



AFFINOR GROWERS INC.
250-750 W. Pender St., Vancouver
British Columbia, V6C 2T7, Canada
Telephone No.: 604-757-4100

NOTICE OF ANNUAL GENERAL MEETING

TAKE NOTICE that the annual general meeting (the “**Meeting**”) of the shareholders (the “**Shareholders**”) of Affinor Growers Inc. (hereinafter called the “**Company**”) will be held at the offices of McMillan LLP, located at Suite 1500, 1055 West Georgia Street, Vancouver, British Columbia, Canada, on March 7, 2024, Pacific Time, (the “**Meeting**”).

The Meeting is to be held for the following purposes:

1. to receive and consider the audited consolidated financial statements of the Company for its fiscal years ended May 31, 2022 and May 31, 2023, the report of the auditor thereon, and the related management discussion and analysis;
2. to set the number of directors at four (4);
3. to elect directors of the Company for the ensuing year;
4. to appoint Zeifmans LLP, as auditor of the Company for the ensuing year, and to authorize the directors to fix the auditor’s remuneration;
5. to pass an ordinary resolution to ratify and approve the adoption of the Company’s new 10 “rolling” stock option plan, as described in the accompanying Information Circular (“**Circular**”); and
6. to act upon such other matters, including amendments to the foregoing, as may properly come before the Meeting or any adjournment(s) or postponement(s) thereof.

The Meeting will also consider any permitted amendment to or variation of any matter identified in this Notice, and transact such other business as may properly come before the Meeting or any adjournment thereof. A Circular accompanies this Notice and contains details of the matters to be considered at the Meeting.

A copy of the audited consolidated financial statements for the years ended May 31, 2022 and May 31, 2023, report of the auditor, and related management discussion and analysis will be made available at the Meeting, and copies are available on SEDAR+ at www.sedarplus.ca.

Registered shareholders who are unable to attend the Meeting in person and wish to ensure that their shares will be voted at the Meeting, must complete, date and sign the enclosed form of proxy, or another suitable form of proxy, and deliver it in accordance with the instructions set out in the form of proxy.

If your shares are held in a brokerage account you are not a registered shareholder. Unregistered shareholders who plan to attend the Meeting must follow the instructions set out in the form of proxy or voting instruction form to ensure that their shares will be voted at the Meeting.

DATED at Vancouver, British Columbia this 29th day of January, 2024.

BY ORDER OF THE BOARD

“Nicholas Brusatore”

**Nicholas Brusatore
President, CEO and Interim CFO**

AFFINOR GROWERS INC.
250-750 W. Pender St., Vancouver
British Columbia, V6C 2T7, Canada
Telephone No.: 604-757-4100

INFORMATION CIRCULAR

(as at January 29, 2024, except as otherwise indicated)

This information circular (“**Information Circular**”) is furnished in connection with the solicitation of proxies by the management of Affinor Growers Inc. (the “**Company**”) for use at the Annual General Meeting of the Shareholders of the Company (“**Shareholders**”) (and any adjournment thereof) to be held on March 7, 2024 (the “**Meeting**”) at the time and place and for the purposes set forth in the accompanying Notice of Meeting. In this Information Circular, references to “**the Company**”, “**Affinor**”, “**we**” and “**our**” refer to Affinor Growers Inc. “**Common Shares**” means common shares without par value in the capital of the Company. “**Beneficial Shareholders**” means shareholders who do not hold Common Shares in their own name and “**intermediaries**” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders. “**Registered Shareholder**” means the person whose name appears on the central securities register maintained by or on behalf of the Company and who holds Common Shares in his or her own name. “**Shareholders**” means all shareholders who hold Common Shares.

GENERAL PROXY INFORMATION

Solicitation of Proxies

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and regular employees of the Company. The Company will bear all costs of this solicitation. We have arranged for intermediaries to forward the meeting materials to Beneficial Shareholders held of record by those intermediaries and we may reimburse the intermediaries for their reasonable fees and disbursements in that regard.

Appointment of Proxyholders

The individuals named in the accompanying form of proxy (the “**Proxy**”) are officers and directors of the Company. **If you are a Shareholder entitled to vote at the Meeting, you have the right to appoint a person or company other than either of the persons designated in the Proxy, who need not be a Shareholder, to attend and act for you and on your behalf at the Meeting. You may do so either by inserting the name of that other person in the blank space provided in the Proxy or by completing and delivering another suitable form of proxy.**

Voting by Proxyholder

The persons named in the Proxy will vote or withhold from voting the Common Shares represented thereby in accordance with your instructions on any ballot that may be called for. If you specify a choice with respect to any matter to be acted upon, your Common Shares will be voted accordingly. The Proxy confers discretionary authority to the persons named therein with respect to:

- (a) each matter or group of matters identified therein for which a choice is not specified, other than the appointment of an auditor and the election of directors;
- (b) any amendment to or variation of any matter identified therein; and

- (c) any other matter that properly comes before the Meeting.

In respect of a matter for which a choice is not specified in the Proxy, the persons named in the Proxy will vote the Common Shares represented by the Proxy for the approval of such matter.

Registered Shareholders

Registered Shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered Shareholders electing to submit a proxy may do so by choosing one of the following methods:

- (a) complete, date and sign the enclosed form of proxy and return it to the Company's transfer agent, Computershare Investor Services Inc. ("**Computershare**"), by fax within North America at 1-866-249-7775, outside North America at (416) 263-9524, or by mail or by hand to the 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1;
- (b) use a touch-tone phone to transmit voting choices to the toll-free number given in the proxy. Registered shareholders must follow the instructions of the voice response system and refer to the enclosed proxy form for the toll-free number, the holder's account number and the proxy access number; or
- (c) log onto Computershare's website at www.investorvote.com. Registered Shareholders must follow the instructions provided on the website and refer to the enclosed proxy form for the holder's account number and the proxy access number.

In either case you must ensure the proxy is received at least 48 hours (excluding Saturdays, Sundays and statutory holidays) before the Meeting or the adjournment thereof. Failure to complete or deposit a proxy properly may result in its invalidation. The time limit for the deposit of proxies may be waived by the Company's board of directors (the "**Board**") at its discretion without notice. **Please note that in order to vote your Common Shares in person at the Meeting, you must attend the Meeting and register with the Scrutineer before the Meeting. If you have already submitted a Proxy, but choose to change your method of voting and attend the Meeting to vote, then you should register with the Scrutineer before the Meeting and inform them that your previously submitted proxy is revoked and that you personally will vote your Common Shares at the Meeting.**

Beneficial Shareholders

The following information is of significant importance to shareholders who do not hold Common Shares in their own name. Beneficial Shareholders should note the only proxies that can be recognized and acted upon at the Meeting are those deposited by Registered Shareholders (those whose names appear on the records of the Company as the registered holders of Common Shares) or as set out in the following disclosure.

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 name of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of such Common Shares are registered 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). In the United States of America (the "**U.S.**" or 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).

Intermediaries are required to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary has its own mailing procedures and provides its own return instructions to clients.

There are two kinds of Beneficial Shareholders - those who object to their name being made known to the issuers of securities which they own (called "OBOS" for "Objecting Beneficial Owners") and those who do not object to the issuers of the securities they own knowing who they are (called "NOBOs" for "Non-Objecting Beneficial Owners").

These securityholder materials are sent to both registered and non-registered (beneficial) owners of the securities of the Company. If you are a non-registered owner, and the Company or its agent sent these materials directly to you, your name, address and information about your holdings of securities, were obtained in accordance with applicable securities regulatory requirements from the intermediary holding securities on your behalf.

Beneficial Shareholders who are OBOs should follow the instructions of their intermediary carefully to ensure that their Common Shares are voted at the Meeting.

The form of proxy supplied to you by your broker will be similar to the proxy provided to Registered Shareholders by the Company. However, its purpose is limited to instructing the intermediary on how to vote on your behalf. Most brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions Inc. ("**Broadridge**") in Canada and in the United States. Broadridge mails a Voting Instruction Form ("**VIF**") in lieu of a proxy provided by the Company. The VIF will name the same persons as the Company's Proxy to represent you at the Meeting. You have the right to appoint a person (who need not be a Beneficial Shareholder of the Company), different from the persons designated in the VIF, to represent your Common Shares at the Meeting, and that person may be you. To exercise this right insert the name of your desired representative (which may be you) in the blank space provided in the VIF. Once you have completed and signed your VIF return it to Broadridge by mail or facsimile, or deliver your voting instructions to Broadridge by phone or via the internet, in accordance with Broadridge's instructions. Broadridge tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. **If you receive a VIF from Broadridge, it must be completed and returned to Broadridge, in accordance with Broadridge's instructions, well in advance of the Meeting in order to: (a) have your Common Shares voted at the Meeting as per your instructions; or (b) have an alternate representative chosen by you duly appointed to attend and vote your Common Shares at the Meeting.**

Notice to Shareholders in the United States

The solicitation of proxies involves securities of an issuer located in Canada and is being effected in accordance with the corporate laws of the Province of British Columbia, Canada and securities laws of the provinces of Canada. The proxy solicitation rules under the United States *Securities Exchange Act of 1934*, as amended, are not applicable to the Company or this solicitation, and this solicitation has been prepared in accordance with the disclosure requirements of the securities laws of the provinces of Canada. Shareholders should be aware that disclosure requirements under the securities laws of the provinces of Canada differ from the disclosure requirements under United States securities laws.

The enforcement by Shareholders of civil liabilities under United States federal securities laws may be affected adversely by the fact that the Company exists under the *Business Corporations Act* (British Columbia) (the "**BCBCA**"), as amended, all of its directors and its executive officers are residents of Canada, and a substantial portion of its assets and the assets of such persons are located outside the United States. Shareholders may not be able to sue a foreign company or its officers or directors in a foreign court

for violations of United States federal securities laws. It may be difficult to compel a foreign company and its officers and directors to subject themselves to a judgment by a United States court.

Revocation of Proxies

In addition to revocation in any other manner permitted by law, a Registered Shareholder who has given a proxy may revoke it by:

- (a) executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the Registered Shareholder or the Registered Shareholder's authorized attorney in writing, or, if the shareholder is a corporation, under its corporate seal by an officer or duly authorized attorney, and by delivering the proxy bearing a later date to Computershare or at the address of the registered office of the Company at 1500 Royal Centre, 1055 West Georgia Street, P.O. Box 11117, Vancouver, British Columbia, V6E 4N7, at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law; or
- (b) personally attending the Meeting and voting the Registered Shareholder's Common Shares.

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

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

No director or executive officer of the Company, or any person who has held such a position since the beginning of the last completed financial year of the Company, nor any nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors and as may be set out herein.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Board has fixed January 29, 2024 as the record date (the "**Record Date**") for determination of persons entitled to receive notice of the Meeting. Only Shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of proxy in the manner and subject to the provisions described above will be entitled to vote or to have their Common Shares voted at the Meeting.

The Common Shares of the Company are listed on the Canadian Securities Exchange (the "**CSE**") under stock symbol "AFI" and on the Frankfurt Stock Exchange under the stock symbol "1AF" and are also quoted on the OTC Pink market under the symbol "RSSFF". The authorized capital of the Company consists of an unlimited number of Common Shares without par value, each carrying the right to one vote. No group of Shareholders has the right to elect a specified number of directors, nor are there cumulative or similar voting rights attached to the Common Shares. As at January 29, 2024, there were 25,989,915 Common Shares issued and outstanding.

To the knowledge of the directors and senior officers of the Company, the only person that beneficially owned, directly or indirectly, or exercised control or direction over, Shares carrying more than 10% of the voting rights attached to all outstanding Shares of the Company as of the close of business on the Record Date was:

<u>Shareholder Name</u>	<u>Number of Shares Held</u>	<u>Percentage of Issued Shares</u>
Pavenham Developments Inc.	4,877,728	18.77%

FINANCIAL STATEMENTS

The audited consolidated financial statements of the Company for the financial years ended May 31, 2023 and May 31, 2022, the report of the auditor thereon, and the related management’s discussion and analysis are filed on SEDAR+ at www.sedarplus.ca and will be tabled at the Meeting.

ELECTION OF DIRECTORS

There are currently four (4) directors in the Company. The term of office of each of the present directors expires at the Meeting. The four (4) persons named below will be presented for election at the Meeting as management’s nominees. Management does not contemplate that any of these nominees will be unable to serve as a director. Each director elected will hold office until the next annual general meeting of the Company or until his successor is elected or appointed, unless his office is earlier vacated in accordance with the Articles of the Company or the provisions of the BCBCA.

At the Meeting Shareholders will be asked to approve an ordinary resolution to set the number of directors to be elected to the Board at four (4).

The following table and notes thereto set out the name of each of four (4) management’s nominees for election as a director, the province and country in which he is ordinarily resident, all offices of the Company now held by him, his principal occupation, the period of time he has been a director of the Company, and the number of Common Shares of the Company beneficially owned by him, directly or indirectly, or over which he exercises control or direction, as at the date hereof.

Name of Nominee, Current Position with the Company and Province or State and Country of Residence ⁽¹⁾	Principal Occupation and, if not at present an elected Director, Occupation during the past five years ⁽¹⁾	Director Since	Common Shares Beneficially Owned or Controlled ⁽²⁾
Alan R. Boyco ⁽³⁾⁽⁴⁾ Director British Columbia, Canada	<i>See director biographies below.</i>	April 2014	39,666
Nicholas Brusatore ⁽³⁾ President, CEO, Interim CFO, and Director British Columbia, Canada	<i>See director biographies below.</i>	November 2020	819,850
Rick Easthom ⁽³⁾⁽⁴⁾ Director British Columbia, Canada	<i>See director biographies below.</i>	June 2016	52,755
Ben Hogervorst Director and Chairman Ontario, Canada	<i>See director biographies below.</i>	July 2022	1,250,140

Notes:

- (1) The information as to province or state and country of residence and principal occupation, not being within the knowledge of the Company, has been furnished by the respective directors individually.
- (2) The information as to shares beneficially owned or over which a director exercises control or direction, not being within the knowledge of the Company, has been furnished by the respective directors individually.

- (3) Denotes member of Audit Committee.
- (4) Denotes member of Special Committee.

Biographies of Director Nominees

Alan R. Boyco

Dr. Boyco, BSc, OD is a licensed optometrist with expertise focused on sports vision and ocular trauma. He received his bachelor of science (biology and psychology) from the University of Alberta, and then went on the graduate from the Pacific University College of Optometry. He maintains multiple practices throughout the Lower Mainland of British Columbia. Dr. Boyco enjoys the position of official team optometrist and eye care provider to the various local Vancouver professional sports franchises, covering the games from hockey to soccer. He is a member of the National Hockey League Team Physicians Society. His expertise has given him the opportunity to appear on morning television in a segment called “Eyes on Vancouver” among others.

Nicholas Brusatore

Mr. Brusatore is known globally for being a top designer and leader in vertical farming technology. He was the Chairman of the Applied Research Committee for BCIT for several years and was nominated for the AGRI Award of Excellence for Canada in 2012. Nick was a keynote speaker at the International Conference on Marijuana in New York City and the moderator in San Francisco and regularly sits on discussion panels as an expert in this industry. Nick is the original designer of Terrasphere Systems and is currently the designer of Vertical Designs Ltd. Nick brings over 17 years experience in AGRI Designs, plant physiology and the manipulation of metabolic pathways to achieve organic chemistry. Nick recently worked in the biotech sector growing transgenic tobacco for a pharmaceutical giant as well as transgenic safflower to create insulin for medical use.

Rick Easthom

Mr. Easthom worked 30 years for the Overwaitea Food Group and finished as the Director of Corporate Brands. He also worked for 10 years for Choices Markets as Manager of Business Development and was instrumental in the growth of the successful retail food chain. Mr. Easthom has been a director of the Company since June 2016.

Mr. Easthom brings many skills; project management, business development, product development, strategic planning and marketing, and as Chairman, will put these skills to work.

Ben Hogervorst

Mr. Hogervorst is the Chief Executive Officer and co-founder of Britespan Building Systems Inc. Ben formed Britespan Building Systems Inc. in 2010. It has become an industry leader in providing innovative building solutions, expanding into markets across North America, including the agricultural, commercial, and public works sectors.

Corporate Cease Trade Orders or Bankruptcies

Other than as disclosed below, no proposed director is, as at the date of this Information Circular, or has been, within ten (10) years before the date of this Information Circular, a director, chief executive officer

or chief financial officer of any company (including the Company in respect of which the Information Circular is being prepared) that:

- (i) was subject to a cease trade or similar order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
- (ii) was subject to a cease trade or similar 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.

No proposed director is, as at the date of this Information Circular, or has been within ten (10) years before the date of this Information Circular, a director or executive officer of any company (including the Company in respect of which the Information Circular is being prepared) 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.

No proposed director has, within the past ten (10) years, 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.

Disclosure

Temporary Order and Notice of Hearing

On March 8, 2018, the Company completed a non-brokered private placement by issuing 24,997,916 units (“Unit”) at a price of \$0.16 per Unit for gross proceeds of \$3,999,667, all of which was raised under the Consultant Exemption under National Instrument 45-106. A large portion of the funds was paid out in the form of consulting fees as the Company had entered into 14 three-month contracts for consulting services totaling \$3,500,000 for accounting, corporate and administrative services, internet marketing, investor relations, merger and acquisition consulting and cannabis consulting.

On November 26, 2018, the British Columbia Securities Commission (the “BCSC”) issued a Temporary Order and Notice of Hearing (the “Order”) to respondents, including the Company, pursuant to Section 161 of the Securities Act (the “Act”) advising that a hearing would be held under section 161 (3) of the Act to determine whether to extend the temporary order under Section 161. At the time the Order was issued Alan Boyco and Rick Easthom were each a director of the Company. The BCSC’s concern was that the named issuers paid the majority of the private placement proceeds received, including those noted above, back when little or no consulting services had been or were intended to be performed and that this conduct is abusive to the capital markets. Considering the length of time to hold a hearing under section 161 (a) of the Act, the BCSC issued the following temporary orders under section 161 (1)(c): (i) that the exemption under section 2.24 of National Instrument 45-106 does not apply to the named issuers for a distribution to a consultant; and (ii) it does not apply to any issuer listed on the Canadian Securities Exchange for distribution to named respondents.

At a hearing held on December 7, 2018, the BCSC executive director asked the BCSC to extend the temporary orders, which were to expire on December 11, 2018, until a hearing was held and a decision rendered. The temporary orders were extended at the completion of the hearing until a decision was issued on this application.

On January 15, 2019, the BCSC issued its decision with respect to the temporary orders. With respect to the Company, it found that the executive director had not provided prima facie evidence of having engaged in conduct contrary to the public interest and, accordingly, the temporary orders were not extended. It was also concluded that it is in the public interest to not proceed with the hearing until the BCSC investigation has concluded. During the year ended May 31, 2021, the Notice of Hearing was amended to remove the Company as a respondent and there is no current proceeding against the Company from the 2019 proceeding. However, the BCSC held the right to re-institute proceedings in the future and the Company received notice of the re-institution on January 26, 2022 when the BCSC issued a new Notice of Hearing. An enforcement hearing commenced in March 2023 and resumed in October 2023 and has not yet concluded.

Cease Trade Orders

On September 29, 2021, the British Columbia Securities Commission, as principal regulator, issued a management cease trade order (the “**MCTO**”) against Nicholas Brusatore, President and CEO and a director of the Company and Sarjinder Dhaliwal, CFO of the Company, in connection with the late filing of the Company’s annual financial statements and management’s discussion and analysis for the year ended May 31, 2021 (the “**2021 Annual Filings**”). The MCTO was revoked on November 1, 2021 in connection with the completion of the 2021 Annual Filings.

On September 29, 2022, the British Columbia Securities Commission, as principal regulator, issued a management cease trade order against Nicholas Brusatore, President and CEO and a director of the Company, in connection with the late filing of the Company’s annual financial statements and management’s discussion and analysis for the year ended May 31, 2022. Subsequently, on December 19, 2022, the British Columbia Securities Commission and the Ontario Securities Commission issued a Cease Trader Order (the “**2022 CTO**”) in connection with the Company’s failure to interim financial statements for the period ended August 31, 2022, annual audited financial statements for the year ended May 31, 2022, management’s discussion and analysis for the periods ended May 31, 2022 and August 31, 2022, and certifications of annual and interim filings for the periods ended May 31, 2022 and August 31, 2022 (the “**Outstanding 2022 Financials**”). At the time the 2022 CTO was issued Alan Boyco, Rick Easthom, Nick Brusatore, and Ben Hogervorst were each directors of the Company. The Company subsequently file the Outstanding 2022 Financials and on December 21, 2023, the British Columbia Securities Commission and the Ontario Securities Commission issued a full revocation of the Company’s 2022 CTO and the Company’s common shares resumed trading on the CSE on December 27, 2023.

Penalties and Sanctions

Other than as disclosed below, no proposed director of the Company has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

Disclosure

In relation to Order issued as disclosed under the heading *Temporary Order and Notice of Hearing* above, the Company was served with a notice of civil claim (the “**Claim**”) filed on July 11, 2019 with the Supreme Court of British Columbia by Michael Tietz and Duane Lowen under the Class Proceedings Act, RSBC 1996, c 50, naming the Company, its CEO (Nicholas Brusatore) and former CFO as defendants along with 86 additional defendants. The Claim relates to allegations of conspiracy, secondary market misrepresentations and fraudulent/negligent misrepresentations arising out of certain agreements entered into with consultants by the Company and other reporting issuers.

During October 2023, the B.C. Supreme Court certified the claims against the Company for settlement purposes only and approved the settlement agreement (with the class plaintiffs of the putative class proceedings, Tietz and others v. Bridgemark Financial and others, filed against it and its CEO (Nicholas Brusatore) and former CFO in 2019). The settlement was made without any admission of liability by the Company. The Company and other settling parties have agreed to pay an aggregate of \$1,340,000 for the benefit of the class members.

APPOINTMENT OF AUDITOR

Zeifmans LLP, of 201 Bridgeland Avenue, Toronto, Ontario, M6A 1Y7, Canada will be nominated at the Meeting for appointment as auditor for the ensuing year. Zeifmans was first appointed as auditor by the board of directors effective August 18, 2022.

The Board determined not to nominate DeVisser Grey LLP, Chartered Professional Accountant, (“**DeVisser Grey**”) for appointment as auditor of the Company; and subject to shareholder approval at the Meeting, to appoint Zeifmans LLP, Chartered Professional Accountants, (“**Zeifmans**”) as auditor of the Company.

Accordingly, the Company sent Notice of Change of Auditor to both DeVisser Grey and Zeifmans. Copies of the Notice of Change of Auditor, letter from DeVisser Grey as former auditor and letter from Zeifmans as successor auditor were filed under the Company’s SEDAR+ profile at www.sedarplus.ca and are attached to this Information Circular as Schedule “A”.

Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote FOR the appointment of Zeifmans LPP, as auditor of the Company until the close of the next annual general meeting.

AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR

Under National Instrument 52-110 – Audit Committees (“**NI 52-110**”), companies are required to provide disclosure with respect to their audit committee, including the text of the audit committee’s charter, the composition of the audit committee and the fees paid to the external auditor.

Audit Committee Charter

The full text of the Company’s Audit Committee Charter is attached as Schedule “A” to the Company’s information circular dated October 10, 2017.

Composition of the Audit Committee

The following persons are members of the Audit Committee:

Nicholas Brusatore	Non-Independent	Financially Literate
Alan Boyco	Independent	Financially Literate
Rick Easthom	Independent	Financially Literate

A member of the Audit Committee is independent if the member has no direct or indirect material relationship with the Company. A material relationship means a relationship, which could, in the Board’s reasonable opinion, interfere with the exercise of a member’s independent judgement.

A member of the Audit Committee is considered financially literate if he or she has the ability to read and understand a set of financial statements presenting a breadth and level of complexity of accounting issues generally comparable to the breadth and complexity of issues one can reasonably expect to be raised by the Company.

Relevant Education and Experience

Each member of the Company’s Audit Committee has adequate education and experience relevant to their performance as an Audit Committee member and, in particular, the requisite education and experience that provides the member with:

- (a) an understanding of the accounting principles used by the Company to prepare its financial statements and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- (b) 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 individuals engaged in such activities; and
- (c) an understanding of internal controls and procedures for financial reporting.

See *Biographies of Director Nominees* above, in particular the biographies of each Audit Committee member, for more information concerning each Audit Committee member’s education and experience.

Audit Committee Oversight

The Audit Committee has not made any recommendations to the Board to nominate or compensate any auditor other than Zeifmans LLP, Chartered Professional Accountants.

Pre-Approval Policies and Procedures

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

External Auditor Service Fees

The Company’s current auditor, Zeifmans LLP, Chartered Professional Accountants, completed the Company’s audit for the years ended May 31, 2023 and 2022. The Audit Committee has reviewed the nature and amount of the non-audit services provided by the Company’s auditors to the Company to ensure auditor independence. Fees incurred with the auditors, for audit and non-audit services in the last two fiscal years are outlined in the following table:

Financial Year Ending	Audit Fees⁽¹⁾	Audit Fees⁽²⁾ Related	Tax Fees⁽³⁾	All Other Fees⁽⁴⁾
May 31, 2023	\$40,000 ⁽⁵⁾	Nil	Nil	Nil
May 31, 2022	\$40,000	Nil	Nil	Nil

Notes:

- (1) “Audit Fees” include fees necessary to perform the annual audit and quarterly reviews of the Company’s consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services

required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.

- (2) “Audit-Related Fees” include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) “Tax Fees” include fees for all tax services other than those included in “Audit Fees” and “Audit-Related Fees”. This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) “All Other Fees” include all other non-audit services.

Reliance on Certain Exemptions

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

CORPORATE GOVERNANCE PRACTICES

National Instrument 58-101 - *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) requires issuers to disclose their corporate governance practices and National Policy 58-201 - *Corporate Governance Guidelines* (“**NP 58-201**”) provides guidance on corporate governance practices. This section sets out the Company’s approach to corporate governance and addresses the Company’s compliance with NI 58-101.

Corporate governance refers to the policies and structure of the board of directors of a company, whose members are elected by and are accountable to the company’s Shareholders. Corporate governance encourages establishing a reasonable degree of independence of the board of directors from executive management and the adoption of policies to ensure the board of directors recognizes the principles of good management. The Board is committed to sound corporate governance practices as such practices are both in the interests of Shareholders and help to contribute to effective and efficient decision-making.

Board of Directors

Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A “material relationship” is a relationship which could, in the Board’s opinion, be reasonably expected to interfere with the exercise of a director’s independent judgment.

The Board facilitates its independent supervision over management of the Company through frequent meetings of the Board at which members of management or non-independent directors are not in attendance and by retaining independent consultants where it deems necessary.

Management is delegated the responsibility for meeting defined corporate objectives, implementing approved strategic and operating plans, carrying on the Company’s business in the ordinary course, managing cash flow, evaluating new business opportunities, recruiting staff and complying with applicable regulatory requirements. The Board facilitates its independent supervision over management by reviewing and approving long-term strategic, business and capital plans, material contracts and business transactions, and all debt and equity financing transactions. Through its Audit Committee, the Board examines the effectiveness of the Company’s internal control processes and management information systems. The Board reviews executive compensation and recommends stock option grants.

The independent members of the Board are Alan Boyco and Rick Easthom. Nicholas Brusatore is not independent as he is an officer of the Company.

Directorships

None of the members of the Board is currently serving on a board of directors of the following reporting company (or equivalent).

Orientation and Continuing Education

The Board does not have any formal policies with respect to the orientation of new directors nor does it take any measures to provide continuing education for the directors. At this stage of the Company's development, the Board does not feel it necessary to have such policies or programs in place.

Ethical Business Conduct

To date, the Board has not adopted a formal written Code of Business Conduct and Ethics. However, the current limited size of the Company's operations, and the small number of officers and consultants, allow the Board to monitor on an ongoing basis the activities of management and to ensure that the highest standard of ethical conduct is maintained. As the Company grows in size and scope, the Board anticipates that it will formulate and implement a formal Code of Business Conduct and Ethics.

Nomination of Directors

The Board has not adopted a formal process to select new nominees to the Board. The current nominees have been recruited by the current Board members, and the recruitment process has involved both formal and informal discussions among Board members and the CEO.

Compensation

The quantity and quality of the Board and CEO compensation is reviewed on an annual basis and determined by the Board as a whole, which allows the independent directors to have input into compensation decisions. At this time, the Company does not believe its size and limited scope of operations requires a formal compensation committee.

Other Board Committees

The Board also has a special committee of disinterested directors (the "**Special Committee**") consisting of Alan Boyco and Rick Easthom. The Special Committee is authorized and directed to take such acts and do such things as the members of the Special Committee believe, in the exercise of their business judgement, are reasonably necessary or appropriate in connection with the securities proceedings relating to the Company, including retain, at the Company's expense, such external financial, legal and other advisors as the members of the Special Committee may consider necessary or advisable from time to time to perform those duties hereunder and determine the mandate and remuneration of those advisors, and to perform such other duties and responsibilities as may be assigned by the directors to the Special Committee from time to time.

The Company does not have any other board committee other than the Audit Committee and Special Committee as set out above.

Assessments

The Board monitors the performance of individual Board members and their contributions. The Board does not, at present, have a formal process in place for assessing the effectiveness of the Board as a whole, its committees or individual directors, but will consider implementing one in the future should circumstances warrant. Based on the Company's size, its stage of development and the limited number of individuals on the Board, the Board considers a formal assessment process to be inappropriate at this time.

STATEMENT OF EXECUTIVE COMPENSATION

The following information is provided in accordance with Form 51-102F6V – *Statement of Executive Compensation*, for Venture Issuers (the “**Form**”), as such term is defined in National Instrument 51-102 – *Continuous Disclosure Obligations*.

For the purposes of this Form:

“**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 (if any) for services provided or to be provided, directly or indirectly to the Company or any of its subsidiaries (if any);

“**external management company**” includes a subsidiary, affiliate or associate of the external management company;

“**NEO**” or “**named executive officer**” means:

- (a) each individual who served as chief executive officer (“**CEO**”) of the Company, or who performed functions similar to a CEO, during any part of the most recently completed financial year,
- (b) each individual who served as chief financial officer (“**CFO**”) of the Company, or who performed functions similar to a CFO, during any part of the most recently completed financial year,
- (c) the most highly compensated executive officer of the Company or any of its subsidiaries (if any) other than individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than CAD\$150,000 for that financial year, and
- (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company or its subsidiaries (if any), nor 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;

“**underlying securities**” means any securities issuable on conversion, exchange or exercise of compensation securities.

DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION

During financial year ended May 31, 2023, based on the definition above, the NEOs of the Company were Nick Brusatore, President, CEO, Interim CFO, and director, and Sarj Dhaliwal, CFO. The directors of the Company who were not NEOs during the financial year ended May 31, 2023 were Ben Hogervorst, Alan Boyco, and Rick Easthom.

During financial year ended May 31, 2022, based on the definition above, the NEOs of the Company were Nick Brusatore, President, CEO, and a director, and Sarj Dhaliwal, CFO. The directors of the Company who were not NEOs during the financial year ended May 31, 2022 were Alan Boyco and Rick Easthom.

Director and NEO Compensation, Excluding Options and Compensation Securities

The following compensation table, excluding options and compensation securities, provides a summary of the compensation paid by the Company to NEOs and members of the board of directors of the Company (the “**Board**”) for the financial years ended May 31, 2023 and May 31, 2022. Options and compensation securities are disclosed under the heading “*Stock Options and Other Compensation Securities*” below.

Table of compensation excluding compensation securities							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Nicholas Brusatore ⁽¹⁾ President, CEO, Interim CFO, and Director	2023	\$160,000	Nil	Nil	Nil	Nil	\$160,000
	2022	\$26,667	Nil	Nil	Nil	Nil	\$26,667
Sarj Dhaliwal ⁽²⁾ Former CFO	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	\$66,000	Nil	Nil	Nil	Nil	\$66,000
Alan R. Boyco ⁽³⁾ Director	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
Rick Easthom ⁽⁴⁾ Director and Former Chairman	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
Ben Hogervorst ⁽⁵⁾ Director and Chairman	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	N/A	N/A	N/A	N/A	N/A	N/A

Notes:

- (1) Mr. Brusatore was Chairman of the Board from May 9, 2014 to September 14, 2015, a director from May 9, 2014 to December 4, 2016, President and CEO from January 29, 2018 to September 28, 2018 and re-appointed as President, CEO and director on November 28, 2020. Mr. Brusatore was appointed as Interim CFO on June 7, 2022. The Company pays Mr. Brusatore a salary for his services as CEO in accordance with the Brusatore Agreement. See “*Employment, Consulting and Management Agreements – Executive Employment Agreement with Nicholas Brusatore.*”
- (2) Ms. Dhaliwal was appointed as CFO on December 8, 2020. Ms. Dhaliwal resigned as CFO on June 7, 2022. The compensation paid to Ms. Dhaliwal was consideration for her acting as CFO.
- (3) Mr. Boyco was appointed to the Board on April 24, 2014.
- (4) Mr. Easthom was appointment to the Board on June 6, 2016 and as Chairman of the Board on December 1, 2020. Mr. Easthom resigned as Chairman of the Board on July 6, 2022.
- (5) Mr. Hogervorst was appointed to the Board and appointed as Chairman on July 28, 2022.

Stock Options and Other Compensation Securities

The Company did not issue any Options to NEOs or directors during the financial year ended May 31, 2023. As of May 31, 2023, the NEOs and directors of the Company held the following number of Options: Nicholas Brusatore (200,000 Options), Alan R. Boyco (200,000 Options), Rick Easthom (200,000 Options), and Ben Hogervorst (100,000 Options).

Subsequent to the year ended May 31, 2023, the Company issued 800,000 Options to NEOs and directors on December 29, 2023 as follows: Nicholas Brusatore (200,000 Options), Alan R. Boyco (200,000 Options), Rick Easthom (200,000 Options), and Ben Hogervorst (200,000 Options). The Options have an exercise price of \$0.10 and expire on December 29, 2025.

Exercise of Compensation Securities by NEOs and Directors

There were no Options exercised by any of the NEOs or directors of the Company during the financial year ended May 31, 2023.

10% Rolling Stock Option Plan (Option-Based Awards)

Effective on January 7, 2021, the Board adopted a new form 10% rolling stock plan (the “**Stock Option Plan**”) to continue to be compliant with the CSE in accordance with CSE policies. The Stock Option Plan was approved by Shareholders at the Company’s annual general meeting held on March 5, 2021.

The purpose of the Stock Option Plan is to provide the Company with a share related mechanism to enable the Company to attract, retain and motivate qualified directors, officers, employees and other service providers, to reward directors, officers, employees and other service providers for their contribution toward the long term goals of the Company and to enable and encourage such individuals to acquire shares of the Company as long term investments. A copy of the current Stock Option Plan can be located on the Company's SEDAR+ profile at www.sedarplus.ca.

Effective on January 23, 2024, the Board adopted a new form 10% "rolling" stock option plan (the "**New Stock Option Plan**") and will be asking shareholders to approve the "**New Stock Option Plan**" at the Meeting. Refer to "**PARTICULARS OF MATTERS TO BE ACTED UPON - APPROVAL OF NEW STOCK OPTION PLAN**" below.

Employment, Consulting and Management Agreements

Executive Employment Agreement with Nicholas Brusatore

Mr. Brusatore entered into an executive employment agreement (the "**Brusatore Agreement**") with the Company with a term commencing on April 1, 2022. Pursuant to the Brusatore Agreement, the Company has engaged Mr. Brusatore to act as its CEO until April 1, 2025, unless the Brusatore Agreement is terminated earlier in accordance with its terms. The Company currently pays Mr. Brusatore a base salary of \$160,000 per annum. Following the completion of a private placement financing for minimum gross proceeds of \$10,000,000 (the date on which such a financing closes is referred to herein as the "**Financing Date**"), the base salary payable to Mr. Brusatore will increase to \$250,000 per annum. The Company may terminate the Brusatore Agreement for just cause in which case it would be required to pay Mr. Brusatore all accrued but unpaid compensation payable up to the date of termination. In the event the Company terminates the Brusatore Agreement without cause prior to the Financing Date it is required to provide Mr. Brusatore with three months' notice or three months' salary in lieu. If the Company terminates the Brusatore Agreement without cause after the Financing Date it is required to provide Mr. Brusatore with six months' notice or six months' salary in lieu. The Brusatore Agreement also contains standard confidentiality, non-compete, and non-solicitation provisions.

External Management Companies

None of the NEOs or directors of the Company have been retained or employed by an external management company which has entered into an understanding, arrangement or agreement with the Company to provide executive management services to the Company, directly or indirectly.

Oversight and Description of Director and Named Executive Officer Compensation

The Company does not have a compensation committee or a formal compensation policy. The Company relies solely on the Board to determine the compensation of the NEOs and directors. In determining compensation, the Board considers industry standards and the Company's financial situation, but the Company does not have any formal objectives or criteria. The performance of each executive officer is informally monitored by the Board, having in mind the business strengths of the individual and the purpose of originally appointing the individual as an officer.

In establishing compensation for executive officers, the Board as a whole seeks to accomplish the following goals:

- To recruit and subsequently retain highly qualified executive officers by competitive offering overall compensation;

- To motivate executives to achieve important corporate and personal performance objectives and reward them when such objectives are met; and
- To align the interests of executive officers with the long-term interests of shareholders through participation in the Stock Option Plan.

When considering the appropriate executive compensation to be paid to our officers and directors, the Board will have regard to a number of factors including: (i) recruiting and retaining individuals critical to the success of the Company and the enhancement of shareholder value; (ii) providing fair and competitive compensation; (iii) balancing the interests of management and the Company's shareholders; (iv) rewarding performance, both on an individual basis and with respect to operations generally; and (v) available financial resources.

The Board did not use any formal peer group evaluation to determine compensation.

In compensating its officers and directors, the Company has employed a combination of base salary and equity participation through its current Stock Option Plan.

Base Salary

In the Board's view, paying base salaries which are reasonable in relation to the level of service expected while remaining competitive in the markets in which the Company operates is a first step to attracting and retaining qualified and effective executives.

The Company's objective is to achieve certain strategic objectives and milestones. The Board will consider executive bonus compensation dependent upon the Company meeting those strategic objectives and milestones and sufficient cash resources being available for the granting of bonuses. The Board approves executive bonus compensation dependent upon compensation levels based on recommendations of the Board. Such recommendations are generally based on information provided by issuers that are similar in size and scope to the Company's operations.

Equity Participation

The Company believes that encouraging its executives to become shareholders is the best way of aligning their interests with those of its shareholders. Equity participation is accomplished through the Company's current Stock Option Plan, in which certain securities are granted to executives taking into account a number of factors, including the amount and term of Options previously granted, base salary and bonuses and competitive factors. The amounts and terms of Options granted are determined by the Board based on recommendations put forward by the CEO. The Company emphasizes the provision of Options to maintain executive motivation.

Compensation Review Process

Executive compensation is based upon the need to provide a compensation package that will allow the Company to attract and retain qualified and experienced executives, balanced with a pay-for-performance philosophy. Compensation currently is based on a base salary, with Options and bonuses potentially being issued and paid as an incentive for performance. The Company does not presently have a long-term incentive plan for its NEOs. There is no policy or target regarding allocation between cash and non-cash elements of the Company's compensation program.

Risks Associated with the Company’s Compensation Program

The Board has assessed the Company’s compensation plans for its executive officers to ensure alignment with the Company’s business plan and to evaluate the potential risks associated with those plans and programs. The Board has concluded that the compensation practices do not create any risks that are reasonably likely to have a material adverse effect on the Company. The Board considers the risks associated with executive compensation and corporate incentive plans when designing and reviewing such plans and programs.

The Company has not adopted a policy restricting its executive officers or directors from purchasing financial instruments that are designated to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by its executive officers or directors. To the knowledge of the Company, none of the executive officers or directors has purchased such financial instruments.

Benefits and Perquisites

The Company does not, as of the date hereof, offer any benefits or perquisites to its NEOs other than potential grants of Options as otherwise disclosed and discussed herein.

Pension Plan Benefits

The Company does not have a pension plan that provides for payments or benefits to the NEOs at, following, or in connection with retirement.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The Company has in place a 10% “rolling” stock option plan.

The following table sets out the Company’s equity compensation plan information as at the end of the financial year ended May 31, 2023 and May 31, 2022.

May 31, 2023			
	Number of securities to be issued upon exercise of outstanding options	Weighted-average exercise price of outstanding options	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Plan Category	(a)	(b)	(c)
Equity compensation plans approved by securityholders - the Stock Option Plan	1,400,000	0.41	1,386,197
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	1,400,000	0.41	1,386,197

May 31, 2022			
	Number of securities to be issued upon exercise of outstanding options	Weighted-average exercise price of outstanding options	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Plan Category	(a)	(b)	(c)
Equity compensation plans approved by securityholders - the Stock Option Plan	1,600,000	0.41	1,152,201
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	1,600,000	0.41	1,152,201

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

At May 31, 2023, the Company had the following amounts owing to related parties:

- i) accounts payable of \$68,250 (2022 - \$68,250) owing to Brian Whitlock, a former director of the Company (Softtail Enterprises Inc), and \$Nil (2022 - \$16,942) owing to a former CFO (Sarj Dhaliwal).
- ii) loan payable to the CEO (Nick Brusatore) of \$13,955 (2022 - \$64,431). The amount is non-interest bearing with no fixed terms for repayment.

	Balance due	
	As at May 31, 2023	As at May 31, 2022
Softail Enterprises Inc., owned by Brian Whitlock, a former Director	\$68,250	\$68,250
Sarj Dhaliwal, former Chief Financial Officer	\$-	\$16,942
Nick Brusatore, Chief Executive Officer	\$13,955	\$64,431

No directors, proposed nominees for election as directors, executive officers or their respective associates or affiliates, or other management of the Company were indebted to the Company as at the Company's most recently completed financial years ended May 31, 2023 and May 31, 2022 or as at the date hereof.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed below, to the knowledge of management of the Company, no informed person (a director, officer or holder of 10% or more of the Common Shares) or nominee for election as a director of the Company or any associate or affiliate of any informed person or proposed director had any interest in any transaction which has materially affected or would materially affect the Company or any of its

subsidiaries since the Company's most recently completed financial year or during the financial years ended May 31, 2023 and May 31, 2022, or has any interest in any material transaction in either year other than as set out herein and as are disclosed in Note 10 - *Related Party Transactions* in the annual financial statements for the financial years ended May 31, 2023 and May 31, 2022.

MANAGEMENT CONTRACTS

Except as otherwise disclosed in this Information Circular, management functions of the Company are generally performed by directors and senior officers of the Company and not, to any substantial degree, by any other person to whom the Company has contracted.

PARTICULARS OF MATTERS TO BE ACTED UPON

- A. **Set Number of Directors** - see "*Election of Directors*" above (page 5).
- B. **Election of Directors** – see "*Election of Directors*" above (page 5).
- C. **Appointment of Auditor** – see "*Appointment of Auditor*" above (page 8).
- D. **Approval of the New Stock Option Plan** – see "*Continuation of Stock Option Plan*" below.

APPROVAL OF NEW STOCK OPTION PLAN

10% “rolling” Stock Option Plan (Option-Based Awards)

As described above, the Company currently has in place a 10% “rolling” stock option plan dated for reference January 7, 2021 the “**2021 Stock Option Plan**”). The 2021 Stock Option Plan was ratified, confirmed and approved by shareholders at the Company's June 1, 2022 annual general meeting. Effective on January 23, 2024 the Board terminated the Company's 2021 Stock Option Plan and adopted a new form 10% “rolling” stock option plan (the “**New Stock Option Plan**”).

The New Stock Option Plan was implemented in order to provide the Company with the flexibility necessary to attract and maintain the services of senior executives and other employees in competition with other businesses in the industry and to align with the new CSE policies governing security based compensation and to provide incentive to qualified parties to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company.

The Board or a committee appointed by the Board is responsible for administering the New Stock Option Plan. The New Stock Option Plan provides that options will be issued to directors, officers, employees or consultants of the Company or a subsidiary of the Company.

A copy of the New Stock Option Plan is attached as Schedule “B” to this Information Circular. At the date of this Information Circular, there were 2,590,000 stock options outstanding.

A number of Common Shares equal to ten (10%) percent of the issued and outstanding Common Shares in the share capital of the Company from time to time are reserved for the issuance of stock options pursuant to the New Stock Option Plan. Subject to the effectiveness of the New Stock Option Plan, all existing stock options of the Company issued under the 2021 Stock Option Plan shall be amended such that they are governed by the terms of the New Stock Option Plan and no longer governed by 2021 Stock Option Plan. If shareholders fail to approve the New Stock Option Plan, the Company confirms that its 2021 Stock Option Plan will continue without interruption.

Material Terms of the New Share Option Plan

Administration

The New Share Option Plan shall be administered by the Board, a special committee of the Board (the “**Committee**”) or by an administrator appointed by the Board or the Committee (the “**Administrator**”) either of which will have full and final authority with respect to the granting of all Options thereunder. Options may be granted under the New Share Option Plan to such directors, officers, employees or consultants of the Company, as the Board, the Committee or the Administrator may from time to time designate.

Number of Common Shares Reserved

Subject to adjustment as provided for in the New Share Option Plan, the aggregate number of Common Shares which will be available for purchase pursuant to Options granted under the New Share Option Plan will not exceed 10% of the number of Common Shares which are issued and outstanding on the particular date of grant. If any Option expires or otherwise terminates for any reason without having been exercised in full, the number of Common Shares in respect of such expired or terminated Option shall again be available for the purposes of granting Options pursuant to the New Share Option Plan.

Exercise Price

The exercise price at which an Option holder may purchase a Common Share upon the exercise of an Option shall be determined by the Committee and shall be set out in the Option certificate (an “**Option Certificate**”) issued in respect of the Option. The exercise price shall not be less than the price determined in accordance with CSE policies while, and if, the Company’s Common Shares are listed on the CSE.

Maximum Term of Options

The term of any Option granted under the New Share Option Plan (the “**Term**”) shall be determined by the Board, the Committee or the Administrator, as applicable, at the time the Option is granted but, subject to earlier termination in the event of termination, or in the event of death or disability of the Option holder. In the event of death or disability, the Option shall expire on the earlier of the date which is one year following the date of disability or death and the applicable expiry date of the Option. Options granted under the New Share Option Plan are not to be transferable or assignable other than by will or other testamentary instrument or pursuant to the laws of succession.

Termination

Subject to such other terms or conditions that may be attached to Options granted under the New Share Option Plan, an Option holder may exercise an Option in whole or in part at any time and from time to time during the Term. Any Option or part thereof not exercised within the Term shall terminate and become null, void and of no effect as of the date of expiry of the Option. The expiry date of an Option shall be the date so fixed by the Committee at the time the Option is granted as set out in the Option Certificate or, if no such date is set out in for the Option Certificate the applicable circumstances, the date established, if applicable, in paragraphs (a) or (b) below or in the event of death or disability (as discussed above under “Maximum Term of Options”) or in the event of certain triggering events occurring, as provided for under the New Share Option 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, the Board or the Administrator, as applicable 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, the Board or the Administrator, as applicable, and expressly provided for in the Option certificate, the 30th day following the date the Option holder ceases to hold such position as a result of:

- (i) termination for cause;
- (ii) resigning or terminating 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, the Board or the Administrator, as applicable, 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. Notwithstanding anything else contained in the New Share Option Plan, in no case will an Option be exercisable later than the expiry date of the Option.

New Stock Option Plan Resolution

Shareholders will be asked to consider and vote on an ordinary resolution to ratify and approve the Company's New Stock Option Plan, with or without variation, as follows:

“BE IT RESOLVED THAT:

- a) the Company's Rolling 10% Stock Option Plan (“**New Stock Option Plan**”) as described in the Company's Information Circular dated for reference January 23, 2024 including the reservation for issuance under the New Stock Option Plan at any time of a maximum of 10% of the issued and outstanding Common Shares in the capital of the Company as at a date of grant, be and is hereby ratified and approved for continuation until March 7, 2027, subject to the acceptance by the Canadian Securities Exchange, if required, such that it replaces the 2021 Stock Option Plan in its entirety;
- b) subject to the effectiveness of the New Stock Option Plan, all existing stock options of the Company issued under the 2021 Share Option Plan shall be amended such that they are governed by the terms of the New Stock Option Plan and no longer governed by the 2021 Share Option Plan;

- c) the board of directors of the Company (the “Board”) be and is hereby authorized, in its absolute discretion, to administer the New Stock Option Plan and amend or modify the New Stock Option Plan in accordance with its terms and conditions and with the policies of the Canadian Securities Exchange;
- d) the Company will continue to have the ability to grant awards under the New Stock Option Plan and to satisfy such awards through the issuance of common shares from treasury of the Company until March 7, 2027 and any two directors and/or officers of the Company be authorized to execute such treasury order or treasury orders as may be necessary to effect the issuance of Common Shares under the New Stock Option Plan; and
- e) any one director or officer of the Company be and is hereby authorized and directed to do all such acts and things and to execute and deliver under the corporate seal of the Company or otherwise all such deeds, documents, instruments and assurances as in their opinion may be necessary or desirable to give effect to the foregoing resolutions, including, without limitation, making any changes to the New Stock Option Plan as may be required by an applicable stock exchange or applicable securities regulatory authorities and to complete all transactions in connection with the implementation of the New Stock Option Plan.”

The New Stock Option Plan requires approval by a majority of the votes cast by Shareholders present in person or by proxy at the Meeting.

The Board has concluded that the New Stock Option Plan is in the best interests of the Company and its Shareholders. Accordingly, the Board unanimously recommends that Shareholders to ratify and approve the Company’s New Stock Option Plan by voting FOR the New Stock Option Plan Resolution at the Meeting.

Proxies received in favour of management will be voted in favour of the New Stock Option Plan Resolution unless the Shareholder has specified in the Proxy that his or her Shares are to be voted against such resolution. In the absence of instructions to the contrary, the persons named in the enclosed form of Proxy intend to vote the Shares represented thereby in favour of passing the New Stock Option Plan Resolution.

Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote FOR the continuation of the Stock Option Plan.

ADDITIONAL INFORMATION

Additional information regarding the Company and its business activities is available on the Company’s SEDAR+ profile at www.sedarplus.ca. The Company’s financial information is provided in the Company’s audited financial statements and related management discussion and analysis for the financial years ended May 31, 2023 and May 31, 2022. The Company will provide to any person or company, upon request to the Chief Financial Officer of the Company at their office located at: 250-750 W. Pender St., Vancouver, British Columbia, V6C 2T7, Canada, Telephone (604) 757-4100; email contact@affinorgrowers.com, one copy of either or all of the financial statements of the Company filed with the applicable securities regulatory authorities for the Company, together with the report of the auditor, related management’s discussion and analysis and any interim financial statements of the Company filed with the applicable securities regulatory authorities subsequent to the filing of the annual financial statements.

Copies of the above documents will be provided free of charge to securityholders of the Company. The Company may require payment of a reasonable charge from any person or company who is not a securityholder of the Company, who requests a copy of any such document. These documents are also available under the Company’s SEDAR+ profile at www.sedarplus.ca.

OTHER MATTERS

The Board is not aware of any other matters which it anticipates will come before the Meeting as of the date of mailing of this Information Circular.

The contents of this Information Circular and its distribution to Shareholders have been approved by the Board.

DATED at Vancouver, British Columbia this 29th day of January, 2024.

BY ORDER OF THE BOARD

“Nicholas Brusatore”

Nicholas Brusatore
President and Chief Executive Officer

SCHEDULE "A"

AFFINOR GROWERS INC.

To: British Columbia Securities Commission
Ontario Securities Commission
Alberta Securities Commission
Autorité des marchés financiers
Canadian Securities Exchange

And To: De Visser Gray LLP
Zeifmans LLP

Affinor Growers Inc. (the "Company") gives the following notice in accordance with Section 4.11 of National Instrument 51-102 Continuous Disclosure Obligations ("NI 51-102") as follows:

1. De Visser Gray LLP, ("De Visser Gray") tendered their resignation, at the request of the Company, as auditors of the Company effective August 18, 2022; and the directors of the Company have appointed Zeifmans LLP. ("Zeifmans"), as successor auditors in their place.
2. The resignation of De Visser Gray has been considered by the Board of Directors of the Company, and the appointment of Zeifmans in their place have been approved by the Board of Directors of the Corporation.
3. De Visser Gray has not expressed any modified opinions on the Company's financials statements for the fiscal year ended May 31, 2021.
4. There have been no "reportable events" (as such term is defined in NI 51-102).

AFFINOR GROWERS INC.

Yours truly,

"Nick Brusatore"

Nick Brusatore
Chief Executive Officer



September 27, 2022

To: British Columbia Securities Commission
Ontario Securities Commission
Alberta Securities Commission
Autorité des marchés financiers
Canadian Securities Exchange

Dear Sirs/Mesdames:

Re: Affinor Growers Inc. (the “Company”) - Notice of Change of Auditors

We have read the notice of change of auditor of the Company (the “Notice”) dated August 18, 2022, which we understand is to be filed pursuant to National Instrument 51-102 *Continuous Disclosure Obligations*.

We confirm that we are in agreement with the information contained in the Notice.

Yours truly,

Zeifmans LLP

Chartered Professional Accountants

September 27, 2022

British Columbia Securities Commission
Ontario Securities Commission
Alberta Securities Commission
Autorité des marchés financiers
Canadian Securities Exchange

Dear Sirs/Mesdames:

**Re: Affinor Growers Inc. (“The Company”)
Notice Pursuant to National Instrument 51-102 – Change of Auditor**

We have read the Notice of Change of Auditor of Affinor Growers Corp. dated August 18, 2022 concerning our resignation as auditors of Affinor Growers Corp. as at August 18, 2022.

In accordance with National Instrument 51-102, we advise that we are in agreement with the information contained in the above-mentioned Notice.

Yours truly,



CHARTERED PROFESSIONAL ACCOUNTANTS

SCHEDULE "B"

AFFINOR GROWERS INC.

STOCK OPTION PLAN

DATED FOR REFERENCE JANUARY 23, 2024

Approved by the board of directors effective on January 23, 2024.

TABLE OF CONTENTS

	<u>Page</u>
SECTION 1 DEFINITIONS AND INTERPRETATION	1
1.1 DEFINITIONS	1
1.2 CHOICE OF LAW	7
1.3 HEADINGS	7
SECTION 2 GRANT OF OPTIONS	7
2.1 GRANT OF OPTIONS	7
2.2 RECORD OF OPTION GRANTS	7
2.3 EFFECT OF PLAN	8
2.4 HOLD PERIOD	8
SECTION 3 PURPOSE AND PARTICIPATION	8
3.1 PURPOSE OF PLAN	8
3.2 PARTICIPATION IN PLAN	8
3.3 LIMITS ON OPTION GRANTS	8
3.4 LIMITS ON OPTION GRANTS FOR INVESTOR RELATIONS ACTIVITIES	9
3.5 NOTIFICATION OF GRANT	9
3.6 COPY OF PLAN	9
3.7 LIMITATION ON SERVICE	10
3.8 NO OBLIGATION TO EXERCISE	10
3.9 AGREEMENT	10
3.10 NOTICE	10
3.11 REPRESENTATION	10
SECTION 4 NUMBER OF SHARES UNDER PLAN	10
4.1 COMMITTEE TO APPROVE ISSUANCE OF SHARES	10
4.2 NUMBER OF SHARES	11
4.3 FRACTIONAL SHARES	11
SECTION 5 TERMS AND CONDITIONS OF OPTIONS	11
5.1 EXERCISE PERIOD OF OPTION	11
5.2 NUMBER OF SHARES UNDER OPTION	11
5.3 EXERCISE PRICE OF OPTION	11
5.4 TERMINATION OF OPTION	12
5.5 VESTING OF OPTION AND ACCELERATION	13
5.6 ADDITIONAL TERMS	13
SECTION 6 TRANSFERABILITY OF OPTIONS	14
6.1 NON-TRANSFERABLE	14
6.2 DEATH OF OPTION HOLDER	14
6.3 DISABILITY OF OPTION HOLDER	14
6.4 DISABILITY AND DEATH OF OPTION HOLDER	14
6.5 VESTING	14
6.6 DEEMED NON-INTERRUPTION OF ENGAGEMENT	14
SECTION 7 EXERCISE OF OPTION	15

7.1	EXERCISE OF OPTION	15
7.2	BLACK OUT PERIOD.....	15
7.3	ISSUE OF SHARE CERTIFICATES.....	15
7.4	NO RIGHTS AS SHAREHOLDER	15
7.5	TAX WITHHOLDING AND PROCEDURES.....	16
SECTION 8 ADMINISTRATION		16
8.1	BOARD OR COMMITTEE	16
8.2	POWERS OF COMMITTEE	16
8.3	ADMINISTRATION BY COMMITTEE	17
8.4	INTERPRETATION	17
SECTION 9 APPROVALS AND AMENDMENT		18
9.1	SHAREHOLDER APPROVAL OF PLAN	18
9.2	AMENDMENT OF OPTION OR PLAN.....	18
SECTION 10 CONDITIONS PRECEDENT TO ISSUANCE OF OPTIONS AND SHARES		18
10.1	COMPLIANCE WITH LAWS	18
10.2	REGULATORY APPROVALS.....	18
10.3	INABILITY TO OBTAIN REGULATORY APPROVALS	19
SECTION 11 ADJUSTMENTS AND TERMINATION.....		19
11.1	TERMINATION OF PLAN.....	19
11.2	NO GRANT DURING SUSPENSION OF PLAN	19
11.3	ALTERATION IN CAPITAL STRUCTURE	19
11.4	TRIGGERING EVENTS	20
11.5	NOTICE OF TERMINATION BY TRIGGERING EVENT.....	20
11.6	DETERMINATIONS TO BE MADE BY COMMITTEE	20

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) “**Black-Out**” 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 an occurrence when either:
 - (i) a Person, other than the current “control person” of the Company (as that term is defined in the *Securities Act*), becomes a “control person” of the Company; or
 - (ii) a majority of the directors elected at any annual or extraordinary general meeting of shareholders of the Company are not individuals nominated by the Company's then-incumbent Board.

- (f) “**Committee**” means a committee of the Board to which the responsibility of approving the grant of Options has been delegated, or if no such committee is appointed, the Board itself.
- (g) “**Company**” means Affinor Growers Inc.
- (h) “**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 (h)(i) 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:

- (i) 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
 - (ii) an RRSP or RRIF established by or for the individual under which he or she is the beneficiary.
- (i) “**CSE**” means the Canadian Securities Exchange, operated by CNSX Markets Inc.
 - (j) “**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 which cannot be accommodated under applicable human rights laws without imposing undue hardship on the Company or any Subsidiary employing or engaging the Person, that the Committee, acting reasonably, determines constitutes a disability.

- (k) “**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:

- (i) a corporation wholly-owned by such individual; and
 - (ii) any RRSP or RRIF established by or for such individual under which he or she is the beneficiary.
- (l) “**Exchange**” means the stock exchange upon which the Company’s shares principally trade.
- (m) “**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) any RRSP or RRIF established by or for such individual under which he or she is the beneficiary.
- (n) “**Exercise Notice**” means the written notice of the exercise of an Option, in the form set out as Appendix “I” hereto, or by written notice in the case of uncertificated Shares, duly executed by the Option Holder.
- (o) “**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 the Option has Vested pursuant to the terms and conditions of this Plan and any additional terms and conditions imposed by the Committee, and that no Option can be exercised unless and until all necessary Regulatory Approvals have been obtained.
- (p) “**Exercise Price**” means the price at which an Option is exercisable as determined in accordance with Section 5.3.

- (q) “**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.
- (r) “**Expiry Time**” means the time the Option expires on the Expiry Date, which is 4:00 p.m. local time in Vancouver, British Columbia on the Expiry Date.
- (s) “**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.
- (t) “**Insider**” means an insider as that term is defined in the *Securities Act*.
- (u) “**Investor Relations Activities**” means any activities, by or on behalf of the Company or shareholder of the Company, that promote or reasonably could be expected to promote the purchase or sale of securities of the Company, but does not include:
 - (i) the dissemination of information provided, or records prepared, in the ordinary course of business of the Company:
 - (A) to promote the sale of products or services of the Company, or
 - (B) to raise public awareness of the Company,that cannot reasonably be considered to promote the purchase or sale of securities of the Company;
 - (ii) activities or communications necessary to comply with the requirements of:
 - (A) applicable securities laws;
 - (B) Exchange requirements or the by-laws, rules or other regulatory instruments of any other self-regulatory body or exchange having jurisdiction over the Company;
 - (iii) communications by a publisher of, or writer for, a newspaper, magazine or business or financial publication, that is of general and regular paid circulation, distributed only to subscribers to it for value or to purchasers of it, if:
 - (A) the communication is only through the newspaper, magazine or publication, and
 - (B) the publisher or writer receives no commission or other consideration other than for acting in the capacity of publisher or writer; or
 - (iv) activities or communications that may be otherwise specified by the Exchange.

- (v) “**Market Value**” means the market value of the Shares as determined in accordance with Section 5.3.
- (w) “**NI 45-106**” means National Instrument 45-106—*Prospectus Exemptions*.
- (x) “**Option**” means an incentive share purchase option granted pursuant to this Plan entitling the Option Holder to purchase Shares of the Company.
- (y) “**Option Certificate**” means the certificate, in substantially the form set out as Schedule A hereto, evidencing the Option.
- (z) “**Option Holder**” means a Person who holds an unexercised and unexpired Option or, where applicable, the Personal Representative of such person.
- (aa) “**Outstanding Issue**” means the number of Shares that are outstanding (on a non-diluted basis) immediately prior to the Share issuance or grant of Option in question.
- (bb) “**Person**” 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.
- (cc) “**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.
- (dd) “**Plan**” means this stock option plan as from time to time amended.
- (ee) “**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.
- (ff) “**Regulatory Authorities**” means all organized trading facilities on which the 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.
- (gg) “**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.

- (hh) **“Related Entity”** means a Person that is controlled by the Company. For the purposes of this Plan, a Person (first person) is considered to control another Person (second person) if the first Person, directly or indirectly, has the power to direct the management and policies of the second person by virtue of
 - (i) ownership of or direction over voting securities in the second Person,
 - (ii) a written agreement or indenture,
 - (iii) being the general partner or controlling the general partner of the second Person, or
 - (iv) being a trustee of the second Person.
- (ii) **“Related Person”** means:
 - (i) a Related Entity of the Company;
 - (ii) a partner, director or officer of the Company or Related Entity;
 - (iii) a promoter of or Person who performs Investor Relations Activities for the Company or Related Entity; and
 - (iv) any Person that beneficially owns, either directly or indirectly, or exercises voting control or direction over at least 10% of the total voting rights attached to all voting securities of the Company or Related Entity.
- (jj) **“Securities Act”** means the *Securities Act* (British Columbia), RSBC 1996, c.418 as from time to time amended.
- (kk) **“Share”** or **“Shares”** means, as the case may be, one or more common shares without par value in the capital stock of the Company.
- (ll) **“Subsidiary”** means a wholly-owned or controlled subsidiary corporation of the Company.
- (mm) **“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 by one or more Persons;
 - (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.
- (nn) “**Vest**”, “**Vesting**” or “**Vested**” 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 British Columbia and the federal 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 British Columbia.

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 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 Grant Date and Expiry Date of the Option;

- (d) the number of Shares which may be acquired on the exercise of the Option and the Exercise Price of the Option;
- (e) the Vesting and other additional terms, if any, attached to the Option; and
- (f) the particulars of each and every time the Option is exercised.

2.3 **Effect of Plan**

All Options 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 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.

2.4 **Hold Period**

Pursuant to the policies of the Exchange, where a hold period is applicable, the Option Certificate will include a legend stipulating that the Option is and the Shares upon the exercise of the Option are subject to a four-month hold period commencing on the date of distribution of the Option.

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 Company shall only grant Options under this Plan in accordance with Section 10 hereof and, for greater certainty, may not grant any Options under this Plan unless an exemption under NI 45-106 is available. For so long as the Company is a reporting issuer listed on the CSE, Section 2.24 of NI 45-106 shall not apply to the Plan and all Options granted thereunder to any Employees or

Consultants who are engaged in Investor Relations Activities for the Company, any associated Consultant, any executive officer of the Company, any director of the Company or any permitted assign of those Persons if, after the grant:

- (a) the number of securities, calculated on a fully diluted basis, reserved for issuance under options granted to
 - (i) Related Persons, exceeds 10% of the outstanding securities of the Company, or
 - (ii) a Related Person, exceeds 5% of the outstanding securities of the Company, or
- (b) the number of securities, calculated on a fully diluted basis, issued within 12 months to
 - (i) Related Persons, exceeds 10% of the outstanding securities of the Company, or
 - (ii) a Related Person and the Associates of the Related Person, exceeds 5% of the outstanding securities of the Company;

unless the Company obtains security holder approval in accordance with the Regulatory Rules, including the requirements under NI 45-106.

3.4 **Limits on Option Grants for Investor Relations Activities**

The maximum number of Options which may be granted within a 12 month period to Employees or Consultants engaged in Investor Relations Activities must not exceed 1% of the Outstanding Issue.

3.5 **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.

3.6 **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.

3.7 **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.

3.8 **No Obligation to Exercise**

Option Holders shall be under no obligation to exercise Options.

3.9 **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.

3.10 **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.

3.11 **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 **Committee 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, 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. 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.

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. Notwithstanding the foregoing, the Exercise Price shall not be less than the Market Value of the Shares as of the Grant Date. The Market Value of the Shares for a particular Grant Date shall be determined as follows:

- (a) if the Company's Shares are listed on the CSE, and the Committee determines the CSE to be the Company's primary Exchange, Market Value will be the greater of the closing trading price of the Shares on (i) the trading day prior to the Grant Date and (ii) the Grant Date;
- (b) subject to subparagraph (a) above, for each organized trading facility on which the Shares are listed, Market Value will be the closing trading price of the Shares on

the day immediately preceding the Grant Date, and may be less than this price if it is within the discounts permitted by the applicable Regulatory Authorities;

- (c) if the Company's Shares are listed on more than one organized trading facility, the Market Value shall be the Market Value as determined in accordance with subparagraphs (a) or (b) above for the primary organized trading facility on which the Shares are listed, as determined by the Committee, subject to any adjustments as may be required to secure all necessary Regulatory Approvals;
- (d) subject to subparagraph (a), if the Company's 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
- (e) if the Company's 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 Shares, taking into consideration all factors that the Committee deems appropriate, including, without limitation, recent sale and offer prices of the 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.

5.4 **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.

5.5 **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.

5.6 **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**

Except as provided otherwise in this Section 6, Options are non-assignable and non-transferable.

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, or by written notice in the case of uncertificated Shares, 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. Notwithstanding anything else contained herein, Options may not be exercised during a Black-Out unless the Committee determines otherwise.

7.2 **Black Out Period**

If an Option expires, terminates or is cancelled (other than an expiry, termination or cancellation pursuant to Section 5.4(a) or Section 5.4(b) above) within or immediately after a Black-Out, 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 Black-Out; provided, that, the expiration date as extended by this Section 7.2 will not in any event be beyond the later of: (i) December 31 of the calendar year in which the Option was otherwise due to expire; and (ii) the 15th day of the third month following the month in which the Option was otherwise due to expire.

7.3 **Issue of Share Certificates**

As soon as reasonably practicable following the receipt of the notice of exercise as described in Section 7.1 and payment in full for the Optioned Shares being acquired, the Administrator will direct its transfer agent to issue to the Option Holder the appropriate number of Shares in either certificate form or at the election of the Option Holder, on an uncertificated basis pursuant to the instructions given by the Option Holder to the Administrator. 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 Shares.

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 Shares, 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 must, in addition to following the procedures set out in Section 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; or
- (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;
- (c) and must in all other respects follow any related procedures and conditions imposed by the Company.

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;
- (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; and
 - (v) determine the number of 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 for the Shares or the written notice in the case of uncertificated Shares 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. Furthermore, if any of the Options granted under this Plan are cancelled prior to their Expiry Date, the Company shall not grant new Options to the same Persons or Entities until thirty (30) days have lapsed from the date of cancellation.

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

[Insert the following U.S. legend if the Option is being issued to an Option Holder who is in the United States or who is a U.S. person (as defined in Rule 902(k) of Regulation S under the United States Securities Act of 1933, as amended):

THE OPTION REPRESENTED BY THIS CERTIFICATE AND THE COMMON SHARES ISSUABLE UPON EXERCISE THEREOF HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY ACQUIRING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE COMPANY THAT SUCH SECURITIES MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED ONLY (A) TO THE COMPANY, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS, (C) PURSUANT TO THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS, OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE LAWS AND REGULATIONS GOVERNING THE OFFER AND SALE OF SECURITIES, AND IT HAS, IN THE CASE OF EACH OF (C) AND (D), PRIOR TO SUCH TRANSFER FURNISHED TO THE COMPANY AN OPINION OF COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE SATISFACTORY TO THE CORPORATION TO SUCH EFFECT.]

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

AFFINOR GROWERS INC.

STOCK OPTION PLAN - OPTION CERTIFICATE

This Option Certificate is issued pursuant to the provisions of the Affinor Growers Inc. (the “Company”) share option plan (the “Plan”) and evidences that _____ is the holder (the “Option Holder”) of an option (the “Option”) to purchase up to _____ common shares (the “Shares”) in the capital stock of the Company at a purchase price of CAD\$_____ per Share (the “Exercise Price”).

Subject to the provisions of the Plan:

- (a) the effective date of the grant of the Option is _____, 20__;
- (b) the Option expires at 4:00 p.m. (Vancouver Time) on _____, 20__;
- (c) the Options shall vest as follows:

Date	Percent of Stock Options Vested	Number of Stock Options Vested	Aggregate Number of Stock Options Vested
------	---------------------------------	--------------------------------	--

Date	Percent of Stock Options Vested	Number of Stock Options Vested	Aggregate Number of Stock Options Vested

The vested portion or portions of the Option may be exercised at any time and from time to time from and including the date of the grant of the Option through to 4:00 p.m. (Vancouver time) on the expiration date of the Option Period by delivering to the Company an Exercise Notice, in the form attached as Appendix “I” hereto, together with this Certificate and a certified cheque or bank draft payable to the Company in an amount equal to the aggregate of the Exercise Price of the Shares in respect of which the Option is being exercised.

All Options and any Shares issued on the exercise of Options may be subject to resale restrictions, which, if applicable, will be evidenced by a restrictive legend imprinted on the certificate or other instrument representing same. The Options hereby granted are subject to the approval of the Canadian Securities Exchange.

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

If the Option Holder is a U.S. person or is located in the United States, the Option Holder acknowledges and agrees as follows:

- (a) The Option and the Shares (collectively, the “**Securities**”) have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”), or the securities laws of any state of the United States, and the Option is being granted to the Option Holder in reliance on an exemption from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws.
- (b) The Securities will be “restricted securities”, as defined in Rule 144 under the U.S. Securities Act, and the rules of the United States Securities and Exchange Commission provide in substance that the Option Holder may dispose of the Securities only pursuant to an effective registration statement under the U.S. Securities Act or an exemption therefrom, and the Company has no obligation to register any of the Securities or to take action so as to permit sales pursuant to the U.S. Securities Act (including Rule 144 thereunder, if available).

- (c) The Option Holder understands that (i) if the Company is deemed to be an issuer that is, or that has been at any time previously, an issuer with no or nominal operations and no or nominal assets other than cash and cash equivalents (a “**Shell Company**”), Rule 144 under the U.S. Securities Act may not be available for resales of the Securities and (ii) the Company is not obligated to make Rule 144 under the U.S. Securities Act available for resales of the Securities.
- (d) If the Option Holder decides to offer, sell or otherwise transfer any of the Shares, the Option Holder will not offer, sell or otherwise transfer any of the Shares directly or indirectly, unless:
 - (i) the sale is to the Company;
 - (ii) the sale is made outside the United States in a transaction meeting the requirements of Rule 904 of Regulation S under the U.S. Securities Act (“**Regulation S**”) and in compliance with applicable local laws and regulations;
 - (iii) the sale is made pursuant to the exemption from the registration requirements under the U.S. Securities Act provided by Rule 144 thereunder, if available, and in accordance with any applicable state securities or “blue sky” laws; or
 - (iv) the Shares are sold in a transaction that does not require registration under the U.S. Securities Act or any applicable state laws and regulations governing the offer and sale of securities;

and, in the case of each of (iii) and (iv) it has prior to such sale furnished to the Company an opinion of counsel of recognized standing in form and substance satisfactory to the Company stating that such transaction is exempt from registration under the U.S. Securities Act.

The Option may not be exercised by or for the account or benefit of a person in the United States or a U.S. person unless registered under the U.S. Securities Act and any applicable U.S. state securities laws, unless an exemption from such registration requirements is available.

The certificate(s) representing the Shares will be endorsed with the following or a similar legend until such time as it is no longer required under the applicable requirements of the U.S. Securities Act or applicable U.S. state securities laws:

“THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, (THE “U.S. SECURITIES ACT”), OR THE SECURITIES LAWS OF ANY STATE OF THE

UNITED STATES. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE COMPANY, THAT SUCH SECURITIES MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED ONLY (A) TO THE COMPANY, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, (C) IN ACCORDANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS, OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS; AND, IN THE CASE OF CLAUSE (C) OR (D), THE SELLER FURNISHES TO THE COMPANY AN OPINION OF COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE SATISFACTORY TO THE COMPANY TO SUCH EFFECT. THE PRESENCE OF THIS LEGEND MAY IMPAIR THE ABILITY OF THE HOLDER HEREOF TO EFFECT “GOOD DELIVERY” OF THE SECURITIES REPRESENTED HEREBY ON A CANADIAN STOCK EXCHANGE.”

provided, that if the Shares are being sold outside the United States in compliance with the requirements of Rule 904 of Regulation S and such Shares were acquired at a time when the Company is a “foreign issuer” as defined in Regulation S, the legend set forth above may be removed by providing an executed declaration to the registrar and transfer agent of the Company, in substantially the form set forth as Appendix “II” hereto (or in such other form as the Company may prescribe from time to time) and, if requested by the Company or the transfer agent, an opinion of counsel of recognized standing in form and substance satisfactory to the Company and the transfer agent; and provided, further, that, if any Shares are being sold otherwise than in accordance with Regulation S and other than to the Company, the legend may be removed by delivery to the registrar and transfer agent and the Company of an opinion of counsel of recognized standing in form and substance satisfactory to the Company that such legend is no longer required under applicable requirements of the U.S. Securities Act.

- (e) Rule 905 of Regulation S provides in substance that any “restricted securities” that are equity securities of a “domestic issuer” (including an issuer that no longer qualifies as a “foreign issuer”) will continue to be deemed to be restricted securities notwithstanding that they were acquired in a resale transaction pursuant to Rule 901 or 904 of Regulation S; that Rule 905 of Regulation S will apply in respect of Shares if the Company is not a “foreign issuer” at the time of exercise of the related Options; and that the Company is not obligated to remain a “foreign issuer”.

- (f) “Domestic issuer”, “foreign issuer”, “United States” and “U.S. person” are as defined in Regulation S.
- (g) If the Option Holder is resident in the State of California on the effective date of the grant of the Option, then, in addition to the terms and conditions contained in the Plan and in this Option Certificate, the Option Holder acknowledges that the Company, as a reporting issuer under the securities legislation in the Provinces of British Columbia, Alberta, Ontario and Quebec, is required to publicly file with the securities regulators in those jurisdictions continuous disclosure documents, including audited annual financial statements and unaudited quarterly financial statements (collectively, the “**Financial Statements**”). Such filings are available on the System for Electronic Document Analysis and Retrieval Plus (SEDAR+), and documents filed on SEDAR+ may be viewed under the Company’s profile at the following website address: www.sedarplus.ca. Copies of Financial Statements will be made available to the Option Holder by the Company upon the Option Holder’s request.

All terms not otherwise defined in this Certificate shall have the meanings given to them under the Plan.

Dated this ____ day of _____, 20__.

AFFINOR GROWERS INC.

Authorized Signatory

**APPENDIX “I”
AFFINOR GROWERS INC.**

STOCK OPTION PLAN

EXERCISE NOTICE

TO: AFFINOR GROWERS INC. (the “Company”)

1. The undersigned (the “**Option Holder**”), being the holder of options to purchase _____ common shares of the Company at the exercise price of CAD\$_____ per share, hereby irrevocably gives notice, pursuant to the stock option plan of the Company (the “**Plan**”), of the exercise of the Option to acquire and hereby subscribes for _____ of such common shares of the Company.

2. The Option Holder tenders herewith a certified cheque or bank draft payable to the Company in an amount equal to the aggregate Exercise Price of the aforesaid common shares exercised and directs the Company to issue a share certificate evidencing said common shares in the name of the Option Holder to be mailed to the Option Holder at the following address:

3. By executing this Exercise Notice, the Option Holder hereby confirms that the undersigned has read the Plan and agrees to be bound by the provisions of the Plan. All terms not otherwise defined in this Exercise Notice shall have the meanings given to them under the Plan or the attached Option Certificate.

4. The Option Holder is resident in _____ [name of state/province].

5. The Option Holder represents, warrants and certifies as follows (please check all of the categories that apply):

- (a) the Option Holder at the time of exercise of the Option is not in the United States, is not a “U.S. person” as defined in Regulation S under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”) and is not exercising the Option for the account or benefit of a U.S. person or a person in the United States, and did not execute or deliver this exercise form in the United States;

- (b) the undersigned holder is resident in the United States or is a U.S. person who is a resident of the jurisdiction referred to in the address appearing above, and is an “accredited investor” as defined in Rule 501(a) of Regulation D under the U.S. Securities Act (a “**U.S. Accredited Investor**”) and has completed the **U.S. Accredited Investor Status Certificate in the form attached to this Exercise Notice**;
- (c) the undersigned holder is resident in the United States or is a U.S. person who is a resident of the jurisdiction referred to in the address appearing above, and is a natural person who is either: (i) a director, officer or employee of the Company or of a majority-owned subsidiary of the Company (each, an “**Eligible Company Option Holder**”), (ii) a consultant who is providing bona fide services to the Company or a majority-owned subsidiary of the Company that are not in connection with the offer or sale of securities in a capital-raising transaction, and do not directly or indirectly promote or maintain a market for the Company's securities (an “**Eligible Consultant**”), or (iii) a former Eligible Company Option Holder or Eligible Consultant; and/or
- (d) if the undersigned holder is resident in the United States or is a U.S. person, the undersigned holder has delivered to the Company and the Company’s transfer agent an opinion of counsel of recognized standing (which will not be sufficient unless it is in form and substance satisfactory to the Company) or such other evidence satisfactory to the Company to the effect that with respect to the securities to be delivered upon exercise of the Option, the issuance of such securities has been registered under the U.S. Securities Act and applicable state securities laws or an exemption from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws is available;

6. “**United States**” and “**U.S. person**” are as defined in Regulation S under the U.S. Securities Act.

Note: Certificates representing Shares will not be registered or delivered to an address in the United States unless Box 5(b), (c) or (d) above is checked.

7. If the undersigned Option Holder has marked Box 5(b), (c) or (d) above, the undersigned Option Holder hereby represents, warrants, acknowledges and agrees that:

- (a) funds representing the subscription price for the Shares which will be advanced by the undersigned to the Company upon exercise of the Options will not represent proceeds of crime for the purposes of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) (the “**PCMLTFA**”) or the United States *Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act* (the “**PATRIOT Act**”), and the undersigned acknowledges that the Company may in the future be required by law to disclose the undersigned’s name and other information relating to this exercise form and the undersigned’s subscription hereunder, on a confidential basis, pursuant to the

PCMLTFA and/or the PATRIOT Act. No portion of the subscription price to be provided by the undersigned (i) has been or will be derived from or related to any activity that is deemed criminal under the laws of Canada or the United States of America, or any other jurisdiction, or (ii) is being tendered on behalf of a person or entity who has not been identified to or by the undersigned, and it shall promptly notify the Company if the undersigned discovers that any of such representations ceases to be true and provide the Company with appropriate information in connection therewith;

- (b) the financial statements of the Company have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, which differ in some respects from United States generally accepted accounting principles, and thus may not be comparable to financial statements of United States companies;
- (c) there may be material tax consequences to the Option Holder of an acquisition or disposition of any of the Shares. The Company gives no opinion and makes no representation with respect to the tax consequences to the Option Holder under United States, state, local or foreign tax law of the undersigned's acquisition or disposition of such securities. In particular, no determination has been made whether the Company will be a "passive foreign investment company" within the meaning of Section 1297 of the United States Internal Revenue Code of 1986, as amended; and
- (d) if the undersigned has marked Box 5(c) above, the Company may rely on the registration exemption in Rule 701 under the U.S. Securities Act and a state registration exemption, but only if such exemptions are available; in the event such exemptions are determined by the Company to be unavailable, the undersigned may be required to provide additional evidence of an available exemption, including, without limitation, the legal opinion contemplated by Box 5(d).

8. If the undersigned Option Holder has marked Box 5(b) above, the undersigned represents and warrants to the Company that:

- (a) the Option Holder has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of an investment in the Shares, and the undersigned is able to bear the economic risk of loss of his or her entire investment;
- (b) the Company has provided to the undersigned the opportunity to ask questions and receive answers concerning the terms and conditions of the offering, and the undersigned has had access to such information concerning the Company as he or

she has considered necessary or appropriate in connection with his or her investment decision to acquire the Shares;

- (c) the undersigned is: (i) purchasing the Shares for his or her own account; and (ii) is purchasing the Shares for investment purposes only and not with a view to resale, distribution or other disposition in violation of United States federal or state securities laws; and
 - (d) the undersigned has not exercised the Option as a result of any form of general solicitation or general advertising, including advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or on the Internet, or broadcast over radio, television or other form of telecommunications or the Internet, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising.
9. If the undersigned has indicated that the undersigned is a U.S. Accredited Investor by marking Box 5(b) above, or if the undersigned has marked Box 5(c) above on the basis that the exercise of the Option is subject to the registration exemption in Rule 701 under the U.S. Securities Act and an available state registration exemption, the undersigned also acknowledges and agrees that:
- (a) the Shares have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States, and the Shares will be issued as “restricted securities” (as such term is defined in Rule 144(a)(3) under the U.S. Securities Act) and may not be offered, sold, pledged, or otherwise transferred, directly or indirectly, without prior registration under the U.S. Securities Act and applicable state securities laws absent an exemption from such registration requirements; and
 - (b) the certificate(s) or other instrument(s) representing the Shares will be endorsed with a U.S. restrictive legend substantially in the form set forth in the Option Certificate until such time as it is no longer required under the applicable requirements of the U.S. Securities Act or applicable state securities laws.

10 The undersigned Option Holder hereby represents, warrants, acknowledges and agrees that the certificate(s) representing the Shares may be subject to and legended with a four month hold period commencing on the date the Options were granted pursuant to the rules of the Canadian Securities Exchange and applicable securities laws.

DATED the _____ day of _____, _____.

Signature of Option Holder

U.S. ACCREDITED INVESTOR STATUS CERTIFICATE

In connection with the exercise of an option to purchase common shares of **AFFINOR GROWERS INC.** (the “**Company**”) by the Option Holder, the Option Holder hereby represents and warrants to the Company that the Option Holder satisfies one or more of the following categories of U.S. Accredited Investor (**please initial each category that applies**):

- _____ (1) Any director or executive officer of the Company; or
- _____ (2) A natural person whose individual net worth, or joint net worth with that person’s spouse or spousal equivalent (being a cohabitant occupying a relationship generally equivalent to that of a spouse), at the time of purchase exceeds US\$1,000,000; provided, however, that (i) the person’s primary residence shall not be included as an asset; (ii) indebtedness that is secured by the person’s primary residence, up to the estimated fair market value of the primary residence at the time of the purchase of Shares contemplated by the accompanying Exercise Notice, shall not be included as a liability (except that if the amount of such indebtedness outstanding at the time of the sale of such securities exceeds the amount outstanding 60 days before such time, other than as a result of the acquisition of the primary residence, the amount of such excess shall be included as a liability); (iii) indebtedness that is secured by the person’s primary residence in excess of the estimated fair market value of the primary residence at the time of the purchase of Shares contemplated by the accompanying Exercise Notice shall be included as a liability; (iv) for the purposes of calculating joint net worth of the person and that person’s spouse or spousal equivalent, (A) joint net worth can be the aggregate net worth of the person and spouse or spousal equivalent, and (B) assets need not be held jointly to be included in the calculation; and (v) reliance by the person and that person’s spouse or spousal equivalent on the joint net worth standard does not require that the securities be purchased jointly;
- _____ (3) A natural person who had an individual income in excess of US\$200,000 in each of the two most recent years or joint income with that person’s spouse or spousal equivalent in excess of US\$300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year; or.
- _____ (4) A natural person holding in good standing one or more of the following professional certifications or designations or credentials from an accredited educational institution that the United States Securities and Exchange Commission has designated as qualifying an individual for U.S. Accredited Investor status: The General Securities Representative license (Series 7), the Private Securities Offerings Representative license (Series 82), and the Licensed Investment Adviser Representative (Series 65).

APPENDIX "II"

FORM OF DECLARATION FOR REMOVAL OF LEGEND

TO: Affinor Growers Inc. (the "Company")

AND TO: Registrar and transfer agent for the common shares of the Company

The undersigned (a) acknowledges that the sale of _____ common shares (the "Securities") of the Company, represented by certificate number _____ or held in Direct Registration System (DRS) account number _____, to which this declaration relates is being made in reliance on Rule 904 of Regulation S ("Regulation S") under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), and (b) certifies that (1) the undersigned is not (A) an "affiliate" of the Company (as that term is defined in Rule 405 under the U.S. Securities Act), (B) a "distributor" as defined in Regulation S or (C) an affiliate of a distributor; (2) the offer of such securities was not made to a person in the United States and either (A) at the time the buy order was originated, the buyer was outside the United States, or the seller and any person acting on its behalf reasonably believed that the buyer was outside the United States, or (B) the transaction was executed on or through the facilities of the Toronto Stock Exchange, the TSX Venture Exchange, the Canadian Securities Exchange, Cboe Canada (the business name of the NEO Exchange) or another "designated offshore securities market", and neither the seller nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States; (3) neither the seller nor any affiliate of the seller nor any person acting on any of their behalf has engaged or will engage in any "directed selling efforts" in the United States in connection with the offer and sale of such securities; (4) the sale is bona fide and not for the purpose of "washing off" the resale restrictions imposed because the securities are "restricted securities" (as such term is defined in Rule 144(a)(3) under the U. S. Securities Act); (5) the seller does not intend to replace the securities sold in reliance on Rule 904 of Regulation S with fungible unrestricted securities; and (6) the contemplated sale is not a transaction, or part of a series of transactions, which, although in technical compliance with Regulation S, is part of a plan or scheme to evade the registration provisions of the U. S. Securities Act. Terms used herein have the meanings given to them by Regulation S.

Dated _____ 20____.

X _____
Signature of individual (if Seller is an individual)

X _____
Authorized signatory (if Seller is **not** an individual)

Name of Seller (**please print**)

Name of authorized signatory (**please print**)

Official capacity of authorized signatory (**please print**)

Affirmation by Seller's Broker-Dealer
(Required for sales pursuant to Section (b)(2)(B) above)

We have read the foregoing representations of our customer, _____ (the "Seller") dated _____, 20____, with regard to the sale, for such Seller's account, of _____ common shares (the "**Securities**") of the Company represented by certificate number _____ or held in Direct Registration System (DRS) account number _____. We have executed sales of the Securities pursuant to Rule 904 of Regulation S under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), on behalf of the Seller. In that connection, we hereby represent to you as follows:

- (1) no offer to sell Securities was made to a person in the United States;
- (2) the sale of the Securities was executed in, on or through the facilities of the Toronto Stock Exchange, the TSX Venture Exchange, the Canadian Securities Exchange, Cboe Canada (the business name of the NEO Exchange) or another designated offshore securities market (as defined in Rule 902(b) of Regulation S under the U.S. Securities Act), and, to the best of our knowledge, the sale was not pre-arranged with a buyer in the United States;
- (3) no "directed selling efforts" were made in the United States by the undersigned, any affiliate of the undersigned, or any person acting on behalf of the undersigned; and
- (4) we have done no more than execute the order or orders to sell the Securities as agent for the Seller and will receive no more than the usual and customary broker's commission that would be received by a person executing such transaction as agent.

For purposes of these representations: "**affiliate**" means a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the undersigned; "**directed selling efforts**" means any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for the Securities (including, but not be limited to, the solicitation of offers to purchase the Securities from persons in the United States); and "**United States**" means the United States of America, its territories or possessions, any State of the United States, and the District of Columbia.

Legal counsel to the Company shall be entitled to rely upon the representations, warranties and covenants contained herein to the same extent as if this affirmation had been addressed to them.

Dated: _____ 20____.

 Name of Firm

By: _____
 Authorized Officer