

AI/ML INNOVATIONS INC.

DIRECTORS, MANAGEMENT, CONSULTANT AND EMPLOYEES

STOCK OPTION PLAN

AI/ML Innovations Inc. (the "Corporation"), by a resolution of its Board of Directors, has established a Directors, Management, Consultants and Employees Stock Option Plan (the "Plan") pursuant to which eligible persons may be granted options ("Options") to purchase from treasury fully paid and non-assessable shares in the capital stock of the Corporation on the terms and conditions set out in the Plan.

The terms and conditions of the Plan are as follows:

1. The Corporation will set aside and make available for Options granted under the Plan a number of Common Shares equal to TEN (10%) PERCENT of the total issued and outstanding common shares of the Corporation (on a non-diluted basis) from time to time, provided that where the Corporation is proposing to list its Common Shares on a stock exchange in conjunction with a public offering of Common Shares then, if permitted by the rules of such stock exchange, the number of Common Shares made available under the Plan shall be calculated on a diluted basis, taking into account the number of Common Shares to be issued pursuant to such public offering.
2. The persons eligible to be granted Options under the Plan are directors, officers, consultants or employees of the Corporation or of any of its affiliates who the directors of the Corporation, in their discretion, determine by resolution to grant an Option to and that, with respect to consultants and employees, the Corporation represents is a bona fide consultant or employee, as the case may be, of the Corporation (such persons being herein called "Optionees").
3. The directors of the Corporation may, by resolution, determine to grant an Option to an Optionee and may determine the number of shares subject to that Option and the exercise price per common share under the Option, provided that:
  - (a) no Optionee shall be granted an Option to acquire a number of Common Shares which, together with any other outstanding Options granted to that Optionee under the Plan and any shares issued to such Optionee upon the exercise of Options in the previous 12 month period, exceeds FIVE (5%) PERCENT of the total issued and outstanding shares of the Corporation (on a non-diluted basis) from time to time;
  - (b) the total number of common shares subject to Options under the plan shall not exceed the number available pursuant to paragraph 1 hereof;
  - (c) The exercise price per common share under the Option shall be not less than such minimum price prescribed by the policies of the Exchange (as hereinafter defined);
  - (d) if the Optionee is an Insider of the Corporation, then any reduction in the exercise price per Common Share under an Option shall be subject to obtaining disinterested shareholder approval;

- (e) The number of shares subject to Options, whether exercised or not, granted to insiders of the Corporation within any 12 month period shall not exceed TEN (10%) PERCENT of the total issued and outstanding shares of the Corporation (on a non-diluted basis);
  - (f) The number of shares subject to Options, whether exercised or not, granted to consultants or employees of the Corporation performing Investor Relations Activities (as such term is defined in the policies of the Exchange), as a group, within any 12 month period shall not exceed TWO (2%) PERCENT of the total issued and outstanding shares of the Corporation (on a non-diluted basis); and
  - (g) Options granted to consultants or employees of the Corporation performing Investor Relations Activities (as such term is defined in the policies of the Exchange) shall be subject to vesting such that the Option shall vest over not less than 12 months, with no more than 25% of such Option vesting in any three month period.
4. The directors of the Corporation may, by resolution, determine the time during which any Option may be exercised (the "Exercise Period"), provided that:
- (a) The Exercise Period shall not exceed five years from the date that the Option is granted; and
  - (b) Subject to paragraph 5, the Option may only be exercised while the Optionee is a director, officer, consultant or employee, as the case may be, of the Corporation or an affiliate of the Corporation.
5. (a) If an Optionee ceases to be a director, officer, consultant or employee, as the case may be, of the Corporation or an affiliate of the Corporation, for any reason other than death, then the Optionee may be permitted to exercise the unexercised portion of the Option for a period of up to no more that NINETY (90) DAYS after ceasing to be a director, officer, consultant or employee, as the case may be, of the Corporation or an affiliate of the Corporation or such lesser time that may be provided for by the directors of the Corporation.
- (b) Notwithstanding subparagraph 5(a) above, if an Optionee is engaged in Investor Relations Activities (as such term is defined in the policies of the Exchange), then if such Optionee ceases to be a director, officer, consultant or employee, as the case may be, of the Corporation or an affiliate of the Corporation, for any reason other than death, then the Optionee may be permitted to exercise the unexercised portion of the Option for a period of up to no more that THIRTY (30) DAYS after ceasing to be a director, officer, consultant or employee, as the case may be, of the Corporation or an affiliate of the Corporation or such lesser time that may be provided for by the directors of the Corporation.
  - (c) If an Optionee ceases to be an officer, director, consultant or employee, as the case may be, of the Corporation or an affiliate of the Corporation by reason of death, then the unexercised portion of the Option may be exercised by the executor or

administrator of the estate of the Optionee for a period not to exceed ONE (1) YEAR after such death, or such lesser time that may be provided for by the directors of the Corporation.

6. Unless the directors of the Corporation determine otherwise, the Options to be granted hereunder shall be exercisable either in whole or in part, or in several parts.
7. At the time of granting an Option under the Plan the directors of the Corporation may attach any conditions to that Option that they, in their discretion, determine to so attach.
8. To exercise an Option the Optionee shall be required to provide to the Corporation written notice of such exercise, specifying the number of Common Shares with respect to which the Option is being exercised, together with payment by certified cheque payable to the Corporation for the amount payable for such Common Shares (namely, the exercise price per share times the number of Common Shares which are the subject of such exercise).
9. If the Corporation carries out a subdivision, consolidation, or dividend of its Common Shares, then the number of Common Shares subject to any Option and the exercise price therefor shall be adjusted appropriately.
10. The Optionees may not assign or transfer all or any part of any rights under an Option.
11. The Common Shares acquired pursuant to the exercise of an Option shall be subject to such hold periods that may be imposed or required by law or by the policies of the Exchange.

12. The Plan, and any Options granted thereunder, are subject to the applicable rules of any stock exchange (the "Exchange") upon which the Corporation's common shares are listed and shall be conditional upon such approvals or consents as may be required from any regulatory authority or stock exchange having jurisdiction.

13. The Plan shall be governed and construed in accordance with the laws of the Province of Alberta.

14. The grant of any Option under the Plan shall be effected by the Corporation and the Optionee entering into an option agreement in a form approved by the directors of the Corporation.

15. The directors of the Corporation shall have the right to amend, modify or terminate the Plan at any time as they, in their discretion, determine, provided that no such amendment, modification or termination shall affect any Options then outstanding.

16. Any options to purchase Common Shares of the Corporation granted to directors, officers, consultants or employees of the Corporation or any of its affiliates in their capacity as such, which are outstanding as at the date of the Plan shall, for all purposes, be considered to be Options granted pursuant to the Plan.