



ADASTRA HOLDINGS LTD.

5451 - 275 Street, Langley, BC V4W 3X8
Tel: 778-715-5011

NOTICE OF ANNUAL GENERAL MEETING

TO THE SHAREHOLDERS:

NOTICE IS HEREBY GIVEN that the annual general meeting (the “**Meeting**”) of shareholders of Adastra Holdings Ltd. (the “**Company**”) will be held at 5451 - 275 Street, Langley, British Columbia, on Thursday, June 23, 2022 at 11:00 a.m. (Vancouver time) for the following purposes:

1. to receive the audited financial statements of the Company for the fiscal year ended December 31, 2021, and the accompanying report of the auditor;
2. to set the number of directors of the Company at three (3);
3. to elect Michael Forbes, Paul Morgan and John Smoke Wallin as directors of the Company;
4. to appoint Davidson & Company LLP, Chartered Professional Accountants, as the auditor of the Company for the fiscal year ending December 31, 2022 and to authorize the directors of the Company to fix the remuneration to be paid to the auditor for the fiscal year ending December 31, 2022; and
5. to transact such further or other business as may properly come before the Meeting and any adjournment or postponement thereof.

The accompanying Information Circular provides additional information relating to the matters to be dealt with at the Meeting and is supplemental to, and expressly made a part of, this notice of meeting (the “**Notice of Meeting**”).

The Company’s board of directors has fixed May 13, 2022 as the record date for the determination of shareholders entitled to notice of and to vote at the Meeting and at any adjournment or postponement thereof. Each registered shareholder at the close of business on that date is entitled to such notice and to vote at the Meeting in the circumstances set out in the accompanying Information Circular.

If you are a registered shareholder of the Company and unable to attend the Meeting in person, please vote by proxy by following the instructions provided in the form of proxy at least 48 hours (excluding Saturdays, Sundays and holidays recognized in the Province of British Columbia) before the time and date of the Meeting or any adjournment or postponement thereof.

COVID-19

In view of the COVID-19 pandemic, the Company asks that, in considering whether to attend the Meeting in person, shareholders follow the instructions of the Public Health Agency of Canada (<https://www.canada.ca/en/public-health/services/diseases/2019-novel-coronavirus-infection.html>).

The Company encourages shareholders not to attend the Meeting in person if experiencing any of the described COVID-19 symptoms of fever, cough or difficulty breathing. The Company may take additional precautionary measures in relation to the Meeting in response to further developments in the COVID-19 pandemic.

If you are a non-registered shareholder of the Company and received this Notice of Meeting and accompanying materials through a broker, a financial institution, a participant, a trustee or administrator of a retirement savings plan, retirement income fund, education savings plan or other similar savings or investment plan registered under the *Income Tax Act* (Canada), or a nominee of any of the foregoing, that holds your securities on your behalf (an “**Intermediary**”), please complete and return the materials in accordance with the instructions provided to you by your Intermediary.

Dated at Vancouver, British Columbia, this 20th day of May, 2022.

ON BEHALF OF THE BOARD OF DIRECTORS OF

ADASTRA HOLDINGS LTD.

“Michael Forbes”

Michael Forbes
Chief Executive Officer, Corporate Secretary and Director



ADASTRA HOLDINGS LTD.

5451 - 275 Street, Langley, BC V4W 3X8
Tel: 778-715-5011

INFORMATION CIRCULAR

(This document contains information as at May 20, 2022 and all amounts are in Canadian dollars, unless otherwise indicated.)

GENERAL PROXY INFORMATION

This Information Circular is furnished to the shareholders (each, a “**Shareholder**”) of Adastra Holdings Ltd. (the “**Company**”) by the board of directors of the Company (the “**Board**”) in connection with the solicitation by the Company’s Board of proxies to be voted at the Annual General Meeting (the “**Meeting**”) of the Shareholders to be held on Thursday, June 23, 2022 at 11:00 a.m. (Vancouver time) at 5451 - 275 Street, Langley, British Columbia or at any adjournment or postponement thereof.

COVID-19

In view of the COVID-19 pandemic, the Company asks that, in considering whether to attend the Meeting in person, Shareholders follow the instructions of the Public Health Agency of Canada (<https://www.canada.ca/en/public-health/services/diseases/2019-novel-coronavirus-infection.html>).

The Company encourages Shareholders not to attend the Meeting in person if experiencing any of the described COVID-19 symptoms of fever, cough or difficulty breathing. The Company may take additional precautionary measures in relation to the Meeting in response to further developments in the COVID-19 pandemic.

PROXIES AND VOTING RIGHTS

Management Solicitation

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

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

which the person making such solicitation is not qualified to do so, or to anyone to whom it is unlawful to make such an offer of solicitation.

Appointment and Revocation of Proxy

Registered Shareholders

Registered Shareholders (“**Registered Shareholders**”) are entitled to vote at the Meeting. A Shareholder is entitled to one vote for each common share in the capital of the Company (each, a “**Common Share**”) that such Shareholder holds on May 13, 2022 (the “**Record Date**”) on the resolutions to be acted upon at the Meeting and any other matter to come before the Meeting.

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

In order to be voted, the completed form of proxy must be received by the Company’s registrar and transfer agent, National Securities Administrators Ltd., at their offices located at 777 Hornby St #702, Vancouver, British Columbia V6Z 1S2 (Tel: 604-559-8880), at least 48 hours (excluding Saturdays, Sundays and holidays recognized in the Province of British Columbia) prior to the scheduled commencement of the Meeting or an adjournment of the Meeting.

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

A Shareholder who has given a proxy may revoke it at any time, before it is exercised, by an instrument in writing: (a) executed by that Shareholder or by that Shareholder’s attorney-in-fact authorized in writing or, where that Shareholder is a corporation, by a duly authorized officer of, or attorney-in-fact for, the corporation and (b) delivered either: (i) to the Company at 5451 - 275 Street, Langley, BC V4W 3X8 (Attention: Michael Forbes) at any time up to and including the last business day preceding the day of the Meeting or, if adjourned or postponed, any reconvening thereof; (ii) to the Chairman of the Meeting prior to the vote on matters covered by the proxy on the day of the Meeting or, if adjourned or postponed, any reconvening thereof; or (iii) in any other manner provided by law. Also, a proxy will automatically be revoked by either: (a) attendance at the Meeting and participation in a poll (ballot) by a Shareholder or (b) submission of a subsequent proxy in accordance with the foregoing procedures. A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to other matters which may properly come before the Meeting, including any amendments or variations to any matters identified in the notice of meeting and with respect to other matters which may properly come before the Meeting. At the date of this Information Circular, management of the Company knows of no such amendments, variations, or other matters to come before the Meeting. **The Common Shares represented by a Shareholder’s proxy will be voted or withheld from voting in accordance with the instructions of the Shareholder on any ballot that may be called for. If the Shareholder specifies a choice with respect to any matter to be voted upon, the Common Shares represented by that Shareholder’s proxy will be voted accordingly.**

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

A SHAREHOLDER HAS THE RIGHT TO APPOINT A PERSON OR COMPANY (WHO NEED NOT BE A SHAREHOLDER) TO ATTEND AND ACT FOR THEM ON THEIR BEHALF AT THE MEETING OTHER THAN THE PERSONS NAMED IN THE ENCLOSED INSTRUMENT OF PROXY. TO EXERCISE THIS RIGHT, THE SHAREHOLDER MUST STRIKE OUT THE NAMES OF THE PERSONS NAMED IN THE INSTRUMENT OF PROXY AND INSERT THE NAME OF HIS NOMINEE IN THE BLANK SPACE PROVIDED, OR COMPLETE ANOTHER INSTRUMENT OF PROXY. SUCH SHAREHOLDER SHOULD NOTIFY THE NOMINEE OF THE APPOINTMENT, OBTAIN THE NOMINEE'S CONSENT TO ACT AS PROXY AND SHOULD PROVIDE INSTRUCTION TO THE NOMINEE ON HOW THE SHAREHOLDER'S COMMON SHARES SHOULD BE VOTED. THE NOMINEE SHOULD BRING PERSONAL IDENTIFICATION TO THE MEETING.

IF NO CHOICE IS SPECIFIED IN THE PROXY WITH RESPECT TO A MATTER TO BE ACTED UPON, THE PROXY CONFERS DISCRETIONARY AUTHORITY WITH RESPECT TO THAT MATTER UPON THE DESIGNATED PERSONS NAMED IN THE FORM OF PROXY. IT IS INTENDED THAT THE DESIGNATED PERSONS WILL VOTE THE COMMON SHARES REPRESENTED BY THE PROXY IN FAVOUR OF EACH MATTER IDENTIFIED IN THE PROXY AND FOR THE NOMINEES OF THE COMPANY'S BOARD OF DIRECTORS FOR DIRECTORS AND AUDITOR.

Non-Registered Shareholders

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

Regulatory policies require intermediaries to seek voting instructions from Beneficial Shareholders in advance of a shareholders' meeting. Beneficial Shareholders have the option of either not objecting to their intermediary disclosing certain ownership information about themselves to the Company (such Beneficial Shareholder are designated as non-objecting beneficial owners, or "**NOBOs**") or objecting to their intermediary disclosing ownership information about themselves to the Company (such Beneficial Shareholders are designated as objecting beneficial owners, or "**OBOs**").

In accordance with the requirements of National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*, the Company has elected to send the notice of meeting, this Information Circular and a request for voting instructions (a "**VIF**") instead of a proxy (the notice of meeting, Information Circular and VIF or proxy are collectively referred to as the "**Meeting Materials**"), directly to the NOBOs and indirectly through intermediaries to the OBOs. The intermediaries (or their service companies) are responsible for forwarding the Meeting Materials to the OBOs. The Company will not pay for the delivery of proxy-related materials to OBOs. The OBOs will not receive the Meeting Materials unless their intermediary assumes the costs of delivery.

Meeting Materials sent to Beneficial Shareholders are accompanied by a VIF, instead of a proxy. By returning the VIF in accordance with the instructions noted on it, the Beneficial Shareholder is able to instruct the intermediary (or other Registered Shareholder) how to vote the Beneficial Shareholder's Common Shares on the Beneficial Shareholder's behalf. For this to occur, it is important that the VIF be completed and returned in accordance with the specific instructions noted on the VIF.

The majority of intermediaries now delegate responsibility for obtaining instructions from Beneficial Shareholders to Broadridge Investor Communication Solutions, Inc. ("**Broadridge**") in Canada. Broadridge typically prepares a machine-readable VIF, mails these VIFs to Beneficial Shareholders and asks Beneficial Shareholders to return the VIFs to Broadridge, usually by way of mail, the internet or telephone. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting by proxies for which Broadridge has solicited voting instructions. If you have any questions respecting the voting of Common Shares held through an intermediary, please contact that intermediary for assistance.

In either case, the purpose of this procedure is to permit Beneficial Shareholders to direct the voting of the Common Shares which they beneficially own. **A Beneficial Shareholder receiving a VIF, through Broadridge or another intermediary, cannot use that form to vote Common Shares directly at the Meeting. Beneficial Shareholders should carefully follow the instructions set out in the VIF including those regarding when and where the VIF is to be delivered.** Should a Beneficial Shareholder who receives a VIF wish to attend the Meeting or have someone else attend on their behalf, the Beneficial Shareholder may request a legal proxy as set forth in the VIF, which will grant the Beneficial Shareholder or their nominee the right to attend and vote at the Meeting.

Only Registered Shareholders have the right to revoke a proxy. A Beneficial Shareholder who wishes to change its vote must, at least seven (7) days before the Meeting, arrange for its intermediary to revoke its VIF on its behalf.

All references to Shareholders in this Information Circular and the accompanying instrument of proxy and notice of meeting are to Registered Shareholders unless specifically stated otherwise.

The Meeting Materials are being sent to both registered and non-registered owners of the Company's Common Shares. If you are a Beneficial Shareholder and the Company or its agent has sent the Meeting Materials directly to you, your name and address and information about your holdings of the Company's securities have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf. By choosing to send the Meeting Materials to you, the Company (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering the Meeting Materials to you; and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the VIF.

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

Except as disclosed elsewhere in this Information Circular, no director or executive officer of the Company who was a director or executive officer since the beginning of the Company's last financial year, no proposed nominee for election as a director of the Company, nor any associate or affiliates of any such directors, officers or nominees, has any material interest, direct or indirect, by way of beneficial ownership of Common Shares or other securities in the Company or otherwise, in any matter to be acted upon at the Meeting, other than the election of directors.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Company is authorized to issue an unlimited number of Common Shares without par value. As of the close of business on the Record Date, a total of 55,970,547 Common Shares were issued and outstanding. Each Common Share carries the right to one vote at the Meeting.

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

To the knowledge of the directors and executive officers of the Company, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, Common Shares carrying more than 10% of the voting rights attached to the outstanding Common Shares.

FINANCIAL STATEMENTS

The audited financial statements of the Company for the year ended December 31, 2021, together with the auditor's report thereon, will be submitted to the Meeting. Receipt at the Meeting of the financial statements and auditor's report will not constitute approval or disapproval of any matters referred to therein. The Company's financial statements and Management's Discussion and Analysis ("MD&A") are available on SEDAR at www.sedar.com.

NUMBER OF DIRECTORS

At the Meeting, Shareholders will be asked to pass an ordinary resolution to set the number of directors of the Company at three (3). An ordinary resolution needs to be passed by a simple majority of the votes cast by the Shareholders present in person or represented by proxy and entitled to vote at the Meeting.

Management of the Company recommends the approval of setting the number of directors of the Company at three (3).

ELECTION OF DIRECTORS

The directors of the Company are elected at each annual general meeting of the Company and hold office until the next annual general meeting or until their successors are elected or appointed, unless the director's office is earlier vacated in accordance with the Company's Articles or applicable corporate statute.

Management of the Company proposes to nominate each of the following directors of the Company, as set out in the table below, for election by the Shareholders as directors of the Company. Information concerning such persons, as furnished by the individual nominees, is as follows:

Name, Place of Residence and Position(s) with the Company	Principal Occupation, Business or Employment for Last Five Years ⁽¹⁾	Director Since	Number of Shares Owned ⁽¹⁾
Michael Forbes ⁽²⁾ British Columbia, Canada <i>Chief Executive Officer, Corporate Secretary and Director</i>	Mr. Forbes has been the CEO of the Company since April 2021. Also, Businessman, CEO, President and owner of a number of privately held companies in the pharmaceutical, medical, real estate, and cannabis sector including founding five cannabis medical clinics under the Concord Medical Clinic umbrella, building Clarity Cannabis and Honeycomb Cannabis to over 10 locations, and founding the cannabis licensed production facility, Sitka Weed Works, in BC, Canada. Mr. Forbes has a BSc. in Pharmaceutical Sciences, certifications in Hormone Restoration, Age Management Medicine and more recently Cannabis Plant Production and Facility Management from Kwantlen Polytechnic University, and received an honorary MBA from the Ivey School of Business.	April 29, 2021 to present	1,256,860 ⁽³⁾
Paul Morgan ⁽²⁾ British Columbia, Canada <i>Director</i>	Mr. Morgan is a corporate/commercial lawyer located in Victoria, British Columbia and has been actively practicing in British Columbia since 2013. Mr. Morgan's legal practice has included a particular focus on various segments of the cannabis industry including, but not limited to, retailers and licensed producers of cannabis since approximately 2016.	July 13, 2021 to present	Nil ⁽⁴⁾
John Smoke Wallin California, United States	Mr. Wallin serves as Managing Director and partner at STS Capital Partners, a global boutique investment bank	May 14, 2022 to present	Nil

<i>Director</i>	focused on M&A. He serves as Chairman of Taliera, a company he founded in 2006 to incubate and celebrate iconic beverage brands. He is Chairman and Co-Founder of Vertical Wellness, a health and wellness brand company. He has led over \$1.7 billion in M&A and financings, both publicly and privately. Mr. Wallin helped build National Wine & Spirits into one of the largest distributors of beer, wine and spirits in the US and also served as Chair and President of the Wine & Spirits Wholesalers of America (WSWA). He has been an active leader in The Young Presidents Organization and is incoming Chair for YPO's Pacific One chapter. Mr. Wallin earned an MBA at Vanderbilt University and a BS in Agricultural Economics Cornell University.		
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- (1) Information has been furnished by the respective nominees individually.
- (2) Member of the Company's audit committee.
- (3) This number includes 500 Common Shares held directly and 1,288,198 Common Shares held indirectly through MDC Forbes Inc., a company wholly owned by Michael Forbes. This number does not include an aggregate of 300,000 options held indirectly through MDC Forbes Inc., each of which is exercisable into one Common Share at a price of \$1.06 per Share until October 25, 2026.
- (4) This number does not include an aggregate of 300,000 options held directly, each of which is exercisable into one Common Share at a price of \$1.06 per Common Share until October 25, 2026.

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

Management of the Company recommends that Shareholders vote for the election of each of the nominees listed above as a director of the Company.

CORPORATE CEASE TRADE ORDERS OR BANKRUPTCIES

Orders

To the best of management's knowledge, no proposed director of the Company is, or within the ten (10) years before the date of this Information Circular has been, a director, chief executive officer or chief financial officer of any company that:

- (a) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that 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
- (b) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days 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.

Bankruptcies

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

Penalties or Sanctions

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

STATEMENT OF EXECUTIVE COMPENSATION

General

For the purpose of this Statement of Executive Compensation:

"compensation securities" includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the Company or one of its subsidiaries for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries;

"named executive officer" or **"NEO"** means each of the following individuals:

- (a) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief executive officer ("**CEO**"), including an individual performing functions similar to a CEO;
- (b) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief financial officer ("**CFO**"), including an individual performing functions similar to a CFO;
- (c) in respect of the Company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000 for that financial year; and
- (d) each individual who would be a NEO under paragraph (c) but for the fact that the individual was not an executive officer of the Company, and was not acting in a similar capacity, at the end of that financial year;

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

"underlying securities" means any securities issuable on conversion, exchange or exercise of compensation securities.

Notice Regarding Share Consolidation

Effective at the open of the Canadian Securities Exchange (“CSE”) on April 9, 2021, the outstanding Common Shares were consolidated on the basis of three (3) pre-consolidation Common Shares for each one (1) post-consolidation Common Share (the “Consolidation”). All numbers with respect to Common Shares and securities convertible into Common Shares and stock prices in this Statement of Executive Compensation are presented on a post-Consolidation basis.

Director and NEO Compensation, Excluding Compensation Securities

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

Table of Compensation Excluding Compensation Securities							
Name and Position	Year ⁽¹⁾	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites ⁽²⁾ (\$)	Value of all other Compensation (\$)	Total Compensation (\$)
Michael Forbes ⁽³⁾ CEO, Corporate Secretary and Director	2021	40,000	Nil	Nil	Nil	Nil	40,000
	2020	N/A	N/A	N/A	N/A	N/A	N/A
Oliver Foeste ⁽⁴⁾ CFO	2021	74,518 ⁽⁵⁾	Nil	Nil	Nil	Nil	74,518
	2020	N/A	N/A	N/A	N/A	N/A	N/A
George Routhier ⁽⁶⁾ Director	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	2,500 ⁽⁷⁾	Nil	Nil	Nil	Nil	2,500 ⁽⁷⁾
Paul G. Morgan ⁽⁸⁾ Director	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	N/A	N/A	N/A	N/A	N/A	N/A
Andrew Hale ⁽⁹⁾ Former CEO, President and Director	2021	134,666	Nil	Nil	Nil	Nil	134,666
	2020	180,091	Nil	Nil	Nil	Nil	180,091
James Scott Munro ⁽¹⁰⁾ Former President, Interim CEO Director	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil
Donald Reed Dinsmore ⁽¹¹⁾ Former COO, Corporate Secretary and Director	2021	122,535	50,000	Nil	Nil	Nil	172,535
	2020	N/A	N/A	N/A	N/A	N/A	N/A

Table of Compensation Excluding Compensation Securities							
Name and Position	Year ⁽¹⁾	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites ⁽²⁾ (\$)	Value of all other Compensation (\$)	Total Compensation (\$)
Stephen Brohman ⁽¹²⁾ Former CFO, Corporate Secretary and Director	2021	61,091	Nil	Nil	Nil	Nil	61,091
	2020	150,900 ⁽¹³⁾	Nil	Nil	Nil	Nil	150,900 ⁽¹³⁾
Blaine Bailey ⁽¹⁴⁾ Former CFO and Director	2021	N/A	N/A	N/A	N/A	N/A	N/A
	2020	N/A	Nil	Nil	Nil	Nil	N/A

(1) For the year ended December 31.

(2) "Perquisites" include perquisites provided to an NEO or director that are not generally available to all employees and that, in aggregate, are: (a) \$15,000, if the NEO or director's total salary for the financial year is \$150,000 or less, (b) 10% of the NEO or director's salary for the financial year if the NEO or director's total salary for the financial year is greater than \$150,000 but less than \$500,000, or (c) \$50,000 if the NEO or director's total salary for the financial year is \$500,000 or greater.

(3) Michael Forbes was appointed as a director of the Company on April 29, 2021, CEO on May 3, 2021 and Corporate Secretary on March 24, 2022.

(4) Oliver Foeste was appointed CFO of the Company on July 13, 2021.

(5) The Company was charged by Invictus Accounting Group LLP, a company controlled by Mr. Foeste, for accounting, tax and financial reporting related services in addition to the CFO services, in the amount of \$74,518 in 2021.

(6) George Routhier was appointed as a director of the Company on December 19, 2019 and will not be standing for re-election at the Meeting.

(7) Paid to Pipedreemz Inc., a company controlled by Mr. Routhier.

(8) Paul Morgan was appointed as a director of the Company on July 13, 2021.

(9) Andrew Hale was appointed CEO, President and a director of the Company on December 19, 2019. Mr. Hale resigned from all positions with the Company on February 26, 2021.

(10) James Scott Munro was appointed as a director of the Company on February 26, 2021 and President and Interim CEO on March 1, 2021. Mr. Munro resigned from all positions with the Company on April 29, 2021.

(11) Donald Reed Dinsmore was appointed as a director of the Company on April 29, 2021 and COO and Corporate Secretary on May 3, 2021. Mr. Dinsmore resigned from all positions with the Company on March 24, 2022.

(12) Stephen Brohman was appointed as a director of the Company on September 2, 2014 and CFO and Corporate Secretary on December 19, 2019. Mr. Brohman resigned from all positions with the Company on July 13, 2021.

(13) The Company was charged by Donaldson Brohman Martin CPA Inc., a firm in which Mr. Brohman is a principal, for accounting and tax services, in the amount of \$150,900 in 2020 and \$107,298 and 2019.

(14) Blaine Baily was appointed CFO on June 21, 2005, Secretary on April 5, 2007 and a director of the Company on February 3, 2014. Mr. Bailey resigned as Secretary on August 20, 2007, CFO on December 19, 2019 and as a director of the Company on March 26, 2021.

External Management Companies

The Company has not engaged the services of an external management company to provide executive management services to the Company, directly or indirectly.

Stock Options and Other Compensation Securities

The following table sets out all compensation securities granted or issued to each director and NEO by the Company or any subsidiary thereof in the year ended December 31, 2021 for services provided, or to be provided, directly or indirectly, to the Company or any subsidiary thereof:

Compensation Securities							
Name and Position	Type of Compensation Security	Number of Compensation Securities/Number of Underlying Securities /Percentage of Class	Date of Issue or Grant	Issue, Conversion or Exercise Price (\$)	Closing Price of Security or Underlying Security on Date of Grant	Closing Price of Security or Underlying Security at Year End	Expiry Date
Michael Forbes CEO, Corporate Secretary and Director	Stock Options	300,000 / 300,000 / 8.08%	October 25, 2021	\$1.06	\$1.07	\$0.89	October 25, 2026
Oliver Foeste CFO	Stock Options	300,000 / 300,000 / 8.08%	October 25, 2021	\$1.06	\$1.07	\$0.89	October 25, 2026
George Routhier Director	Stock Options	Nil	N/A	N/A	N/A	N/A	N/A
Paul G. Morgan Director	Stock Options	300,000 / 300,000 / 8.08%	October 25, 2021	\$1.06	\$1.07	\$0.89	October 25, 2026
Andrew Hale Former CEO, President and Director	Stock Options	33,333 / 33,333 / 0.90%	August 4, 2021	\$1.35	\$0.86	\$0.89	August 4, 2026
James Scott Munro Former President, Interim CEO Director	Stock Options	Nil	N/A	N/A	N/A	N/A	N/A
Donald Reed Dinsmore Former COO, Corporate Secretary and Director	Stock Options	Nil	N/A	N/A	N/A	N/A	N/A
Stephen Brohman Former CFO, Corporate Secretary and Director	Stock Options	Nil	N/A	N/A	N/A	N/A	N/A
Blaine Bailey Former CFO and Director	Stock Options	Nil	N/A	N/A	N/A	N/A	N/A

As at December 31, 2021:

- (a) Michael Forbes, Corporate Secretary, CEO and a director of the Company, owned an aggregate of 300,000 compensation securities, comprised solely of stock options, each of which is exercisable into one Common Share at a price of \$1.06 per Common Share until October 25, 2026;
- (b) Oliver Foeste, CFO of the Company, owned an aggregate of 300,000 compensation securities, comprised solely of stock options, each of which is exercisable into one Common Share at a price of \$1.06 per Common Share until October 25, 2026;

- (c) George Routhier, a director of the Company, owned an aggregate of 116,666 compensation securities, comprised solely of stock options, 83,333 of which are exercisable into one Common Share at a price of \$1.35 per Common Share until January 30, 2025 and 33,333 of which are exercisable into one Common Share at a price of \$2.34 per Common Share until August 4, 2025;
- (d) Paul Morgan, a director of the Company, owned an aggregate of 300,000 compensation securities, comprised solely of stock options, each of which is exercisable into one Common Share at a price of \$1.06 per Common Share until October 25, 2026;
- (e) Andrew Hale, the former CEO, President and a director of the Company, owned an aggregate of 700,000 compensation securities, comprised solely of stock options, 666,667 of which are exercisable into one Common Share at a price of \$1.35 per Common Share until January 30, 2025 and 33,333 of which are exercisable into one Common Share at a price of \$1.35 per Common Share until August 4, 2026;
- (f) James Scott Munro, the former President, interim CEO and a director of the Company, did not own any compensation securities;
- (g) Donald Dinsmore, the former COO, Corporate Secretary and a director of the Company, owned an aggregate of 233,334 compensation securities, comprised solely of stock options, 166,667 of which are exercisable into one Common Share at a price of \$1.35 per Common Share until January 30, 2025 and 66,667 of which are exercisable into one Common Share at a price of \$2.34 per Common Share until August 4, 2026. Mr. Dinsmore's options will expire on June 22, 2022, 90 days after his resignation;
- (h) Stephen Brohman, the former Corporate Secretary, Chief Financial Officer and a director of the Company, did not own any compensation securities; and
- (i) Blaine Bailey, a former director of the Company, did not own any compensation securities.

Exercise of Compensation Securities by Directors and NEOs

No compensation securities were exercised by a NEO or director of the Company during the year ended December 31, 2021.

Stock Option Plans and Other Incentive Plans

The Board adopted the Company's current incentive stock option plan (the "**Stock Option Plan**") on January 30, 2020, whereby it can grant stock options to directors, officers, employees and consultants of the Company. Unless authorized by the Shareholders in accordance with applicable securities laws, the number of Common Shares that may be reserved for issuance under the Stock Option Plan, together with all of the Company's other compensation or incentive mechanisms involving the issuance or potential issuance of Common Shares, shall not exceed ten percent (10%) of the total number of issued Common Shares of the Company (calculated on an undiluted basis) at the time a stock option is granted.

As at May 13, 2022, the Company has 3,715,001 stock options outstanding. Stock options may be granted under the Stock Option Plan to such directors, officers, employees, or consultants of the Company and its affiliates, if any, as the Board may from time to time designate. The exercise price of options will be determined by the Board, but such price will not be less than the minimum prevailing price permitted by the CSE. All options granted under the Stock Option Plan will expire not later than the maximum period as determined by the applicable securities laws and the policies of the CSE. Vested stock options terminate earlier as follows: (i) immediately in the event of dismissal with cause; (ii) 90 days from date of termination other than for cause; (iii) one year from the date of disability; or (iv) one year from the date of death. Options granted under the Stock Option Plan are not transferable or assignable other than by will or other testamentary instrument or pursuant to the laws of succession.

The Company does not have any other incentive plans other than its Stock Option Plan.

Employment, Consulting and Management Agreements

Other than disclosed below, the Company has not entered into written employment or consulting agreements with any of its executive officers.

The Company entered into a consulting agreement with MDC Forbes Inc, a company owned by Michael Forbes, effective May 10, 2021 (the "**Forbes Agreement**"). Under the terms of the Forbes Agreement, Mr. Forbes agreed to provide consulting services and act as CEO of the Company in consideration for a grant by the Company of an option to purchase 300,000 Common Shares at an exercise price of \$1.00 per Common Share, with said option to be fully exercisable on the effective date until October 25, 2026. The Forbes Agreement may be terminated at any time by (a) Mr. Forbes, giving the Company at least twenty (20) business days' written notice; (b) the Company, (i) for any reason, by giving Mr. Forbes at least twenty (20) business days' written notice or pay in lieu, or (ii) without notice, if Mr. Forbes is in breach of any material terms of the Forbes Agreement, demonstrates a continued inability to perform the services and/or obligations of the Forbes Agreement to the satisfaction of the Company, continually misses deadlines for deliverables, or engages in any conduct which is dishonest, damages the reputation of the Company.

The Company entered into a consulting agreement with Andrew Hale, effective May 26, 2021, revised as of September 9, 2021 (the "**Hale Agreement**"). Under the terms of the Hale Agreement, Mr. Hale agreed to provide corporate advisory services to the Company in consideration for a grant by the Company of an option to purchase 700,000 Common Shares at an exercise price of \$1.30 per Common Share, with 666,667 options to be fully exercisable on the effective date until January 30, 2025 and 33,333 options to be fully exercisable on the effective date until October 25, 2026. The Company has the right to terminate the Hale Agreement at its sole discretion at any time without notice to Mr. Hale.

The Company entered into a consulting agreement with Invictus Accounting Group LLP dated June 25, 2021 (the "**Foeste Agreement**"), whereby Oliver Foeste, the Managing Partner of Invictus Accounting Group LLP, agreed to provide consulting services and act as CFO of the Company in consideration for a grant by the Company of an option to purchase 300,000 Common Shares at an exercise price of \$1.06 per Common Share, with said option to be fully exercisable on the effective date until October 25, 2026. Pursuant to the Foeste Agreement, the Company is required to put in place reasonable change in control, termination provisions relative to change in control, and termination provisions for other executives, noting that change in control or termination provision have not been put in place as of the date of this Information Circular.

Termination and Change of Control Benefits

There is no contract, agreement, plan or arrangement between the Company and its NEOs that provides for payments to NEOs at, following, or in connection with any termination (whether voluntary, involuntary or constructive), resignation or retirement, or as a result of a change in control of the Company or a change in a NEO's responsibilities.

Oversight and Description of Director and NEO Compensation

The Company's executive compensation program during the most recently completed financial year was administered by the Board. The Board was solely responsible for determining the compensation to be paid to the Company's directors and NEOs and evaluating their performance. The Board has not adopted any specific policies or objective for determining the amount or extent of compensation for directors or NEOs. The Board has not established a compensation committee.

The significant elements of compensation for the NEOs will be cash consulting fees, salary and stock options. There is no policy or target regarding allocation between cash and non-cash elements of the Company's compensation

program. The Board reviews annually the total compensation package of each of the Company's executives on an individual basis.

Cash Consulting Fees

The Company's compensation payable to the NEOs is based upon, among other things, the responsibility, skills and experience required to carry out the functions of each position held by each NEO and varies with the amount of time spent by each NEO in carrying out his or her functions on behalf of the Company. In particular the CEO's compensation will be determined by time spent on: (i) the Company's day to day operations; (ii) reviewing potential transactions and negotiating them on behalf of the Company; and (iii) new business ventures. The CFO's compensation is primarily determined by time spent in reviewing the Company's financial statements.

Stock Options

The Stock Option Plan is intended to emphasize management's commitment to the growth of the Company. The grant of stock options, as a key component of the executive compensation package, enables the Company to attract and retain qualified executives. Stock option grants are based on the total of stock options available under the Stock Option Plan. In granting stock options, the Board reviews the total of stock options available under the Stock Option Plan and recommends grants to newly retained executive officers at the time of their appointment, and considers recommending further grants to executive officers from time to time thereafter. The amount and terms of outstanding options held by an executive are taken into account when determining whether and how new option grants should be made to the executive. The exercise periods are to be set at the date of grant. The stock option grants may contain vesting provisions in accordance to the Stock Option Plan.

Due to the Company being an early stage issuer and having limited financial resources, compensation is not tied to any performance criteria or goals. The Company is unaware of any significant events that have significantly affected compensation of its management team and directors. The Company did not make any changes to its compensation policies during or after the fiscal year ended December 31, 2021.

Pension Plan Benefits

The Company does not have any pension, defined benefit, defined contribution or deferred compensation plans in place.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Equity Compensation Plan Information

The following table provides information regarding the Company's equity compensation plans which were in effect as at the financial year ended December 31, 2021:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights ⁽¹⁾	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by security holders	3,715,001	1.69	Nil
Equity compensation plans not approved by security holders	Nil	N/A	Nil

Total	3,715,001	1.69	Nil
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(1) The Company does not have any warrants or rights outstanding under any equity compensation plans.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No current or former director, executive officer, employee, proposed nominee for election to the Board, or associate of such persons is, or at any time since the beginning of the Company's most recently completed financial year has been, indebted to the Company or any of its subsidiaries.

No indebtedness of a current or former director, executive officer, proposed nominee for election to the Board, or associate of such person is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

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

APPOINTMENT AND REMUNERATION OF AUDITOR

At the Meeting, Shareholders will be asked to pass an ordinary resolution to appoint Davidson & Company LLP, Chartered Professional Accountants as auditor of the Company for the fiscal year ending December 31, 2022, and to authorize the directors of the Company to fix the remuneration to be to be paid to the auditor for the fiscal year ending December 31, 2022. An ordinary resolution needs to be passed by a simple majority of the votes cast by the Shareholders present in person or represented by proxy and entitled to vote at the Meeting.

Davidson & Company LLP, Chartered Professional Accountants was first appointed auditor of the Company on August 15, 2018.

Management of the Company recommends that Shareholders vote for the appointment of Davidson & Company LLP, Chartered Professional Accountants, as the Company's auditor for the Company's fiscal year ending December 31, 2022 and to authorize the directors of the Company to fix the remuneration to be paid to the auditor for the fiscal year ending December 31, 2022.

UNLESS SUCH AUTHORITY IS WITHHELD, PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF THE APPOINTMENT OF DAVIDSON & COMPANY LLP, CHARTERED PROFESSIONAL ACCOUNTANTS, AS AUDITOR OF THE COMPANY TO HOLD OFFICE UNTIL THE NEXT ANNUAL GENERAL MEETING OF THE SHAREHOLDERS AND TO AUTHORIZE THE BOARD OF DIRECTORS TO FIX THEIR REMUNERATION.

AUDIT COMMITTEE DISCLOSURE

Under National Instrument 52-110 *Audit Committees* (“**NI 52-110**”), a reporting issuer is required to provide disclosure annually with respect to its audit committee, including the text of its audit committee charter, information regarding the composition of the audit committee, and information regarding fees paid to its external auditor. The Company provides the following disclosure with respect to its audit committee (the “**Audit Committee**”):

The Audit Committee Charter

The full text of the Company’s audit committee’s charter (the “**Audit Committee Charter**”) is available at www.sedar.com under the Company’s SEDAR profile, and is incorporated by reference herein. A copy of the Audit Committee Charter may be obtained by any Shareholder, upon request, without charge, from the Company by contacting its office by mail at 5451 - 275 Street, Langley, British Columbia V4W 3X8.

Composition of the Audit Committee

The Company’s Audit Committee is currently comprised of three directors consisting of George E. Routhier, Paul Morgan and Michael Forbes. Mr. Routhier will not be standing for re-election as a director of the Company or member of the Audit Committee. As defined in NI 52-110, Mr. Forbes, the Company’s Chief Executive Officer and Corporate Secretary, is not “independent”, as he is an executive officer of the Company and each of Mr. Routhier and Mr. Morgan are independent. All of the Audit Committee members are “financially literate”, as defined in NI 52-110, as all have the industry experience necessary to understand and analyze financial statements of the Company, as well as the understanding of internal controls and procedures necessary for financial reporting.

The Audit Committee is responsible for review of both interim and annual financial statements for the Company. For the purposes of performing their duties, the members of the Audit Committee have the right, at all times, to inspect all the books and financial records of the Company and any subsidiaries and to discuss with management and the external auditor of the Company any accounts, records and matters relating to the financial statements of the Company. The Audit Committee members meet periodically with management and annually with the external auditor.

Relevant Education and Experience

The following sets out the education and experience of each Audit Committee member that is relevant to the performance of his responsibilities as an Audit Committee member and that provides each member with: (i) an understanding of the accounting principles used by the Company to prepare its financial statements; (ii) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and provisions, (iii) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company’s financial statements, or experience actively supervising one or more individuals engaged in such activities; and (iv) an understanding of internal controls and procedures for financial reporting:

George E. Routhier

Mr. Routhier is CEO of PipeDreemz Inc., a cannabis licensing regulation consulting company responsible for the successful licensing of cannabis Licensed Producers across Canada over the past seven years, and has an understanding and experience with the review and analysis of financial statements, and the underlying internal controls required.

Paul Morgan

Mr. Morgan is a practicing corporate/commercial lawyer and has a strong understanding and experience with the review and analysis of financial statements. His relevant academic and professional credentials include: Bachelor of Arts (Economics) from the University of Victoria (2004); LLB (First Class Honours) from Canterbury Christ Church University (2011); and Member of the Law Society of British Columbia (Since 2013).

Michael Forbes

Mr. Forbes is an experienced businessman and founder, President and owner of dozens of private companies in retail, pharmacy, medical, real estate, and cannabis industries, and has a strong understanding of financial statements analysis of financial information as well as the people and processes required for internal controls over financial reporting.

Audit Committee Oversight

Since the commencement of the Company's most recently completed financial year, the Board has not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

Reliance on Certain Exemptions

Since the commencement of the Company's most recently completed financial year, the Company has not relied on the exemptions in Sections 2.4, 6.1.1(4), 6.1.1(5), or 6.1.1(6) or Part 8 of NI 52-110. Section 2.4 (*De Minimis Non-Audit Services*) provides an exemption from the requirement that the Audit Committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the financial year in which the non-audit services were provided. Sections 6.1.1(4) (*Circumstance Affecting the Business or Operations of the Venture Issuer*), 6.1.1(5) (*Events Outside Control of Member*) and 6.1.1(6) (*Death, Incapacity or Resignation*) provide exemptions from the requirement that a majority of the members of the Company's Audit Committee must not be executive officers, employees or control persons of the Company or of an affiliate of the Company. Part 8 (*Exemptions*) permits a company to apply to a securities regulatory authority or regulator for an exemption from the requirements of NI 52-110 in whole or in part.

Pre-Approval Policies and Procedures

Formal policies and procedures for the engagement of non-audit services have yet to be formulated and adopted. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by the Board and the Audit Committee, on a case-by-case basis, as applicable.

External Auditor Service Fees

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

The aggregate fees billed by the Company's external auditor in the last two fiscal years by category, are as follows:

Year Ended	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
December 31, 2021	\$87,225	Nil	Nil	Nil
December 31, 2020	\$88,848	Nil	Nil	Nil

Exemption

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

MANAGEMENT CONTRACTS

There were no management functions of the Company, which were, to any substantial degree, performed by a person other than the directors or executive officers of the Company, except as otherwise described in this Information Circular.

CORPORATE GOVERNANCE

Pursuant to National Instrument 58-101 *Disclosure of Corporate Governance Practices*, the Company is required to disclose its corporate governance practices as follows:

Board of Directors

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

John Smoke Wallin, George E. Routhier and Paul Morgan are “independent” in that each are independent and free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director’s ability to act with the best interests of the Company, other than the interests and relationships arising from being securityholders. Michael Forbes is the CEO and Corporate Secretary of the Company and is therefore not independent.

Directorships

Certain directors of the Company are currently also directors of other reporting issuers, as described in the table below:

Name	Name of Reporting Issuer	Trading Market
Michael Forbes	Pharmadrug Inc.	CSE
John Smoke Wallin	Top Strike Resources Corp.	CSE

Orientation and Continuing Education

The Board briefs all new directors with respect to the policies of the Board and other relevant corporate and business information. The Board does not provide any continuing education as the Board’s practice is to recruit for the Board only persons with extensive experience in identifying and targeting junior businesses for transactions and in public company matters.

Ethical Business Conduct

The Board has not adopted a written ethical business code of conduct for directors, officers and employees. However, the Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

The Board is also responsible for applying governance principles and practices, tracking development in corporate governance, and adapting "best practices" to suit the needs of the Company. Certain of the directors of the Company may also be directors and officers of other companies, and conflicts of interest may arise between their duties. Such conflicts must be disclosed in accordance with, and are subject to such other procedures and remedies as applicable under the *Business Corporations Act* (British Columbia).

Nomination of Directors

The Company does not have a stand-alone nomination committee. The full Board has responsibility for identifying potential Board candidates. The Board assesses potential Board candidates to fill perceived needs on the Board for required skills, expertise, independence and other factors. Members of the Board and representatives of the industry are consulted for possible candidates.

Compensation

The Board reviews the compensation of its directors and executive officers annually. The directors will determine compensation of directors and executive officers taking into account the Company's business ventures and the Company's financial position.

Other Board Committees

The Company has no other committees other than the Audit Committee.

Assessments

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

OTHER MATTERS

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

ADDITIONAL INFORMATION

Additional information about the Company can be obtained through SEDAR at www.sedar.com. Shareholders may contact the Company at its office by mail at 5451 - 275 Street, Langley, British Columbia V4W 3X8, to request copies of the Company's financial statements and related MD&A. Financial information is provided in the Company's comparative annual financial statements and MD&A for the most recently completed financial year and in the financial statements and MD&A for subsequent financial periods, which are available on SEDAR.

APPROVAL OF THE BOARD OF DIRECTORS

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

Dated at Vancouver, British Columbia this 20th day of May, 2022.

ON BEHALF OF THE BOARD OF DIRECTORS OF

ADASTRA HOLDINGS LTD.

“Michael Forbes”

Michael Forbes
Chief Executive Officer, Corporate Secretary and Director