled, expired or otherwise terminated for any reason without having been exercised, for any reason, shall be available for subsequent grants under the Option Plan and the number of Options available to grant increases as the number of issued and outstanding Common Shares of the Corporation increases.

The Board may from time to time, in its discretion, and in accordance with CSE requirements, grant to directors, officers, employees and consultants, non-assignable and non-transferable options to purchase Common Shares and Proportionate Voting Shares; provided that the number of the Common Shares reserved for issuance will not exceed 10% of the issued and outstanding Common Shares on an as-converted basis.

The Board or its appointed committee may, in its sole discretion, determine the expiry date(s) of the Options. Incentive Stock Options (Options that qualify as an incentive stock option within the meaning of Section 422(b) of the United States Internal Revenue Code of 1986, as amended) granted under the Option Plan are exercisable up to five years from the date of grant, so long as the optionee maintains its eligibility under the Option Plan. The number of Common Shares reserved for issuance to any optionee cannot exceed 5% of the then issued and outstanding Common Shares on an as-converted basis and the number of Common Shares reserved for issuance to consultants cannot exceed 2% of the then issued and outstanding Common Shares on an as-converted basis.

The minimum exercise price of an Option granted under the Option Plan must not be less than the greater of the closing trading price of the Common Shares on the day immediately preceding the grant date and the grant date.

The RSU Plan

On May 17, 2021, the Corporation adopted a restricted share unit award plan (the “**RSU Plan**”), which was approved by the Shareholders on June 30, 2021. The RSU Plan is designed to provide certain directors, officers, consultants, contractors and other key employees (an “**Eligible Person**”) of the Corporation and its related entities with the opportunity to acquire RSUs of the Corporation. The acquisition of RSUs allows an Eligible Person to participate in the long-term success of the Corporation thus promoting the alignment of an Eligible Person’s interests with that of the Shareholders. The Board may appoint a committee to be responsible for administering the RSU Plan.

The following provides a summary of the principal features of the RSU Plan, a copy of which is available under the Corporation’s SEDAR profile at www.sedar.com and attached hereto as Schedule “B”. Capitalized terms used but not defined have the meanings ascribed to them in the RSU Plan.

The governance and compensation committee of the Board (the “**Governance and Compensation Committee**”) is authorized to grant RSUs to an Eligible Person subject to the terms of the RSU Plan. Each vested, whole RSU granted under the RSU Plan shall be denominated or payable in Common Shares or, at the option of the Corporation in cash, and shall confer on the holder thereof the right to receive one Common Share from treasury (subject to adjustment in accordance with the RSU Plan), upon the completion of certain conditions during such periods as the Governance and Compensation Committee shall establish (with such date on which all such conditions are satisfied and the RSUs fully vested being referred to as the “**Participant’s Entitlement Date**”). Subject to the terms of the RSU Plan, the conditions to be completed during any period, the length of any period, the amount of any RSU granted, the number of treasury Common Shares receivable pursuant to any RSU and any other terms and conditions of the RSU shall be

determined by the Governance and Compensation Committee at the time of grant. A RSU will be subject to an Award Agreement containing such terms and conditions, not inconsistent with the provisions of the RSU Plan, as the Governance and Compensation Committee shall determine.

Nature and Administration of the RSU Plan

All Eligible Persons are eligible to participate in the RSU Plan (as “**Participants**”), and the Corporation reserves the right to restrict eligibility or otherwise limit the number of persons eligible for participation as Participants in the RSU Plan. Eligibility to participate as a Participant in the RSU Plan does not confer upon any person a right to receive an award of RSUs.

The Board or its appointed committee may, in its sole discretion, define: (i) the time during which an RSU shall vest and whether there shall be any other conditions or performance criteria to vesting; (ii) the method of vesting; or (iii) that no vesting restriction shall exist. In the absence of any determination by the Board or appointed committee to the contrary, RSUs shall vest three years after the date of grant.

RSUs and all other rights, benefits or interests in the RSU Plan are non-transferable except to Permitted Assigns.

Resignation, Termination or Death

Except as otherwise determined by the Governance and Compensation Committee or as set forth in the applicable Award Agreement, upon the termination of a Participant’s employment (as determined under criteria established by the Governance and Compensation Committee), including by way of death, retirement, disability, termination without cause and termination for cause during the term of an RSU, all unvested RSUs held by the Participant shall be forfeited and cancelled; provided, however, that the Governance and Compensation Committee may, if it determines that a waiver would be in the best interest of the Corporation, waive in whole or in part any or all remaining restrictions or conditions with respect to any such RSU.

Control Change

Any unvested RSUs held by a Participant at the time of a Merger and Acquisition Transaction (as defined in the RSU Plan) shall immediately vest if either (i) the Participant is either terminated without cause or resigns with good reason (as such term has been defined under common law, including any reason that would be considered to amount to constructive dismissal by a court of competent jurisdiction) from their position with the Corporation within the period ending 12 months from the date of the completion of the Merger and Acquisition Transaction, or (ii) the Governance and Compensation Committee, acting reasonably, determines that an adjustment to the number and type of Common Shares (or other securities or other property) issuable pursuant to an RSU resulting from a Merger and Acquisition Transaction is impractical or impossible. In such an event, the Governance and Compensation Committee shall, acting reasonably, determine the extent to which the Participant met the conditions for vesting of RSUs.

Vesting

The Board has discretion to grant RSUs to Eligible Persons as it determines is appropriate, and can impose conditions on vesting as it sees fit in addition to the performance criteria if any. Vesting occurs on the date set by the Board at the time of the grant or if no date is set then vesting shall be three years following the date of the grant.

Limitations under the RSU Plan

Unless permitted otherwise by the rules of the Exchange:

- (a) the maximum number of Common Shares which may be reserved for issuance to Insiders (as a group) under the RSU Plan, together with any other share-based compensation arrangement, may not exceed 10% of the Outstanding Issue;
- (b) the maximum number of RSUs that may be granted to Insiders (as a group) under the RSU Plan, together with any other share-based compensation arrangement, within a 12-month period, may not exceed 10% of the Outstanding Issue;
- (c) the maximum number of RSUs that may be granted to any one Eligible Person under the RSU Plan, together with any other share-based compensation arrangement, within a 12-month period, may not exceed 5% of the Outstanding Issue.

A copy of the RSU Plan is available under the Corporation's SEDAR profile at www.sedar.com.

Summary Compensation Table

The following table sets forth the compensation earned by the NEOs for the Corporation's three most recently completed financial years.

Name and principal position	Year	Salary (\$)	Share-based awards (\$) ⁽¹⁾	Option-based awards (\$) ⁽²⁾	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$) ⁽⁶⁾	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Robert Beasley ⁽³⁾ CEO	2022	360,000	NIL	66,319	NIL	NIL	NIL	200,000	626,319
	2021	360,000	NIL	NIL	100,000	NIL	NIL	125,000	585,000
	2020	46,154	NIL	289,169	NIL	NIL	NIL	290,367	625,690
William Smith Executive Chairman	2022	NIL	NIL	NIL	NIL	NIL	NIL	200,000 ⁽⁷⁾	200,000
	2021	NIL	NIL	125,947	NIL	NIL	NIL	2,975,009 ⁽⁸⁾	3,100,956
	2020	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Patricia Fonseca ⁽⁴⁾ CFO	2022	210,628	NIL	NIL	NIL	NIL	NIL	NIL	210,628
	2021	180,865	NIL	146,520	NIL	NIL	NIL	NIL	327,385
	2020	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Liora Boudin ⁽⁵⁾ Interim CFO	2022	142,308	NIL	NIL	NIL	NIL	NIL	NIL	142,308
	2021	140,000	NIL	66,558	NIL	NIL	NIL	NIL	140,000
	2020	66,923	7,000	NIL	NIL	NIL	NIL	NIL	73,923

Samantha Hymes, EVP	2022	213,846	NIL	NIL	NIL	NIL	NIL	NIL	213,846
	2021	194,615	NIL	NIL	NIL	NIL	NIL	23,380	217,995
	2020	186,154	NIL	NIL	20,000	NIL	NIL	22,095	228,248
Victor Bindi Director of Sales	2022	203,846	NIL	NIL	NIL	NIL	NIL	NIL	203,846
	2021	103,077	NIL	103,473	NIL	NIL	NIL	NIL	206,550
	2020	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Todd Buchman Chief Legal Officer and Corporate Secretary	2022	350,000	NIL	NIL	NIL	NIL	NIL	NIL	350,000
	2021	350,000	NIL	NIL	37,500	NIL	NIL	129,440	516,940
	2020	348,929	NIL	NIL	20,000	NIL	NIL	22,095	391,023

Notes:

- (1) Share-based awards do not represent cash received. Share-based awards reflect the market value of the Corporation's Common Shares at the time of issuance.
- (2) Option-based awards do not represent cash received. They represent the fair value of options granted during the period using the Black Scholes pricing model. This method was chosen as it is a recognized standard for valuations.
- (3) Robert Beasley was appointed Chief Executive Officer of the Corporation on September 29, 2020. Prior to that, Mr. Beasley served as a consultant to the Corporation.
- (4) Patricia Fonseca resigned as Chief Financial Officer of the Corporation effective November 21, 2022.
- (5) Liora Boudin served as Interim Chief Financial Officer of the Corporation from November 21, 2022 to March 14, 2023. Jeffrey Batliner was appointed as Chief Financial Officer of the Corporation on March 14, 2023.
- (6) Except where noted, other compensation consists primarily of performance bonuses and other perquisites, such as employer-paid health premiums.
- (7) Other compensation paid to Mr. Smith in the year ended 2022, represents annual compensation paid to Mr. Smith as Executive Chairman of the Corporation, 50% of which was paid in Common Shares.
- (8) Other compensation paid to Mr. Smith in the year ended 2021, represents \$2,005,009 paid to Can Endeavour LLC and Sage Investing LLC (collectively, the "Smith Entities") in 2021 and \$870,000 of accrued and unpaid balance owing to the Smith Entities since 2019 for consulting services provided to the Corporation. Also includes \$100,000 of board fees for the year ended December 31, 2021.

Incentive Plan Awards - Outstanding Share and Option-Based Awards

The following table sets forth the outstanding option and share based awards of NEOs as of December 31, 2022.

Name and principal position	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽¹⁾	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$) ⁽²⁾
Robert Beasley ⁽³⁾ , CEO	1,750,000	0.295	October 6, 2023	0	NIL	NIL	NIL
	700,000	0.20	December 19, 2027	0			
William Smith, Executive Chairman	250,000	0.83	August 31, 2026	0	NIL	NIL	NIL

Patricia Fonseca ⁽⁴⁾ , CFO	250,000	0.79	March 9, 2026	0	NIL	NIL	NIL
Liora Boudin, ⁽⁵⁾ Interim CFO	120,000	0.75	February 5, 2026	0	NIL	NIL	NIL
Samantha Hymes, EVP	500,000	0.44	December 31, 2024	0	NIL	NIL	NIL
Victor Bindi, Director of Sales	150,000	0.93	July 6, 2026	0	NIL	NIL	NIL
Todd Buchman, Chief Legal Officer and Corporate Secretary	600,000 2,000,000	2.00 0.44	March 21, 2024 December 31, 2024	0 0	NIL	NIL	NIL

Notes:

- (1) Based on closing price of the Common Shares on the CSE on December 30, 2022 of \$0.12.
- (2) Market value of share-based awards that have vested but have not been paid out or distributed is calculated as the number of stock options outstanding as at December 31, 2022 multiplied by the closing price of the Common Shares at that date, which was \$0.12.
- (3) Robert Beasley was appointed Chief Executive Officer of the Corporation on September 29, 2020. Prior to that Mr. Beasley served as a consultant to the Corporation.
- (4) Patricia Fonseca resigned as Chief Financial Officer of the Corporation effective November 21, 2022.
- (5) Liora Boudin served as Interim Chief Financial Officer of the Corporation from November 21, 2022 to March 14, 2023. Jeffrey Batliner was appointed as Chief Financial Officer of the Corporation on March 14, 2023.

Incentive Plan Awards - Value Vested or Earned During the Year

The following table sets forth the value vested of option and share based awards for NEOs during the year ended December 31, 2022.

Name and principal position	Option based awards – Value vested during the year (\$) ⁽¹⁾	Share based awards – Value vested during the year (\$) ⁽²⁾	Non-equity incentive plan compensation – Value earned during the year (\$)
Robert Beasley ⁽³⁾ , CEO	66,319	NIL	NIL
William Smith Executive Chairman	NIL	NIL	NIL
Patricia Fonseca ⁽⁴⁾ , CFO	NIL	NIL	NIL
Liora Boudin, ⁽⁵⁾ Interim CFO	NIL	NIL	NIL
Samantha Hymes, EVP	NIL	NIL	NIL
Victor Bindi, Director of Sales	NIL	NIL	NIL

Todd Buchman, Chief Legal Officer and Corporate Secretary	NIL	NIL	NIL
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Notes:

- (1) Option based awards do not represent cash received. The value of Options is calculated based on the value that would have been realized if the options had been exercised on the vesting date by taking the difference between the market price of the underlying Common Shares on the vesting date and the exercise price.
- (2) Share based awards do not represent cash received. Awards are shown at the market value of the Common Shares at the time of issuance of the Options.
- (3) Robert Beasley was appointed Chief Executive Officer of the Corporation on September 29, 2020. Prior to that Mr. Beasley served as a consultant to the Corporation.
- (4) Patricia Fonseca resigned as Chief Financial Officer of the Corporation effective November 21, 2022.
- (5) Liora Boudin served as Interim Chief Financial Officer of the Corporation from November 21, 2022 to March 14, 2023. Jeffrey Batliner was appointed as Chief Financial Officer of the Corporation on March 14, 2023.

Employee Agreements and Termination and Change of Control Benefits

Robert Beasley, Chief Executive Officer

The Corporation had entered into an employment agreement with Robert Beasley, CEO, for services whereby he was initially compensated at the rate of \$300,000 annually. The employment agreement was subsequently amended, and effective March 1, 2021, Mr. Beasley has been compensated at the rate of \$360,000 annually. If such agreement is terminated by the Corporation without cause, the Corporation is obligated to pay Mr. Beasley twelve months of base salary. If such agreement is terminated by the Corporation without cause in anticipation of or within six months following a change in control, the Corporation is obligated to pay Mr. Beasley three times his annual base salary. If such termination occurs after the six months following a change in control, the Corporation is obligated to pay Mr. Beasley up to two times his annual base salary, reduced for the number of months worked since the date of the change in control, and subject to a minimum of twelve months of base salary. Any such payments are conditioned upon Mr. Beasley executing a release in favor of the Corporation.

Samantha Hymes, Executive Vice President

The Corporation has entered into an employment agreement with Samantha Hymes, Executive Vice President, whereby she is currently compensated at the rate of \$250,000 annually. If such agreement is terminated without Cause (as defined therein) or for Good Reason (as defined therein), Ms. Hymes would be entitled to the following, subject to executing a release in favor of the Corporation: (i) salary and benefits continuance for up to six months subject to offset in the third month if other employment is secured, subject to executing a release in favor of the Corporation.

Victor Bindi, Director of Sales

The Corporation has entered into an employment agreement with Victor Bindi, Sales Director, whereby he is currently compensated at the rate of \$220,000 annually. If such agreement is terminated without Cause (as defined therein), Mr. Bindi would be entitled to the following, subject to executing a release in favor of the Corporation: (i) salary and benefits continuance for up to three months or until other employment is secured, subject to executing a release in favor of the Corporation.

Todd Buchman, Chief Legal Officer

The Corporation has entered into an employment agreement with Todd Buchman, Chief Legal Officer, for services whereby he is compensated at the rate of \$350,000 annually. If such agreement is terminated without Cause (as defined therein) or for Good Reason (as defined therein), Mr. Buchman would be entitled

to the following, subject to executing a release in favor of the Corporation: (i) salary and benefits continuance for up to twelve months or until other employment is secured; and (ii) earned but unpaid bonuses, subject to executing a release in favor of the Corporation.

Director Compensation

Director compensation matters are dealt with by the Board as a whole.

Each director who is not also an NEO was paid the following directors fees, as applicable, in 2022: (i) an annual fee of \$150,000 for being a member of the Board and an annual fee of \$200,000 for being the Executive Chairman.

On May 27, 2023, the Board approved changes to the annual compensation of the directors of the Corporation. Effective July 1, 2023, each director who is not also an NEO is entitled to an annual fee of \$100,000 for serving as a member of the Board and an annual fee of \$150,000 for serving as the Chairman of the Board.

All directors are reimbursed for their respective out of pocket expenses in relation to their attendance at Board meetings and committee meetings.

Director Compensation Table

The following table describes all compensation provided to the non-executive Directors of the Corporation for the most recently completed financial year.

Name	Fees Earned	Share-Based Awards	Option-Based Awards	Non-Equity Incentive Plan Compensation	Pension Value	All Other Compensation	Total
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Roger Daher	150,000 ⁽¹⁾	NIL	NIL	NIL	NIL	NIL	150,000
John McKimm ⁽³⁾	150,000 ⁽¹⁾	NIL	NIL	NIL	NIL	NIL	150,000
Mark Eckenrode	150,000 ⁽¹⁾	NIL	NIL	NIL	NIL	NIL	150,000
Alex Spiro ⁽⁴⁾	83,468	NIL	NIL	NIL	NIL	NIL	83,468

Notes:

- (1) represents annual compensation paid to the directors of the Corporation, 50% of which was satisfied by the issuance of Common Shares.
- (2) Mr. McKimm resigned from the board of directors of the Corporation effective as of June 30, 2023.
- (3) Ceased service effective as of the 2022 annual and special meeting of Shareholders of the Corporation on July 21, 2022.

Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards – Directors

The following table sets forth the outstanding option and share based awards for non-executive Directors of the Corporation as of December 31, 2022.

Name	Option-Based Awards				Share-Based Awards		
	Number of Securities Underlying Unexercised Options	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-the- Money Options (\$) ⁽¹⁾	Number of Shares or Units of Shares that Have Not Vested (\$)	Market or Payout Value of Share-Based Awards that Have Not Vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Roger Daher	600,000	0.40	May 26, 2025	NIL	NIL	NIL	NIL
	200,000	0.77	January 22, 2026	NIL			
John McKimm ⁽²⁾	540,000	0.44	December 31, 2024	NIL	NIL	NIL	NIL
	600,000	0.40	May 26, 2025	NIL			
	500,000	0.77	January 22, 2026	NIL			
Mark Eckenrode	250,000	0.83	August 31, 2026	NIL	NIL	NIL	NIL
Alex Spiro ⁽³⁾	NIL	NIL	NIL	NIL	NIL	NIL	NIL

Notes:

- (1) Based on the closing price of the Common Shares on the CSE on December 30, 2022 of \$0.12.
- (2) Mr. McKimm resigned from the board of directors of the Corporation effective as of June 30, 2023.
- (3) Ceased service effective following the 2022 annual meeting of Shareholders of the Corporation.

Incentive Plan Awards – Value Vested or Earned During the Year by Directors

The following table sets forth the value of vested option and share based awards for non-executive Directors of the Corporation during the year ended December 31, 2022.

Name	Option-Based Awards – Value Vested During the Year	Share-Based Awards – Value Vested During the Year	Non-Equity Incentive Plan Compensation – Value Earned During the Year
	(\$)	(\$)	(\$)
Roger Daher	NIL	NIL	NIL
John McKimm ⁽¹⁾	NIL	NIL	NIL
Mark Eckenrode	NIL	NIL	NIL
Alex Spiro ⁽²⁾	NIL	NIL	NIL

Notes:

- (1) Mr. McKimm resigned from the board of directors of the Corporation effective as of June 30, 2023.
- (2) Ceased service effective as of the 2022 annual and special meeting of Shareholders of the Corporation on July 21, 2022.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table provides information as of the date of the end of the Corporation's most recently completed fiscal year on December 31, 2022, regarding the number of Common Shares to be issued upon the exercise of outstanding Options and vesting of the outstanding RSUs, as well as the weighted-average exercise price of the outstanding Options in connection with the Option Plan.

Plan Category	Number of securities to be issued upon exercise/vesting of outstanding Options/RSUs	Weighted-average exercise price of outstanding Options	Number of Common Shares remaining available for future issuance under equity compensation plans ⁽¹⁾
Option Plan	13,431,056	1.7	13,064,918
RSU Plan	NIL	N/A	13,064,918
Total	13,431,056	1.7	13,064,918

Notes:

- (1) Pursuant to the Option Plan and RSU Plan, the number of authorized but unissued Common Shares that may be issued under the Option Plan and RSU Plan at any time shall not exceed 10% of the issued and outstanding Common Shares at any time. As at December 31, 2022, there were 238,882,503 Common Shares and 2,607,724 Proportionate Voting Shares issued and outstanding (264,959,743 Common Shares issued and outstanding assuming conversion of all Proportionate Voting Shares into Common Shares).

PARTICULARS OF MATTERS TO BE ACTED UPON

1. Election of Directors

The articles of the Corporation provide that the Board shall consist of a minimum of three (3) and a maximum of fifteen (15) Directors, the number of which may be fixed from time to time by a resolution of the Board. The Corporation currently has five (5) Directors, and the number of Directors of the Corporation proposed to be elected at the Meeting is five (5). The term of office of the current five (5) Directors will end at the conclusion of the Meeting. Unless a Director's office is earlier vacated in accordance with the provisions of the *Business Corporations Act* (Ontario), each Director will hold office until the conclusion of the next annual meeting of the Corporation or, if no Director is then elected, until a successor is elected.

Management currently proposes the following Directors be elected to the Board: Robert Beasley, Roger Daher, Mark Eckenrode, William Smith and John Mazarakis. The following table sets out the names of management's nominees for election as Directors, each nominee's principal occupation, business or employment, the period of time during which each has been a Director of the Corporation, the number of Shares of the Corporation beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at the date hereof.

Name and Municipality of Residence	Principal Occupations for Last Five Years	Periods during which each proposed director has served as a director of Corporation	Shares Held or Beneficially Owned ⁽¹⁾
Robert Beasley, Pensacola, Florida	Partner at law firm of Litvak, Beasley, Wilson & Ball, LLC	January 25, 2021	167,116
Roger Daher ⁽²⁾⁽⁵⁾ , Markham, Ontario	Pharmacist and owner/partner of eight pharmacies in Ontario	April 7, 2020	1,346,514

Mark Eckenrode ⁽²⁾ , Locust Grove, Virginia	Presently retired. Previously an Advisory Engineer for Framatome, Inc.	June 30, 2021	1,023,185
William Smith ⁽⁵⁾ , Gulf Breeze, Florida	President, managing member and an owner of B&C Communications, LLC, a New York limited liability company	June 30, 2021	60,438,785
John Mazarakis ⁽²⁾⁽⁵⁾ Miami Beach, Florida	Founding Partner, Chicago Atlantic Group, LLC	July 17, 2023	Nil

Notes:

- (1) Information as to shares beneficially owned, directly or indirectly, not being within the knowledge of the Corporation, has been furnished by the respective Directors individually.
- (2) Member of the Audit Committee. Mr. Eckenrode is Chair of the Audit Committee.
- (3) A holding company controlled by Roger Daher, RGDRX Holdings Inc., owns 210,000 of these Common Shares and various family members own a total of 20,000 of these Common Shares.
- (4) 1,364,248 Common Shares are owned by William Smith; 19,012,622 Common Shares are owned by Sage Investing LLC; 18,506,432 Common Shares and 1,421,538 Proportionate Voting Shares are owned by Endeavour Holdings, LLC; and 21,555,483 Common Shares are owned by Can Endeavour LLC, all of which are companies owned and/or controlled by William Smith.
- (5) Member of the Governance and Compensation Committee. Mr. Daher is Chair of the Governance and Compensation Committee.

Except as described in the next sentences of this paragraph, no proposed Director is to be elected under any arrangement or understanding between the proposed Director and any other person or company, except the Directors and executive officers of the Corporation acting solely in such capacity. Pursuant to the terms of an agreement between the Corporation, William Smith, Can Endeavour LLC and certain other related companies and entities, dated as of August 13, 2018, as subsequently amended, Can Endeavour LLC has the right to nominate two members to the Board, one of which must initially be William Smith. Can Endeavour LLC has exercised this right to have William Smith and Mark Eckenrode included as Director nominees in this Circular.

The following are brief biographies of each of the director nominees set out above:

Robert Beasley, Director and Chief Executive Officer

Mr. Beasley was named Chief Executive Officer of the Corporation on September 29, 2020. Since 2001, he has been a partner of Litvak Beasley Wilson & Ball of Pensacola, FL. Mr. Beasley contributed to the Florida Medical Marijuana Legalization Initiative, also known as Amendment 2, in 2016 and participated in the legislative and rulemaking process relating to Florida's Compassionate Medical Cannabis Act. He has advised multiple parties in their efforts to obtain cannabis licenses and create related financing facilities. He has also participated in the design and construction of five cannabis cultivation and processing facilities and served on the Board of a leading independent cannabis physician group in Florida. Mr. Beasley holds a Bachelor of Science degree from the University of West Florida and a Juris Doctor from Vermont Law School.

Roger Daher, Director

Roger Daher has been a licensed pharmacist for 33+ years and he is currently a practicing owner/partner in six Ontario Pharmasave pharmacies. From 2010 to 2020, Mr. Daher, served as a member of the Pharmasave Ontario Board of Directors, as well as a member of the audit committee (audit committee chair). Mr. Daher has also served and continues to serve on several public company boards including CPC's. Mr. Daher obtained his Bachelor of Science, Pharmacy, from the University of Toronto in 1989.

Mark Eckenrode, Director

Mark Eckenrode is a retired nuclear engineer, having spent over 40 years in the nuclear energy space. Between 2007 and 2020, Mr. Eckenrode served as Advisory Engineer at Framatome Inc., a French nuclear reactor business with offices in Lynchburg, VA. Prior to that, Mr. Eckenrode spent 12 years at Entergy, a U.S. energy company. Mr. Eckenrode holds a Master of Science in Nuclear Engineering and Bachelor of Science in Physics from Virginia Polytechnic Institute and State University and an MBA in Finance from Millsaps College.

John Mazarakis, Director

John Mazarakis brings over 20 years of entrepreneurial, operational, and managerial experience to Chicago Atlantic. Over the last two decades, he has launched successful companies in real estate, retail, hospitality, and food logistics compounding an initial investment of \$50,000 to over \$75mm in value over a period of approximately 25 years. He has built, owned, and operated 35+ restaurants with more than 1,500 employees. In addition, John has built a real estate portfolio of over 30 properties, developed over 1 million square feet of commercial real estate, and completed multiple real estate financing transactions. John bought a small distribution company with 12mm in annual sales and grew it to over 90mm in less than two years. He has invested in and served as an advisor to multiple successful startups. John's day to day involvement includes running operations and evaluating investments for Chicago Atlantic.

William Smith, Director and Executive Chairman

William M. Smith is an entrepreneur who has extensive experience in different business environments. Mr. Smith graduated from Pennsylvania State University in 1991 with a degree in Nuclear Engineering. After working as a power production engineer for five years, Mr. Smith entered the broadcasting field. While in broadcasting, he constructed, operated, and developed a small television station group, and bought and sold multiple broadcast stations or the rights to construct or use them in a variety of sizeable and complicated business transactions. In 2003, Mr. Smith sold his television holdings and moved to Florida. Since his move, Mr. Smith has diversified his investments to include ownership in a wide array of businesses, including television and radio broadcast properties, a marina, and other real estate.

Corporate Cease Trade Orders or Bankruptcies

Other than as set out herein, to the knowledge of the Corporation, no proposed director is, as at the date of this Circular, or has been, within 10 years before the date of this Circular a director, chief executive officer or chief financial officer of any company (including the Corporation) that:

- (i) was subject to a cease trade order, other similar order, or an order that denied the relevant company access to any exemption under securities legislation, and which was in effect for a period of more than 30 consecutive days, that was issued while the proposed Director was acting in the capacity as director, chief executive officer or chief financial officer; or was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; or
- (ii) is, as at the date of this Circular, or has been within 10 years before the date of this Circular, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency

or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

- (iii) 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.

On May 9, 2022, the Ontario Securities Commission issued a management cease trade order in respect of the securities of the Corporation held by the Chief Executive Officer and Chief Financial Officer for its failure to file its annual financial statements and management's discussion and analysis for the year ended December 31, 2021 (the "MCTO"). On June 17, 2022, the Ontario Securities Commission lifted the MCTO.

Penalties or Sanctions

To the knowledge of the Corporation, no proposed director has:

- (i) been subject to any penalties or sanctions imposed by a court or securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (ii) been subject to any other penalties or sanctions imposed by a court or regulatory body, including a self-regulatory body, that would be likely to be considered important to a reasonable security holder making a decision about voting for the election of the director.

Management of the Corporation recommends that Shareholders vote in favor of the recommended Directors. You can vote for all of these Directors, vote for some of them and withhold for others, or withhold for all of them. Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR the election of each of the currently proposed nominees set forth above, as Directors of the Corporation.

Management does not contemplate that any of the Board nominees listed above will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, the persons named in the proxy reserve the right to vote for any nominee in their discretion unless the shareholder has specified in the proxy that such shareholder's Shares are to be withheld from voting in the election of directors.

2. Appointment and Remuneration of Auditors

At the Meeting, Shareholders will be asked to re-appoint Baker Tilly US, LLP ("**Baker Tilly**") as auditor of the Corporation, to hold office until the next annual meeting of Shareholders. Shareholders will also be asked to authorize the directors of the Corporation to fix the auditors' remuneration.

Management of the Corporation recommends that Shareholders vote in favor of appointing Baker Tilly as auditors of the Corporation and to authorize the Directors to fix their remuneration. Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR the approval of the resolution to appoint Baker Tilly and to authorize the Directors to fix their remuneration.

3. Approval of the Option Plan

On March 17, 2019, the Corporation adopted the Option Plan. The CSE, which is the exchange on which the Common Shares are listed, now requires that every three years after the institution or re-approval by an issuer of a security-based compensation arrangement that does not have a fixed maximum number of securities issuable, such as the Option Plan, that the plan and all unallocated rights, options or other entitlements under such arrangement must be re-approved by a majority of the issuer's directors and by the issuer's shareholders. Accordingly, in accordance with the requirements of the CSE, the Shareholders are being asked at the Meeting to consider and, if thought appropriate, to pass an ordinary resolution to approve the Option Plan and the unallocated Options under the Option Plan. As at June 30, 2023, there were 10,555,556 Options outstanding under the Option Plan and nil RSUs outstanding under the RSU Plan.

If Shareholder re-approval for the Option Plan is obtained, the Corporation will not be required to seek further approval of the Option Plan and all unallocated Options under the Option Plan until the Corporation's 2026 annual shareholders' meeting (provided such meeting is held on or prior to August 16, 2026).

If the resolution is not passed, no further Options will be granted (including new Options to be granted after already outstanding Options are cancelled, terminated or exercised) until the Corporation subsequently obtains shareholder approval. Outstanding Options will not be affected.

Pursuant to the requirements of the CSE, Shareholders will be asked at the Meeting to consider, if deemed appropriate, to adopt, with or without variation, an ordinary resolution approving the Option Plan and all unallocated Options thereunder. In accordance with the rules of the CSE, this resolution will be adopted if a majority of votes cast in person or by proxy at the Meeting by Shareholders are voted in favor thereof.

The complete text of the ordinary resolution which management intends to place before the Meeting approving the Option Plan is as follows:

“BE IT HEREBY RESOLVED that:

1. the Option Plan, which provides that the maximum number of Common Shares that may be reserved for issuance under the Option Plan and all other security based compensation arrangements of the Corporation (including the RSU Plan) shall not exceed 10% of the Common Shares (on a non-diluted basis) issued and outstanding from time to time, be and the same is hereby confirmed and approved;
2. all unallocated Options permitted under the Option Plan, which together with the entitlements under all other security based compensation arrangements of the Corporation (including the RSU Plan) shall not exceed 10% of the Common Shares (on a non-diluted basis) issued and outstanding from time to time, be and are hereby approved and confirmed;
3. the Corporation shall have the ability to continue granting Options under the Option Plan until August 16, 2026 which is the date that is three years from the date of the shareholder meeting at which shareholder approval is being sought; and
4. any one director or officer of the Corporation is authorized and directed, on behalf of the Corporation, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts

and things (whether under corporate seal of the Corporation or otherwise) that may be necessary or desirable to give effect to this ordinary resolution.”

Management of the Corporation recommends that Shareholders vote in favor of approving the Option Plan. Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR the resolution authorizing the approval of the Option Plan and all unallocated Options thereunder. To be effective, the Option Plan must be approved by at least a majority of the votes cast thereon at the Meeting.

4. Re-Approval of the RSU Plan

On June 30, 2021, the Corporation received Shareholder approval of the RSU Plan. The CSE now requires that every three years after the institution or re-approval by an issuer of a security-based compensation arrangement that does not have a fixed maximum number of securities issuable, such as the RSU Plan, the plan and all unallocated rights, options or other entitlements under such arrangement must be re-approved by a majority of the issuer’s directors and by the issuer’s shareholders. Accordingly, in accordance with the requirements of the CSE, the Shareholders are being asked at the Meeting to consider and, if thought appropriate, to pass an ordinary resolution to re-approve the RSU Plan and the unallocated RSUs under the RSU Plan.

As at June 30, 2023, there were nil RSUs outstanding under the RSU Plan and 10,555,556 Options outstanding under the Option Plan.

If Shareholder re-approval for the RSU Plan is obtained, the Corporation will not be required to seek further approval of the RSU Plan and all unallocated RSUs under the RSU Plan until the Corporation’s 2026 annual shareholders’ meeting (provided such meeting is held on or prior to August 16, 2026).

If the resolution is not passed, no further RSUs will be granted (including new RSUs to be granted after already outstanding RSUs are settled, cancelled or terminated) until the Corporation subsequently obtains shareholder approval.

Pursuant to the requirements of the CSE, Shareholders will be asked at the Meeting to consider, if deemed appropriate, to adopt, with or without variation, an ordinary resolution approving the RSU Plan and all unallocated RSUs thereunder. In accordance with the rules of the CSE, this resolution will be adopted if a majority of votes cast in person or by proxy at the Meeting by Shareholders are voted in favor thereof.

The complete text of the ordinary resolution which management intends to place before the Meeting approving the RSU Plan is as follows:

“BE IT HEREBY RESOLVED that:

1. the RSU Plan, which provides that the maximum number of Common Shares that may be reserved for issuance under the RSU Plan and all other security based compensation arrangements of the Corporation (including the Option Plan) shall not exceed 10% of the Common Shares (on a non-diluted basis) issued and outstanding from time to time, be and the same is hereby confirmed and approved;
2. all unallocated RSUs permitted under the RSU Plan, which together with the entitlements under all other security based compensation arrangements of the Corporation (including the Option Plan) shall not exceed 10% of the Common Shares (on a non-diluted basis) issued and

outstanding from time to time, be and are hereby approved and confirmed;

3. the Corporation shall have the ability to continue granting RSUs under the RSU Plan until August 16 26, 2026 which is the date that is three years from the date of the shareholder meeting at which shareholder approval is being sought; and
4. any one director or officer of the Corporation is authorized and directed, on behalf of the Corporation, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things (whether under corporate seal of the Corporation or otherwise) that may be necessary or desirable to give effect to this ordinary resolution.”

Management of the Corporation recommends that Shareholders vote in favor of approving the RSU Plan. Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR the resolution authorizing the approval of the RSU Plan and all unallocated RSUs thereunder. To be effective, the RSU Plan must be approved by at least a majority of the votes cast thereon at the Meeting.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the Directors or Executive Officers of the Corporation, nor any proposed nominee for election as a Director of the Corporation, nor any associate or affiliate of such persons, are or have been indebted to the Corporation at any time since the beginning of the Corporation's last completed financial year.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

For purposes of the following discussion, “Informed Person” means (a) a Director or Executive Officer of the Corporation; (b) a Director or Executive Officer of a person or company that is itself an Informed Person or a subsidiary of the Corporation; (c) any person or company who beneficially owns, or controls or directs, directly or indirectly, voting securities of the Corporation or a combination of both carrying more than ten percent (10%) of the voting rights attached to all outstanding voting securities of the Corporation, other than the voting securities held by the person or company as underwriter in the course of a distribution; and (d) the Corporation 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 Corporation’s financial statements for the financial year ended December 31, 2022, none of:

- (a) the Informed Persons of the Corporation;
- (b) a proposed nominee for election as a Director of the Corporation; 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 last financial year of the Corporation or in any proposed transaction which has materially affected or would materially affect the Corporation or any subsidiary of the Corporation.

Fluent Servicing Acquisition and Conversion of Promissory Note

In connection with the acquisition of the remaining interest of Fluent Servicing, LLC on August 15, 2018, the Corporation issued 4,400,000 shares of its membership interest in Consortium Holdings LLC to Can

Endeavour LLC (“**Can Endeavour**”), which were exchanged into 4,400,000 Common Shares and subject to a price floor of \$2.75 (“**Equity Price Guarantee**”). Can Endeavour is a company that is owned and/or controlled by William Smith, a director of the Corporation.

On January 16, 2020, the Corporation completed the restructuring of its existing promissory note (the “**Promissory Note**”) issued to Can Endeavour in connection with the acquisition of Fluent Servicing LLC, which among other things, reduced the price floor of the Equity Price Guarantee from \$2.75 to \$0.65 per Common Share for the 4,400,000 Common Shares and provided for the transfer of an additional 14,215,385 Common Shares (or equivalent proportionate voting shares), subject to a price floor of \$0.65 per Common Share (the “**Floor Price Obligation**”). On December 21, 2022, the Floor Price Obligation was reduced from \$0.65 per Common Share to \$0.40 per Common Share in exchange for the issuance by the Corporation of an additional 11,634,615 Common Shares to Can Endeavour at a deemed price of \$0.12 per Common Share, resulting in 30,250,000 Common Shares (on an as converted basis) being subject to the Floor Price Obligation.

Can Endeavour continues to maintain a 60% security interest in the membership interests of Fluent Servicing, LLC, an indirect wholly-owned subsidiary of the Corporation, and its principal operating company in Florida. The Floor Price Obligation of \$0.40 per Common Share in respect of 30,250,000 Common Shares (on an as converted basis) owned by Can Endeavour’s designee is secured under a security agreement dated January 1, 2019, and is guaranteed by certain subsidiaries of the Corporation.

Consulting Fees

On January 1, 2020, the Corporation entered into a consulting agreement with Can Endeavour for the provision of financial consulting services in connection with potential new investment into the Corporation (the “**2020 Consulting Agreement**”). Pursuant to the 2020 Consulting Agreement, Can Endeavour is entitled to a fee of five (5%) percent of the total value received by the Corporation in financings during the term of the 2020 Consulting Agreement, up to a cap of \$1,100,000. During the year ended 2021, the Corporation paid Can Endeavour \$230,000 pursuant to the 2020 Consulting Agreement, and in April 2023 the Corporation paid the remaining \$870,000 owing to Can Endeavour in connection with the private placement offering of units of the Corporation that was completed on February 28, 2023.

Shares for Debt Conversions

On November 2, 2022, the Corporation completed a shares for debt conversion and issued an aggregate of 1,048,386 Common Shares at a price of \$0.17 per share in settlement of accrued director’s fees owing for the period of July 1, 2022 to September 30, 2022, in the aggregate amount of \$162,500 (the “**Q3 2022 Fees**”). On January 5, 2023, the Corporation completed a shares for debt conversion and issued an aggregate of 1,354,167 Common Shares at a price of \$0.13 per share in settlement of accrued director’s fees owing for the period of October 1, 2022 to December 31, 2022, in the aggregate amount of \$162,500 (the “**Q4 2022 Fees**” and together with the Q3 2022 Fees, the “**Director Fees**”). Conversion of the Director Fees for Common Shares involved Informed Persons in that the following current and former directors settled amounts of their director fees: Roger Daher, John McKimm, Mark Eckenrode and William Smith.

OTHER BUSINESS

Management of the Corporation is not aware of any matter to come before the Meeting other than the matters referred to in the Notice of Meeting.

CORPORATE GOVERNANCE PRACTICES

The Board has reviewed the Corporation's current corporate governance practices with reference to the applicable provisions of National Instrument 58-101 and has compiled the following analysis:

CORPORATE GOVERNANCE GUIDELINE	CORPORATION'S PRACTICE
1. Board of Directors	
(a) Disclose the identity of Directors who are independent.	Three of the Corporation's current five Directors are independent, namely Roger Daher, Mark Eckenrode and John Mazarakis. Three of the proposed five directors are independent, namely Roger Daher and Mark Eckenrode.
(b) Disclose the identity of Directors who are not independent, and describe the basis for that determination.	Two of the Corporation's current five Directors are not independent. Robert Beasley is not considered an independent director as he is CEO of the Corporation. William Smith is not considered independent as he is considered to have a material relationship with the Corporation by virtue of having been a consultant to the Corporation and also beneficially owning, directly or indirectly, or exercising control over more than 20% of the voting rights of the Corporation's Shares.
2. Board of Directors	
If a Director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the Director and the other issuer.	<p>Roger Daher: Fountain Asset Corp. (TSXV: FA) Aumento Capital X Corp. (TSXV) Canaccord Genuity G Ventures Corp. (NEO Exchange)</p> <p>John Mazarakis: Chicago Atlantic Real Estate Finance, Inc. (REFI)</p>
3. Orientation and Continuing Education	
Describe what steps, if any, the Board takes to orient new Board members, and describe any measures the Board takes to provide continuing education for Directors.	New directors participate in a formal orientation program regarding the role of the Board, the Audit Committee, and its directors, and the nature and operations of the Corporation's business. Members of the Board are encouraged to communicate with management of the Corporation, external legal counsel and auditors, and other external consultants to educate themselves about the Corporation's business, the industry, and applicable legal and regulatory developments. Because of the Corporation's early stage of development, it does not currently provide continuing education to Board members and instead provides regular updates and information concerning the Corporation's business and strategy.
4. Ethical Business Conduct	

Describe what steps, if any, the Board takes to encourage and promote a culture of ethical business conduct.	The Corporation adopted a written code of business conduct and ethics (“ Business and Ethics Code ”) for the Corporation’s directors, officers and employees. The Board will monitor compliance with the Business and Ethics Code by receiving reports from management as to any actual or alleged violations, as appropriate. In accordance with the provisions of the Business and Ethics Code and applicable corporate law, any director or executive officer who holds a material interest in a proposed transaction or agreement involving the Corporation will be required to disclose that interest to the Board and abstain from voting on approval of such transactions as appropriate.
5. Nomination of Directors	
Disclose what steps, if any, are taken to Identify new candidates for Board nomination, including:	
(a) who identifies new candidates; and (b) the process of identifying new candidates.	The Board does not have a committee responsible for proposing new nominees to the Board. When new directors are considered, the entire Board acts as an ad hoc nominating committee.
6. Compensation	
Disclose what steps, if any, are taken to determine compensation for the Directors and CEO, including:	
(a) who determines the compensation; and (b) the process of determining compensation.	The Board as a whole, with assistance from the Governance and Compensation Committee, determines matters related to Director compensation and CEO compensation. If the CEO is also a Director, then when the compensation for the CEO is determined, the CEO abstains from voting.
CORPORATE GOVERNANCE GUIDELINE	CORPORATION’S PRACTICE
7. Other Board Committees	
If the Board has standing committees other than the audit, compensation and nominating committees, describe their function.	The Corporation has established a Governance and Compensation Committee to develop and oversee effective governance and compensation guidelines. The members of such committee are: Roger Daher (chair), William Smith and John Mazarakis.
8. Assessments	
Disclose what steps, if any, that the Board takes to satisfy itself that the Board, its committees and its individual Directors are performing effectively.	The Board does not have a specific formal process for assessing the effectiveness of the Board and the individual directors. Rather, the entire Board monitors its effectiveness and the performance of individual directors. The Corporation believes that its corporate governance practices are appropriate and effective given the Corporation’s developmental stage and its presently small size.

AUDIT COMMITTEE

The Corporation is required to have an Audit Committee comprised of not less than three (3) Directors, a majority of whom are not officers or employees of the Corporation or of an affiliate of the Corporation. The Corporation’s Audit Committee consists of three (3) Directors, being Mr. Eckenrode, Mr. Daher and

Mr. Mazarakis, none of whom is an officer or employee of the Corporation or its affiliates. Mr. Eckenrode is Chairman of the Audit Committee.

Audit Committee Charter

The Board has adopted a charter for its Audit Committee, the text of which is set forth in Schedule “C” attached hereto.

Independence

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 issuer, which could, in the view of the issuer’s Board, reasonably interfere with the exercise of the member’s independent judgment. Each member of the Audit Committee is independent.

Relevant Education and Experience

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 Corporation’s financial statements. All existing members of the Audit Committee are financially literate as such term is defined in NI 52-110. Furthermore, the relevant experience of each Audit Committee member is set forth below:

Member	Relevant Experience
Mark Eckenrode	Mr. Eckenrode holds a Master of Business Administration degree and has over 10 years experience in consulting in the mutual funds industry.
Roger Daher	From 2010 to 2020, Mr. Daher, served as a member of the Pharmasave Ontario Board of Directors, as well as a member of its audit committee as audit committee chair. Mr. Daher has also served and continues to serve on several public company boards including Capital Pool Companies.
John Mazarakis	Over the last two decades, Mr. Mazarakis has launched successful companies in real estate, retail, hospitality, and food logistics compounding an initial investment of \$50,000 to over \$75mm in value over a period of approximately 25 years. Mr. Mazarakis has built, owned, and operated 35+ restaurants with more than 1,500 employees. In addition, Mr. Mazarakis has built a real estate portfolio of over 30 properties, developed over 1 million square feet of commercial real estate, and completed multiple real estate financing transactions. Mr. Mazarakis bought a small distribution company with 12mm in annual sales and grew it to over 90mm in less than two years. He has invested in and served as an advisor to multiple successful startups. Mr. Mazarakis’ day to day involvement includes running operations and evaluating investments for Chicago Atlantic.

Audit Committee Oversight

Since the commencement of the Corporation’s most recently completed financial year, the Audit Committee of the Corporation has not made any recommendations to nominate or compensate an external auditor which were not adopted by the Board of Directors of the Corporation.

Reliance on Certain Exemptions

Since the commencement of the Corporation’s most recently completed financial year, the Corporation has not relied on the exemption in section 2.4 (De Minimis Non-audit Services), section 6.1.1(4) (Circumstances Affecting the Business or Operations of the Venture Issuer), section 6.1.1(5) (Events Outside Control of Members), section 6.1.1(6) (Death, Incapacity or Resignations), or an exemption from NI 52-110, in whole or in part, granted under Part 8 (Exemptions).

Pre-Approval Policies and Procedures

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

Audit Fees

Baker Tilly was appointed as the Corporation’s external auditors effective October 1, 2021. From January 21, 2020 to such date, the external auditors for the Corporation were MNP LLP. The aggregate fees paid by the Corporation and its subsidiaries for services billed by the external auditors for the last two fiscal years is set out in the table below:

	Fiscal Year 2021	Fiscal Year 2022
Audit Fees ⁽¹⁾	\$629,719	\$693,371
Audit-related fees	\$600	\$-
Tax Fees ⁽¹⁾	\$132,984	\$64,135
All other fees	\$75,115	\$196,465
Total	\$838,418	\$953,971

Notes:

- (1) “Audit Fees” refers to the aggregate fees billed by the external auditor for audit services.
- (2) “Tax Fees” includes fees for professional services rendered by the external auditor for tax compliance, tax advice and tax planning.

Exemption for Venture Issuers

The Corporation is a “venture issuer” as defined in NI 52-110 and is relying on the exemption in section 6.1 of NI 52-110 relating to Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations).

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available on SEDAR at www.sedar.com. The Corporation’s annual management’s discussion and analysis and a copy of this Circular, as applicable, is available to anyone, upon request, from the Corporation’s Chief Legal Officer at 82 NE 26th Street, Unit 110, Miami, FL 33137. All financial information in respect of the Corporation is provided in the comparative financial statements and management’s discussion and analysis for its recently completed financial year, as applicable.

APPROVAL OF THE BOARD OF DIRECTORS

The contents and the mailing of the Circular to Shareholders have been approved by the Board of Directors of the Corporation.

DATED the 17th day of July 2023.

BY ORDER OF THE BOARD OF DIRECTORS

“William Smith”

William Smith
Executive Chairman

SCHEDULE "A"

OPTION PLAN

(please see attached)

CANSORTIUM INC.

(the “COMPANY”)

STOCK OPTION PLAN

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STOCK OPTION PLAN**SECTION 1
DEFINITIONS AND INTERPRETATION****1.1 Definitions**

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

- (a) “Administrator” means such Executive or Employee of the Company as may be designated as Administrator by the Committee from time to time, or, if no such person is appointed, the Committee itself.
- (b) “Associate” means, where used to indicate a relationship with any person:
 - (i) any relative, including the spouse of that person or a relative of that person’s spouse, where the relative has the same home as the person;
 - (ii) any partner, other than a limited partner, of that person;
 - (iii) any trust or estate in which such person has a substantial beneficial interest or as to which such person serves as trustee or in a similar capacity; and
 - (iv) any corporation of which such person beneficially owns or controls, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all outstanding voting securities of the corporation.
- (c) “Blackout Period” means a restriction imposed by the Company on all or any of its directors, officers, employees, insiders or persons in a special relationship whereby they are to refrain from trading in the Company’s securities until the restriction has been lifted by the Company.
- (d) “Board” means the board of directors of the Company.
- (e) “Change of Control” means the occurrence of any of the following events: (i) the acquisition, directly or indirectly, by any Person or group of Persons acting jointly or in concert, within the meaning of National Instrument 62-104 - Takeover Bids and Issuer Bids (or any successor instrument thereto), of a beneficial interest in voting or equity securities of the Company, together with all voting or equity securities of the Company at the time held beneficially, directly or indirectly by such person or persons acting jointly or in concert, equal to more than 50% of the votes associated with the outstanding voting securities of the Company; (ii) a merger, consolidation, plan of arrangement or reorganization of the Company that results in the beneficial, direct or indirect transfer of more than 50% of the total voting power of the resulting entity’s outstanding securities to a person, or group of persons acting jointly and in concert, who are different from the person(s) that have, beneficially, directly or indirectly, more than 50% of the total voting power prior to such transaction; (iii) any sale, lease, exchange or other transfer (in one transaction or series of

related transactions) of all or substantially all of the Company property and assets, or (iv) the Company's shareholders approving any plan or proposal for the liquidation or dissolution of the Company;

- (f) "Code" means the United States Internal Revenue Code of 1986, as amended, and any regulations thereunder.
- (g) "Committee" means a committee of the Board to which the responsibility of approving the grant of stock options has been delegated, or if no such committee is appointed, the Board itself.
- (h) "Company" means Consortium Inc.;
- (i) "Common Share" means a common share in the capital of the Company.
- (j) "Consultant" means an individual who:
 - (i) is engaged to provide, on an ongoing bona fide basis, consulting, technical, management or other services to the Company or any Subsidiary other than services provided in relation to a "distribution" (as that term is described in the Securities Act);
 - (ii) provides the services under a written contract between the Company or any Subsidiary and the individual or a Consultant Entity (as defined in clause (v) below);
 - (iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or any Subsidiary; and
 - (iv) has a relationship with the Company or any Subsidiary that enables the individual to be knowledgeable about the business and affairs of the Company or is otherwise permitted by applicable Regulatory Rules to be granted Options as a Consultant or as an equivalent thereof,

and includes:

- (v) a corporation of which the individual is an employee or shareholder or a partnership of which the individual is an employee or partner (a "**Consultant Entity**"); or
 - (vi) for an individual who is not a United States resident, an RRSP or RRIF established by or for the individual under which he or she is the beneficiary.
- (k) "Disability" means a medically determinable physical or mental impairment expected to result in death or to last for a continuous period of not less than 12 months, and which causes an individual to be unable to engage in any substantial gainful activity, or any other condition of impairment that the Committee, acting reasonably, determines constitutes a disability, provided that an Employee, Executive or Consultant will be deemed disabled if he or she

has received a Social Security disability award letter indicating that he or she has been determined to be totally disabled by the Social Security Administration.

- (l) “Employee” means:
- (i) an individual who works full-time or part-time for the Company or any Subsidiary and such other individual as may, from time to time, be permitted by applicable Regulatory Rules to be granted Options as an employee or as an equivalent thereto; or
 - (ii) an individual who works for the Company or any Subsidiary either full-time or on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Company or any Subsidiary over the details and methods of work as an employee of the Company or any Subsidiary, but for whom income tax deductions are not made at source,

and includes:

- (iii) a corporation wholly-owned by such individual; and
 - (iv) for an individual who is not a United States resident, any RRSP or RRIF established by or for such individual under which he or she is the beneficiary.
- (m) “Exchange” means the stock exchange upon which the Company’s shares principally trade.
- (n) “Executive” means an individual who is a director or officer of the Company or a Subsidiary, and includes:
- (i) a corporation wholly-owned by such individual; and
 - (ii) for an individual who is not a United States resident, any RRSP or RRIF established by or for such individual under which he or she is the beneficiary.
- (o) “Exercise Notice” means the written notice of the exercise of an Option, in the form set out as Schedule B hereto, duly executed by the Option Holder.
- (p) “Exercise Period” means the period during which a particular Option may be exercised and is the period from and including the Grant Date through to and including the Expiry Time on the Expiry Date provided, however, that no Option can be exercised unless and until all necessary Regulatory Approvals have been obtained.
- (q) “Exercise Price” means the price at which an Option is exercisable as determined in accordance with section 5.3.
- (r) “Expiry Date” means the date the Option expires as set out in the Option Certificate or as otherwise determined in accordance with sections 5.4, 6.2, 6.3, 6.4 or 11.4.

- (s) “Expiry Time” means the time the Option expires on the Expiry Date, which is 4:00 p.m. local time in Toronto, Ontario on the Expiry Date.
- (t) “Fair Market Value” means with respect to a Common Share on a particular date, the closing trading price as reported by the Exchange on the immediately preceding trading day; and with respect to a Proportionate Voting Share on a particular start date; such closing trading price multiplied by ten (to reflect the fact that one Proportionate Voting Share is convertible into ten Common Shares);
- (u) “Grant Date” means the date on which the Committee grants a particular Option, which is the date the Option comes into effect provided however that no Option can be exercised unless and until all necessary Regulatory Approvals have been obtained.
- (v) “Incentive Stock Option” means an Option that is labelled or described as an Incentive Stock Option and which qualifies as an Incentive Stock Option within the meaning of Section 422(b) of the Code.
- (w) “Insider” means an insider as that term is defined in the *Securities Act*.
- (x) “Market Value” means the market value of the Shares as determined in accordance with section 5.3.
- (y) “Non-Statutory Stock Option” means an Option granted to a Holder who is a resident of the United States which is not intended to be or does not qualify as an Incentive Stock Option.
- (z) “Option” means a share purchase option granted pursuant to this Plan entitling the Option Holder to purchase Shares of the Company and includes Incentive Stock Options and Non-Statutory Stock Options.
- (aa) “Option Certificate” means the certificate, in substantially the form set out as Schedule A hereto, evidencing the Option.
- (bb) “Option Holder” means a Person or Entity who holds an unexercised and unexpired Option or, where applicable, the Personal Representative of such person.
- (cc) “Outstanding Issue” means the number of Common Shares that are outstanding (assuming the conversion of all outstanding Proportionate Voting Shares into Common Shares) immediately prior to the Share issuance or grant of Option in question.
- (dd) “Person or Entity” means an individual, natural person, corporation, government or political subdivision or agency of a government, and where two or more persons act as a partnership, limited partnership, syndicate or other group for the purpose of acquiring, holding or disposing of securities of an issuer, such partnership, limited partnership, syndicate or group shall be deemed to be a Person or Entity.
- (ee) “Personal Representative” means:

- (i) in the case of a deceased Option Holder, the executor or administrator of the deceased duly appointed by a court or public authority having jurisdiction to do so; and
 - (ii) in the case of an Option Holder who for any reason is unable to manage his or her affairs, the person entitled by law to act on behalf of such Option Holder.
- (ff) “Plan” means this stock option plan as from time to time amended.
- (gg) “Pre-Existing Options” has the meaning ascribed thereto in section 4.1.
- (hh) “Proportionate Voting Share” means a proportionate voting share in the capital of the Company;
- (ii) “Regulatory Approvals” means any necessary approvals of the Regulatory Authorities as may be required from time to time for the implementation, operation or amendment of this Plan or for the Options granted from time to time hereunder.
- (jj) “Regulatory Authorities” means all organized trading facilities on which the Common Shares are listed, and all securities commissions or similar securities regulatory bodies having jurisdiction over the Company, this Plan or the Options granted from time to time hereunder.
- (kk) “Regulatory Rules” means all corporate and securities laws, regulations, rules, policies, notices, instruments and other orders of any kind whatsoever which may, from time to time, apply to the implementation, operation or amendment of this Plan or the Options granted from time to time hereunder including, without limitation, those of the applicable Regulatory Authorities.
- (ll) “*Securities Act*” means the *Securities Act* (Ontario) as from time to time amended.
- (mm) “Share” or “Shares” means, as the case may be, one or more Common Shares or Proportionate Voting Shares in the capital of the Company.
- (nn) “Stock Appreciation Right” means a stock appreciation right granted to an Option Holder in connection with an Option granted to the Option Holder under this Plan, entitling the Option Holder to elect, in lieu of exercising the Option to purchase Shares from the Company, to receive a reduced net number of Shares from the Company without paying the Exercise Price otherwise due upon exercise of the Option, as described in section 5.7 below.
- (oo) “Subsidiary” means a wholly-owned or controlled subsidiary corporation of the Company.
- (pp) “Ten Percent Shareholder Participant” means a Holder to whom an Incentive Stock Option is granted pursuant to the provisions of the Plan who is, on the date of the grant, the owner of stock (as determined under Section 424(d) of the Code) possessing more than 10% of the

total combined voting power of all classes of stock of the Company or its parent, if any, or its subsidiary corporations (as defined in Code Section 424(e)).

- (qq) “Triggering Event” means:
- (i) the proposed dissolution, liquidation or wind-up of the Company;
 - (ii) a proposed merger, amalgamation, arrangement or reorganization of the Company with one or more corporations as a result of which, immediately following such event, the shareholders of the Company as a group, as they were immediately prior to such event, are expected to hold less than a majority of the outstanding capital stock of the surviving corporation;
 - (iii) the proposed acquisition of all or substantially all of the issued and outstanding shares of the Company by one or more Persons or Entities;
 - (iv) a proposed Change of Control of the Company;
 - (v) the proposed sale or other disposition of all or substantially all of the assets of the Company; or
 - (vi) a proposed material alteration of the capital structure of the Company which, in the opinion of the Committee, is of such a nature that it is not practical or feasible to make adjustments to this Plan or to the Options granted hereunder to permit the Plan and Options granted hereunder to stay in effect.
- (rr) “Vest” or “Vesting” means that a portion of the Option granted to the Option Holder which is available to be exercised by the Option Holder at any time and from time to time.

1.2 Choice of Law

The Plan is established under, and the provisions of the Plan shall be subject to and interpreted and construed solely in accordance with, the laws of the Province of Ontario and the laws of Canada applicable therein without giving effect to the conflicts of laws principles thereof and without reference to the laws of any other jurisdiction. The Company and each Option Holder hereby attorn to the jurisdiction of the Courts of Ontario.

1.3 Headings

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

SECTION 2 GRANT OF OPTIONS

2.1 Grant of Options

The Committee shall, from time to time in its sole discretion, grant Options to such Persons or Entities and on such terms and conditions as are permitted under this Plan.

2.2 Record of Option Grants

The Committee shall be responsible to maintain a record of all Options granted under this Plan and such record shall contain, in respect of each Option:

- (a) the name and address of the Option Holder;
- (b) the category (Executive, Employee or Consultant) under which the Option was granted to him, her or it;
- (c) the designation of Options as Incentive Stock Options or Non-Statutory Options, as applicable;
- (d) the Grant Date and Expiry Date of the Option;
- (e) the number of Shares which may be acquired on the exercise of the Option and the Exercise Price of the Option;
- (f) the vesting and other additional terms, if any, attached to the Option; and
- (g) the particulars of each and every time the Option is exercised.

2.3 Effect of Plan

All Options (and accompanying Stock Appreciation Rights) granted pursuant to the Plan shall be subject to the terms and conditions of the Plan notwithstanding the fact that the Option Certificates issued in respect thereof do not expressly contain such terms and conditions but instead incorporate them by reference to the Plan. The Option Certificates will be issued for convenience only and in the case of a dispute with regard to any matter in respect thereof, the provisions of the Plan and the records of the Company shall prevail over the terms and conditions in the Option Certificate, save and except as noted below. Each Option (and accompanying Stock Appreciation Right) will also be subject to, in addition to the provisions of the Plan, the terms and conditions contained in the schedules, if any, attached to the Option Certificate for such Option. Should the terms and conditions contained in such schedules be inconsistent with the provisions of the Plan, such terms and conditions will supersede the provisions of the Plan.

SECTION 3 PURPOSE AND PARTICIPATION

3.1 Purpose of Plan

The purpose of the Plan is to provide the Company with a share-related mechanism to attract, retain and motivate qualified Executives, Employees and Consultants to contribute toward the long-term goals of the Company, and to encourage such individuals to acquire Shares of the Company as long-term investments.

3.2 Participation in Plan

The Committee shall, from time to time and in its sole discretion, determine those Executives, Employees and Consultants to whom Options are to be granted.

3.3 Limits on Option Grants

The following limitations shall apply to the Plan and all Options thereunder:

- (a) the maximum number of Options which may be granted to any one Option Holder under the Plan within any 12-month period shall be 5% of the Outstanding Issue (unless the Company has obtained disinterested shareholder approval if required by Regulatory Rules);
- (b) if required by Regulatory Rules, disinterested shareholder approval is required to the grant to Insiders, within a 12-month period, of a number of Options which, when added to the number of outstanding incentive stock options granted to Insiders within the previous 12 months, exceed 10% of the Outstanding Issue;
- (c) with respect to section 5.1, the Expiry Date of an Option shall be no later than the tenth anniversary of the Grant Date of such Option;
- (d) the maximum number of Options which may be granted to any one Consultant within any 12-month period must not exceed 2% of the Outstanding Issue;
- (e) the maximum number of Options which may be granted within any 12 month period to Employees or Consultants engaged in investor relations activities must not exceed 2% of the Outstanding Issue and such options must vest in stages over 12 months with no more than 25% of the Options vesting in any three month period, and such limitation will not be an amendment to this Plan requiring the Option Holders consent under section 9.2 of this Plan; and
- (f) the maximum aggregate number of Shares which may be issued upon the exercise of Incentive Stock Options granted pursuant to this Plan shall not exceed 19,221,557 Shares (which is 10% percent of the Outstanding Issue on the effective date of this Plan).

3.4 **Notification of Grant**

Following the granting of an Option, the Administrator shall, within a reasonable period of time, notify the Option Holder in writing of the grant and shall enclose with such notice the Option Certificate representing the Option so granted. In no case will the Company be required to deliver an Option Certificate to an Option Holder until such time as the Company has obtained all necessary Regulatory Approvals for the grant of the Option.

3.5 **Copy of Plan**

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

3.6 **Limitation on Service**

The Plan does not give any Option Holder that is an Executive the right to serve or continue to serve as an Executive of the Company or any Subsidiary, nor does it give any Option Holder that is an Employee or Consultant the right to be or to continue to be employed or engaged by the Company or any Subsidiary.

3.7 **No Obligation to Exercise**

Option Holders shall be under no obligation to exercise Options.

3.8 **Agreement**

The Company and every Option Holder granted an Option hereunder shall be bound by and subject to the terms and conditions of this Plan. By accepting an Option granted hereunder, the Option Holder has expressly agreed with the Company to be bound by the terms and conditions of this Plan. In the event that the Option Holder receives his, her or its Options pursuant to an oral or written agreement with the Company or a Subsidiary, whether such agreement is an employment agreement, consulting agreement or any other kind of agreement of any kind whatsoever, the Option Holder acknowledges that in the event of any inconsistency between the terms relating to the grant of such Options in that agreement and the terms attaching to the Options as provided for in this Plan, the terms provided for in this Plan shall prevail and the other agreement shall be deemed to have been amended accordingly.

3.9 **Notice**

Any notice, delivery or other correspondence of any kind whatsoever to be provided by the Company to an Option Holder will be deemed to have been provided if provided to the last home address, fax number or email address of the Option Holder in the records of the Company and the Company shall be under no obligation to confirm receipt or delivery.

3.10 Representation

As a condition precedent to the issuance of an Option, the Company must be able to represent to the Exchange as of the Grant Date that the Option Holder is a *bona fide* Executive, Employee or Consultant of the Company or any Subsidiary.

SECTION 4 NUMBER OF SHARES UNDER PLAN

4.1 Board to Approve Issuance of Shares

The Committee shall approve by resolution the issuance of all Shares to be issued to Option Holders upon the exercise of Options, such authorization to be deemed effective as of the Grant Date of such Options regardless of when it is actually done. The Committee shall be entitled to approve the issuance of Shares in advance of the Grant Date, retroactively after the Grant Date, or by a general approval of this Plan.

4.2 Number of Shares

Subject to adjustment as provided for herein, the number of Shares which will be available for purchase pursuant to Options granted pursuant to this Plan (or issuance upon the exercise of Stock Appreciation Rights granted under this Plan), plus any other outstanding incentive stock options of the Company granted pursuant to a previous stock option plan or agreement, will not exceed 10% of the Outstanding Issue. Subject to adjustment as provided for in Article 11 of this Plan, the maximum aggregate number of Shares which may be issued upon the exercise of Incentive Stock Options granted pursuant to this Plan shall not exceed 19,221,557 Shares (which is 10% percent of the Outstanding Issue on the effective date of this Plan).

If Shares issued upon exercise of any Option are surrendered or tendered to the Company in payment of the Exercise Price, such surrendered or tendered Shares shall not become available again under the Plan and the aggregate number of Shares underlying any such exercised Option or Stock Appreciation Right shall not become available again under the Plan.

However, if any Option expires or otherwise terminates for any reason without having been exercised in full, the number of Shares in respect of such expired or terminated Option shall again be available for the purposes of granting Options pursuant to this Plan.

4.3 Fractional Shares

No fractional shares shall be issued upon the exercise of any Option and, if as a result of any adjustment, an Option Holder would become entitled to a fractional share, such Option Holder shall have the right to purchase only the next lowest whole number of Shares and no payment or other adjustment will be made for the fractional interest.

SECTION 5 TERMS AND CONDITIONS OF OPTIONS

5.1 Exercise Period of Option

Subject to sections 5.4, 6.2, 6.3, 6.4 and 11.4, the Grant Date and the Expiry Date of an Option shall be the dates fixed by the Committee at the time the Option is granted and shall be set out in the Option Certificate

issued in respect of such Option. No Incentive Stock Option may be granted after ten (10) years from the date of this Plan. The term and expiry date of any Incentive Stock Option granted to a Ten Percent Shareholder Participant shall not exceed five (5) years from Grant Date of such Incentive Stock Option.

5.2 Number of Shares Under Option

The number of Shares which may be purchased pursuant to an Option shall be determined by the Committee and shall be set out in the Option Certificate issued in respect of the Option.

5.3 Exercise Price of Option

The Exercise Price at which an Option Holder may purchase a Share upon the exercise of an Option shall be determined by the Committee and shall be set out in the Option Certificate issued in respect of the Option. The Exercise Price shall not be less than the Market Value of the Shares as of the Grant Date. The Market Value of the Common Shares for a particular Grant Date shall be determined as follows:

- (a) for each organized trading facility on which the Common Shares are listed, Market Value will be the greater of the closing trading price of the Common Shares on (i) the day immediately preceding the Grant Date; and (ii) the Grant Date;
- (b) if the Common Shares are listed on more than one organized trading facility, the Market Value shall be the Market Value as determined in accordance with subparagraph (a) above for the primary organized trading facility on which the Common Shares are listed, as determined by the Committee, subject to any adjustments as may be required to secure all necessary Regulatory Approvals;
- (c) if the Common Shares are listed on one or more organized trading facilities but have not traded during the ten trading days immediately preceding the Grant Date, then the Market Value will be, subject to any adjustments as may be required to secure all necessary Regulatory Approvals, such value as is determined by the Committee; and
- (d) if the Common Shares are not listed on any organized trading facility, then the Market Value will be, subject to any adjustments as may be required to secure all necessary Regulatory Approvals, such value as is determined by the Committee to be the fair value of the Common Shares, taking into consideration all factors that the Committee deems appropriate, including, without limitation, recent sale and offer prices of the Common Shares in private transactions negotiated at arms' length. Notwithstanding anything else contained herein, in no case will the Market Value be less than the minimum prescribed by each of the organized trading facilities that would apply to the Company on the Grant Date in question.

The Market Value of the Proportionate Voting Shares for a particular Grant Date shall be the Market Value of the Common Shares multiplied by ten (to reflect the fact that one Proportionate Voting Share is convertible into ten Common Shares).

Notwithstanding the foregoing, the Exercise Price of Shares subject to an Incentive Stock Option granted under the Plan to a Ten Percent Shareholder Participant shall be not less than 110% of the fair market value of the Common Shares or Proportionate Voting Shares, as applicable, on the Grant Date as determined in good faith by the Committee at the Grant Date.

5.4 **Incentive Stock Options**

Incentive Stock Options may only be granted to Employees who are resident in the United States. To the extent that Options designated as Incentive Stock Options become exercisable by a Holder for the first time during any calendar year for Shares having a fair market value greater than US\$100,000, the portion of such Options which exceeds such amount shall not be treated as Incentive Stock Options but instead shall be treated as Non-Statutory Stock Options. For the purposes of this Section 5.4, Options designated as Incentive Stock Options shall be taken into account in the order in which they were granted, and the fair market value of Shares shall be determined as of the Grant Date of the Option with respect to such Shares. If the Code is amended to provide for a different limitation than that set forth in this Section 5.4, such different limitation shall be deemed incorporated herein effective as of the date and with respect to such Options as may be required or permitted by such amendment to the Code. If an Option is treated as a Non-Statutory Option in part by reason of the limitation set forth in this Section 5.4, the Holder may designate which portion of such Option the Holder is exercising at any given time. In the absence of such designation, the Holder shall be deemed to have exercised the Incentive Stock Option portion of the Option first. The Company shall have no liability to a Holder, or any other party, if any Option (or any part thereof) intended to be an Incentive Stock Option is not an Incentive Stock Option.

5.5 **Termination of Option**

Subject to such other terms or conditions that may be attached to Options granted hereunder, an Option Holder may exercise an Option in whole or in part at any time and from time to time during the Exercise Period. Any Option or part thereof not exercised within the Exercise Period shall terminate and become null, void and of no effect as of the Expiry Time on the Expiry Date. The Expiry Date of an Option shall be the earlier of the date so fixed by the Committee at the time the Option is granted as set out in the Option Certificate and the date established, if applicable, in paragraphs (a) or (b) below or sections 6.2, 6.3, 6.4, or 11.4 of this Plan:

- (a) *Ceasing to Hold Office* - In the event that the Option Holder holds his or her Option as an Executive and such Option Holder ceases to hold such position other than by reason of death or Disability, the Expiry Date of the Option shall be, unless otherwise determined by the Committee and expressly provided for in the Option Certificate, the 30th day following the date the Option Holder ceases to hold such position unless the Option Holder ceases to hold such position as a result of:
 - (i) ceasing to meet the qualifications set forth in the corporate legislation applicable to the Company;
 - (ii) a special resolution having been passed by the shareholders of the Company removing the Option Holder as a director of the Company or any Subsidiary; or
 - (iii) an order made by any Regulatory Authority having jurisdiction to so order,

in which case the Expiry Date shall be the date the Option Holder ceases to hold such position; OR

- (b) *Ceasing to be Employed or Engaged* - In the event that the Option Holder holds his or her Option as an Employee or Consultant and such Option Holder ceases to hold such position

other than by reason of death or Disability, the Expiry Date of the Option shall be, unless otherwise determined by the Committee and expressly provided for in the Option Certificate, the 30th day following the date the Option Holder ceases to hold such position, unless the Option Holder ceases to hold such position as a result of:

- (i) termination for cause;
- (ii) resigning his or her position; or
- (iii) an order made by any Regulatory Authority having jurisdiction to so order,

in which case the Expiry Date shall be the date the Option Holder ceases to hold such position.

In the event that the Option Holder ceases to hold the position of Executive, Employee or Consultant for which the Option was originally granted, but comes to hold a different position as an Executive, Employee or Consultant prior to the expiry of the Option, the Committee may, in its sole discretion, choose to permit the Option to stay in place for that Option Holder with such Option then to be treated as being held by that Option Holder in his or her new position and such will not be considered to be an amendment to the Option in question requiring the consent of the Option Holder under section 9.2 of this Plan. Notwithstanding anything else contained herein, in no case will an Option be exercisable later than the Expiry Date of the Option.

5.6 Vesting of Option and Acceleration

The vesting schedule for an Option, if any, shall be determined by the Committee and shall be set out in the Option Certificate issued in respect of the Option. The Committee may elect, at any time, to accelerate the vesting schedule of one or more Options including, without limitation, on a Triggering Event, and such acceleration will not be considered an amendment to the Option in question requiring the consent of the Option Holder under section 9.2 of this Plan.

5.7 Stock Appreciation Rights

Subject to all applicable Regulatory Rules and all necessary Regulatory Approvals, the Committee may, in its discretion, grant Stock Appreciation Rights to any Option Holder granted an Option under this Plan.

Such number of Stock Appreciation Rights shall be no more in number than the number of the Shares then underlying the Option.

Each Stock Appreciation Right shall entitle the Option Holder to surrender to the Company, unexercised, the right to subscribe for Shares pursuant to the related Option.

These Stock Appreciation Rights shall also entitle the Option Holder to elect to exercise the Stock Appreciation Rights at any time during (and only during) the Exercise Period in which the Option Holder would be entitled to exercise the Option to purchase the Shares covered by the Option. Upon such an exercise of the Stock Appreciation Rights related to an Option, the Option Holder shall be entitled to receive from the Company a reduced, net number of Shares from the Company determined by

- (a) subtracting the Exercise Price for the Option from the current Fair Market Value of the Shares (determined as of the date the underlying Shares are issued),
- (b) multiplying the result by the number of Shares with respect to which the Option Holder wishes to exercise the Stock Appreciation Rights (which shall not be greater than the number of Shares the Option Holder would be entitled to purchase by exercising the Option on the same date); and
- (c) dividing the resulting dollar amount by the current Fair Market Value of the Shares.

Upon the exercise of a Stock Appreciation Right in respect of a Share covered by an Option such Option shall be cancelled and shall be of no further force or effect in respect of such Share. Stock Appreciation Rights shall be exercisable by an Option Holder or his or her legal representative only to the extent that the related Option is exercisable. Unexercised Stock Appreciation Rights shall terminate when the related Option is exercised or the Option terminates in accordance with this Plan and the applicable Option Certificate.

5.8 Additional Terms

Subject to all applicable Regulatory Rules and all necessary Regulatory Approvals, the Committee may attach additional terms and conditions to the grant of a particular Option, such terms and conditions to be set out in a schedule attached to the Option Certificate. The Option Certificates will be issued for convenience only, and in the case of a dispute with regard to any matter in respect thereof, the provisions of this Plan and the records of the Company shall prevail over the terms and conditions in the Option Certificate, save and except as noted below. Each Option will also be subject to, in addition to the provisions of the Plan, the terms and conditions contained in the schedules, if any, attached to the Option Certificate for such Option. Should the terms and conditions contained in such schedules be inconsistent with the provisions of the Plan, such terms and conditions will supersede the provisions of the Plan.

SECTION 6 TRANSFERABILITY OF OPTIONS

6.1 Non-transferable

An Incentive Stock Option shall not be assignable or transferable by any Holder and, subject to section 6.2 hereof, may be exercised during the life of the Holder only by the Holder. An Option other than an Incentive Stock Option are non-assignable and non-transferable, except as provided otherwise in this section 6.

6.2 Death of Option Holder

In the event of the Option Holder's death, any Options held by such Option Holder shall pass to the Personal Representative of the Option Holder and shall be exercisable by the Personal Representative on or before the date which is the earlier of one year following the date of death and the applicable Expiry Date.

6.3 Disability of Option Holder

If the employment or engagement of an Option Holder as an Employee or Consultant or the position of an Option Holder as a director or officer of the Company or a Subsidiary is terminated by the Company by reason of such Option Holder's Disability, any Options held by such Option Holder shall be exercisable by such Option Holder or by the Personal Representative on or before the date which is the earlier of one year

following the termination of employment, engagement or appointment as a director or officer and the applicable Expiry Date.

6.4 Disability and Death of Option Holder

If an Option Holder has ceased to be employed, engaged or appointed as a director or officer of the Company or a Subsidiary by reason of such Option Holder's Disability and such Option Holder dies within one year after the termination of such engagement, any Options held by such Option Holder that could have been exercised immediately prior to his or her death shall pass to the Personal Representative of such Option Holder and shall be exercisable by the Personal Representative on or before the date which is the earlier of one year following the death of such Option Holder and the applicable Expiry Date.

6.5 Vesting

Unless the Committee determines otherwise, Options held by or exercisable by a Personal Representative shall, during the period prior to their termination, continue to vest in accordance with any vesting schedule to which such Options are subject.

6.6 Deemed Non-Interruption of Engagement

Employment or engagement by the Company shall be deemed to continue intact during any military or sick leave or other *bona fide* leave of absence if the period of such leave does not exceed 90 days or, if longer, for so long as the Option Holder's right to re-employment or re-engagement by the Company is guaranteed either by statute or by contract. If the period of such leave exceeds 90 days and the Option Holder's re-employment or re-engagement is not so guaranteed, then his or her employment or engagement shall be deemed to have terminated on the ninety-first day of such leave.

SECTION 7 EXERCISE OF OPTION

7.1 Exercise of Option

An Option may be exercised only by the Option Holder or the Personal Representative of any Option Holder. An Option Holder or the Personal Representative of any Option Holder may exercise an Option in whole or in part at any time and from time to time during the Exercise Period up to the Expiry Time on the Expiry Date by delivering to the Administrator the required Exercise Notice, the applicable Option Certificate and a certified cheque or bank draft or wire transfer payable to the Company or its legal counsel in an amount equal to the aggregate Exercise Price of the Shares then being purchased pursuant to the exercise of the Option. At the discretion of the Committee, an Option Holder may also pay all or a portion of the Exercise Price of the Shares through a broker-assisted cashless exercise program described in section 7.6 below. Notwithstanding anything else contained herein, Options may not be exercised during a Blackout Period unless the Committee determines otherwise.

If the Option Holder has been granted Stock Appreciation Rights with respect to his or her Option pursuant to section 5.7 above, the Option Holder may elect to exercise the Stock Appreciation Rights to receive a reduced, net number of Shares determined under the terms of section 5.7 from the Company in lieu of paying the Exercise Price otherwise due upon exercise of the Option.

7.2 **Blackout Period**

Notwithstanding the foregoing, except in the case of Incentive Stock Options, if an Option expires, terminates or is cancelled (other than an expiry, termination or cancellation pursuant to section 5.5(a)(i)(ii) or (iii) or section 5.5(b)(i)(ii) or (iii) above) within or immediately after a Blackout Period, the Holder may elect for the term of such Option to be extended to the date which is ten (10) business days after the last day of the Blackout Period.

7.3 **Issue of Share Certificates**

As soon as reasonably practicable following the receipt of the Exercise Notice, the Administrator shall cause to be delivered to the Option Holder a certificate for the Shares so purchased. If the number of Shares so purchased is less than the number of Shares subject to the Option Certificate surrendered, the Administrator shall also provide a new Option Certificate for the balance of Shares available under the Option to the Option Holder concurrent with delivery of the Share Certificate.

7.4 **No Rights as Shareholder**

Until the date of the issuance of the certificate for the Shares purchased pursuant to the exercise of an Option, no right to vote or receive dividends or any other rights as a shareholder shall exist with respect to such Shares, notwithstanding the exercise of the Option, unless the Committee determines otherwise. In the event of any dispute over the date of the issuance of the certificates, the decision of the Committee shall be final, conclusive and binding.

7.5 **Tax Withholding and Procedures**

Notwithstanding anything else contained in this Plan, the Company may, from time to time, implement such procedures and conditions as it determines appropriate with respect to the withholding and remittance of taxes imposed under applicable law, or the funding of related amounts for which liability may arise under such applicable law. Without limiting the generality of the foregoing, an Option Holder who wishes to exercise an Option or related Stock Appreciation Rights must, in addition to following the procedures set out in 7.1 and elsewhere in this Plan, and as a condition of exercise:

- (a) deliver a certified cheque, wire transfer or bank draft payable to the Company for the amount determined by the Company to be the appropriate amount on account of such taxes or related amounts;
- (b) otherwise ensure, in a manner acceptable to the Company (if at all) in its sole and unfettered discretion, that the amount will be securely funded; or
- (c) and must in all other respects follow any related procedures and conditions imposed by the Company.

7.6 **Cashless Exercises**

Subject to all applicable Regulatory Rules and all necessary Regulatory Approvals, the Committee may, in its discretion, implement such procedures and conditions as the Committee and Administrator determine to be appropriate to establish a broker-assisted cashless exercise program under which an Option Holder may elect to pay all or any portion of the aggregate Exercise Price for the Shares being purchased pursuant to the exercise of the Option, by:

- (a) providing the Administrator with irrevocable instructions to the Company to deliver the aggregate number of Common Shares to be issued to the Option Holder upon such exercise (and, if applicable, upon the conversion of the Option Holder's Proportionate Voting Shares into Common Shares) to a broker acceptable to the Company for the Option Holder's account,
- (b) delivering instructions to the broker to promptly sell a portion of the Common Shares sufficient to pay the designated portion of the Exercise Price for the Shares being purchased;
- (c) providing the broker with irrevocable instructions to immediately deliver a portion of the proceeds of the Shares equal to the designated portion of the Exercise Price for the Shares (plus any amounts required for any tax withholding obligations) to the Company on the Option Holder's behalf.

SECTION 8 ADMINISTRATION

8.1 **Board or Committee**

The Plan shall be administered by the Administrator with oversight by the Committee.

8.2 **Powers of Committee**

The Committee shall have the authority to do the following:

- (a) oversee the administration of the Plan in accordance with its terms;
- (b) appoint or replace the Administrator from time to time;
- (c) determine all questions arising in connection with the administration, interpretation and application of the Plan, including all questions relating to the Market Value and Fair Market Value;
- (d) correct any defect, supply any information or reconcile any inconsistency in the Plan in such manner and to such extent as shall be deemed necessary or advisable to carry out the purposes of the Plan;
- (e) prescribe, amend, and rescind rules and regulations relating to the administration of the Plan;
- (f) determine the duration and purposes of leaves of absence from employment or engagement by the Company which may be granted to Option Holders without constituting a termination of employment or engagement for purposes of the Plan;

- (g) do the following with respect to the granting of Options:
 - (i) determine the Executives, Employees or Consultants to whom Options shall be granted, based on the eligibility criteria set out in this Plan;
 - (ii) determine the terms of the Option to be granted to an Option Holder including, without limitation, the Grant Date, Expiry Date, Exercise Price and vesting schedule (which need not be identical with the terms of any other Option);
 - (iii) subject to any necessary Regulatory Approvals and section 9.2, amend the terms of any Options;
 - (iv) determine when Options shall be granted;
 - (v) determine the number of Shares subject to each Option;
 - (vi) to designate Options as Incentive Stock Options or Non-Statutory Options, as applicable; and
 - (vii) determine whether or not to grant Stock Appreciation Rights with respect to the Shares subject to each Option.
- (h) accelerate the vesting schedule of any Option previously granted; and
- (i) make all other determinations necessary or advisable, in its sole discretion, for the administration of the Plan.

8.3 Administration by Committee

All determinations made by the Committee in good faith shall be final, conclusive and binding upon all persons. The Committee shall have all powers necessary or appropriate to accomplish its duties under this Plan.

8.4 Interpretation

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

SECTION 9 APPROVALS AND AMENDMENT

9.1 Shareholder Approval of Plan

If required by a Regulatory Authority or by the Committee, this Plan may be made subject to the approval of the shareholders of the Company as prescribed by the Regulatory Authority. If shareholder approval is required, any Options granted under this Plan prior to such time will not be exercisable or binding on the Company unless and until such shareholder approval is obtained.

9.2 Amendment of Option or Plan

Subject to any required Regulatory Approvals, the Committee may from time to time amend any existing Option or the Plan or the terms and conditions of any Option thereafter to be granted provided that where such amendment relates to an existing Option and it would:

- (a) materially decrease the rights or benefits accruing to an Option Holder; or
- (b) materially increase the obligations of an Option Holder;

then, unless otherwise excepted out by a provision of this Plan, the Committee must also obtain the written consent of the Option Holder in question to such amendment. If at the time the Exercise Price of an Option is reduced the Option Holder is an Insider of the Company, the Insider must not exercise the option at the reduced Exercise Price until the reduction in Exercise Price has been approved by the disinterested shareholders of the Company, if required by the Exchange.

SECTION 10 CONDITIONS PRECEDENT TO ISSUANCE OF OPTIONS AND SHARES

10.1 Compliance with Laws

An Option shall not be granted or exercised, and Shares shall not be issued pursuant to the exercise of any Option, unless the grant and exercise of such Option and the issuance and delivery of such Shares comply with all applicable Regulatory Rules, and such Options and Shares will be subject to all applicable trading restrictions in effect pursuant to such Regulatory Rules and the Company shall be entitled to legend the Option Certificates and the certificates representing such Shares accordingly.

10.2 Regulatory Approvals

In administering this Plan, the Committee will seek any Regulatory Approvals which may be required. The Committee will not permit any Options to be granted without first obtaining the necessary Regulatory Approvals unless such Options are granted conditional upon such Regulatory Approvals being obtained. The Committee will make all filings required with the Regulatory Authorities in respect of the Plan and each grant of Options hereunder. No Option granted will be exercisable or binding on the Company unless and until all necessary Regulatory Approvals have been obtained. The Committee shall be entitled to amend this Plan and the Options granted hereunder in order to secure any necessary Regulatory Approvals and such amendments will not require the consent of the Option Holders under section 9.2 of this Plan.

10.3 Inability to Obtain Regulatory Approvals

The Company's inability to obtain Regulatory Approval from any applicable Regulatory Authority, which Regulatory Approval is deemed by the Committee to be necessary to complete the grant of Options hereunder, the exercise of those Options or the lawful issuance and sale of any Shares pursuant to such Options, shall relieve the Company of any liability with respect to the failure to complete such transaction.

SECTION 11 ADJUSTMENTS AND TERMINATION

11.1 Termination of Plan

Subject to any necessary Regulatory Approvals, the Committee may terminate or suspend the Plan.

11.2 No Grant During Suspension of Plan

No Option may be granted during any suspension, or after termination, of the Plan. Suspension or termination of the Plan shall not, without the consent of the Option Holder, alter or impair any rights or obligations under any Option previously granted.

11.3 Alteration in Capital Structure

If there is a material alteration in the capital structure of the Company and the Shares are consolidated, subdivided, converted, exchanged, reclassified or in any way substituted for, the Committee shall make such adjustments to this Plan and to the Options then outstanding under this Plan as the Committee determines to be appropriate and equitable under the circumstances, so that the proportionate interest of each Option Holder shall, to the extent practicable, be maintained as before the occurrence of such event. Such adjustments may include, without limitation:

- (a) a change in the number or kind of shares of the Company covered by such Options; and
- (b) a change in the Exercise Price payable per Share provided, however, that the aggregate Exercise Price applicable to the unexercised portion of existing Options shall not be altered, it being intended that any adjustments made with respect to such Options shall apply only to the Exercise Price per Share and the number of Shares subject thereto.

For purposes of this section 11.3, and without limitation, neither:

- (c) the issuance of additional securities of the Company in exchange for adequate consideration (including services); nor
- (d) the conversion of outstanding securities of the Company into Shares shall be deemed to be material alterations of the capital structure of the Company.

Any adjustment made to any Options pursuant to this section 11.3 shall not be considered an amendment requiring the Option Holder's consent for the purposes of section 9.2 of this Plan.

11.4 Triggering Events

Subject to the Company complying with section 11.5 and any necessary Regulatory Approvals and notwithstanding any other provisions of this Plan or any Option Certificate, the Committee may, without the consent of the Option Holder or Holders in question:

- (a) cause all or a portion of any of the Options granted under the Plan to terminate upon the occurrence of a Triggering Event; or
- (b) cause all or a portion of any of the Options granted under the Plan to be exchanged for incentive stock options of another corporation upon the occurrence of a Triggering Event in such ratio and at such exercise price as the Committee deems appropriate, acting reasonably.

Such termination or exchange shall not be considered an amendment requiring the Option Holder's consent for the purpose of section 9.2 of the Plan.

11.5 Notice of Termination by Triggering Event

In the event that the Committee wishes to cause all or a portion of any of the Options granted under this Plan to terminate on the occurrence of a Triggering Event, it must give written notice to the Option Holders in question not less than 10 days prior to the consummation of a Triggering Event so as to permit the Option Holder the opportunity to exercise the vested portion of the Options prior to such termination. Upon the giving of such notice and subject to any necessary Regulatory Approvals, all Options or portions thereof granted under the Plan which the Company proposes to terminate shall become immediately exercisable notwithstanding any contingent vesting provision to which such Options may have otherwise been subject.

11.6 Determinations to be Made By Committee

Adjustments and determinations under this section 11 shall be made by the Committee, whose decisions as to what adjustments or determination shall be made, and the extent thereof, shall be final, binding, and conclusive.

SCHEDULE A

Without prior written approval of Canadian Securities Exchange and compliance with all applicable securities legislation, the securities represented by this certificate may not be sold, transferred, hypothecated or otherwise traded on or through the facilities of Canadian Securities Exchange or otherwise in Canada or to or for the benefit of a Canadian resident until [insert the date that is 4 months and a day after the distribution date].

CANSORTIUM INC.

STOCK OPTION PLAN - OPTION CERTIFICATE

This Option Certificate is issued pursuant to the provisions of the Stock Option Plan (the “**Plan**”) of Cansortium Inc. (the “**Company**”) and evidences that ●[Name of Option Holder] is the holder (the “**Option Holder**”) of an option (the “**Option**”) to purchase up to ● Common Shares/Proportionate Voting Shares (the “**Shares**”) in the capital stock of the Company at a purchase price of CDN/USD\$● per Share (the “**Exercise Price**”) and an equal number of Stock Appreciation Rights (as defined in the Plan). This Option may be exercised at any time and from time to time from and including the following Grant Date through to and including up to 4:00 p.m. local time in Toronto, Ontario (the “**Expiry Time**”) on the following Expiry Date:

- (a) the Grant Date of this Option is ●, 20●; and
- (b) subject to sections 5.4, 6.2, 6.3, 6.4 and 11.4 of the Plan, the Expiry Date of this Option is ●,20●.

To exercise this Option (and accompanying Stock Appreciation Rights), the Option Holder must deliver to the Administrator of the Plan, prior to the Expiry Time on the Expiry Date, an Exercise Notice, in the form provided in the Plan, which is incorporated by reference herein, together with the original of this Option Certificate and a certified cheque or bank draft payable to the Company or its legal counsel in an amount equal to the aggregate of the Exercise Price of the Shares in respect of which this Option is being exercised.

This Option Certificate and the Option (and accompanying Stock Appreciation Rights) evidenced hereby is not assignable, transferable or negotiable and is subject to the detailed terms and conditions contained in the Plan. This Option Certificate is issued for convenience only and in the case of any dispute with regard to any matter in respect hereof, the provisions of the Plan and the records of the Company shall prevail. This Option is also subject to the terms and conditions contained in the schedules, if any, attached hereto.

[Include legends prescribed by Regulatory Authorities, if required.]

If the Option Holder is a resident or citizen of the United States of America at the time of the exercise of the Option, the certificate(s) representing the Shares will be endorsed with the following or a similar legend:

“The securities represented by this certificate have not been registered under the Securities Act of 1933, as amended, of the United States of America (the “**Act**”) or the securities laws of any state (“**State**”) of the United States of America and may not be sold, transferred, pledged, hypothecated or distributed, directly or indirectly, to a U.S. person (as defined in Regulation S adopted by the U.S. Securities and Exchange Commission under the Act) or within the United States unless such

securities are (i) registered under the Act and any applicable State securities act (a “State Act”), or (ii) exempt from registration under the Act and any applicable State Act and the Company has received an opinion of counsel to such effect reasonably satisfactory to it, or (iii) sold in accordance with Regulation S and the Company has received an opinion of counsel to such effect reasonably satisfactory to it.”

CANSORTIUM INC.

Authorized Signatory

The Option Holder acknowledges receipt of a copy of the Plan and represents to the Company that the Option Holder is familiar with the terms and conditions of the Plan, and hereby accepts this Option subject to all of the terms and conditions of the Plan. The Option Holder agrees to execute, deliver, file and otherwise assist the Company in filing any report, undertaking or document with respect to the awarding of the Option and exercise of the Option, as may be required by the Regulatory Authorities. The Option Holder further acknowledges that if the Plan has not been approved by the shareholders of the Company on the Grant Date, this Option is not exercisable until such approval has been obtained.

Signature of Option Holder:

Signature

Date signed:

Print Name

Address

OPTION CERTIFICATE – SCHEDULE

[Complete the following additional terms and any other special terms, if applicable, or remove the inapplicable terms or this schedule entirely.]

The additional terms and conditions attached to the Option represented by this Option Certificate are as follows:

1. The Options will not be exercisable unless and until they have vested and then only to the extent that they have vested. The Options will vest in accordance with the following:
 - (a) ● Shares (●%) will vest and be exercisable on or after the Grant Date;
 - (b) ● additional Shares (●%) will vest and be exercisable on or after ● [date];
 - (c) ● additional Shares (●%) will vest and be exercisable on or after ● [date];
 - (d) ● additional Shares (●%) will vest and be exercisable on or after ● [date];

2. Upon the Option Holder ceasing to hold a position with the Company, other than as a result of the events set out in paragraphs 5.5(a) or 5.5(b) of the Plan, the Expiry Date of the Option shall be ● **[Insert date desired that is longer or shorter than the standard 30 days as set out in the Plan]** following the date the Option Holder ceases to hold such position.

Type of Option
(U.S. Employees only):

_____ Incentive Stock Option
_____ Non-Statutory Stock Option

CANSORTIUM INC.

STOCK OPTION PLAN
NOTICE OF EXERCISE OF OPTION

TO: Consortium Inc. (the "Company")

Pursuant to the Company's Stock Option Plan (the "Plan"), the undersigned hereby gives an irrevocable notice of the exercise of the options (the "Options") or Stock Appreciation Rights evidenced by the Option Certificate (attached hereto) (the "Option Certificate") to (pick one of Cash Exercise of Options or Stock Appreciation Rights):

Cash Exercise of Options

purchase shares in the capital of the Company that are issuable pursuant to the Options (the "Option Shares") and hereby (circle one):

- (a) subscribes for *all* of the Option Shares; or
- (b) subscribes for _____ number of Option Shares.

The Exercise Price per Option is _____ and the aggregate Exercise Price for all of the Options being exercised is _____ (the "Aggregate Exercise Price").

Payment: With this notice, the undersigned is delivering the Aggregate Exercise Price by *certified cheque* or *bank draft* payable to Consortium Inc. or *wire transfer* to an account specified by the Company.

OR

Stock Appreciation Rights (or commonly referred to as "cashless exercise")

exercise Stock Appreciation Rights ("SARs") in respect of the Options and hereby (circle one):

- (a) subscribes for *all* of the SARs Shares (defined below); or
- (b) subscribes for _____ SARs Shares (defined below);

and hereby surrenders the same number of unexercised Options under the Option Certificate.

The number of shares delivered by the Company pursuant to a SARs exercise (the "SARs Shares") will be calculated based on the Fair Market Value (as defined in the Plan) on the day the SARs Shares are issued (the "FMV") as follows (fractional rounded down to the nearest whole number):

$$\frac{(\text{FMV} - \text{Exercise Price}) * \# \text{ of SARs exercised}}{\text{FMV}}$$

FMV

DELIVERY:

The undersigned requests that the Company registers and delivers the Option Shares/SARs Shares to the address below:

Registration Name and Address:

Mailing Address (if different):

Dated:

(Signature of the Option Holder)

(Name of the Option Holder - in block letters)

SCHEDULE "B"

RSU PLAN

(please see attached)

CANSORTIUM INC.

RESTRICTED SHARE UNIT AWARD PLAN

May 17, 2021

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ARTICLE 1

PURPOSE OF THIS PLAN

1.1 Overview.

The Plan provides for the payment of bonus compensation in the form of Shares or, at the option of the Company cash, to Participants for the purpose of advancing the interests of the Company and its Affiliates through the motivation, attraction and retention of Eligible Persons and to secure for the Company and the shareholders of the Company the benefits inherent in the ownership of Shares by Eligible Persons, it being generally recognized that restricted share unit plans aid in attracting, retaining and encouraging employees, directors and consultants due to the opportunity offered to them to acquire a proprietary interest in the Company. It is intended that, insofar as the Participants are Eligible Persons who are directors or employees of the Company, neither the Plan nor any Restricted Award granted hereunder will constitute a "salary deferral arrangement" as defined in subsection 248(1) of the *Income Tax Act* (Canada) by reason of the exemption in paragraph (k) thereof. All Restricted Awards granted hereunder shall be in addition to, and not in substitution for or in lieu of, ordinary salary and wages received or receivable by any Participant who is an employee or director in respect of his or her services to the Company or an Affiliate, as applicable.

1.2 Purpose of this Plan.

The purpose of this Plan is to promote the interests and long-term success of the Company by:

- (a) furnishing certain directors, officers, employees and consultants/contractors of the Company or its Affiliates with greater incentive to develop and promote the business and financial success of the Company;
- (b) aligning the interests of persons to whom Restricted Awards may be granted with those of the shareholders of the Company generally through a proprietary ownership interest in the Company; and
- (c) assisting the Company in attracting, retaining and motivating its directors, officers, employees and consultants/contractors.

The Company believes that these purposes may best be effected by granting Restricted Awards and affording such persons an opportunity to acquire a proprietary interest in the Company.

ARTICLE 2 DEFINITIONS

2.1 Definitions.

In this Plan, unless there is something in the subject matter or context inconsistent therewith, capitalized words and terms will have the following meanings:

- (a) “**Affiliate**” means an affiliate as defined in the Securities Act and includes issuers that are similarly related, whether or not any of the issuers are companies, partnerships, limited partnerships, trusts, income trusts or investment trusts or any other organized entity issuing securities;
- (b) “**Applicable Withholding Taxes**” means all taxes and other source deductions or other amounts which the Company or an Affiliate of the Company is or may be required by law to withhold in respect of the Plan or in respect of a Restricted Award, including in respect of the issuance, transfer, amendment or vesting of a Restricted Award or the issuance of Shares thereunder;
- (c) “**Associate**” means an associate as defined in the Securities Act;
- (d) “**Award Agreement**” means any written agreement, contract or other instrument or document evidencing any Restricted Award granted under this Plan. Each Award Agreement shall be subject to the applicable terms and conditions of this Plan and any other terms and conditions (not inconsistent with this Plan) determined by the Compensation Committee;
- (e) “**Award Payout**” means the applicable Share issuance or cash payment in respect of a vested Restricted Share Unit pursuant and subject to the terms and conditions of this Plan and the applicable Award;
- (f) “**Blackout Period**” means an interval of time during which the Company has determined (pursuant to the policies of the Company or any resolution of the Board) that one or more Participants may not trade any securities of the Company because they may be in possession of undisclosed material information pertaining to the Company;
- (g) “**Board**” means the board of directors of the Company as constituted from time to time;
- (h) “**Change in Control**” means:
 - (i) any merger or amalgamation in which voting securities of the Company possessing more than fifty percent (50%) of the total combined voting power of the Company’s outstanding securities are transferred to a person

or persons different from the persons holding those securities immediately prior to such transaction;

- (ii) any acquisition, directly or indirectly, by a person or Related Group of Persons (other than a person that is a registered dealer as described in Section 2.1(x) and other than the Company or a person that directly or indirectly controls, is controlled by, or is under common control with, the Company) of beneficial ownership of voting securities of the Company possessing more than fifty percent (50%) of the total combined voting power of the Company's outstanding securities;
- (iii) any acquisition, directly or indirectly, by a person or Related Group of Persons of the right to appoint a majority of the directors of the Company or otherwise directly or indirectly control the management, affairs and business of the Company;
- (iv) any sale, transfer or other disposition of all or substantially all of the assets of the Company;
- (v) a complete liquidation or dissolution of the Company; or
- (vi) any transaction or series of transactions involving the Company or any of its Affiliates that the Board in its discretion deems to be a Change in Control;

provided however, that a Change in Control shall not be deemed to have occurred if such Change in Control results from:

- (i) the issuance, in connection with a bona fide financing or series of financings by the Company or any of its Affiliates, of voting securities of the Company or any of its Affiliates or any rights to acquire voting securities of the Company or any of its Affiliates which are convertible into voting securities; or
 - (ii) a transaction or series of transactions involving the Company or any of its Affiliates whereby the holders of the voting securities of the Company continue to hold voting securities in the capital of the surviving or successor entity in substantially the same proportion as such holders held voting securities in the Company immediately prior to the commencement of such transaction or series of transactions.
- (i) **“Company”** means Cansortium Inc.;
 - (j) **“Compensation Committee”** means the Compensation Committee of the Board or such other committee of the Board to which the Board has delegated responsibility

for administration of the Plan or, if the Board has not made such delegation, “Compensation Committee” shall mean the Board;

- (k) “**Effective Date**” has the meaning ascribed thereto by Section 3.1 of this Plan;
- (l) “**Eligible Contractor**” means any individual, other than a director, officer or employee, who: (i) is engaged to provide on a bona fide basis consulting, technical, management or other services to the Company or an Affiliate under a written contract between the Company or an Affiliate and the individual or a company of which the individual consultant is an employee; and (ii) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or an Affiliate;
- (m) “**Eligible Person**” means director, officer, or employee of the Company or its Affiliates as well as an Eligible Contractor;
- (n) “**Employer**” in respect of a Participant means the entity which employs or receives services from, as applicable, such Participant, which may be the Company or an Affiliate;
- (o) “**Exchange**” means the Canadian Securities Exchange, or such stock exchanges or other organized markets on which the Shares are listed or posted for trading;
- (p) “**Fair Market Value**” means, as at a particular date, for the purpose of calculating the Award Payout,
 - (i) if the Shares are listed on the CSE, the greater of: (i) the weighted average of the trading price per Share on the CSE for the last five trading days ending on that date; and (ii) the closing price of the Shares on the day before that date,
 - (ii) if the Shares are not listed on the CSE, the value established by the Board based on the volume weighted average price per Share traded on any other public exchange on which the Shares are listed over the same period, or
 - (iii) if the Shares are not listed on any public exchange, the value per Share established by the Board based on its determination of the fair value of a Share;
- (q) “**Insider**” in relation to the Company means:
 - (i) a director or senior officer of the Company;
 - (ii) a director or senior officer of a company that is an Insider or subsidiary of the Company; or

- (iii) a person that beneficially owns or controls, directly or indirectly, Shares and/or Proportionate Voting Shares carrying more than 10% of the voting rights attached to the Outstanding Issue.

- (r) **“Merger and Acquisition Transaction”** means:
 - (i) any merger;
 - (ii) any acquisition;
 - (iii) any amalgamation;
 - (iv) any offer for Shares and/or Proportionate Voting Shares which if successful would entitle the offeror to acquire all of the voting securities of the Company; or
 - (v) any arrangement or other scheme of reorganization;that results in a Change in Control;

- (s) **“Outstanding Issue”** at the time of any issuance of Shares or grant of a Restricted Award means the number of Shares that are outstanding (assuming the conversion of all outstanding Proportionate Voting Shares into Shares) immediately prior to the issue of the Shares or grant of a Restricted Award in question, on a non- diluted basis, or such other number as may be determined under the applicable rules and regulations of all regulatory authorities to which the Company is subject, including the Exchange;

- (t) **“Participant”** means an Eligible Person designated to be granted an Award under this Plan;

- (u) **“Permitted Assign”** in respect of a Participant means:
 - (i) an executor or administrator for the estate of the Participant upon the death of the Participant, or
 - (ii) a committee or duly appointed attorney of the Participant, upon the Participant becoming incapable, by reason of physical or mental infirmity, of managing his or her affairs.

- (v) **“Plan”** means this plan, as the same may from time to time be supplemented or amended and in effect;

- (w) **“Proportionate Voting Shares”** means the proportionate voting shares in the capital of the Company;

- (x) **“Related Group of Persons”** in respect of a person means:
 - (i) the person together with any one or more of the person’s Associates or Affiliates; and
 - (ii) any two or more persons who have an agreement, commitment or understanding, whether formal or informal, with respect to:
 - (A) the acquisition of or the intention to acquire, directly or indirectly, beneficial ownership of, or control and direction over, voting securities of the Company; or
 - (B) the exercise of voting rights attached to the securities of the Company beneficially owned by such persons, or over which such persons have control and direction, on matters regarding the appointment of directors or control of the management, affairs and business of the Company;
 - (iii) despite the above Section 2.1(x)(ii)(A), a registered dealer acting solely in an agency capacity for a person or Related Group of Persons in connection with the acquisition of beneficial ownership of, or control and direction over, securities of the Company, and not executing principal transactions for its own account or performing services beyond customary dealer’s functions, shall not be deemed solely by reason of such agency relationship to be a related person for the purposes of the definition of Related Group of Persons; and
- (y) **“Restricted Award”** means restricted share unit award granted pursuant to Section 8.1, for which the form of Award Agreement is attached hereto as Schedule “A”;
- (z) **“Securities Act”** means the *Securities Act* (Ontario), as amended from time to time;
- (aa) **“Shares”** means the common shares in the capital of the Company; and
- (bb) **“Shareholder”** means a holder of Shares and/or Proportionate Voting Shares.

ARTICLE 3 EFFECTIVE DATE OF PLAN

- 3.1 The effective date of the Plan is May 17, 2021 (the **“Effective Date”**), or such other date as the Board may determine, subject to the approval of the Plan, if necessary, by disinterested Shareholders and the Exchange.

ARTICLE 4
ADMINISTRATION OF PLAN

- 4.1 The Board may at any time appoint a committee of the Board (the “**Compensation Committee**”) to, among other things, interpret, administer and implement this Plan on behalf of the Board in accordance with such terms and conditions as the Board may prescribe, consistent with this Plan (provided that if at any such time such a committee has not been appointed by the Board, this Plan will be administered by the Board, and in such event references herein to the Compensation Committee shall be construed to be a reference to the Board). The Board will take such steps that in its opinion are required to ensure that the Compensation Committee has the necessary authority to fulfil its functions under this Plan.
- 4.2 The Compensation Committee is authorized, subject to the provisions of the Plan, to establish such rules and regulations as it deems necessary for the proper administration of the Plan, and to make determinations and take such other action in connection with or in relation to the Plan as it deems necessary or advisable. Each determination or action made or taken pursuant to the Plan, in good faith, including interpretation of the Plan, shall be final and conclusive for all purposes and binding on all parties, absent manifest error.
- 4.3 No member of the Committee shall be personally liable for any action taken or determination or interpretation made in good faith in connection with the Plan and all members of the Committee shall, in addition to their rights as directors of the Company, be fully protected, indemnified and held harmless by the Company with respect to any such action taken or determination or interpretation made in good faith.
- 4.4 The appropriate officers of the Company are hereby authorized and empowered to do all things and execute and deliver all instruments, undertakings and applications and writings as they, in their absolute discretion, consider necessary for the implementation of the Plan and of the rules and regulations established for administering the Plan.
- 4.5 The Company shall maintain a register in which shall be recorded:
- (a) the name and address of each Participant; and
 - (b) the number of Restricted Awards granted to each Participant.
- 4.6 The Compensation Committee shall from time to time determine the Eligible Persons who may participate in the Plan. The Compensation Committee shall from time to time determine the Eligible Persons to whom Restricted Awards shall be granted and the provisions and restrictions with respect to such grant, all such determinations to be made in accordance with the terms and conditions of the Plan, and the Compensation Committee may take into consideration the present and potential contributions of and the services rendered by the particular Participant to the success of the Company and its Affiliates and any other factors which the Compensation Committee deems appropriate and relevant.

- 4.7 The Company will be responsible for all costs relating to the administration of the Plan.
- 4.8 Unless otherwise determined by the Board, the Plan shall remain an unfunded obligation of the Company and the rights of Participants under the Plan shall be general unsecured obligations of the Company.
- 4.9 The Company is authorized to take such steps as may be necessary to ensure all Applicable Withholding Taxes are withheld, deducted and remitted as required by law.

**ARTICLE 5
SHARES AVAILABLE FOR AWARDS**

- 5.1 Subject to adjustment as provided in Article 16 of this Plan, the aggregate number of Shares that may be issuable pursuant to this Plan combined with all of the Company's other security based compensation arrangements, including the Company's stock option plan, shall not exceed 10% of the Outstanding Issue.
- 5.2 For purposes of Section 5.1 and subject to Section 5.3, the number of Shares covered by a Restricted Award or to which a Restricted Award relates shall be counted on the date of grant of such Restricted Award against the aggregate number of Shares available for granting Restricted Awards under this Plan.
- 5.3 If an outstanding Restricted Award for any reason expires or is terminated or cancelled without having been settled in full, the Shares shall again be available for issuance under this Plan.
- 5.4 The Board will reserve for issuance from time to time out of the authorized but unissued Shares sufficient Shares to provide for issuance of all Shares which are issuable under all Restricted Awards.
- 5.5 Fractional Restricted Awards are permitted under this Plan.

**ARTICLE 6
GRANT OF AWARDS**

- 6.1 Subject to the provisions of this Plan, the Compensation Committee may from time to time grant to any Eligible Person one or more Restricted Awards as the Compensation Committee deems appropriate.
- 6.2 The date on which a Restricted Award will be deemed to have been granted under this Plan will be the date on which the Compensation Committee authorizes the grant of such Restricted Award or such other future date as may be specified by the Compensation Committee at the time of such authorization (including, but not limited to, the date the Award Agreement is entered into pursuant to Section 6.4).

- 6.3 The number of Shares that may be issued under any Restricted Award will be determined by the Compensation Committee, provided that:
- (a) the number of Shares reserved for issuance to any one Participant pursuant to this Plan combined with all of the Company's other security based arrangements, including the Company's stock option plan, within any one year period shall not, in aggregate, exceed 5% of the Outstanding Issue; and
 - (b) the number of Shares:
 - (i) issuable, at any time, to Participants that are Insiders; and
 - (ii) issued to Participants that are Insiders within any one year period;
- pursuant to this Plan, or when combined with all of the Company's other security based compensation arrangements that provide for the issuance from treasury or potential issuance from treasury of Shares shall not, in aggregate, exceed 10% of the Outstanding Issue.
- 6.4 Each Restricted Award will be evidenced by an Award Agreement which incorporates such terms and conditions (including all vesting conditions) as the Compensation Committee in its discretion deems appropriate and consistent with the provisions of this Plan (and the execution and delivery by the Company of an Award Agreement with a Participant shall be conclusive evidence that such Award Agreement incorporates terms and conditions determined by the Compensation Committee and is consistent with the provisions of this Plan). Each Award Agreement will be executed by the Participant to whom the Restricted Award is granted and on behalf of the Company by any member of the Compensation Committee or any officer of the Company or such other person as the Compensation Committee may designate for such purpose.
- 6.5 The Board or the Committee may, in its sole discretion, determine: (i) the time during which Restricted Awards shall vest and whether there shall be any other conditions or performance criteria to vesting; (ii) the method of vesting; or (iii) that no vesting restriction shall exist. In the absence of any determination by the Board or the Compensation Committee to the contrary, Restricted Awards will vest three years after the date of grant.

ARTICLE 7 ELIGIBILITY

- 7.1 Any Eligible Person shall be eligible to be designated a Participant. The Company and a Participant shall confirm that any Eligible Person that is an employee is a *bona fide* employee of the Company or its Affiliates. In determining whether an Eligible Person shall receive a Restricted Award and the terms of any Restricted Award, the Compensation Committee may take into account the nature of the services rendered by the Eligible Person, his or her present and potential contributions to the success of the Company, and such other factors as the Compensation Committee, in its discretion, shall deem relevant.

ARTICLE 8 RESTRICTED AWARD GRANTS

- 8.1 The Compensation Committee is hereby authorized to grant Restricted Awards to an Eligible Person subject to the terms of this Plan. Each vested, whole Restricted Award granted under this Plan shall be denominated or payable in Shares or, at the option of the Company in cash, and shall confer on the holder thereof the right to receive one Share from treasury (subject to adjustment in accordance with this Plan), upon the completion of certain conditions during such periods as the Compensation Committee shall establish (with such date on which all such conditions are satisfied and the Restricted Awards fully vested being referred to as the “**Participant’s Entitlement Date**”). Subject to the terms of this Plan, the conditions to be completed during any period, the length of any period, the amount of any Restricted Award granted, the number of treasury Shares receivable pursuant to any Restricted Award and any other terms and conditions of the Restricted Award shall be determined by the Compensation Committee at the time of grant. A Restricted Award will be subject to an Award Agreement containing such terms and conditions, not inconsistent with the provisions of this Plan, as the Compensation Committee shall determine.
- 8.2 In the event that the Employer elects to satisfy its payment obligation in cash, on the Participant's Entitlement Date, the Restricted Award shall be redeemed and paid by the Affiliate that is the Employer of the Participant to the Participant subject to Article 13. The Fair Market Value of the Award Payout shall, after deduction of any applicable taxes and other source deductions required to be withheld by the applicable Affiliate, be paid in cash.
- 8.3 Except as otherwise determined by the Compensation Committee or as set forth in the applicable Award Agreement, upon the termination of a Participant’s employment (as determined under criteria established by the Compensation Committee), including by way of death, retirement, disability, termination without cause and termination for cause during the term of a Restricted Award, all unvested Restricted Awards held by the Participant shall be forfeited and cancelled; provided, however, that the Compensation Committee may, if it determines that a waiver would be in the best interest of the Company, waive in whole or in part any or all remaining restrictions or conditions with respect to any such Restricted Award.

ARTICLE 9 GENERAL TERMS OF RESTRICTED AWARDS

- 9.1 Restricted Awards may be granted for no cash consideration.
- 9.2 Restricted Awards may, in the discretion of the Compensation Committee, be granted either alone or in addition to or in tandem with any award granted under any plan of the Company or any Affiliate. Restricted Awards granted in addition to or in tandem with awards granted under any such other plan of the Company or any Affiliate may be granted either at the same time as or at a different time from the grant of such other awards.

- 9.3 All Shares delivered pursuant to a Restricted Award shall be subject to such stop transfer orders and other restrictions as the Compensation Committee may deem advisable, applicable Canadian provincial or foreign securities laws and regulatory requirements, applicable Exchange policies and rules, and applicable Canadian corporate laws, and the Compensation Committee may direct appropriate stop transfer orders and cause other legends to be placed on the certificates for such Shares to reflect such restrictions. If the Shares are traded on a securities exchange, the Company shall not be required to deliver any Shares covered by a Restricted Award unless and until such Shares have been listed and posted for trading on such securities exchange.

**ARTICLE 10
CHANGE IN STATUS**

- 10.1 A change in the status, office, position or duties of a Participant from the status, office, position or duties held by such Participant on the date on which the Restricted Award was granted to such Participant will not result in the termination of the Restricted Award granted to such Participant provided that such Participant remains an Eligible Person.

**ARTICLE 11
NON-TRANSFERABILITY OF RESTRICTED AWARDS**

- 11.1 Each Award Agreement will provide that the Restricted Award granted thereunder is not transferable or assignable to anyone other than a Permitted Assign.

**ARTICLE 12
REPRESENTATIONS AND COVENANTS OF PARTICIPANTS**

- 12.1 Each Award Agreement will contain representations and covenants of the Participant that:
- (a) the Participant is a director, officer or employee of the Company or its Affiliates or a person otherwise determined as an Eligible Person under this Plan by the Compensation Committee;
 - (b) the Participant has not been induced to enter into such Award Agreement by the expectation of employment or continued employment with the Company or its Affiliates;
 - (c) the Participant is aware that the grant of the Restricted Award and the issuance by the Company of Shares thereunder are exempt from the obligation under applicable securities laws to file a prospectus or other registration document qualifying the distribution of the Restricted Awards of the Shares to be distributed thereunder under any applicable securities laws.

**ARTICLE 13
WITHHOLDING TAX**

- 13.1 Each Participant shall be responsible for all taxes in respect of the Plan and in respect of the issuance, transfer, amendment or vesting of a Restricted Award or the issuance of Shares thereunder. The Company makes no guarantee to any person regarding the tax consequences of becoming a Participant in the Plan and none of the Company, its Affiliates or any of their respective employees or representatives shall have any liability to any Participant with respect thereto. The Company shall be entitled to take all reasonable and necessary steps and to obtain all reasonable or necessary indemnities, assurances, payments or undertakings to satisfy any obligation to pay or withhold an amount on account of Applicable Withholding Taxes. Without limiting the generality of the foregoing, the Company may for such purposes withhold or offset such amounts from any salary or other amounts otherwise due or to become due from the Company to the Participant or may require that a Participant pay such amounts to the Company.
- 13.2 The Participant will be solely responsible for paying any Applicable Withholding Taxes arising from the grant, vesting or issuance or payment of underlying Shares or cash of any Restricted Award and payment is to be made in a manner satisfactory to the Company. Notwithstanding the foregoing, the Company will have the right to withhold from any Restricted Award or any Shares issuable pursuant to a Restricted Award or from any cash amounts otherwise due or to become due from the Company to the Participant, an amount equal to any such taxes.

**ARTICLE 14
CONDITIONS**

- 14.1 Notwithstanding any provision in this Plan, other than Section 6.5, or an Award Agreement, the Company's obligation to issue Shares to a Participant pursuant to the terms of any Restricted Award will be subject to, if applicable:
- (a) completion of such registration or other qualification of such Shares or obtaining approval of such governmental authority as the Company will determine to be necessary or advisable in connection with the authorization, issuance or sale thereof; and
 - (b) the receipt from the Participant of such representations, agreements and undertakings, including as to future dealings in such Shares, as the Company or its counsel determines to be necessary or advisable in order to safeguard against the violation of the securities laws of any jurisdiction.

ARTICLE 15
SUSPENSION, AMENDMENT OR TERMINATION OF PLAN

- 15.1 The Compensation Committee will have the right at any time and from time to time to suspend or terminate this Plan and, subject to Section 15.2, may:
- (a) with the prior approval of disinterested Shareholders of the Company by ordinary resolution (if required by the Exchange) make any amendment to any Restricted Award Agreement or this Plan, including any amendment that would:
 - (i) increase the number of Shares, or rolling maximum, reserved for issuance under this Plan as set out in Section 5.1;
 - (ii) extend the term of a Restricted Award beyond its original expiry time;
 - (iii) result in any modification to this Section 15.1; or
 - (b) without the prior approval of holders of Restricted Awards and without limiting the generality of the foregoing, the Compensation Committee may make any other amendments not listed in (a) above to any Award Agreement or this Plan, as follows:
 - (i) amendments of a clerical nature, including but not limited to the correction of grammatical or typographical errors or clarification of terms;
 - (ii) amendments to reflect any requirements of any regulatory authorities to which the Company is subject, including the Exchange;
 - (iii) amendments to any vesting provisions of a Restricted Award; and
 - (iv) amendments to the expiration date of a Restricted Award that does not extend the term of a Restricted Award past the original date of expiration for such Restricted Award.

Notwithstanding the foregoing, all procedures and necessary approvals required under the applicable rules and regulations of all regulatory authorities to which the Company is subject shall be complied with and obtained in connection with any such suspension, termination or amendment to this Plan or amendments to any Award Agreement.

- 15.2 In exercising its rights pursuant to Section 15.1, the Compensation Committee will not have the right to affect in a manner that is materially adverse to, or that materially impairs, the benefits and rights of any Participant under any Restricted Award previously granted under this Plan except: (a) with the consent of such Participant; (b) as permitted pursuant to Article 16; or (c) for the purpose of complying with the requirements of any regulatory authorities to which the Company is subject, including the Exchange.

- 15.3 The full powers of the Compensation Committee as provided for in this Plan will survive the termination of this Plan until all Restricted Awards have been vested in full (including the issuance of any underlying Shares or cash payment in lieu thereof) or have otherwise expired.

ARTICLE 16 ADJUSTMENTS

- 16.1 In the event of any Share distribution, Share split, combination or exchange of Shares, merger, consolidation, spin-off or other distribution of the Company's assets to the Shareholders, or any other change affecting the Shares, the Restricted Awards of each Participant and the Restricted Awards outstanding under the Plan shall be adjusted in such manner, if any, as the Compensation Committee may in its discretion deem appropriate to reflect the event. However, no amount will be paid to, or in respect of, a Participant under the Plan or pursuant to any other arrangement, and no additional Restricted Awards will be granted to such Participant to compensate for a downward fluctuation in the market price of the Shares, nor will any other form of benefit be conferred upon, or in respect of a Participant for such purpose.
- 16.2 In the event of a Merger and Acquisition Transaction or proposed Merger and Acquisition Transaction, the Compensation Committee shall determine in an appropriate and equitable manner:
- (a) any adjustment to the number and type of Shares (or other securities) that thereafter shall be made the subject of Restricted Awards; and
 - (b) the number and type of Shares (or other securities) subject to outstanding Restricted Awards; and
 - (c) determine the manner in which all unvested Restricted Awards granted under this Plan will be treated including, without limitation, requiring the acceleration of the time for the vesting of such Restricted Awards by the Participants, the time for the fulfilment of any conditions or restrictions on such vesting, and the time for the expiry of such Restricted Awards.

Subsections (a) through (c) of this Section 16.2 may be utilized independently of, successively with, or in combination with each other and Section 16.1, and nothing therein contained shall be construed as limiting or affecting the ability of the Compensation Committee to deal with Restricted Awards in any other manner. All determinations by the Compensation Committee under this Article 16 will be final, binding and conclusive for all purposes.

- 16.3 Notwithstanding anything else in this Plan, any unvested Restricted Awards issued to a Participant at the time of a Merger and Acquisition Transaction shall immediately vest if either (i) the Participant is either terminated without cause or resigns with good reason (as

such term has been defined under common law, including any reason that would be considered to amount to constructive dismissal by a court of competent jurisdiction) from their position with the Company or its Affiliates within the period ending 12 months from the date of the completion of the Merger and Acquisition Transaction, or (ii) the Compensation Committee, acting reasonably, determines that an adjustment to the number and type of Shares (or other securities) resulting from a Merger and Acquisition Transaction is impractical or impossible. In the event this Section 16.3 is applicable, the Compensation Committee shall, acting reasonably, determine the extent to which the Participant met the conditions for vesting of Restricted Awards.

- 16.4 The grant of any Restricted Awards under this Plan will in no way affect the Company's right to adjust, reclassify, reorganize or otherwise change its capital or business structure or to merge, amalgamate, reorganize, consolidate, dissolve, liquidate or sell or transfer all or any part of its business or assets or engage in any like transaction.

ARTICLE 17 GENERAL

- 17.1 Nothing herein or otherwise shall be construed so as to confer on any Participant any rights as a Shareholder of the Company with respect to any Shares reserved for the purpose of any Restricted Award.
- 17.2 Nothing in this Plan or any Award Agreement will confer upon any Participant any right to continue in the employ of or under contract with the Company or its Affiliates or affect in any way the right of the Company or any such Affiliate to terminate his or her employment at any time or terminate his or her consulting contract, nor will anything in this Plan or any Award Agreement be deemed or construed to constitute an agreement, or an expression of intent, on the part of the Company or any such Affiliate to extend the employment of any Participant beyond the time that he or she would normally be retired pursuant to the provisions of any present or future retirement plan of the Company or its Affiliates or any present or future retirement policy of the Company or its Affiliates, or beyond the time at which he or she would otherwise be retired pursuant to the provisions of any contract of employment with the Company or its Affiliates. Neither any period of notice nor any payment in lieu thereof upon termination of employment shall be considered as extending the period of employment for the purposes of this Plan.
- 17.3 Nothing contained in this Plan will restrict or limit or be deemed to restrict or limit the right or power of the Board in connection with any allotment and issuance of Shares which are not allotted and issued under this Plan including, without limitation, with respect to other compensation arrangements.
- 17.4 The Plan and any Award Agreement granted hereunder will be governed, construed and administered in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

- 17.5 References herein to any gender include all genders and to the plural includes the singular and vice versa. The division of this Plan into Sections and Articles and the insertion of headings are for convenience of reference only and will not affect the construction or interpretation of this Plan.
- 17.6 This Plan and any Award Agreement may be executed and transmitted by facsimile or other means of electronic communication (including pdf, docusign or verified electronic authorization/signature), which signatures or authorizations shall be binding upon the parties as if they were original signatures.
- 17.7 This Plan and any Award Agreement may be executed and/or authorized in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument.

FORM OF AWARD AGREEMENT

CANSORTIUM INC.
(the “Company”)

RESTRICTED SHARE UNIT AWARD PLAN AWARD AGREEMENT

This Award Agreement (the “**Agreement**”) is entered into between the Company and the Participant named below pursuant to the Company’s Restricted Share Unit Award Plan (the “**Plan**”). All capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Plan.

This Agreement confirms that:

1. on _____, 20____ (the “**Award Date**”);
2. _____ (the “**Participant**”);
3. was granted _____ Restricted Awards in respect of employment services to be rendered by the Participant to the Company or its Affiliates each of which entitles the Participant to receive one Share upon vesting, provided the following conditions are met:

(a) **[conditions of vesting to be included at time of grant.]**

4. the vesting of the Restricted Awards shall occur on the following schedule:

<u>Vesting Date</u>	<u>Percentage Vested</u>
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[Timing of vesting to be included at time of grant.]

5. the Company shall issue to the Participant all amounts receivable by the Participant all Shares receivable by the Participant pursuant to this Agreement from treasury;
6. by execution of this Agreement and acceptance of the Restricted Awards hereby granted, the Participant hereby represents and warrants to the Company that the Participant:
 - (a) is director, officer or employee of the Company or its Affiliates or a person otherwise determined as an Eligible Person under this Plan by the Compensation Committee;
 - (b) has not been induced to enter into such Agreement by the expectation of employment or continued employment with the Company or its Affiliates;

- (c) is aware that the grant of the Restricted Award and the issuance by the Company of Shares thereunder are exempt from the obligation under applicable securities laws to file a prospectus or other registration document qualifying the distribution of the Restricted Awards of the Shares to be distributed thereunder under any applicable securities laws;
7. without restricting the generality of Section 4.9 of the Plan, the Company is expressly authorized to withhold and remit all Applicable Withholding Taxes arising as a consequence of the issuance, transfer, amendment or vesting of a Restricted Award granted pursuant to this Agreement or the issuance of Shares thereunder, (the “**Applicable Withholding Taxes Amount**”), in any of the following ways or any combination thereof:
- (a) by requiring the Participant, as a precondition to the Company’s obligation to issue Shares from treasury, to pay to the Company in cash the Applicable Withholding Taxes Amount, to be remitted by the Company to the appropriate government authorities for the Participant’s account;
 - (b) by offset against any salary or other amounts otherwise due or to become due from the Company to the Participant and remitting such amounts to the appropriate government authorities for the Participant’s account; and
 - (c) by selling, as the Participant’s agent, a sufficient number of the Shares issued to the Participant in payment and settlement of the Restricted Awards to raise, net of commissions and other related expenses, cash in an amount not less than the Applicable Withholding Taxes Amount and remitting the Applicable Withholding Taxes Amount to the appropriate government authorities for the Participant’s account, and the Participant hereby irrevocably appoints the Company as the Participant’s agent to effect such sale or sales and receive the proceeds therefrom;
8. upon the termination of a Participant’s employment, including by way of death, retirement, disability, termination without cause and termination for cause during the term of a Restricted Award, all unvested Restricted Awards held by the Participant shall be forfeited and cancelled;

otherwise all on the terms and subject to the conditions and restrictions set out in the Plan.

By signing this Agreement, the Participant acknowledges that the Participant has been provided with a copy of the Plan and has read and understands the Plan (or has sought legal and/or financial advice to inform themselves as to the operation of the Plan and the results of Participant's participation in the Plan) and agrees to the terms and conditions of the Plan and this Agreement.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the _____ day of _____, 20____.

CANSORTIUM INC.

By: _____
Authorized Signatory

SIGNED, SEALED AND DELIVERED)
in the presence of:)

Witness Name (Print):)

Witness Signature)

Participant Name (Print):

Participant Signature

Participant Address

Participant Email

SCHEDULE “C”

AUDIT COMMITTEE CHARTER CANSORTIUM INC.

Article 1 – mandate and responsibilities

The audit committee is appointed by the board of directors of the Corporation (the “**board**”) to oversee the accounting and financial reporting process of the Corporation and audits of the financial statements of the Corporation. The audit committee’s primary duties and responsibilities are to:

- (a) recommend to the board the external auditor to be nominated for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for the Corporation;
- (b) recommend to the board the compensation of the external auditor;
- (c) oversee the work of the external auditor engaged for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditor regarding financial reporting;
- (d) pre-approve all non-audit services to be provided to the Corporation or its subsidiaries by the Corporation’s external auditor;
- (e) review the Corporation’s financial statements, MD&A and annual and interim earnings press releases before the Corporation publicly discloses this information;
- (f) be satisfied that adequate procedures are in place for the review of all other public disclosure of financial information extracted or derived from the Corporation’s financial statements, and to periodically assess the adequacy of those procedures;
- (g) establish procedures for:
 - (ii) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters; and
 - (iii) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters; and
- (h) review and approve the Corporation’s hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Corporation.

The board and management will ensure that the audit committee has adequate funding to fulfill its duties and responsibilities.

Article 2 – pre-approval of non-audit services

The audit committee may delegate to one or more of its members the authority to pre-approve non-audit services to be provided to the Corporation or its subsidiaries by the Corporation’s external auditor. The pre-approval of non-audit services must be presented to the audit committee at its first scheduled meeting following such pre-approval.

The audit committee may satisfy its duty to pre-approve non-audit services by adopting specific policies and procedures for the engagement of the non-audit services, provided the policies and procedures are detailed as to the particular service, the audit committee is informed of each non-audit service and the procedures do not include delegation of the audit committee’s responsibilities to management.

Article 3 – external advisors

The audit committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities, and it has direct access to the external auditors as well as anyone in the organization. The audit committee has the ability to retain, at the Corporation's expense, special legal, accounting or other consultants or experts it deems necessary in the performance of its duties.

Article 4 – external auditors

The external auditors are ultimately accountable to the audit committee and the board, as representatives of the shareholders. The external auditors will report directly to the audit committee. The audit committee will:

- review the independence and performance of the external auditors and annually recommend to the board the nomination of the external auditors or approve any discharge of external auditors when circumstances warrant;
- approve the fees and other significant compensation to be paid to the external auditors;
- on an annual basis, review and discuss with the external auditors all significant relationships they have with the Corporation that could impair the external auditors' independence;
- review the external auditors' audit plan to see that it is sufficiently detailed and covers any significant areas of concern that the audit committee may have;
- before or after the financial statements are issued, discuss certain matters required to be communicated to audit committees in accordance with the standards established by the Chartered Professional Accountants of Canada;
- consider the external auditors' judgments about the quality and appropriateness of the Corporation's accounting principles as applied in the Corporation's financial reporting;
- consider the external auditors' judgments regarding any alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternative disclosures and treatments and the treatment preferred by the external auditors;
- resolve any disagreements between management and the external auditors regarding financial reporting; and
- approve in advance all audit services and any non-prohibited non-audit services to be undertaken by the external auditors for the Corporation.

Article 5 – legal compliance

On at least an annual basis, the audit committee will review with the Corporation's legal counsel any legal matters that could have a significant impact on the organization's financial statements, the Corporation's compliance with applicable laws and regulations and inquiries received from regulators or governmental agencies.

Article 6 - complaints

Individuals are strongly encouraged to approach a member of the audit committee with any complaints or concerns regarding accounting, internal accounting controls or auditing matters. The audit committee will

from time to time establish procedures for the submission, receipt and treatment of such complaints and concerns. In all cases the audit committee will conduct a prompt, thorough and fair examination, document the situation and, if appropriate, recommend to the board appropriate corrective action.

To the extent practicable, all complaints will be kept confidential. The Corporation will not condone any retaliation for a complaint made in good faith.

