



## **PURE EXTRACTS TECHNOLOGIES CORP.**

(formerly Big Sky Petroleum Corporation)

**Unit 6, 7341 Industrial Way**

**Pemberton, BC V0N 2K0**

**Telephone (604) 328-5598**

### **INFORMATION CIRCULAR**

*(as at September 27, 2021, except as otherwise indicated)*

This information circular (the “Circular”) is provided in connection with the solicitation of proxies by the management of Pure Extracts Technologies Corp. (the “Company”). The form of proxy which accompanies this Circular (the “Proxy”) is for use at the annual general meeting of the shareholders of the Company to be held on Wednesday, November 3, 2021 (the “Meeting”), at the time and place set out in the accompanying Notice of Meeting (the “Notice of Meeting”).

**In view of the precautions required with respect to COVID, any shareholder who wishes to attend the Meeting in person must contact the Company at least 48 hours prior to the Meeting at 604 328-5598.**

In this Circular, “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.

### **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 owners of the Common Shares 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 are directors and/or officers 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 on 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.

This year we are encouraging Shareholders to vote in advance of the Meeting by proxy in order to comply with social distancing regulations and norms related to COVID-19 that are in place at the time of publication. However, the Meeting does have a physical location and will, if you choose, allow you to be present and vote in person at the Meeting. In this scenario, you do not need to complete or return your form of proxy. Voting in person at the Meeting can revoke any proxy you completed earlier upon your request. **In view of the precautions required with respect to COVID, any shareholder who wishes to attend the Meeting in person must contact the Company at least 48 hours prior to the Meeting at 604 328-5598.**

**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, and may choose one of the following options to submit their Proxy.

Registered Shareholders must complete, date and sign the Proxy form and return it to the Company's transfer agent, AST Trust Company (Canada) ("AST"), either: (a) by fax to (416) 368-2502, toll free in Canada and the United States of America at 1-866-781-3111, outside North America at 1-416-368-2502; or (b) by mail to Proxy Department, AST Trust Company (Canada), P.O. Box 721, Agincourt, Ontario M1S 0A1; or (c) scan the completed and signed Proxy and email it to [proxyvote@astfinancial.com](mailto:proxyvote@astfinancial.com).

In all cases the Registered Shareholder must ensure the proxy is received at least 48 hours (excluding Saturdays, Sundays and statutory holidays) before the Meeting or the adjournment thereof at which the Proxy is to be used.

### **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 that 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 names of the shareholder's broker or an agent of that broker (an "intermediary"). In the United States, the vast majority of such Common Shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks), and in Canada, under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms).

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

There are two kinds of Beneficial owners - 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" or Non-Objecting Beneficial Owners).

This year the Company will **NOT** be mailing the proxy-related materials directly to the NOBOs. Broadridge Financial Services will take care of mailing to the NOBOs. National Instrument 54-101 "Communication with Beneficial Owners of Securities of a Reporting Issuer" permits an issuer to directly deliver proxy-related materials to its NOBOs. In that case, NOBOs would receive a scannable Voting Instruction Form ("VIF") from our transfer agent, AST Trust Company (Canada). The VIFs are to be completed and returned to AST in the envelope provided or by facsimile. In addition, AST provides internet voting as described on the VIF itself which contain complete instructions. AST will tabulate the results of the VIFs received from

NOBOs and will provide appropriate instructions at the Meeting with respect to the shares represented by the VIFs they receive.

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

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

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 your Common Shares on your behalf. Most brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("Broadridge") in the United States and in Canada. Broadridge mails a VIF in lieu of a proxy provided by the Company. The VIF will name the same persons as the Company's Proxy to represent your Common Shares at the Meeting. You have the right to appoint a person (who need not be a Beneficial Shareholder of the Company), other than any of the persons designated in the VIF, to represent your Common Shares at the Meeting and that person may be you. To exercise this right, you should insert the name of the desired representative (which may be yourself) in the blank space provided in the VIF. The completed VIF must then be returned to Broadridge by mail or facsimile or given to Broadridge by phone or over the internet, in accordance with Broadridge's instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting and the appointment of any shareholder's representative. If you receive a VIF from Broadridge, the VIF must be completed and returned to Broadridge, in accordance with its instructions, well in advance of the Meeting in order to have your Common Shares voted at the Meeting or to have an alternate representative duly appointed to attend the Meeting and to vote your Common Shares at the Meeting.

#### **Notice to United States Shareholders**

The Company's common shares are not registered under Section 12 of the United States Securities Exchange Act of 1934, as amended (the "U.S. Exchange Act"), and this solicitation of proxies is not subject to the requirements of Section 14(a) of the U.S. Exchange Act. Residents of the United States should be aware that applicable Canadian proxy solicitation rules differ from those of the United States applicable to proxy statements under the U.S. Exchange Act.

This document does not address any income tax consequences of the disposition of the Company's shares by shareholders. Shareholders in a jurisdiction outside of Canada should be aware that the disposition of shares by them may have tax consequences both in those jurisdictions and in Canada, and are urged to consult their tax advisors with respect to their particular circumstances and the tax considerations applicable to them.

Any information concerning any properties and operations of the Company has been prepared in accordance with Canadian standards under applicable Canadian securities laws, and may not be comparable to similar information for United States companies.

Financial statements included or incorporated by reference herein have been prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board, and are subject to auditing and auditor independence standards in Canada, and reconciled to accounting principles generally accepted in the United States.

The enforcement by the Company Shareholders of civil liabilities under the United States federal securities laws may be affected adversely by the fact that the Company is incorporated or organized under the laws of a foreign country, that some or all of their officers and directors and the experts named herein are

residents of a foreign country and that the major assets of the Company are located outside the United States.

### **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 attorney duly authorized, and by delivering the proxy bearing a later date to AST 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.

## **FINANCIAL STATEMENTS**

The audited financial statements of the Company for the year ended June 30, 2021, together with the auditor's report thereon and the related management discussion analyses (the "Financial Statements"), will be tabled at the Meeting and will be available at the Meeting. These documents will also be available under the Company's profile on the SEDAR website at [www.sedar.com](http://www.sedar.com).

## **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 of directors (the "Board") of the Company has fixed September 27, 2021 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.

On October 28, 2020, the Company completed a reverse takeover transaction (the "RTO") by way of an amalgamation between the Company's wholly owned subsidiary, 1270233 B.C. Ltd. and Pure Extracts Technologies Inc. ("PET") to form Pure Extracts Manufacturing Corp., which became a wholly-owned subsidiary of the Company. In connection with the RTO, the Company assumed the business of PET, changed its name to Pure Extracts Technologies Corp. and consolidated the common shares of the Company on the basis of one post-consolidation share for every six pre-consolidation shares. The Company's shares were voluntarily delisted from the NEX Board of the TSX Venture Exchange on October 27, 2020 and commenced trading on the Canadian Securities Exchange (the "CSE") under the ticker symbol "PULL" on November 5, 2020.

The Company is authorized to issue an unlimited number of Common Shares without par value, of which 102,167,487 Common Shares are issued and outstanding as of September 27, 2021. All Common Shares in the capital of the Company carry the right to one vote.

To the knowledge of the directors and executive officers of the Company, there were no persons or corporations that beneficially owned, directly or indirectly, or exercised control or direction over, Common Shares carrying more than 10% of the voting rights attached to all outstanding Common Shares.

## ELECTION OF DIRECTORS

### Proposed Nominees

The Board of Directors of the Company currently consists of five directors. The Board has set the number of directors to comprise the Board for the ensuing year at five (5). Management is nominating the current five directors for re-election as directors at the Meeting. The directors of the Company are elected annually and hold office until the next annual general meeting of the shareholders or until their successors are elected or appointed. Management of the Company proposes to nominate the persons listed below for election as directors of the Company, to serve until the director's office is earlier vacated in accordance with the provisions of the *Business Corporations Act* (British Columbia), or until the conclusion of the next annual general meeting of the Company, or if no director is then elected, until a successor is elected. Management does not contemplate that any of the nominees will be unable to serve as a director. The following disclosure sets out the names of management's nominees for election as directors, all major offices and positions with the Company and any of its significant affiliates each now holds, each nominee's principal occupation, business or employment for the five preceding years for new director nominees, the period of time during which each has been a director of the Company and the number of Common Shares of the Company beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at the Record Date. For information relating to the directors' principal occupation, business or employment, please see below "*Director Biographies*".

Name of Nominee; Current Position with the Company and Province or State and Country of Residence	Principal Occupation, Business or Employment	Period as a Director of the Company	Common Shares Beneficially Owned or Controlled or Directed, Directly or Indirectly <sup>(1)</sup>
Ben Nikolaevsky <sup>(2)</sup> Chief Executive Officer and Director Ontario, Canada	CEO and Director of the Company since Oct. 28, 2020; CEO of Pure Extracts Technologies Inc. from Nov. 2019 to October 28, 2020; President and CEO of Natura Naturals Inc. from Jan. 2019 to Feb, 2019; President and CEO of Blue Goose Capital Corp. from Jan. 2015 to Nov. 2017	Since October 28, 2020	509,501 <sup>(4)</sup>
Yana Popova Chief Financial Officer, Corporate Secretary and Director British Columbia, Canada	CFO and Corporate Secretary of the Company since December 3, 2018; CFO and a Director of Isracann Biosciences Inc., formerly Atlas Blockchain Group, since Nov. 2017; Accountant at Platinum Group Metals (2015-2017); Director of Savannah Minerals Corp. (formerly Upper Canyon Minerals Corp.) (2018-2019)	Since December 3, 2018	125,000 <sup>(5)</sup>

Name of Nominee; Current Position with the Company and Province or State and Country of Residence	Principal Occupation, Business or Employment	Period as a Director of the Company	Common Shares Beneficially Owned or Controlled or Directed, Directly or Indirectly <sup>(1)</sup>
Doug Benville Chief Operating Officer and Director British Columbia, Canada	Director and COO of the Company since Oct. 2020; President of Pure Extracts Technology Inc. May 2018 to Oct. 2020; CEO and Director of DSD Manufacturing Mar. 2017 to Nov. 2018	Since October 28, 2020	2,400,000 <sup>(7)</sup>
Sean Bromley <sup>(2)</sup> Director and former President and CEO British Columbia, Canada	Director, President and CEO of the Company since December 3, 2018; Director of Element Nutritional Sciences Inc., since Aug. 2020; Director of BMGB Capital Corp. since Oct. 2018; Director of Isracann Biosciences Inc. since Dec. 2017; Director of Bolt Metals Corp. since Oct. 2017; Director of White Gold Corp. since Oct. 2016; Director of Apollo Silver Corp. (formerly Apollo Gold & Silver Corp.) since Aug. 2015	Since December 3, 2018	100,000 <sup>(6)</sup>
Dwight Duncan <sup>(2)</sup> Director Ontario, Canada	Senior Strategic Advisor at McMillan LLP and McMillan Vantage, the firm's wholly owned public policy advisory firm	Since October 28, 2020	Nil <sup>(8)</sup>

Notes:

- (1) The information as to principal occupation, business or employment and Common Shares beneficially owned or controlled is not within the knowledge of the management of the Company and has been furnished by the respective nominees. Each nominee has held the same or a similar principal occupation with the organization indicated or a predecessor thereof for the last five (5) years.
- (2) Member of Audit Committee.
- (3) Mr. Nikolaevsky holds options to purchase (i) 3,047,505 Common Shares at an exercise price of \$0.075 per share expiring November 1, 2024, (ii) 165,000 Common Shares at an exercise price of \$0.73 per share expiring January 21, 2023, and (iii) 600,000 Common Shares at an exercise price of \$0.30 per share expiring May 31, 2024.
- (4) Ms. Popova holds options to purchase (i) 100,000 Common Shares at an exercise price of \$0.30 per share expiring October 28, 2025; (ii) 523,500 Common Shares at an exercise price of \$0.75 per share expiring January 21, 2023 and (iii) 200,000 Common Shares at an exercise price of \$0.30 per share expiring May 31, 2024.
- (5) Mr. Bromley holds options to purchase (i) 100,000 Common Shares at an exercise price of \$0.30 per share expiring October 28, 2025, (ii) 523,500 Common Shares at an exercise price of \$0.75 per share expiring January 21, 2023, and (iii) 100,000 Common Shares at an exercise price of \$0.30 per share expiring May 31, 2024.
- (6) Mr. Benville holds options to purchase (i) 750,000 Common Shares at an exercise price of \$0.075 per share expiring October 28, 2025, (ii) 165,000 Common Shares at an exercise price of \$0.73 expiring January 21, 2023 and (iii) 600,000 Common Shares at an exercise price of \$0.30 expiring May 31, 2024; and holds rights entitling him to purchase of up to 3,600,000 Common Share at a price of \$0.02 per share, subject to the satisfaction of certain performance conditions (the "Performance Rights").
- (7) Mr. Duncan holds options to purchase (i) 500,000 Common Shares at an exercise price of \$0.30 per share expiring October 28, 2025 and (ii) 100,000 Common Shares at an exercise price of \$0.30 per share expiring May 31, 2024.

None of the proposed nominees for election as a director of the Company are proposed for election pursuant to any arrangement or understanding between the nominee and any other person, except the directors and senior officers of the Company acting solely in such capacity.

## **Director Biographies**

### ***Ben Nikolaevsky – Chief Executive Officer and Director***

Mr. Nikolaevsky holds over a decade of experience in corporate leadership roles across the natural products, agriculture and cannabis sectors. Under his recent leadership as President & CEO of Natura Naturals Inc., a private Canadian cannabis Licensed Producer, the company was acquired by Tilray Inc. Prior to Natura, he was President & CEO of Blue Goose Capital Corp. Mr. Nikolaevsky served as Market Vice President, National Accounts at CIBC and as Chief Credit Officer & Capital Markets Manager at IBM Global Financing Canada. Mr. Nikolaevsky holds a B.A. (Economics – York University) and is a Certified Financial Auditor (Commercial Finance Association, New York, NY).

Mr. Nikolaevsky is party to an employment agreement with the Company which includes non-disclosure and non-solicitation provisions, bonus clauses and severance terms. Mr. Nikolaevsky is employed on a full time basis by the Company.

### ***Yana Popova, CPA – Chief Financial Officer, Corporate Secretary and Director***

Ms. Popova has over 13 years of accounting experience working with private and public companies. Throughout her career, she has acted as an accountant for multiple private and public companies. Previously, Ms Popova was an accountant at Platinum Group Metals Ltd., a mining company focused on the production of platinum and palladium in South Africa, from January 2015 to September 2017. Ms. Popova is the CFO and a Director of Isracann Biosciences, a publicly traded early stage company focused on becoming a low-cost cannabis producer. Ms. Popova is the current CFO, Corporate Secretary and director of the Company (since August 2018).

Ms. Popova holds a Bachelor of Commerce and Economics degree from the University of Toronto, from which she graduated in 2005, and is a holder of the CPA designation.

### ***Doug Benville – Chief Operating Officer and Director***

Doug Benville was with Pure Extracts Technologies Inc. from its inception to the Amalgamation, at which time he was appointed as the Chief Operating Officer and a Director of the Company. He has several years of experience in the cannabis space, previously having worked as an extraction consultant in the legal recreational cannabis space for the last few years. He also acted as a cultivation consultant to patients growing and extracting under ACMPR licensing. Mr. Benville is highly proficient in cannabis cultivation, system operations and oil extraction.

Mr. Benville is a party to an employment agreement with the Company which includes non-disclosure and non-solicitation provisions, bonus clauses and severance terms. He is employed on a full time basis by the Company.

### ***Sean Bromley – Director***

Mr. Bromley has worked in corporate finance as a business consultant since 2015. He was the CEO of the Company, formerly an inactive junior oil and gas company, from 2018 until completion of the Amalgamation. Mr. Bromley was an investment advisor from June 2013 to June 2015 at Jordan Capital Markets Inc., an investment dealer firm that was acquired by Mackie Research Capital Corporation in 2015. He was the CFO of LoopShare Ltd., a transportation service company, from November 2015 to June 2016 and June 2017 to November 2018. He was also the CEO of Winston Resources Corp., a mining exploration company, from November 2016 and March 2017. He is currently a director of Pacific Rim Cobalt Corp. (since October 2017), Triangle Industries Ltd. (since May 2018), the Company (since December 2018), White Gold Corp. (since October 2016) and BMGB Capital Corp. (since July 2018).

Mr. Bromley holds a Bachelor of Commerce from the University of Calgary, from which he graduated in 2013.

### ***Dwight Duncan – Director***

Mr. Duncan serves as a Senior Strategic Advisor at McMillan LLP, a large Canadian full service business law firm. Mr. Duncan also serves as a Principle of McMillan Vantage, the firm's wholly owned public policy advisory firm. Mr. Duncan also Chairs the Board of Directors of the Windsor Detroit Bridge

Authority, the federal crown corporation overseeing the construction and operation of the \$5.7 billion Gordie Howe International Bridge.

Mr. Duncan was formerly a Member of the Ontario Legislature, where he served as Deputy Premier, Minister of Finance, Chair of the Management Board of Cabinet, Chair of Cabinet, Government House Leader, Minister of Energy, Minister of Revenue, Minister of Government Services and Opposition House Leader. Mr. Duncan currently sits on the Board of Directors, and Chairs the Audit Committees of Travelers Insurance Canada and the Dominion General Insurance Company. In addition, he sits on the Boards of Directors of Crown Crest Trust and the Global Risk Institute. Mr. Duncan holds a Bachelor of Commerce (Hons) and MBA (University of Windsor) as well as a B.A. (Economics – McGill University).

**A shareholder can vote “FOR” all of these directors, vote “FOR” some of them and “WITHHOLD” for others, or “WITHHOLD” for all of them. Unless otherwise instructed, the named proxyholders will vote “FOR” the election of each of the proposed nominees set forth above as directors of the Company.**

### **Cease Trade Orders or Bankruptcies**

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

- (a) 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
- (b) 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 Circular, or has been within ten (10) years before the date of this 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 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.

### **Penalties and Sanctions**

Within the 10 years before the date of this Information Circular, no proposed director is or has been a director or executive officer of any company (including the Company), that while that person was acting in that capacity:

- (a) was subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.



### **Advance Notice of Director Nominations by Shareholders**

At the Company's Annual General and Special Meeting of shareholders held on May 30, 2013, shareholders approved an amendment to the Company's Articles to include advance notice provisions ("Advance Notice Provision"). The Company's amended Articles were filed under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com) on August 6, 2013.

The Advance Notice Provision is the framework by which the Company seeks to fix a deadline by which holders of record of Common Shares of the Company must submit director nominations to the Company prior to any annual or special meeting of shareholders, and sets forth the information that a shareholder must include in the notice of nomination to the Company for the notice to be in proper written form.

Details of the Advance Notice Provisions are more fully described in the Company's Information Circular dated April 18, 2013 to the Company's May 30, 2013 Annual General and Special Meeting, which can be accessed on the Company's corporate website or under its profile on SEDAR at [www.sedar.com](http://www.sedar.com).

**Unless otherwise directed, the persons named in the enclosed form of Proxy intend to vote FOR the election of the Nominees. THE BOARD UNANIMOUSLY RECOMMENDS THAT EACH SHAREHOLDER VOTE "FOR" THE ELECTION OF THE ABOVE NOMINEES AS DIRECTORS.**

### **APPOINTMENT OF AUDITOR**

Smythe LLP, Chartered Professional Accountants, of 1700 – 475 Howe Street, Vancouver, British Columbia V6C 2B3, will be nominated at the Meeting for appointment as auditor of the Company to hold office until the close of the next annual general meeting of the Company and the directors will be authorized to determine the remuneration paid to the auditor. Smythe LLP was first appointed auditor of the Company on August 19, 2008.

### **AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR**

National Instrument 52-110 – *Audit Committees* ("NI 52-110") requires the Company, as a venture issuer, to disclose annually in its information circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor. Such disclosure is set forth below.

#### **Audit Committee Charter**

The text of the audit committee's charter is attached as Schedule "A" to the information circular for the Company's annual meeting held on June 8, 2011 which was filed on [www.sedar.com](http://www.sedar.com) on May 13, 2011.

#### **Composition of Audit Committee**

The current members of the Company's audit committee are and Dwight Duncan (Chair), Ben Nikolaevsky and Sean Bromley. Messrs. Bromley and Duncan are considered to be independent as determined in accordance with NI 52-110. Mr. Nikolaevsky is not considered to be independent as he is the CEO of the Company.

The current members of the Company's audit committee are considered to be financially literate.

#### **Relevant Education and Experience**

Each member of the audit committee has sufficient education and experience to have:

- an understanding of the accounting principles used by the Company to prepare its financial statements;
- the ability to assess the general application of those principles in connection with its financial statements;
- 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

- an understanding of internal controls and procedures for financial reporting.

See disclosure under heading “*Director Biographies*” above for specific information.

### **Audit Committee Oversight**

Since the commencement of the Company’s most recently completed financial year, the audit committee has not made any recommendation to nominate or compensate an external auditor.

### **Pre-Approval Policies and Procedures**

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

### **External Auditor Service Fees**

The audit committee has reviewed the nature and amount of the non-audited services provided by Smythe LLP, Chartered Accountants to the Company to ensure auditor independence. The following table sets forth the fees paid by the Company to Smythe LLP, Chartered Accountants, for audit and non-audit services rendered in the fiscal years ended June 30, 2021 and December 31, 2019:

<b>Nature of Services</b>	<b>Fees paid to Auditor in year ended June 30, 2021</b>	<b>Fees paid to Auditor in year ended December 31, 2019</b>
Audit Fees <sup>(1)</sup>	\$15,000	\$13,000
Audit Related Fees <sup>(2)</sup>	\$Nil	Nil
Tax Fees <sup>(3)</sup>	\$Nil	\$2,000
All Other Fees <sup>(4)</sup>	\$48,700	Nil
<b>Total</b>	<b>\$63,700</b>	<b>\$15,000</b>

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 transaction, 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 relying upon the exemptions in section 6.1 of NI 52-110 in respect of Parts 3 (*Composition of the Audit Committee*) and 5 (*Reporting Obligations*) under NI 52-110.

## **CORPORATE GOVERNANCE**

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 shareholders of the company. 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

The Board of Directors has nominated the current five directors for re-election at the Meeting. 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 view of the Company’s Board of Directors, be reasonably expected to interfere with the exercise of a director’s independent judgment.

The Board facilitates its independent supervision over management by holding regular meetings at which members of management or non-independent directors are not in attendance and by retaining independent consultants where it deems necessary. The independent board members are Dwight Duncan and Sean Bromley. The non-independent members are Ben Nikolaevsky (Chief Executive Officer), Doug Benville (Chief Operating Officer) and Yana Popova (Chief Financial Officer and Corporate Secretary).

## Directorships

The directors are currently serving on boards of the following other reporting companies (or equivalent) as set out below:

Name of Director	Name of Reporting Issuer	Exchange Listed
Sean Bromley	White Gold Corp.	TSXV, Frankfurt, OTCBB
	Isracann Biosciences Inc.	CSE
	BMGB Capital Corp.	TSXV
	Apollo Silver Corp.	TSXV
	Element Nutritional Sciences Inc.	CSE
Yana Popova	Bolt Metals Corp.	CSE
	Isracann Biosciences Inc.	CSE

## Orientation and Continuing Education

When new directors are appointed, they receive an orientation, commensurate with their previous experience, on the Company’s properties, business, technology and industry and on the responsibilities of directors.

Board meetings may also include presentations by the Company’s management and employees to give the directors additional insight into the Company’s business.

## Ethical Business Conduct

To date, the Board has not adopted a formal written Code of Business Conduct and Ethics. However, the current size of the Company’s operations, and the 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 is responsible for recruiting and nominating new Board members and for planning the succession of directors.

## Compensation

See disclosure below under the heading “*Oversight and Description of Director and NEO Compensation*”.

## Other Board Committees

The Board has no committees other than the Audit Committee.

## Assessments

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

An informal process of assessing the performance of Board committees and individual directors is conducted by way of engagement and dialogue between the individual directors.

## STATEMENT OF EXECUTIVE COMPENSATION

The following compensation information is provided as required under Form 51-102F6V for Venture Issuers, as such term is defined in NI 51-102.

For the purposes of this Statement of Executive Compensation:

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

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

- (a) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief executive officer (“**CEO**”), including an individual performing functions similar to a CEO;
- (b) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief financial officer (“**CFO**”), including an individual performing functions similar to a CFO;
- (c) in respect of the company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5), for that financial year;
- (d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the company, requirements and was not acting in a similar capacity, at the end of that financial year.

### Director and NEO Compensation

During the financial year ended June 30, 2021, based on the definition above, the NEOs of the Company were Ben Nikolaevsky, CEO, Doug Benville, COO and Yana Popova, CFO and Corporate Secretary. The directors of the Company who were not a NEO during the financial year ended June 30, 2021 were Dwight Duncan and Sean Bromley.

During the financial year ended December 31, 2019, based on the definition above, the NEOs of the Company were Sean Bromley, President and CEO, and Yana Popova, CFO and Corporate Secretary. The director of the Company who was not a NEO during the financial year ended December 31, 2019 was Desmond Balakrishnan.

### Oversight and Description of Director and NEO Compensation

The Company compensates the Chief Executive Officer and Chief Operating Officer in accordance with the terms of the Employment Agreements entered into with such individuals by the Company, and the Chief Financial Officer and Corporate Secretary in accordance with the terms of the Consulting Agreement entered into by the Company. Other than the employment and consulting agreements with its NEOs and the stock options granted to its NEOs and directors, the Company does not presently have other compensation arrangements for its NEOs.

The Company does not offer any benefits or perquisites to its NEOs or directors other than potential grants of incentive stock options as otherwise disclosed and discussed herein.

The Company restricts its NEOs and directors from purchasing financial instruments, including for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds which are designed to hedge or offset a decrease in the market value of equity securities granted as compensation or held, directly or indirectly, by NEOs or directors.

The primary goal of the Company’s executive compensation process is to attract and retain the key executives necessary for the Company’s long term success, to encourage executives to further the development of the Company and its operations, and to motivate qualified and experienced executives. The key elements of executive compensation awarded by the Company are base salary and incentive stock

options. The Board is of the view that the two elements should be considered together when determining executive compensation.

Salaries for NEOs are determined by evaluating the time, effort and responsibilities of a NEO, with a view to the competitive marketplace. The Board seeks to set base salary at a level competitive enough to represent a fair compensation in the marketplace while ensuring such compensation reflects the development stage of the Company. For all employees, including NEOs, salary adjustments are considered by the Board annually but any adjustments to base salary are not guaranteed and any adjustment includes consideration for individual performance and market conditions.

As the Company grows, and its operations and management structure become more complex, the Board expects it will constitute other formal standing committees, such as a Compensation Committee, Corporate Governance Committee and a Nominating Committee, and will ensure that such committees are governed by written charters and are composed of at least a majority of independent directors.

#### *Philosophy and Objectives*

On completion of the RTO, the Company ceased its business as a small, junior oil and gas company and now operates the business of Pure Extracts Technologies Inc. (“Pure”), one of the amalgamated companies, to become a plant based extraction company focused on cannabis, hemp and the emerging psychedelic sector. The Company has entered into employment agreements with Ben Nikolaevsky and Doug Benville, and a consulting agreement with Yana Popova, particulars of which are set out below under the heading “*Employment, Consulting and Management Contracts*”.

The compensation program for the senior management of the Company is designed within this context with a view that the level and form of compensation achieves certain objectives, including:

1. attracting and retaining qualified executives;
2. motivating the short and long-term performance of these executives; and
3. better aligning their interests with those of the Company’s shareholders.

In compensating its senior management, the Company has employed a combination of base salary and equity participation through its stock option plan. Recommendations for senior management compensation are presented to the Board for review.

#### *Base Salary*

In the view of the Board, 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.

#### *Bonus Incentive Compensation*

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 CEO. 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 and employees to become shareholders is the best way of aligning their interests with those of its shareholders. Equity participation is accomplished through the Company’s stock option plan. Stock options are granted to executives and employees 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 option grants to maintain executive motivation.

## Table of Compensation excluding Compensation Securities

The following table of compensation, excluding options and compensation securities, provides a summary of the compensation paid by the Company to NEOs and directors of the Company for the financial year ended June 30, 2021 and December 31, 2019. Options and compensation securities are disclosed under the heading *Stock Options and Other Compensation Securities* in this Information Circular.

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 (\$)
Ben Nikolaevsky <sup>(1)</sup> <i>CEO and Director</i>	2021	240,000	60,000	Nil	Nil	Nil	300,000
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Doug Benville <sup>(2)</sup> <i>COO and Director</i>	2021	200,000	50,000	Nil	Nil	Nil	250,000
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Yana Popova <sup>(3)</sup> <i>CFO, Corporate Secretary and Director</i>	2021	84,000	50,000	Nil	Nil	Nil	134,000
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Dwight Duncan <sup>(4)</sup> <i>Director</i>	2021	16,500	Nil	Nil	Nil	Nil	16,500
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Sean Bromley <sup>(5)</sup> <i>Director</i>	2021	79,750	Nil	Nil	Nil	Nil	79,750
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Desmond Balakrishnan <sup>(6)</sup> <i>Former Director</i>	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) Mr. Nikolaevsky was appointed as CEO and a Director on October 28, 2020.
- (2) Mr. Benville was appointed as COO and a Director on October 28, 2020.
- (3) Ms. Popova was appointed CFO, Corporate Secretary and a Director on December 3, 2018.
- (4) Mr. Duncan was appointed as a Director on October 28, 2020.
- (5) Mr. Bromley was appointed CEO on December 3, 2018.
- (6) Mr. Balakrishnan resigned as a Director on October 28, 2020.

## Stock Options and Other Compensation Securities

### Option-Based Awards

Effective as of October 28, 2020, the Board of Directors implemented a new stock option plan (the “**Option Plan**”), which is being submitted to the Shareholders for approval at the Meeting. The purpose of the Option Plan is to assist the Company in attracting, retaining and motivating directors, officers, employees, consultants and contractors (together, “**Service Providers**”) of the Company and of its affiliates, and to closely align the personal interests of such Service Providers with the interests of the Company and its shareholders.

The Option Plan provides that the aggregate number of securities reserved for issuance will be 15% of the number of Common Shares issued and outstanding from time to time.

The Option Plan is administered by a committee of the Board of Directors, which has full and final authority with respect to the granting of all options thereunder. Management proposes stock option grants to the Board of Directors based on such criteria as performance, previous grants, and hiring incentives.

Options may be granted under the Option Plan to such Service Providers of the Company and its affiliates, if any, as the Board of Directors may from time to time designate. The exercise prices will be determined by the Board of Directors, but will, in no event, be less than the closing market price of the Common shares on (a) the trading day prior to the date of grant of the stock options, and (b) the date of grant of the stock

options. All options granted under the Option Plan will expire not later than the date that is ten years from the date that such options are granted. Options granted under the Option Plan are not transferable or assignable other than by testamentary instrument or pursuant to the laws of succession.

A copy of the Plan can be found on SEDAR under the Company's profile at [www.sedar.com](http://www.sedar.com).

### Outstanding Compensation Securities

The following table sets forth details of all stock options granted to NEOs or directors of the Company during the financial year ended June 30, 2021.

Compensation Securities							
Name and position	Type of Compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
Ben Nikolaevsky CEO and Director	Stock Options	4,063,340 <sup>(1)</sup>	October 28, 2020	\$0.075	N/A	\$0.24	November 1, 2024
	Stock Options	165,000	January 21, 2021	\$0.73	\$0.75	\$0.24	January 21, 2023
	Stock Options	600,000	May 31, 2021	\$0.30	\$0.26	\$0.24	May 31, 2024
Doug Benville COO and Director	Stock Options	750,000 <sup>(1)</sup>	October 28, 2020	\$0.075	N/A	\$0.24	October 28, 2025
	Stock Options	165,000	January 21, 2021	\$0.73	\$0.75	\$0.24	January 21, 2023
	Stock Options	600,000	May 31, 2021	\$0.30	\$0.26	\$0.24	May 31, 2024
Yana Popova CFO, Corporate Secretary & Director	Stock Options	100,000	October 28, 2020	\$0.30	N/A	\$0.24	October 28, 2025
	Stock Options	523,500	January 21, 2021	\$0.73	\$0.75	\$0.24	January 21, 2023
	Stock Options	200,000	May 31, 2021	\$0.30	\$0.26	\$0.24	May 31, 2024
Sean Bromley Former CEO, President & Director	Stock Options	100,000	October 28, 2020	\$0.30	N/A	\$0.24	October 28, 2025
	Stock Options	523,500	January 21, 2021	\$0.73	\$0.75	\$0.24	January 21, 2023
	Stock Options	100,000	May 31, 2021	\$0.30	\$0.26	\$0.24	May 31, 2024
Dwight Duncan Director	Stock Options	500,000	October 28, 2020	\$0.30	N/A	\$0.24	October 28, 2025
	Stock Options	100,000	May 31, 2021	\$0.30	\$0.26	\$0.24	May 31, 2024

Notes:

- (1) These stock options were issued in exchange for previously issued stock options of Pure Extracts Manufacturing Corp. pursuant to the RTO.

### Exercise of Compensation Securities by Directors and NEOs

The following table sets out each exercise of compensation securities by a NEO or director during the fiscal year ended June 30, 2021:

Exercise of Compensation Securities by Directors and NEOs							
Name and position	Type of compensation security	Number of underlying securities exercised	Exercise price per security (\$)	Date of Exercise	Closing price per security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date (\$)
Ben Nikolaevsky <i>CEO and Director</i>	Stock Options	406,334	\$0.075	April 16, 2021	\$0.395	\$0.32	\$130,026.88
	Stock Options	609,501	\$0.075	August 28, 2021	\$0.39	\$0.315	\$191,992.82

## Employment, Consulting and Management Agreements

### *Ben Nikolaevsky*

Pure Extracts Manufacturing Corp. (formerly Pure Extract Technologies Inc.), which became a wholly-owned subsidiary of the Company pursuant to the RTO, entered into an employment agreement with Ben Nikolaevsky on January 31, 2020 pursuant to which he was retained as Chief Executive Officer. The employment agreement was assumed by the Company on completion of the RTO.

Pursuant to his employment agreement Mr. Nikolaevsky receives a base salary of \$240,000 per year and a car allowance of \$1,250 per month. He is entitled to receive an annual bonus of up to 50% of base salary based on performance objectives determined by the Company and is entitled to receive grants of stock options from time to time as and when determined by the Company. He is also entitled to participate in the life and group insurance plans provided by the Company to its executive employees in accordance with the terms and conditions of the applicable plans, including an executive medical package.

The agreement can be terminated by Mr. Nikolaevsky at any time by providing the Company with a minimum of two months and a maximum of three months notice. The agreement can be terminated by the Company (i) without cause at any time on giving notice to the employee specifying the date of termination; and (ii) with cause at any time for just cause. If the agreement is terminated by the Company without cause, the Company will pay Mr. Nikolaevsky with a severance payment based on his length of service, as follows (i) if employed less than six months, a total of three months base salary and car allowance, (ii) if employed greater than six months and less than one year, a total of six months base salary and car allowance, (iii) if employed greater than one year and less than five years, a total of twelve months base salary and car allowance, and (iv) if employed greater than five years, a total of twelve months base salary and car allowance, plus one additional month of pay in lieu of notice for each additional completed year of employment of more than five years, to an overall maximum of eighteen months' pay in lieu of notice. Mr. Nikolaevsky would also be entitled to receive his benefits package for the applicable period noted above, as well as a lump sum payment equal to the Board's reasonable pre-estimate of his annual bonus for the current year, pro-rated to the date of termination.

In the event that Mr. Nikolaevsky's employment is terminated or resigns for good reason in connection with a change of control of the Company, in lieu of the termination payments provided above, Mr. Nikolaevsky is entitled to receive a lump sum payment equal to 18 months of his then current base salary and car allowance plus a lump sum payment equal to the Board's reasonable pre-estimate of his annual bonus for the current year, pro-rated to the date of termination. Mr. Nikolaevsky will also be entitled to continue to receive his benefits package for a period of 18 months.



***Doug Benville***

Pure Extracts Manufacturing Corp. (formerly Pure Extract Technologies Inc.), which became a wholly-owned subsidiary of the Company pursuant to the RTO, entered into an employment agreement with Doug Benville dated August 27, 2020 for an indefinite term, pursuant to which he serves as Chief Operating Officer of the Company and devotes his full working time and attention to the business affairs of the Company and shall not, without the consent in writing of the Board, undertake, either directly or indirectly in any other business or occupation or serve as a director, officer, executive or agent of any other organization, company, firm or individual. The employment agreement was assumed by the Company on completion of the RTO and provides for a base salary of \$200,000 per year as well as an annual bonus of up to 50% of the base salary at the discretion of the Company. Mr. Benville also received a signing bonus of \$50,000 payable in quarterly instalments. The agreement also contains provisions regarding a change of control, confidentiality, non-solicitation and non-competition. Mr. Benville may resign upon providing the Company with a minimum of two months' and a maximum of three months' notice in writing, which may be waived by the payment by the Company of a lump sum payment equal to the base salary he would have otherwise earned during the balance of the resignation notice period, less applicable deductions, and the waiver of continuation of his eligibility for all benefits which can be extended to former employees for the balance of the resignation notice period.

***Yana Popova***

The Company entered into a CFO-Consulting agreement on October 28, 2020 with 1143373 BC Ltd., a company controlled by Yana Popova, the CFO of the Company, for a term of 16 months, for the provision of CFO consulting services pursuant to which the Company will pay a monthly salary of \$7,500, plus an additional amount if more than 50 hours of work per month are exceeded as well as quarterly bonuses payable at the Company's discretion. In addition, in connection with the Company completing a change of business transaction, a lump sum of \$20,000 will be payable by the Company. Re-imbusement will also be made for pre-approved reimburseable expenses.

Other than as set out above, the Company has not entered into any plan or arrangement that provides for payments to a NEO or a director at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement a change in control of the Company or a change in an NEO's or director's responsibilities.

**Pension Disclosure**

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

**SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

The following table sets out equity compensation plan information as at the June 30, 2021 financial year end:

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights (b)</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)</b>
Equity compensation plans approved by the securityholders (the Option Plan)	14,281,008	\$0.30	394,946
Equity compensation plans not approved by the securityholders	Nil	N/A	N/A
<b>Total</b>	<b>14,281,008</b>	<b>\$0.30</b>	<b>394,946</b>

Reference should be made to the Company's audited annual financial statements for the financial year ended June 30, 2021 for more detailed disclosure concerning incentive stock options granted, exercised and outstanding.

### INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

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 of the end most recently completed financial year or as at the date hereof in respect of any securities purchase arrangement.

On January 15, 2021, the Company loaned \$75,000 to Doug Benville, the Chief Operating Officer and a director of the Company. The loan is repayable on demand and bears interest at a rate of 1% per annum. The amount of \$75,000 is currently outstanding.

On March 16, 2021, the Company loaned \$325,000 to Doug Benville, the Chief Operating Officer and a director of the Company. The loan is repayable on demand and bears interest at a rate of 1.0% per annum. The loan is secured by a pledge over 240,000 Common Shares and 360,000 Performance Rights of the Company held by Mr. Benville.

The tables below summarize all other indebtedness to the Company of all directors, proposed nominees for election as directors, executive officers and their respective associates or affiliates.

Aggregate Indebtedness as of August 31, 2021 (\$)		
Purpose	To the Company or Subsidiaries	To Another Entity
Share Purchases	Nil	Nil
Other	\$401,958	Nil

Indebtedness of Directors and Executive Officers						
Name and Principal Position	Involvement of Company or Subsidiary	Largest Amount Outstanding During the Year Ended June 30, 2021 (\$)	Amount Outstanding as at August 31, 2021 (\$)	Financially Assisted Securities Purchases During the Year Ended June 30, 2021 (#)	Security for Indebtedness	Amount Forgiven During the Year Ended June 30, 2021 (\$)
Doug Benville COO and Director	Company	\$401,279 <sup>(1)</sup>	\$401,958 <sup>(1)</sup>	N/A	Share Pledge	Nil

(1) Includes interest at the rate of 1% per annum on principal amount of \$400,000.

### INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

An informed person is one who, generally speaking, is a director or executive officer or a 10% shareholder of the Company. To the knowledge of management of the Company, no informed person 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 during the fiscal year ended June 30, 2021, nor do they have any interest in any material transaction in the current year other, than as set out herein and in a document previously disclosed to the public.

## MANAGEMENT CONTRACTS

Other than as disclosed herein, there are no management functions of the Company, which are to any substantial degree performed by a person or company other than the directors or executive officers of the Company.

### PARTICULARS OF MATTERS TO BE ACTED UPON

#### Stock Option Plan

Effective as of October 28, 2020, the Board of Directors implemented a new stock option plan (the “**Option Plan**”), which is being submitted to the Shareholders for approval at the Meeting. The purpose of the Option Plan is to assist the Company in attracting, retaining and motivating directors, officers, employees, consultants and contractors (together, “**Service Providers**”) of the Company and of its affiliates, and to closely align the personal interests of such Service Providers with the interests of the Company and its shareholders.

#### Material Terms of the Option Plan

The Option Plan provides that the aggregate number of securities reserved for issuance will be 15% of the number of Common Shares issued and outstanding from time to time.

The Option Plan is administered by a committee of the Board of Directors, which has full and final authority with respect to the granting of all options thereunder. Management proposes stock option grants to the Board of Directors based on such criteria as performance, previous grants, and hiring incentives.

Options may be granted under the Option Plan to such Service Providers of the Company and its affiliates, if any, as the Board of Directors may from time to time designate. The exercise prices will be determined by the Board of Directors, but will, in no event, be less than the closing market price of the Common Shares on (a) the trading day prior to the date of grant of the stock options, and (b) the date of grant of the stock options. All options granted under the Option Plan will expire not later than the date that is ten years from the date that such options are granted. Options granted under the Option Plan are not transferable or assignable other than by testamentary instrument or pursuant to the laws of succession.

Options shall terminate on the earlier of (i) the expiry date or (ii) ceasing to hold office other than by death or disability, in which case, the expiry date shall be the 30<sup>th</sup> day following the date the optionholder ceased to hold such position unless terminated for cause or resigned.

A copy of the Plan was filed on SEDAR on November 5, 2020 under the Company’s profile at [www.sedar.com](http://www.sedar.com).

#### Shareholder Approval

At the Meeting, Shareholders will be asked to consider and pass an ordinary resolution to approve the Option Plan for continuation, with or without variation, as follows:

“**RESOLVED** that the Stock Option Plan dated for reference October 28, 2020, be ratified and approved for continuation until the next annual general meeting of the Company.”

An ordinary resolution is a resolution passed by the shareholders of the Company at a general meeting by a simple majority of the votes cast in person or by proxy.

#### Recommendation of the Board

**The Board recommends that you vote “FOR” the above resolution. In the absence of a contrary instruction, the persons named in the enclosed form of proxy intend to vote “FOR” the resolution.**

The Board is of the view that the Option Plan provides the Company with the flexibility to attract and maintain the services of executives, employees and other service providers in competition with other companies in the industry. A shareholder may also obtain a copy of the Option Plan by contacting the Company by telephone at: 604-328-5598.

## **OTHER MATTERS**

As of the date of this Information Circular, Management of the Company is not aware of any other matters which may come before the Meeting other than as set forth in the Notice of Meeting that accompanies this Information Circular. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed Proxy to vote the Common Shares represented thereby in accordance with their best judgement on such matter.

## **ADDITIONAL INFORMATION**

Additional information relating to the Company may be found under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information about the Company is provided by the Company's annual financial statements for the year ended June 30, 2021 and related management discussion and analysis. Additional financial information or documentation may be obtained by any securityholder of the Company free of charge by contacting the Company by telephone at: 604-328-5598.

The contents of this Circular have been approved and its mailing authorized by the Directors of the Company.

**DATED** at Vancouver, British Columbia, as at September 27, 2021.

## **BY ORDER OF THE BOARD OF DIRECTORS**

*Signed: "Ben Nikolaevsky"*

**Ben Nikolaevsky**  
Chief Executive Officer