

MATICA ENTERPRISES INC.

**ANNUAL GENERAL AND SPECIAL MEETING
OF SHAREHOLDERS**

TO BE HELD ON SEPTEMBER 29, 2014

**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING AND
MANAGEMENT INFORMATION CIRCULAR**

AUGUST 20, 2014

These materials are important and require your immediate attention. They require shareholders of Matica Enterprises Inc. to make important decisions. If you are in doubt as to how to make such decisions, please contact your professional advisors.

MATICA ENTERPRISES INC.

August 20, 2014

Dear Matica Shareholder,

It is my pleasure to extend to you, on behalf of the board of directors of Matica Enterprises Inc. (“**Matica**”), an invitation to attend an annual general and special meeting (the “**Meeting**”) of the common shareholders of Matica to be held at 350 Bay St., Suite 700, Toronto, Ontario, on Monday, September 29, 2014 at 9:00 a.m. (EDT).

At the Meeting, you will be asked to consider and, if thought advisable, pass a special resolution that will approve the change of the primary focus of Matica’s business from resource exploration to the medical marijuana industry (the “**Change of Business**”), all as more particularly described in the accompanying management information circular (the “**Information Circular**”). In addition, shareholders of Matica will be asked to consider certain routine annual matters.

The board of directors of Matica (the “Matica Board”) has determined that the Change of Business is in the best interests of Matica. Accordingly, the Matica Board unanimously approved the Change of Business and recommends that the shareholders of Matica vote their securities in favour of the Change of Business. Each of the directors and officers of Matica intends to vote his or her Matica Shares FOR the approval of the Change of Business.

To be effective, the Change of Business Resolution must be approved, with or without variation, by at least a simple majority of the votes cast at the Meeting in person or by proxy by Matica shareholders.

The accompanying Information Circular contains a description of the Change of Business and other information relating to Matica. We urge you to consider carefully all of the information in this Information Circular. If you require assistance, please consult your financial, legal or other professional advisor.

If you are unable to be present at the Meeting in person, we encourage you to vote by completing the enclosed form of proxy. Voting by proxy will not prevent you from voting in person if you attend the Meeting but will ensure that your vote will be counted if you are unable to attend. If you are a non-registered holder of Matica Shares and have received these materials through your broker or through another intermediary, please complete and return the proxy or other authorization provided to you by your broker or by such other intermediary in accordance with the instructions provided with the proxy. Failure to do so may result in your common shares not being eligible to be voted at the Meeting. This is an important matter affecting the future of Matica and your vote is important regardless of the number of Matica Shares that you own.

To be eligible for voting at the Meeting, the form of proxy must be returned to or deposited with Capital Transfer Agency Inc. (“**Capital Transfer**”) not later than 9:00 a.m. (EDT) on September 25, 2014, or if the Meeting is adjourned or postponed, at least 48 business hours (where “business hours” means hours on days other than a Saturday, Sunday or any other holiday in British Columbia or Ontario) before the time on the date to which the Meeting is adjourned or postponed.

If the Matica shareholders approve the Change of Business, it is anticipated that the Change of Business will be completed in the fall of 2014.

On behalf of Matica, we would like to thank all our shareholders for their ongoing support as we prepare to take part in this important transition for Matica.

Yours truly,

“*Boris Ziger*”

Boris Ziger
Chief Executive Officer and Director

MATICA ENTERPRISES INC.

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual general and special meeting (the “**Meeting**”) of holders of common shares of Matica Enterprises Inc. (“**Matica**”) will be held at 350 Bay St., Suite 700, Toronto, Ontario, on Monday, September 29, 2014 at 9:00 a.m. (EDT). At the Meeting, holders of Matica common shares will be asked to:

1. receive the audited financial statements of Matica for its fiscal years ended December 31, 2013 and December 31, 2012 and the reports of the auditors thereon;
2. fix the number of directors of Matica to be elected at the Meeting at four (4);
3. elect directors of Matica for the ensuing year;
4. consider and, if thought fit, approve by ordinary resolution the adoption of a new stock option plan, as more particularly set out in the section of the information circular entitled “Adoption of New Stock Option Plan”;
5. appoint Manning Elliott LLP, Chartered Accountants, as Matica’s auditor for the ensuing year and authorize the directors to determine the remuneration to be paid to the auditor;
6. consider and, if thought fit, pass, with or without variation, an ordinary resolution (the “**Change of Business Resolution**”) approving a change to the primary focus of Matica’s business from resource exploration to the medical marijuana industry, all as more fully set forth in the accompanying management information circular (the “**Information Circular**”) of Matica; and
7. 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.

A copy of the Change of Business Resolution is attached as an appendix to the Information Circular. The Information Circular and the appendices thereto are deemed to form part of this Notice of Meeting.

Registered holders of Matica Shares who are unable to attend the Meeting in person and who wish to ensure their securities will be voted at the Meeting are requested to date, complete and sign the enclosed form of proxy and deliver it in accordance with the instructions set out in the form of proxy and in this Information Circular. To be effective, proxies must be received before 9:00 a.m. (EDT) on September 25, 2014 or if the Meeting is adjourned or postponed, at least 48 business hours (where “business hours” means hours on days other than a Saturday, Sunday or any other holiday in British Columbia or Ontario) before the time on the date to which the Meeting is adjourned or postponed.

Shareholders who do not hold Matica Shares in their own name must follow the instructions set out in the voting instruction form or the form of proxy provided to the beneficial shareholder by its intermediary, and in the Information Circular to ensure their Matica Shares will be voted at the Meeting. If Matica Shares are held in a brokerage account, then in almost all cases those securities will not be registered in the shareholder’s name on the records of Matica.

DATED at Toronto, Ontario, on August 20, 2014.

BY ORDER OF THE BOARD OF DIRECTORS

“*Boris Ziger*”

Boris Ziger
Chief Executive Officer and Director

TABLE OF CONTENTS

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS	3	ADOPTION OF NEW STOCK OPTION PLAN	29
MANAGEMENT PROXY CIRCULAR.....	5	ADDITIONAL INFORMATION	30
FORWARD-LOOKING STATEMENTS.....	5	OTHER BUSINESS	30
NOTICE REGARDING INFORMATION.....	6	AVAILABLE INFORMATION.....	31
GENERAL INFORMATION CONCERNING THE MEETING AND VOTING	7	APPROVAL OF BOARD.....	31
TIME, DATE AND PLACE.....	7	TABLE OF APPENDICES	
SOLICITATION OF PROXIES	7	APPENDIX A FORM OF CHANGE OF BUSINESS RESOLUTION.....	A-1
APPOINTMENT OF PROXYHOLDER	7	APPENDIX B MATICA AUDIT COMMITTEE CHARTER.....	A-1
VOTING BY PROXYHOLDER	7	APPENDIX C NEW STOCK OPTION PLAN.....	A-1
REGISTERED MATICA SHAREHOLDERS	8		
BENEFICIAL MATICA SHAREHOLDERS	8		
NOTICE TO MATICA SECURITYHOLDERS IN THE UNITED STATES	9		
REVOCATION OF PROXY.....	9		
ANNUAL GENERAL MEETING MATTERS.....	10		
VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES.....	10		
FIX THE NUMBER OF DIRECTORS TO BE ELECTED AT THE MEETING.....	10		
ELECTION OF DIRECTORS	10		
CORPORATE CEASE TRADE ORDERS OR BANKRUPTCIES	11		
INDIVIDUAL BANKRUPTCIES	12		
PENALTIES OR SANCTIONS	12		
EXECUTIVE COMPENSATION	12		
COMPENSATION DISCUSSION AND ANALYSIS	12		
SUMMARY COMPENSATION TABLE.....	13		
INCENTIVE PLAN AWARDS	14		
PENSION BENEFITS	15		
TERMINATION AND CHANGE OF CONTROL BENEFITS	15		
DIRECTOR COMPENSATION	16		
INCENTIVE PLAN AWARDS	17		
EQUITY COMPENSATION PLAN INFORMATION	18		
APPOINTMENT OF AUDITOR	19		
AUDIT COMMITTEE.....	19		
CORPORATE GOVERNANCE DISCLOSURE.....	21		
CHANGE OF BUSINESS.....	22		
OVERVIEW.....	22		
DESCRIPTION OF THE CHANGE OF BUSINESS AGREEMENT	22		
BACKGROUND TO THE CHANGE OF BUSINESS	23		
RECOMMENDATION OF THE MATICA BOARD AND REASONS FOR THE RECOMMENDATION	23		
APPROVALS	24		
RISK FACTORS	24		

MATICA ENTERPRISES INC.

MANAGEMENT PROXY CIRCULAR

(unless otherwise noted, as at August 20, 2014)

This management proxy circular (“Information Circular”) is furnished in connection with the solicitation of proxies by or on behalf of the management of Matica Enterprises Inc. (“Matica”) for use at the annual general and special meeting of shareholders (the “Matica Shareholders”) of Matica (the “Meeting”) to be held at 350 Bay St., Suite 700, Toronto, Ontario, on Monday, September 29, 2014 at 9:00 a.m. (EDT) and at any adjournment(s) or postponement(s) thereof for the purposes set forth in the Notice of Meeting.

Forward-Looking Statements

Certain of the statements and information in this Information Circular constitute “forward-looking statements” or “forward-looking information” within the meaning of applicable securities legislation. In certain cases, forward-looking statements or information can be identified by the use of words such as “believe”, “intend”, “may”, “will”, “should”, “plans”, “anticipates”, “believes”, “potential”, “intends”, “expects” and other similar expressions. Forward-looking statements and information in this Information Circular relate to, among other things: the Change of Business (as defined under “Change of Business - Overview”), the receipt of all necessary regulatory approvals and satisfaction of all other closing conditions in connection with the Change of Business, statements regarding Matica’s intention to apply for a license under the *Marihuana for Medical Purposes Regulations* (the “MMPR”), and other statements that are not historical facts.

Key assumptions upon which Matica’s forward-looking statements and information are based include the following: that the Change of Business will be consummated and that Matica will ultimately apply for a license under the MMPR. These assumptions should be considered carefully by users. Readers are further cautioned that the foregoing list of assumptions is not exhaustive. Although Matica believes that the assumptions on which the forward-looking statements or information are made are reasonable, based on the information available to Matica on the date such statements were made, no assurances can be given as to whether these assumptions will prove to be correct.

Forward-looking statements or information are subject to a variety of known and unknown risks, uncertainties and other factors that could cause actual events or results to differ from those reflected in the forward-looking statements or information. Such risks, uncertainties and other factors include among others, the following: the risk that the Proposed Transaction (as defined under “Change of Business - Description of the Change of Business Agreement”) will not be completed if a formal agreement is not reached or that the necessary approvals and/or exemptions are not obtained or some other condition to the closing of the Proposed Transaction is not satisfied; the risk that closing of the Proposed Transaction could be delayed if Matica is not able to obtain the necessary approvals on the timelines planned; the assumptions relating to the parties entering into the Definitive Agreement, its structure, and the timing thereof, the timing of obtaining required approvals and satisfying closing conditions for the Proposed Transaction, state of the economy in general and capital markets in particular, investor interest in the business and future prospects of Matica. In addition, if the Proposed Transaction is consummated, there are significant risks associated with the medical marijuana sector, including but not limited to those factors discussed in Matica’s news release dated May 27, 2014 and under the heading “Change of Business - Risk Factors” in this Information Circular. Should one or more of these risks, uncertainties or other factors materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements and information.

The reader is cautioned that the foregoing list of factors is not exhaustive of the factors that may affect forward-looking statements. The reader is also cautioned to consider these and other factors, uncertainties and potential events carefully and not to put undue reliance on forward-looking statements. Although the forward-

looking statements contained in this Information Circular are based upon what management of Matica currently believes to be reasonable assumptions, actual results, performance or achievements could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits will be derived therefrom. These forward-looking statements are made as of the date of this Information Circular and, other than as specifically required by law, Matica does not assume any obligation to update or revise any forward-looking statement to reflect events or circumstances after the date on which such statement is made, or to reflect the occurrence of unanticipated events, whether as a result of new information, future events or results, or otherwise.

Notice Regarding Information

Information in this Information Circular is given as at August 20, 2014 unless otherwise indicated and except for information contained in the documents incorporated herein by reference, which is given as at the respective dates stated therein.

No person is authorized to give any information or make any representation not contained in this Information Circular and, if given or made, such information or representation should not be relied upon as having been authorized. This Information Circular does not constitute an offer to sell, or a solicitation of an offer to purchase, any securities, or the solicitation of a proxy, by any person in any jurisdiction in which such an offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such an offer or solicitation of an offer or proxy solicitation. Neither delivery of this Information Circular nor any distribution of the securities referred to in this Information Circular will, under any circumstances, create an implication that there has been no change in the information set forth herein since the date of this Information Circular.

GENERAL INFORMATION CONCERNING THE MEETING AND VOTING

Time, Date and Place

The Meeting will be held at 350 Bay St., Suite 700, Toronto, Ontario, on Monday, September 29, 2014 at 9:00 a.m. (EDT). The Matica Board has fixed the close of business on August 20, 2014 as the Record Date, being the date for the determination of the registered holders of Matica Shares entitled to receive notice of the Meeting.

Solicitation of Proxies

This Information Circular is provided in connection with the solicitation by the management of Matica of proxies to be used at the Meeting. 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 Matica.

Matica has arranged for intermediaries to forward the meeting materials to beneficial owners of the Matica Shares held of record by those intermediaries and Matica may reimburse the intermediaries for their reasonable fees and disbursements in that regard. Matica will bear all costs of this solicitation.

Appointment of Proxyholder

The individuals named in the accompanying form of proxy are officers and/or directors of Matica. **If you are a Securityholder 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 form of proxy accompanying this Information Circular, 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 form of proxy accompanying this Information Circular or by completing and delivering another suitable form of proxy.**

Voting by Proxyholder

The persons named in the form of proxy accompanying this Information Circular will vote or withhold Matica 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 Matica Shares will be voted accordingly. **In the absence of any instructions to the contrary, the Matica Shares represented by proxies received by management will be voted FOR the approval of the Change of Business Resolution, among other things.**

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;
- (b) any amendment to or variation of any matter identified therein; and
- (c) any other matter that properly comes before the Meeting or any adjournments thereof.

At the date of this Information Circular, management of Matica knows of no such amendments, variations or other matters to come before the Meeting other than the matters referred to in the Notice of Meeting. If any other matters do properly come before the Meeting, it is intended that the person appointed as proxy will vote on such other business in such manner as that person then considers to be proper.

Matica is not using the “notice-and-access” delivery procedures recently established under Canadian securities legislation.

Registered Matica Shareholders

Registered holders of Matica Shares may wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered holders of Matica Shares electing to submit a proxy may do so by completing, dating and signing the enclosed form of proxy and returning it to Matica's transfer agent, Capital Transfer Agency Inc., by mail to 121 Richmond Street, West, Suite 401, Toronto, ON M5H 2K1 or by hand delivery at 121 Richmond Street, West, Suite 401, Toronto, ON M5H 2K1, in all cases ensuring that the form of proxy is received before 9:00am (EDT) on September 25, 2014 or if the Meeting is adjourned or postponed, at least 48 business hours (where "business hours" means hours on days other than a Saturday, Sunday or any other holiday in British Columbia or Ontario) before the time on the date to which the Meeting is adjourned or postponed.

Beneficial Matica Shareholders

The following information is of significant importance to shareholders who do not hold Matica Shares in their own name. Beneficial Matica 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 Matica as the registered holders of Matica Shares) or as set out in the following disclosure.

If Matica Shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those Matica Shares will not be registered in the shareholder's name on the records of Matica. Such Matica Shares will more likely be registered under the names of intermediaries. In the United States, the vast majority of such Matica 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 Matica 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 Matica 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).

Non-Objecting Beneficial Owners

Matica is taking advantage of the provisions of NI 54-101 that permit it to deliver proxy-related materials directly to its NOBOs. As a result, NOBOs can expect to receive a scannable VIF from Matica's transfer agent, Capital Transfer Agency Inc. The VIF is to be completed and returned to Capital Transfer Agency Inc. as set out in the instructions provided on the VIF. Capital Transfer Agency Inc. 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 Matica. If you are a non-registered owner, and Matica or its agent has 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. By choosing to send these materials to you directly, Matica (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 VIF as specified in the request for voting instructions that was sent to you.

Objecting Beneficial Owners

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

Matica does not intend to pay for intermediaries to deliver to OBOs the meeting materials and Form 54-101F7 Request for Voting Instructions Made by Intermediary. An OBO will not receive the materials unless the OBO's intermediary assumes the cost of delivery.

The form of proxy supplied to you by your broker will be similar to the proxy provided to registered holders of Matica Shares. However, its purpose is limited to instructing the intermediary on how to vote your Matica Shares on your behalf. Most brokers delegate responsibility for obtaining instructions from clients to Broadridge in the United States and in Canada. Broadridge mails a VIF in lieu of a proxy provided by Matica. The VIF will name the same persons as Matica's proxy to represent your Matica Shares at the Meeting. You have the right to appoint a person (who need not be a Beneficial Matica Shareholder), other than any of the persons designated in the VIF, to represent your Matica Shares at the Meeting and that person may be you. To exercise this right, 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 Matica 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 Matica Shares voted or to have an alternate representative duly appointed to attend the Meeting and vote your Matica Shares at the Meeting.**

Notice to Matica Securityholders in the United States

The solicitation of proxies involve securities of an issuer located in Canada and are 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 U.S. Exchange Act are not applicable to Matica or this solicitation, and this solicitation has been prepared in accordance with the disclosure requirements of the securities laws of the provinces of Canada. Matica Securityholders 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 Matica Securityholders of civil liabilities under United States federal securities laws may be affected adversely by the fact that Matica is existing under the Business Corporations Act, certain 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. Securityholders 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 Proxy

In addition to revocation in any other manner permitted by law, a registered Matica 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 holder of Matica Shares or the authorized attorney thereof in writing, or, if the registered holder of Matica Shares is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the proxy bearing a later date to Capital Transfer Agency Inc. at 121 Richmond Street, West, Suite 401, Toronto, ON M5H 2K1, 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 holder's Matica Shares.

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

ANNUAL GENERAL MEETING MATTERS

Voting Securities and Principal Holders of Voting Securities

As at the date of the accompanying Notice of Meeting, Matica's authorized capital consists of an unlimited number of common shares of which 46,397,118 common shares are issued and outstanding. All common shares in the capital of Matica carry the right to one vote.

Shareholders registered as at Wednesday, August 20, 2014, are entitled to attend and vote at the Meeting. Shareholders who wish to be represented by proxy at the Meeting must, to entitle the person appointed by the Proxy to attend and vote, deliver their Proxies at the place and within the time set forth in the notes to the Proxy.

To the knowledge of the directors and executive officers of Matica, as of the date of this Circular, no persons beneficially own, directly or indirectly, or exercise control or direction over, 10% or more of the issued and outstanding common shares of Matica.

Fix the Number of Directors to be Elected at the Meeting

Shareholders of Matica will be asked to consider and, if thought appropriate, to approve and adopt an ordinary resolution fixing the number of directors to be elected at the Meeting. In order to be effective, an ordinary resolution requires the approval of a majority of the votes cast by shareholders who vote in respect of the resolution.

At Matica's last annual general meeting the number of directors of Matica was set at five. At the Meeting, it will be proposed that Matica fix the number of directors to be elected at four. **Unless otherwise instructed, the named proxyholders will vote FOR the ordinary resolution fixing the number of directors to be elected at the Meeting at four.**

Election of Directors

The directors of Matica 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 Matica proposes to nominate the persons listed below for election as directors of Matica to serve until their successors are elected or appointed. In the absence of instructions to the contrary, Proxies given pursuant to the solicitation by management of Matica will be voted for the nominees listed in this Circular. Management does not contemplate that any of the nominees will be unable to serve as a director.

The following table sets out the names of the nominees for election as directors, the offices they hold within Matica, their occupations, the length of time they have served as directors of Matica, and the number of shares of Matica which each beneficially owns, directly or indirectly, or over which control or direction is exercised, as of the date of this Circular.

Name, province or state and country of residence and position, if any, held in Matica	Principal occupation during the past five years	Served as director of Matica since	Number of common shares of Matica beneficially owned, directly or indirectly, or controlled or directed at present ⁽¹⁾
Boris Ziger ⁽²⁾ Toronto, Ontario <i>Chief Executive Officer and Director</i>	From 2010 to present, a director of FTI Foodtech International Inc.	March 1, 2012	1,430,000
David Lee Vancouver, British Columbia <i>Director</i>	Federal employee with Canada Post for over 30 years.	March 6, 2013	250,000
Charn Deol ⁽²⁾ Richmond, British Columbia <i>Director</i>	Self-employed with a focus on administrative and consulting positions in public and private companies, a director of Acana Capital Corp. and a director of Cache Exploration Inc.	May 15, 2014	Nil
Rawn Lakhan ⁽²⁾ Toronto, Ontario <i>Director</i>	President and CEO of Meadowbank Asset Management since 2006. Chief Financial Officer of Meadowbank Capital Inc. since 2011.	N/A	Nil

Notes:

- (1) The information as to common shares beneficially owned or controlled has been provided by the nominees themselves.
- (2) A member of the Audit Committee.

Other than as set forth below, no proposed director is being elected under any arrangement or understanding between the proposed director and any other person or company.

A shareholder can vote for all of the above nominees, vote for some of the above nominees and withhold for other of the above nominees, or withhold for all of the above nominees. **Unless otherwise instructed, the named proxyholders will vote FOR the election of each of the proposed nominees set forth above as directors of Matica.**

Corporate Cease Trade Orders or Bankruptcies

Except as disclosed below, no director or proposed director of Matica is, or within the ten years prior to the date of this Circular has been, a director or executive officer of any company, including Matica, that while that person was acting in that capacity:

- (a) was the subject of a cease trade order or similar order or an order that denied Matica access to any exemption under securities legislation for a period of more than 30 consecutive days; or
- (b) was subject to an event that resulted, after the director ceased to be a director or executive officer of Matica being the subject of a cease trade order or similar order or an order that denied the

relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or

- (c) 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.

On May 1, 2014, Matica's management initiated a management cease trade order for not being able to timely file its December 31, 2013 audited financial statements. On May 12, 2014, the Ontario Securities Commission issued a temporary management cease trade order, and on May 13, 2014, the British Columbia Securities Commission issued a management cease trade order affecting Matica's stock. Matica completed its December 31, 2013 audited financial statements on May 29, 2014, and a copy of same was filed under Matica's SEDAR profile on May 30, 2014 (available at www.sedar.com). The management cease trade order was rescinded on May 30, 2014.

Individual Bankruptcies

Other than Mr. Charn Deol, no director or proposed director of Matica has, within the ten years prior to the date of this Circular, become bankrupt or made a proposal under any legislation relating to bankruptcy or insolvency, or been 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 that individual. Mr. Charn Deol was discharged out of bankruptcy in 2013.

Penalties or Sanctions

None of the proposed directors have been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority, 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 be likely to be considered important to a reasonable security holder making a decision about whether to vote for the proposed director.

Executive Compensation

Named Executive Officers

During the financial year ended December 31, 2013, Matica had two Named Executive Officers ("NEOs") being, Boris Ziger, Chief Executive Officer ("CEO"), and Richard Tong, the Chief Financial Officer ("CFO") of Matica.

"Named Executive Officer" means: (a) each CEO, (b) each CFO, (c) each of the three most highly compensated executive officers of the company, including any of its subsidiaries, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000; and (d) each individual who would be a NEO under (c) above but for the fact that the individual was neither an executive officer of Matica, nor acting in a similar capacity, at the end of that financial year.

Compensation Discussion and Analysis

The Board's compensation program is designed to provide competitive levels of compensation, a significant portion of which is dependent upon individual and corporate performance and contribution to increasing shareholder value. The Board recognizes the need to provide a total compensation package that will attract and retain qualified and experienced executives as well as align the compensation level of each executive to that

executive's level of responsibility. In general, a NEO's compensation is comprised of contractor payments and stock option grants.

The objectives and reasons for this system of compensation are generally to allow Matica to remain competitive compared to its peers in attracting and retaining experienced personnel. All salaries and/or consulting fees are to be set on a basis of a review and comparison of compensation paid to executives at similar companies.

Share-Based and Option-Based Awards

Matica does not grant share-based awards. The Board is responsible for granting options to the NEOs. Stock option grants are designed to reward the NEOs for success on a similar basis as the shareholders of Matica, but these rewards are highly dependent upon the volatile stock market, much of which is beyond the control of the NEOs. When new options are granted, the Board takes into account the previous grants of options, the number of stock options currently held, position, overall individual performance, anticipated contribution to Matica's future success and the individual's ability to influence corporate and business performance. The purpose of granting such stock options is to assist Matica in compensating, attracting, retaining and motivating the officers, directors and employees of Matica and to closely align the personal interest of such persons to the interest of the shareholders.

The exercise price of the stock options granted is generally determined by the market price at the time of grant, less any allowable discount.

Compensation Governance

The compensation of Matica's directors and executive officers is set by the independent directors of the board after taking into account both the compensation paid to executives at similar sized companies and the contribution of each director and/or executive officer to the successful operation of Matica.

Summary Compensation Table

Set out below is a summary of compensation paid or accrued during Matica's three most recently completed financial years to Matica's NEOs.

Summary Compensation Table

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$) ⁽¹⁾	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Boris Ziger Chief Executive Officer	2013	96,000	N/A	10,249	Nil	Nil	Nil	Nil	121,025
	2012	24,000	N/A	N/A	Nil	Nil	Nil	Nil	
	2011	N/A	N/A	N/A	Nil	Nil	Nil	Nil	
Richard Tong Chief Financial Officer	2013	35,000	N/A	11,387	Nil	Nil	Nil	Nil	46,387
	2012	N/A	N/A	N/A	Nil	Nil	Nil	Nil	
	2011	N/A	N/A	N/A	Nil	Nil	Nil	Nil	

Note:

- (1) The fair value of option-based awards is determined by the Black-Scholes Option Pricing Model with assumptions for risk-free interest rates, dividend yields, volatility factors of the expected market price of Matica's common shares and expected life of the options.

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Risk-free interest rate:	1.43%	N/A	2.68%
Expected dividend yield:	Nil	N/A	Nil
Expected volatility:	116%	N/A	125%
Expected life of option:	5 years	N/A	5 years

Matica has chosen the Black-Scholes methodology to calculate the grant date fair value of option-based awards as it is the methodology used in Matica's financial statements.]

Narrative Discussion

There are currently no employment contracts in place for the Named Executive Officers.

Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards

Matica does not have any share-based awards held by a NEO. The following table sets forth the outstanding option-based awards held by the NEOs of Matica at the end of the most recently completed financial year:

Outstanding Option-Based Awards

Name	Option-based Awards			
	Number of securities underlying unexercised options (#)	Option exercise price (\$) ⁽¹⁾	Option expiration date	Value of unexercised in-the-money options (\$) ⁽¹⁾
Boris Ziger Chief Executive Officer	425,000	\$0.10	March 6, 2018	N/A
	275,000	\$0.10	June 17, 2019	
Richard Tong Chief Financial Officer	250,000	\$0.10	March 6, 2018	N/A
	250,000	\$0.10	June 17, 2019	
	100,000	\$0.10	July 14, 2019	

Note:

- (1) "In-the-Money Options" means the excess of the market value of Matica's shares on December 31, 2013 over the exercise price of the options. The market price for Matica's common shares on December 31, 2013 was \$0.06.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth details of the value vested or earned for all incentive plan awards during the most recently completed financial year by each NEO:

Value Vested or Earned for Incentive Plan Awards During the Most Recently Completed Financial Year

Name	Option-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Boris Ziger Chief Executive Officer	2,904	Nil
Richard Tong Chief Financial Officer	3,226	Nil

Narrative Discussion

The following information is intended as a brief description of Matica’s current stock option plan (the “**Current Stock Option Plan**”) and is qualified in its entirety by the full text of the Current Stock Option Plan, which will be available for review at the Meeting.

Stock options granted under the Current Stock Option Plan will be exercisable over periods of up to 5 years from the date of the grant as determined by the Board and are required to have an exercise price no less than the closing price of Matica’s shares traded through the stock exchange on which Matica’s shares are then trading on the date preceding the date of grant, less any discount permitted by the stock exchange, subject to a minimum of \$0.10 per common share. The maximum number of common shares which may be issued pursuant to stock options previously granted and those granted under the Current Stock Option Plan will be 10% of the issued and outstanding common shares of Matica at the time of grant. In addition, the number of shares which may be reserved for issuance to any one insider may not exceed 10% of the issued shares on a yearly basis or not more than 2% of the issued shares on a yearly basis if granted to any one consultant or to any one employee engaged in investor relations activities. Stock options shall be subject to vesting at the discretion of the Board.

Any stock options granted pursuant to the Current Stock Option Plan will terminate within 90 days of the stock option holder ceasing to act as a director, officer, employee or consultant of Matica unless such cessation is on account of death or the stock option holder is engaged primarily to provide investor relations activities. Any stock options granted to a stock option holder engaged primarily to provide investor relations activities will terminate within 30 days of the stock option holder ceasing to be employed in such capacity. If such cessation is on account of death, the stock options terminate on the earlier of one year of the stock option holder’s death and the expiration date of the stock options.

Pension Benefits

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

Termination and Change of Control Benefits

At the end of the most recently completed financial year, Matica had no compensatory plan, contract or arrangement where a NEO was entitled to receive more than \$100,000 from Matica (including periodic payments or instalments) to compensate such executive officer in the event of resignation, retirement or other termination of the NEO’s employment with Matica, a change of control of Matica or its subsidiaries, or a change in responsibilities of the NEO following a change in control.

Director Compensation

Other than compensation paid to the NEOs, and except as noted below, no compensation was paid to directors in their capacity as directors of Matica or its subsidiaries, in their capacity as members of a committee of the Board or of a committee of the board of directors of its subsidiaries, or as consultants or experts, during Matica's most recently completed financial year. Monty Ritchings, through his company SWR Marketing Inc. earned \$24,000 for the fiscal year ending 2013.

Set out below is a summary of compensation paid or accrued during Matica's most recently completed financial year to Matica's directors, other than the NEOs previously disclosed:

Director Compensation Table

Name	Fees earned (\$)	Option-based awards⁽¹⁾ (\$)	Non-equity incentive plan compensation (\$)	All other compensation (\$)	Total (\$)
Monty Ritchings	24,000	5,694	Nil	Nil	29,694
David Lee	Nil	Nil	Nil	Nil	Nil
Derek Bartlett, <i>former director</i>	25,000	Nil	Nil	Nil	25,000
Alex Johnston, <i>former director</i>	7,000	Nil	Nil	Nil	7,000

Note:

(1) The fair value of option-based awards is determined by the Black-Scholes Option Pricing Model with assumptions for risk-free interest rates, dividend yields, volatility factors of the expected market price of Matica's common shares and expected life of the options.

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Risk-free interest rate:	1.43%	N/A	2.68%
Expected dividend yield:	Nil	N/A	Nil
Expected volatility:	116%	N/A	125%
Expected life of option:	5 years	N/A	5 years

Matica has chosen the Black-Scholes methodology to calculate the grant date fair value of option-based awards as it is the methodology used in Matica's financial statements.]

Narrative Discussion

The above directors of Matica are not currently paid any fees for their services as directors, except for reimbursements for out-of-pocket expenses incurred in connection with such duties. However, directors are eligible to participate in the Current Stock Option Plan. Monty Ritchings, through his company SWR Marketing Inc. earned \$24,000 for the fiscal year ending 2013.

Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards

Matica does not have any share-based awards held by the directors. The following table sets forth details of all awards granted to directors of Matica which are outstanding at the end of the most recently completed financial year. Matica has not granted any share-based awards.

Outstanding Option-Based Awards

Option-based Awards				
Name	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽¹⁾
Boris Ziger	425,000	\$0.10	March 6, 2018	N/A
	275,000	\$0.10	June 17, 2019	
Monty Ritchings	125,000	\$0.10	March 6, 2018	N/A
Charn Deol	200,000	\$0.10	June 17, 2019	N/A
David Lee	100,000	\$0.10	June 17, 2019	N/A

Note:

- (1) "In-the-Money Options" means the excess of the market value of Matica's shares on December 31, 2013 over the exercise price of the options. The market price for Matica's common shares on December 31, 2013 was \$0.06.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth details of the value vested or earned for all incentive plan awards during the most recently completed fiscal year by each director:

Value Vested or Earned for Incentive Plan Awards During the Most Recently Completed Financial Year

Name	Option-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Boris Ziger	2,904	Nil
Monty Ritchings	1,613	Nil
Charn Deol	Nil	Nil
David Lee	Nil	Nil

Equity Compensation Plan Information

The following table sets out those securities of Matica which have been authorized for issuance under equity compensation plans, as at the previous year end:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by the securityholders	4,350,000	\$0.10	7,812
Equity compensation plans not approved by the securityholders	N/A	N/A	N/A
Total	4,350,000	\$0.10	7,812

Indebtedness of Directors and Executive Officers

As at the date of this Information Circular and at all times since January 1, 2013, no executive officer, director, employee or former executive officer, director or employee of Matica or any of its subsidiaries is or has been indebted to Matica, or any of its subsidiaries, nor are or have any of these individuals been indebted to another entity, which indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by Matica, or its subsidiaries.

Interest of Certain Persons or Companies in Matters to be Acted Upon

No director or executive officer of Matica or any proposed nominee of management of Matica for election as a director of Matica, nor any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, since the beginning of Matica's last financial year in matters to be acted upon at the Meeting, other than the consideration of the Change of Business Resolution, election of directors, the appointment of auditors and the adoption of the New Stock Option Plan.

Interest of Informed Persons in Material Transactions

None of the directors or executive officers of Matica, proposed nominee for election as a director of Matica, persons beneficially owning, directly or indirectly, shares carrying more than 10% of the voting rights attached to all outstanding shares of Matica nor any associate or affiliate of the foregoing persons has any material interest, direct or indirect, in any transaction since the commencement of Matica's last completed financial year or in any proposed transaction which has or will materially affect Matica except for the Change of Business, as disclosed in Matica's audited financial statements and Management's Discussion & Analysis for the last financial year.

Management Contracts

Except as set out herein, there are no management functions of Matica which are to any substantial degree performed by a person or company other than the directors or NEOs of Matica.

Appointment of Auditor

Management of the Matica intends to nominate Manning Elliott LLP, Chartered Accountants (“**Manning Elliott**”), of Vancouver, British Columbia, for re-appointment as auditor of Matica. Proxies given pursuant to this solicitation will, on any poll, be voted as directed and, if there is no direction, for the re-appointment of Manning Elliott, as the auditor of Matica to hold office for the ensuing year with remuneration to be fixed by the directors. Manning Elliott has been the auditor of Matica since December 12, 2007.

Accordingly, at the Meeting, the shareholders will be asked to pass the following resolution:

“IT IS RESOLVED THAT Manning Elliott LLP, Chartered Accountants, be appointed as the auditors of Matica, and the board of Directors of Matica are hereby authorized to fix the remuneration of Manning Elliott LLP, Chartered Accountants.”

Audit Committee

Matica is required to have an audit committee comprised of not less than three directors, a majority of whom are not officers, control persons or employees of Matica or an affiliate of Matica.

Audit Committee Charter

The text of the audit committee’s charter is attached as Appendix “B” to this Circular.

Composition of Audit Committee and Independence

National Instrument 52-110 *Audit Committees*, (“**NI 52-110**”) provides that a member of an audit committee is “independent” if the member has no direct or indirect material relationship with Matica, which could, in the view of Matica’s Board, reasonably interfere with the exercise of the member’s independent judgment.

NI 52-110 provides that an individual is “financially literate” if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by Matica’s financial statements. All of the members of Matica’s audit committee are financially literate as that term is defined. The following sets out the members of the audit committee and their education and experience that is relevant to the performance of his responsibilities as an audit committee member.

Matica’s current audit committee consists of Boris Ziger, Monty Ritchings and David Lee. Monty Ritchings has elected not to stand for re-election, and as a result, upon Rawn Lakhan’s election as a director of Matica, Management intends to appoint Rawn Lakhan to the audit committee. Following the Meeting, David Lee will be stepping down from the audit committee, and Management intends to appoint Charn Deol to the audit committee as his replacement. In the view of Management of Matica, Charn Deol and Rawn Lakhan are “independent” as such term is defined in NI 52-110. Boris Ziger, Rawn Lakhan and Charn Deol are “financially literate” as such terms are defined in NI 52-110.

Relevant Education and Experience

Boris Ziger – Mr. Ziger has earned an H.Ba. in Economics from York University and an MBA from the Odette School of Business at the University of Windsor. He had over 13 years of experience in banking and financial services before joining the junior resource sector. He has served as a director and held various management positions in several junior resource companies and is currently also a director of FTI Foodtech International Inc., a TSXV listed issuer.

Rawn Lakhan – Mr. Lakhan has earned an H.Ba. in Economics as well as a masters degree in Economics from York University and has over 13 years of experience in the financial services industry. Mr. Lakhan is the CFO of Meadowbank Capital Inc. and has been the President and CEO of Meadowbank Asset Management Inc. since its

inception in 2006. Lastly, Mr. Lakhan is also a Chartered Investment Manager, Chartered Strategic Wealth Professional and a Fellow of the Canadian Securities Institute.

Charn Deol – Mr. Deol has been involved in reviewing financial documents and developing business plans with financial projections for over 30 years. This experience includes operating private companies involved in farming operations, residential construction and land subdivision. Mr. Deol was an owner of an international commodity trading brokerages firm in the 1980's (Evergreen Futures) and currently sits on the audit committee for Cache Exploration and Acana Capital.

Audit Committee Oversight

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

Reliance on Certain Exemptions

Since the commencement of Matica’s most recently completed financial year, Matica has not relied on:

- (a) the exemption in section 2.4 (*De Minimis Non-audit Services*) of NI 52-110; or
- (b) an exemption from NI 52-110, in whole or in part, granted under Part 8 (*Exemptions*).

Pre-Approval Policies and Procedures

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

Audit Fees

The following table sets forth the fees paid by Matica and its subsidiaries to Manning Elliott LLP, Chartered Accountants, for services rendered in the last two fiscal years:

	<u>2013</u>	<u>2012</u>
	(\$)	(\$)
Audit fees ⁽¹⁾	29,300	20,700
Audit related fees ⁽²⁾	Nil	Nil
Tax fees ⁽³⁾	Nil	1,500
All other fees ⁽⁴⁾	Nil	Nil
Total	<u>\$ 29,300</u>	<u>\$22,200</u>

Notes:

- (1) “Audit fees” include fees necessary to perform the annual audit and quarterly reviews of Matica’s consolidated financial statements; fees for review of tax provisions; accounting consultations on matters reflected in the financial statements; and, audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) “Audited related fees” include services that are traditionally performed by the auditor such as 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” includes 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.

Exemption in Section 6.1

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

Corporate Governance Disclosure

National Instrument 58-101, *Disclosure of Corporate Governance Practices*, requires all reporting issuers to provide certain annual disclosure of their corporate governance practices with respect to the corporate governance guidelines (the “**Guidelines**”) adopted in National Policy 58-201. These Guidelines are not prescriptive, but have been used by Matica in adopting its corporate governance practices. Matica’s approach to corporate governance is set out below.

Matica Board

Management is nominating four individuals to Matica’s Board, three of whom are current directors of Matica.

The Guidelines suggest that the board of directors of every reporting issuer should be constituted with a majority of individuals who qualify as “independent” directors under NI 52-110, which provides that a director is independent if he or she has no direct or indirect “material relationship” with Matica. The “material relationship” is defined as a relationship which could, in the view of Matica’s Board, reasonably interfere with the exercise of a director’s independent judgement. All of the current members of the Board are considered “independent” within the meaning of NI 52-110, except for Boris Ziger, who is Matica’s Chief Executive Officer.

Directorships

The following directors of Matica are also directors of other reporting issuers:

- Boris Ziger is a director of FTI Foodtech International Inc.; and
- Charn Deol is a director of Acana Capital Corp. and Cache Exploration Inc.

Orientation and Continuing Education

Matica does not have an orientation or continuing education program for new directors.

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 Matica’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 Matica 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 as a whole is responsible for recruiting and nominating new members to the Matica Board and planning for the succession of directors.

Compensation

The board reviews adequacy and form of compensation and compares it to other companies of similar size and stage of development. Directors' compensation is mainly in the form of stock options.

Other Board Committees

At present time, the only standing committee is the Audit Committee. The written charter of the Audit Committee, as required by NI 52-110, is contained in Appendix "B" to this Circular. As Matica grows, and its operations and management structure become more complex, the Board expects it will constitute formal standing committees, such as a Corporate Governance Committee, a Compensation 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.

Assessments

The Matica Board annually reviews its own performance and effectiveness as well as the effectiveness and performance of any committees. Effectiveness is subjectively measured by comparing actual corporate results with stated objectives. The contributions of individual directors are informally monitored by other Board members, bearing in mind the business strengths of the individual and the purpose of originally nominating the individual to the Board.

The Matica Board monitors the adequacy of information given to directors, communication between Board and Management and the strategic direction and processes of the Board and its committee(s).

The Matica Board believes its corporate governance practices are appropriate and effective for Matica, given its size and operations. Matica's corporate governance practices allow Matica to operate efficiently, with checks and balances that control and monitor Management and corporate functions without excessive administration burden.

CHANGE OF BUSINESS

Overview

Matica is seeking shareholder approval to the change the primary focus of Matica's business from resource exploration to the medical marijuana industry.

Upon completion of the Change of Business, Matica will initially focus on the use of chlorine dioxide tablets for use in the Canadian and United States horticultural and agricultural industries in accordance with the Change of Business Agreement. In addition, it is Matica's intent to become a growing player in the medical marijuana industry and to position itself as a quality producer.

Description of the Change of Business Agreement

Pursuant to the Change of Business Agreement, Matica and Bellerosa Distributing Ltd. will form a joint venture to exclusively market the full range of GlobalEx effervescent Chlorine Dioxide tablets for use in Canadian

and US horticultural and agricultural industries. More specifically, Matica intends to promote GlobalEx effervescent Chlorine Dioxide tablets for use in the medical marijuana industry to help licensed medical marijuana producers prevent mold, biofilm and pests from affecting their crop.

Pursuant to the Change of Business Agreement, Matica will acquire a 60% interest in the joint venture vehicle by: (a) expending \$200,000 over a two year period on the testing and marketing of the Chlorine Dioxide tablets in medical marijuana growing operations and (b) issuing ten million Matica Shares to Bellerosa.

Background to the Change of Business

Matica is currently seeking to cultivate business opportunities in the medical marijuana industry. Health Canada has announced new regulations pertaining to the industry and these changes may result in significant growth opportunities for those companies who can obtain a license under the new marijuana for medical purposes regulations.

Most recently, Matica entered into the Change of Business Agreement regarding the Change of Business. The provisions of the Change of Business Agreement are the result of arm's length negotiations conducted between representatives of Matica and Bellerosa Distributing Ltd.

Recommendation of the Matica Board and Reasons for the Recommendation

The Matica Board believes that the Change of Business is in the best interests of Matica. Accordingly, the Matica Board unanimously approved the Change of Business and recommends that Matica Shareholders vote their Matica Shares in favour of the Change of Business Resolution. The full text of the Change of Business Resolution is attached as Appendix "A" to this Information Circular.

In determining that the Change of Business is in the best interests of Matica, the Matica Board considered a number of factors, including the following:

- *Clear Business Focus.* The Change of Business will provide Matica with a clear mandate to pursue its new business strategy of developing as a leader in the medical marijuana business. The Matica Board believes that companies with a defined focus on establishing leadership in their core business have a competitive advantage and are best positioned to respond to changing market conditions.
- *Strategic Positioning and Growth.* The Matica Board believes that Matica is well positioned to experience significant growth in the emerging medical marijuana industry, and believes that by implementing the Change of Business Agreement, Matica will best be able to capitalize on this opportunity.
- *Experienced Leadership.* In anticipation of completion of the Change of Business, Matica will be retaining new directors, management and consultants who have knowledge and experience in the medical marijuana industry.
- *Requirement for Matica Shareholder Approval.* The Change of Business Resolution must be approved by at least a simple majority of the votes cast at the Meeting in person or by proxy by Matica Shareholders.

The foregoing summary of the information and factors considered by the Matica Board is not intended to be exhaustive. In view of the variety of factors and the amount of information considered in connection with its evaluation of the Change of Business, the Matica Board did not find it practical to, and did not, quantify or otherwise attempt to assign any relative weight to each specific factor considered in reaching its conclusion and recommendation. The Matica Board's recommendation was made after considering all of the above-noted factors and in light of the Matica Board's knowledge of the business, financial condition and prospects of Matica. In addition, individual members of the Matica Board may have assigned different weights to different factors.

Approvals

Matica Shareholder Approval

At the Meeting, Matica Shareholders will be asked to vote to approve the Change of Business Resolution. The Change of Business Resolution must be approved, with or without variation, by at least a simple majority of the votes cast at the Meeting in person or by proxy by Matica Shareholders.

Stock Exchange Approval

The Change of Business is subject to approval of the Canadian Securities Exchange.

Risk Factors

The following risk factors should be carefully considered in evaluating Matica and the Change of Business. The risks presented below may not be all of the risks that Matica may face. It is believed that these are some of the risk factors that could cause actual results to be different from expected and historical results. Other sections of this Information Circular include additional factors that could have an effect on the business and financial performance of the business following the completion of the Change of Business. The market in which Matica proposes to compete is very competitive and changes rapidly. Sometimes new risks emerge and management may not be able to predict all of them, or be able to predict how they may cause actual results to be different from those contained in any forward-looking statements. You should not rely upon forward-looking statements as a prediction of future results.

No License

Investors should be aware that companies cannot legally conduct a medical marijuana business without a licence from Health Canada, and that there is likely significant time and cost required to obtain such a licence. Entering this sector requires a commitment of significant resources, and there are a number of risks, cost implications and time required before a company can begin licenced operations. There is no assurance that Matica will be successful in obtaining a licence, or in creating shareholder value.

Unproven Technology

The application of chlorine dioxide tablets in the medical marijuana industry has not yet been proven. Matica's success will depend on its ability to develop the technology for use in the medical marijuana industry. To do so, Matica will have to invest a significant amount of resources and capital in research and development activities. If Matica is to make such investment, the process of developing new products and technologies is inherently complex and uncertain and there are a number of risks that Matica will be subject to. No assurances can be made that Matica's products or technologies will gain market acceptance. No assurances can be made that Matica will succeed in marketing any newly developed product or technology. Matica's failure to respond to any risks associated with this industry, including those described herein, may reduce Matica's future growth and profitability and may adversely affect Matica's financial results and condition.

Regulatory Risks

The activities of Matica will be subject to regulation by governmental authorities, particularly Health Canada. Achievement of Matica's business objectives will be contingent, in part, upon compliance with regulatory requirements enacted by these governmental authorities and obtaining all regulatory approvals, where necessary, for the sale of its products. Matica cannot predict the time required to secure all appropriate regulatory approvals for its products, or the extent of testing and documentation that may be required by governmental authorities. Any delays in obtaining, or failure to obtain regulatory approvals would significantly delay the development of markets and products and could have a material adverse effect on the business, results of operations and financial condition of Matica.

Change in Laws, Regulations and Guidelines

Matica's proposed operations will be subject to a variety of laws, regulations and guidelines relating to the manufacture, management, transportation, storage and disposal of medical marijuana but also including laws and regulations relating to health and safety, the conduct of operations and the protection of the environment. While to the knowledge of Matica's management, Matica is currently in compliance with all such laws, changes to such laws, regulations and guidelines due to matters beyond the control of Matica may cause adverse effects to Matica's operations.

While the impact of such changes are uncertain and are highly dependent on which specific laws, regulations or guidelines are changed and on the outcome of any related court actions, it is not expected that any such changes would have an effect on Matica's operations that is materially different than the effect on similar-sized companies in the same business as Matica.

Limited Operating History

Matica has yet to generate revenue from the sale of products. Matica is therefore subject to many of the risks common to early-stage enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial, and other resources and lack of revenues. There is no assurance that Matica will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of the early stage of operations.

Reliance on Management

The success of Matica is dependent upon the ability, expertise, judgment, discretion and good faith of its senior management. Any loss of the services of such individuals could have a material adverse effect on Matica's business, operating results or financial condition.

History of Losses

Matica has incurred losses in recent periods. Matica may not be able to achieve or maintain profitability and may continue to incur significant losses in the future. In addition, Matica expects to continue to increase operating expenses as it implements initiatives to continue to grow its business. If Matica's revenues do not increase to offset these expected increases in costs and operating expenses, Matica will not be profitable.

Additional Financing

The building and operation of Matica's facilities and business will be capital intensive. In order to execute the anticipated growth strategy, Matica will require some additional equity and/or debt financing to support on-going operations, to undertake capital expenditures or to undertake acquisitions or other business combination transactions. There can be no assurance that additional financing will be available to Matica when needed or on terms which are acceptable. Matica's inability to raise financing to support on-going operations or to fund capital expenditures or acquisitions could limit Matica's growth and may have a material adverse effect upon future profitability. Matica may require additional financing to fund its operations to the point where it is generating positive cash flows.

If additional funds are raised through further issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences and privileges superior to those of holders of Matica Shares. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for Matica to obtain additional capital and to pursue business opportunities, including potential acquisitions.

Competition

There is potential that Matica will face intense competition from other companies, some of which can be expected to have longer operating histories and more financial resources and manufacturing and marketing experience than Matica. Increased competition by larger and better financed competitors could materially and adversely affect the business, financial condition and results of operations of Matica.

Because of the early stage of the industry in which Matica operates, Matica expects to face additional competition from new entrants. If the number of users of medical marijuana in Canada increases, the demand for products will increase and Matica expects that competition will become more intense, as current and future competitors begin to offer an increasing number of diversified products. To remain competitive, Matica will require a continued high level of investment in research and development, marketing, sales and client support. Matica may not have sufficient resources to maintain research and development, marketing, sales and client support efforts on a competitive basis which could materially and adversely affect the business, financial condition and results of operations of Matica.

Risks Inherent in an Agricultural Business

Matica's proposed business involves the growing of medical marijuana, an agricultural product. As such, the business is subject to the risks inherent in the agricultural business, such as insects, plant diseases and similar agricultural risks.

Vulnerability to Rising Energy Costs

Matica's proposed operations will consume considerable energy, making Matica vulnerable to rising energy costs. Rising or volatile energy costs may adversely impact the business of Matica and its ability to operate profitably.

Unfavourable Publicity or Consumer Perception

Matica believes the medical marijuana industry is highly dependent upon consumer perception regarding the safety, efficacy and quality of the medical marijuana produced. Consumer perception of Matica's products can be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity regarding the consumption of medical marijuana products. There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favourable to the medical marijuana market or any particular product, or consistent with earlier publicity. Future research reports, findings, regulatory proceedings, litigation, media attention or other publicity that are perceived as less favourable than, or that question, earlier research reports, findings or publicity could have a material adverse effect on the demand for Matica's products and the business, results of operations, financial condition and cash flows of Matica. Matica's dependence upon consumer perceptions means that adverse scientific research reports, findings, regulatory proceedings, litigation, media attention or other publicity, whether or not accurate or with merit, could have a material adverse effect on Matica, the demand for Matica's products, and the business, results of operations, financial condition and cash flows of Matica. Further, adverse publicity reports or other media attention regarding the safety, efficacy and quality of medical marijuana in general, or Matica's products specifically, or associating the consumption of medical marijuana with illness or other negative effects or events, could have such a material adverse effect. Such adverse publicity reports or other media attention could arise even if the adverse effects associated with such products resulted from consumers' failure to consume such products appropriately or as directed.

Product Liability

As a potential manufacturer and distributor of products designed to aid in the production of products to be ingested by humans, Matica will face an inherent risk of exposure to product liability claims, regulatory action and litigation if its products are alleged to have caused significant loss or injury. In addition, the manufacture and sale of Matica's products will involve the risk of injury to consumers due to tampering by unauthorized third parties or

product contamination. Matica may be subject to various product liability claims, including, among others, that Matica's products caused injury or illness, include inadequate instructions for use or include inadequate warnings concerning possible side effects or interactions with other substances. A product liability claim or regulatory action against Matica could result in increased costs, could adversely affect Matica's reputation with its clients generally, and could have a material adverse effect on our results of operations and financial condition of Matica. There can be no assurances that Matica will be able to obtain or maintain product liability insurance on acceptable terms or with adequate coverage against potential liabilities. Such insurance is expensive and may not be available in the future on acceptable terms, or at all. The inability to obtain sufficient insurance coverage on reasonable terms or to otherwise protect against potential product liability claims could prevent or inhibit the commercialization of Matica's potential products.

Product Recalls

Manufacturers and distributors of products are sometimes subject to the recall or return of their products for a variety of reasons, including product defects, such as contamination, unintended harmful side effects or interactions with other substances, packaging safety and inadequate or inaccurate labeling disclosure. If any of Matica's potential products are recalled due to an alleged product defect or for any other reason, Matica could be required to incur the unexpected expense of the recall and any legal proceedings that might arise in connection with the recall. Matica could lose a significant amount of sales and may not be able to replace those sales at an acceptable margin or at all. In addition, a product recall may require significant management attention. Although Matica will have detailed procedures in place for testing finished products, there can be no assurance that any quality, potency or contamination problems will be detected in time to avoid unforeseen product recalls, regulatory action or lawsuits. Additionally, if one of Matica's significant brands were subject to recall, the image of that brand and Matica could be harmed. A recall for any of the foregoing reasons could lead to decreased demand for Matica's products and could have a material adverse effect on the results of operations and financial condition of Matica. Additionally, product recalls may lead to increased scrutiny of Matica's operations by Health Canada or other regulatory agencies, requiring further management attention and potential legal fees and other expenses.

Reliance on Key Inputs

Matica's business will be dependent on a number of key inputs and their related costs including raw materials and supplies related to its production operations, as well as electricity and other local utilities. Any significant interruption or negative change in the availability or economics of the supply chain for key inputs could materially impact the business, financial condition and operating results of Matica. Some of these inputs may only be available from a single supplier or a limited group of suppliers. If a sole source supplier was to go out of business, Matica might be unable to find a replacement for such source in a timely manner or at all. If a sole source supplier were to be acquired by a competitor, that competitor may elect not to sell to Matica in the future. Any inability to secure required supplies and services or to do so on appropriate terms could have a materially adverse impact on the business, financial condition and operating results of Matica.

Dependence on Suppliers and Skilled Labour

The ability of Matica to compete and grow will be dependent on it having access, at a reasonable cost and in a timely manner, to skilled labour, equipment, parts and components. No assurances can be given that Matica will be successful in maintaining its required supply of skilled labour, equipment, parts and components. It is also possible that the final costs of the major equipment contemplated by Matica's capital expenditure program may be significantly greater than anticipated by Matica's management, and may be greater than funds available to Matica, in which circumstance Matica may curtail, or extend the timeframes for completing, its capital expenditure plans. This could have an adverse effect on the financial results of Matica.

Difficulty to Forecast

Matica will need to rely largely on its own market research to forecast sales as detailed forecasts are not generally obtainable from other sources at this early stage of the medical marijuana industry in Canada. A failure in

the demand for its products to materialize as a result of competition, technological change or other factors could have a material adverse effect on the business, results of operations and financial condition of Matica.

Operating Risk and Insurance Coverage

Matica does not have insurance to protect its assets, operations and employees. Matica may acquire insurance in the future to protect against certain risks in such amounts as it considers reasonable. However, any insurance coverage obtained by Matica may not be adequate to cover any resulting liability. Matica may also be unable to maintain insurance to cover certain risks at economically feasible premiums.

If Matica were to incur substantial liability and such damages were not covered by insurance or were in excess of policy limits, or if Matica were to incur such liability at a time when it is not able to obtain liability insurance, its business, results of operations and financial condition could be materially adversely affected.

Management of Growth

Matica may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of Matica to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of Matica to deal with this growth may have a material adverse effect on Matica's business, financial condition, results of operations and prospects.

Conflicts of Interest

Certain of the directors and officers of Matica are also directors and officers of other companies, and conflicts of interest may arise between their duties as officers and directors of Matica and as officers and directors of such other companies.

Litigation

Matica may become party to litigation from time to time in the ordinary course of business which could adversely affect its business. Should any litigation in which Matica becomes involved be determined against Matica such a decision could adversely affect Matica's ability to continue operating and the market price for the Matica Shares and could use significant resources. Even if Matica is involved in litigation and wins, litigation can redirect significant company resources.

Share Price Volatility

The market price of the Matica Shares may be subject to wide fluctuations in response to many factors, including variations in the operating results of Matica and its subsidiaries, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts, changes in the business prospects for Matica and its subsidiaries, general economic conditions, legislative changes, and other events and factors outside of Matica's control. In addition, stock markets have from time to time experienced extreme price and volume fluctuations, which, as well as general economic and political conditions, could adversely affect the market price for the Matica Shares.

Environmental and Employee Health and Safety Regulations

Matica's operations will be subject to environmental and safety laws and regulations concerning, among other things, emissions and discharges to water, air and land, the handling and disposal of hazardous and non-hazardous materials and wastes, and employee health and safety. Matica will incur ongoing costs and obligations related to compliance with environmental and employee health and safety matters. Failure to comply with environmental and safety laws and regulations may result in additional costs for corrective measures, penalties or in restrictions on our manufacturing operations. In addition, changes in environmental, employee health and safety or other laws, more vigorous enforcement thereof or other unanticipated events could require extensive changes to

Matica's operations or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of Matica.

ADOPTION OF NEW STOCK OPTION PLAN

The Board of Directors is seeking shareholder approval for the adoption of a new stock option plan (the "**New Stock Option Plan**"), subject to regulatory approval, and as more particularly described below.

The Current Stock Option Plan was approved by shareholders on December 12, 2007 and confirmed on September 19, 2012. There are currently 4,100,000 stock options outstanding under the Current Stock Option Plan representing 8.84% of the current outstanding common shares of Matica. The Board of Directors has deemed it appropriate to update the Current Stock Option Plan. Matica is therefore seeking approval for the adoption of the New Stock Option Plan. If the New Stock Option Plan is approved, options to purchase 539,712 common shares will be available to be granted, which, when combined with outstanding options, represents 10% of the current outstanding common shares of Matica. The New Stock Option Plan is attached as Appendix "C" to this Information Circular.

The following information is intended as a brief description of the New Stock Option Plan and is qualified in its entirety by the full text of the New Stock Option Plan.

1. The maximum number of Matica Shares issuable under the New Stock Option Plan, together with the number of Matica Shares issuable under outstanding options granted otherwise than under the Plan, shall not exceed 10% of the Matica Shares outstanding from time to time.
2. The Exercise Price shall be that price per share, as determined by the Board in its sole discretion as of the Award Date, at which an Option Holder may purchase a Share upon the exercise of an Option, and shall not be less than the last closing price of the Company's Shares traded through the facilities of the Exchange prior to the grant of the Option, less any discount permitted by the Exchange, or such other price as may be required by the Exchange.
3. The Board will not grant options: (a) to any one person in any 12 month period which could, when exercised, result in the issuance of Matica Shares exceeding five percent (5%) of the issued and outstanding Matica Shares unless Matica has obtained the requisite disinterested shareholder approval to the grant.
4. If the option holder ceases to be a director of Matica or ceases to be employed by Matica (other than by reason of death), or ceases to be a consultant of Matica as the case may be, then the option granted will expire on no later than the 90th day following the date that the option holder ceases to be a director, ceases to be employed by Matica or ceases to be a consultant of Matica, subject to the terms and conditions set out in the New Stock Option Plan.

At the Meeting, the shareholders will be asked to consider and, if deemed appropriate, to pass the following ordinary resolution, with or without variation (the "**Stock Option Plan Resolution**"):

BE IT RESOLVED, as an ordinary resolution of the shareholders of Matica, that:

1. **The New Stock Option Plan is authorized, approved and confirmed; and**
2. **Any one director or officer of Matica, signing alone, be authorized to execute and deliver all such documents and instruments and to do such further acts, as may be necessary to give full effect to these resolutions or as may be required to carry out the full intent and meaning thereof.**

An ordinary resolution is a resolution passed at the Meeting by a simple majority of the votes cast by shareholders voting common shares at the Meeting.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT EACH SHAREHOLDER VOTE "FOR" THE STOCK OPTION PLAN RESOLUTION. **Unless otherwise indicated, the persons designated as proxyholders in the accompanying Proxy intend to vote the common shares represented by such Proxy, properly executed, FOR the Stock Option Plan Resolution.**

ADDITIONAL INFORMATION

Additional information relating to Matica is available at www.sedar.com and upon request from Matica at Suite 700-350 Bay Street, Toronto, Ontario, M5H 2S6, telephone no.: (416) 304-9935 or email: info@maticaenterprises.com. Copies of documents referred to above will be provided, upon request, free of charge to security holders of Matica. Matica may require the payment of a reasonable charge from any person or company who is not a security holder of Matica, who requests a copy of any such document.

OTHER BUSINESS

Management is not aware of any matters to come before the Meeting other than those set forth in the Notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the Proxy to vote the Matica Shares represented thereby in accordance with their best judgment on such matter.

AVAILABLE INFORMATION

Matica files reports and other information with certain applicable Canadian Securities Authorities. Those reports containing additional information with respect to Matica's business and operations can be accessed through the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com. Financial information is provided in Matica's audited comparative financial statements and Management's Discussion and Analysis for the year ended December 31, 2013, and such information is available on SEDAR at www.sedar.com and will be sent free of charge to any Matica Shareholder upon written request.

APPROVAL OF BOARD

The contents and the sending of this Information Circular have been approved by the Matica Board.

DATED at Toronto, Ontario, on August 20, 2014.

BY ORDER OF THE BOARD OF DIRECTORS

"Boris Ziger"

Boris Ziger
Chief Executive Officer and Director

APPENDIX A

FORM OF CHANGE OF BUSINESS RESOLUTION

“BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:

1. The change of the primary focus (the “**Change of Business**”) of Matica Enterprises Inc. (“**Matica**”) from resource exploration to the medical marijuana industry, is hereby authorized, approved and adopted.
2. The Joint Venture Agreement between Matica and Bellarosa Distributing Ltd. (the “**Change of Business Agreement**”) and all transactions contemplated thereby, are hereby approved and adopted.
3. The Change of Business Agreement, the actions of the directors of Matica in approving the Change of Business Agreement and the actions of the directors and officers of Matica in executing and delivering the Change of Business Agreement and any amendments thereto in accordance with its terms are hereby ratified and approved.
4. Notwithstanding that this resolution has been passed (and the Change of Business adopted) by the shareholders of Matica, the directors of Matica are hereby authorized and empowered (i) to amend the Change of Business Agreement to the extent permitted by the Change of Business Agreement, and (ii) not to proceed with the Change of Business.
5. Any officer or director of Matica is hereby authorized and directed for and on behalf of Matica to execute or cause to be executed, under the seal of Matica or otherwise, and to deliver or cause to be delivered, all such documents and instruments and to perform or cause to be performed all such other acts and things as in such person’s opinion may be necessary or desirable to give full effect to the foregoing resolution and the matters authorized thereby, such authorization to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing.”

APPENDIX B

MATICA AUDIT COMMITTEE CHARTER

PURPOSE OF THE COMMITTEE

The purpose of the Audit Committee (the "**Committee**") of the Board of Directors (the "Board") of the Corporation is to provide an open avenue of communication between Management, the Corporation's independent auditor and the Board and to assist the Board in its oversight of:

- the integrity, adequacy and timeliness of the Corporation's financial reporting and disclosure practices;
- the Corporation's compliance with legal and regulatory requirements related to financial reporting; and
- the independence and performance of the Corporation's independent auditor.

The Committee shall also perform any other activities consistent with this Charter, the Corporation's articles and governing laws as the Committee or Board deems necessary or appropriate.

The Committee shall consist of at least three directors. Members of the Committee shall be appointed by the Board and may be removed by the Board at its discretion. The members of the Committee shall elect a Chairman from among their number. A majority of the members of the Committee must not be officers or employees of the Corporation or of an affiliate of the Corporation. The quorum for a meeting of the Committee is a majority of the members who are not officers or employees of the Corporation or of an affiliate of the Corporation. With the exception of the foregoing quorum requirement, the Committee may determine its own procedures.

The Committee's role is one of oversight. Management is responsible for preparing the Corporation's financial statements and other financial information and for the fair presentation of the information set forth in the financial statements in accordance with International Financial Reporting Standards ("**IFRS**"). Management is also responsible for establishing internal controls and procedures and for maintaining the appropriate accounting and financial reporting principles and policies designed to assure compliance with accounting standards and all applicable laws and regulations.

The independent auditor's responsibility is to audit the Corporation's financial statements and provide its opinion, based on its audit conducted in accordance with generally accepted auditing standards, that the financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of the Corporation in accordance with IFRS.

The Committee is responsible for recommending to the Board the independent auditor to be nominated for the purpose of auditing the Corporation's financial statements, preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation, and for reviewing and recommending the compensation of the independent auditor. The Committee is also directly responsible for the evaluation of and oversight of the work of the independent auditor. The independent auditor shall report directly to the Committee.

AUTHORITY AND RESPONSIBILITIES

In addition to the foregoing, in performing its oversight responsibilities the Committee shall:

1. Monitor the adequacy of this Charter and recommend any proposed changes to the Board.
2. Review the appointments of the Corporation's Chief Financial Officer and any other key financial executives involved in the financial reporting process.
3. Review with Management and the independent auditor the adequacy and effectiveness of the Corporation's accounting and financial controls and the adequacy and timeliness of its financial reporting processes.
4. Review with Management and the independent auditor the annual financial statements and related documents and review with management the unaudited quarterly financial statements and related

documents, prior to filing or distribution, including matters required to be reviewed under applicable legal or regulatory requirements.

5. Where appropriate and prior to release, review with management any news releases that disclose annual or interim financial results or contain other significant financial information that has not previously been released to the public.
6. Review the Corporation's financial reporting and accounting standards and principles and significant changes in such standards or principles or in their application, including key accounting decisions affecting the financial statements, alternatives thereto and the rationale for decisions made.
7. Review the quality and appropriateness of the accounting policies and the clarity of financial information and disclosure practices adopted by the Corporation, including consideration of the independent auditor's judgment about the quality and appropriateness of the Corporation's accounting policies. This review may include discussions with the independent auditor without the presence of management.
8. Review with management and the independent auditor significant related party transactions and potential conflicts of interest.
9. Pre-approve all non-audit services to be provided to the Corporation by the independent auditor.
10. Monitor the independence of the independent auditor by reviewing all relationships between the independent auditor and the Corporation and all non-audit work performed for the Corporation by the independent auditor.
11. Establish and review the Corporation's procedures for the:
 - a. receipt, retention and treatment of complaints regarding accounting, financial disclosure, internal controls or auditing matters; and
 - b. confidential, anonymous submission by employees regarding questionable accounting, auditing and financial reporting and disclosure matters.
12. Conduct or authorize investigations into any matters that the Committee believes is within the scope of its responsibilities. The Committee has the authority to retain independent counsel, accountants or other advisors to assist it, as it considers necessary, to carry out its duties, and to set and pay the compensation of such advisors at the expense of the Corporation.
13. Perform such other functions and exercise such other powers as are prescribed from time to time for the audit committee of a reporting company in Parts 2 and 4 of Multilateral Instrument 52-110 of the Canadian Securities Administrators, the Business Corporations Act (British Columbia) and the articles of the Corporation

APPENDIX C
NEW STOCK OPTION PLAN

MATICA ENTERPRISES INC.

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE 1 DEFINITIONS AND INTERPRETATION	1
1.1 Definitions.....	1
1.2 Choice of Law.....	4
1.3 Headings	4
ARTICLE 2 PURPOSE AND PARTICIPATION	4
2.1 Purpose.....	4
2.2 Participation	4
2.3 Notification of Award.....	5
2.4 Copy of Plan	5
2.5 Limitation.....	5
ARTICLE 3 TERMS AND CONDITIONS OF OPTIONS	5
3.1 Board to Allot Shares.....	5
3.2 Number of Shares	5
3.3 Exercise Price.....	6
3.4 Term of Option	6
3.5 Termination of Option	6
3.6 Vesting Requirements	8
3.7 Effect of a Take-Over Bid.....	8
3.8 Acceleration of Expiry Date	8
3.9 Effect of Reorganization, Amalgamation or Merger	9
3.10 Effect of Change of Control.....	9
3.11 Assignment of Options	9
3.12 Adjustments	9
3.13 Exclusion From Severance Allowance, Retirement Allowance or Termination Settlement.....	9
ARTICLE 4 EXERCISE OF OPTION.....	10
4.1 Exercise of Option	10
4.2 Issue of Share Certificates	10
4.3 Condition of Issue.....	10
ARTICLE 5 ADMINISTRATION	10
5.1 Administration	10
5.2 Interpretation.....	11
5.3 Withholding	11
ARTICLE 6 AMENDMENT AND TERMINATION	12
6.1 Prospective Amendment	12
6.2 Retrospective Amendment.....	12
6.3 Termination.....	12
6.4 Agreement.....	12
6.5 No Shareholder Rights.....	12

6.6	Record Keeping	13
6.7	No Representation or Warranty	13
6.8	Option Holder Status	13
ARTICLE 7 APPROVALS REQUIRED FOR PLAN.....		13
7.1	Substantive Amendments to Plan	13

STOCK OPTION PLAN
MATICA ENTERPRISES INC.

ARTICLE 1
DEFINITIONS AND INTERPRETATION

1.1 Definitions

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

- (a) “Act” means the *Business Corporations Act* (British Columbia);
- (b) “Administrator” means such director or other senior officer or employee of the Company as may be designated as Administrator by the Board from time to time;
- (c) “affiliate” has the meaning ascribed thereto in the Act;
- (d) “associate” has the meaning ascribed thereto in the Securities Act;
- (e) “Award Date” means the date on which the Board grants a particular Option;
- (f) “Board” means the board of directors of the Company;
- (g) “Change of Control” means the acquisition by any person or by any person and a joint actor, whether directly or indirectly, of voting securities of the Company, which, when added to all other voting securities of the Company at the time held by such person or by such person and a joint actor, totals for the first time not less than fifty percent (50%) of the outstanding voting securities of the Company or the votes attached to those securities are sufficient, if exercised, to elect a majority of the Board;
- (h) “Company” means Matica Enterprises Inc.;
- (i) “Consultant” means an individual or Consultant Company, other than an Employee or a Director, that:
 - (i) is engaged to provide on an ongoing *bona fide* basis consulting, technical, management or other services to the Company or to an affiliate of the Company, other than services provided in relation to a distribution,
 - (ii) provides the services under a written contract between the Company or the affiliate and the individual or a Consultant Company,

- (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 an affiliate of the Company, and
- (iv) has a relationship with the Company or an affiliate of the Company that enables the individual to be knowledgeable about the business and affairs of the Company;
- (j) “Consultant Company” means, for an individual consultant, a company or partnership of which the individual consultant is an employee or shareholder or partner;
- (k) “Director” means a director, officer, Management Company Employee of the Company or an affiliate of the Company to whom Options can be granted in reliance on a prospectus exemption under applicable securities laws;
- (l) “Disinterested Shareholder Approval” means approval by a majority of the votes cast by all the Company’s shareholders at a duly constituted shareholders’ meeting, excluding votes attached to shares of the Company beneficially owned by insiders to whom options may be granted under the Plan and their associates and affiliates;
- (m) “Employee” means:
 - (i) an individual who is considered an employee of the Company or its subsidiary under the *Income Tax Act* (Canada) (i.e. for whom income tax, employment insurance and CPP deductions must be made at source),
 - (ii) an individual who works full-time for the Company or its subsidiary providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work, as an employee of the Company, but for whom income tax deductions are not made at source, or
 - (iii) an individual who works for the Company or its subsidiary 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 over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source;
- (n) “Exchange” means the Canadian Securities Exchange or, if the Shares are no longer listed for trading on the Canadian Securities Exchange, such other exchange or quotation system on which the Shares are listed or quoted for trading;
- (o) “Exercise Notice” means the notice respecting the exercise of an Option in the form set out as Schedule “B” hereto, duly executed by the Option Holder;

- (p) “Exercise Period” means the period during which a particular Option may be exercised and is the period from and including the Award Date through to and including the Expiry Date, subject to the provisions of the Plan relating to the vesting of Options;
- (q) “Exercise Price” means the price at which an Option may be exercised as determined in accordance with paragraph 3.3;
- (r) “Expiry Date” means the date determined in accordance with paragraphs 3.4 and 3.8 and after which a particular Option cannot be exercised;
- (s) “insider” has the meaning ascribed thereto in the Securities Act;
- (t) “Investor Relations Activities” has the meaning ascribed thereto in the Securities Act;
- (u) “Management Company Employee” means an individual employed by a person providing management services to the Company, which are required for the ongoing successful operation of the business enterprise of the Company, but excluding a person involved in Investor Relations Activities;
- (v) “Option” means an option to acquire Shares, awarded to a Director, Employee or Consultant pursuant to the Plan;
- (w) “Option Certificate” means the certificate, substantially in the form set out as Schedule “A” hereto, evidencing an Option;
- (x) “Option Holder” means a Director, Employee or Consultant, or a former Director, Employee or Consultant, who holds an unexercised and unexpired Option or, where applicable, the Personal Representative of such person;
- (y) “Plan” means this stock option plan;
- (z) “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;
- (aa) “Securities Act” means the *Securities Act*, R.S.B.C. 1996, c.418, as amended, as at the date hereof; and
- (bb) “Share” or “Shares” means, as the case may be, one or more common shares without par value in the capital of the Company.

1.2 Choice of Law

The Plan is established under, and the provisions of the Plan are to be interpreted and construed in accordance with, the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

1.3 Headings

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

ARTICLE 2 PURPOSE AND PARTICIPATION

2.1 Purpose

The purpose of the Plan is to provide the Company with a share-related mechanism to attract, retain and motivate qualified Directors, Employees and Consultants, to reward such of those Directors, Employees and Consultants as may be awarded Options under the Plan by the Board from time to time for their contributions toward the long term goals of the Company and to enable and encourage such Directors, Employees and Consultants to acquire Shares as long term investments.

2.2 Participation

The Board shall, from time to time, in its sole discretion determine those Directors, Employees and Consultants, if any, to whom Options are to be awarded. If the Board elects to award an Option to a Director, the Board shall, in its sole discretion but subject to paragraph 3.2, determine the number of Shares to be acquired on the exercise of such Option. A director of the Company to whom an Option may be granted shall not participate in the decision of the Board to grant such Option. If the Board elects to award an Option to an Employee or Consultant, the number of Shares to be acquired on the exercise of such Option shall be determined by the Board in its sole discretion, and in so doing the Board may take into account the following criteria:

- (a) the remuneration paid to the Employee or Consultant as at the Award Date in relation to the total remuneration payable by the Company to all of its Employees and Consultants as at the Award Date;
- (b) the length of time that the Employee or Consultant has been employed or engaged by the Company;
- (c) the quality of work performed by the Employee or Consultant; and
- (d) any other factors which it may deem proper and relevant.

2.3 Notification of Award

Following the approval by the Board of the awarding of an Option, the Administrator shall notify the Option Holder in writing of the award and shall enclose with such notice the Option Certificate representing the Option so awarded.

2.4 Copy of Plan

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

2.5 Limitation

The Plan does not give any Option Holder that is a Director the right to serve or continue to serve as a Director of the Company 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. Participation in the Plan by an Option Holder is voluntary.

ARTICLE 3 TERMS AND CONDITIONS OF OPTIONS

3.1 Board to Allot Shares

The Shares to be issued to Option Holders upon the exercise of Options shall be allotted and authorized for issuance by the Board prior to the exercise thereof.

3.2 Number of Shares

The maximum number of Shares issuable under the Plan, together with the number of Shares issuable under outstanding options granted otherwise than under the Plan, shall not exceed 10% of the Shares outstanding from time to time. Additionally, the Company shall not grant Options:

- (a) to any one person in any 12 month period which could, when exercised, result in the issuance of Shares exceeding five percent (5%) of the issued and outstanding Shares of the Company unless the Company has obtained the requisite Disinterested Shareholder Approval to the grant; or
- (b) to any one Consultant in any 12 month period which could, when exercised, result in the issuance of Shares exceeding 2% of the issued and outstanding Shares of the Company; or
- (c) in any 12 month period, to persons employed or engaged by the Company to perform Investor Relations Activities which could, when exercised, result in the issuance of Shares exceeding, in aggregate, 2% of the issued and outstanding Shares of the Company.

If any Option expires or otherwise terminates for any reason without having been exercised in full, the number of Shares in respect of which Option expired or terminated shall again be available for the purposes of the Plan.

3.3 Exercise Price

The Exercise Price shall be that price per share, as determined by the Board in its sole discretion as of the Award Date, at which an Option Holder may purchase a Share upon the exercise of an Option, and shall not be less than the last closing price of the Company's Shares traded through the facilities of the Exchange prior to the grant of the Option, less any discount permitted by the Exchange, or such other price as may be required by the Exchange. Any reduction in the exercise price of an Option held by an Option Holder who is an insider of the Company at the time of the proposed reduction will require Disinterested Shareholder Approval.

3.4 Term of Option

Subject to paragraph 3.5, the Expiry Date of an Option shall be the date so fixed by the Board at the time the particular Option is awarded, provided that such date shall not be later than the tenth anniversary of the Award Date of the Option.

3.5 Termination of Option

An Option Holder may, subject to any vesting provisions applicable to Options hereunder, exercise an Option in whole or in part at any time or from time to time during the Exercise Period provided that, with respect to the exercise of part of an Option, the Board may at any time and from time to time fix a minimum or maximum number of Shares in respect of which an Option Holder may exercise part of any Option held by such Option Holder. Any Option or part thereof not exercised within the Exercise Period shall terminate and become null, void and of no effect as of 5:00 p.m. local time in Vancouver, British Columbia, on the Expiry Date. The Expiry Date of an Option shall be the earlier of the date so fixed by the Board at the time the Option is awarded and the date established, if applicable, in sub-paragraphs (a) to (c) below (the "Early Termination Date"):

(a) Death

In the event that the Option Holder should die while he or she is still a Director (if he or she holds his or her Option as Director) or Employee or Consultant (if he or she holds his or her Option as Employee or Consultant), the Early Termination Date shall be twelve (12) months from the date of death of the Option Holder; or

(b) Ceasing to Hold Office

In the event that the Option Holder holds his or her Option as Director of the Company and such Option Holder ceases to be a Director of the Company other than by reason of death, the Early Termination Date of the Option shall be the date following 90 days after the Option Holder has ceased to be a Director, unless the Option Holder ceases to be a Director of the Company but continues to be engaged by the Company as an Employee or a Consultant, in which case the Expiry Date shall remain unchanged, or unless the Option Holder ceases to be a Director of the Company as a result of:

- (i) ceasing to meet the qualifications set forth in the *Business Corporations Act* (British Columbia), or
- (ii) a resolution having been passed by the shareholders of the Company pursuant to the *Business Corporations Act* (British Columbia) removing the Director as such, or
- (iii) by order of the British Columbia Registrar of Companies, British Columbia Securities Commission, the Exchange or any other regulatory body having jurisdiction to so order,

in which case the Early Termination Date shall be the date the Option Holder ceases to be a Director of the Company.

(c) Ceasing to be an Employee or a Consultant

In the event that the Option Holder holds his or her Option as an Employee or Consultant of the Company and such Option Holder ceases to be an Employee or Consultant of the Company other than by reason of death, the Early Termination Date of the Option shall be the date following 90 days after the Option Holder ceases to be an Employee or Consultant, unless the Option Holder continues to be in a different position with the Company, in which case the Expiry Date shall remain unchanged, or unless the Option Holder ceases to be an Employee or Consultant of the Company as a result of:

- (i) termination for cause or, in the case of a Consultant, breach of contract, or
- (ii) by order of the British Columbia Registrar of Companies, British Columbia Securities Commission, the Exchange or any other regulatory body having jurisdiction to so order,

in which case the Early Termination Date shall be the date the Option Holder ceases to be an Employee or Consultant of the Company.

Notwithstanding the foregoing, the Early Termination Date for Options granted to any Option Holder engaged primarily to provide Investor Relations Activities shall be the 30th day following the date that the Option Holder ceases to be employed in such capacity, unless the Option Holder continues to be engaged by the Company as an Employee or Director, in which case the Early Termination Date shall be determined as set forth above.

3.6 Vesting Requirements

All Options granted pursuant to the Plan will be subject to such vesting requirements as may be prescribed by the Exchange, if applicable, or as may be imposed by the Board.

The Option Certificate representing any such Option will disclose any vesting conditions.

3.7 Effect of a Take-Over Bid

If a *bona fide* offer (an "Offer") for Shares is made to an Option Holder or to shareholders of the Company generally or to a class of shareholders which includes the Option Holder, which Offer, if accepted in whole or in part, would result in the offeror becoming a control person of the Company, within the meaning of the Securities Act, the Company shall, immediately upon receipt of notice of the Offer, notify each Option Holder of the full particulars of the Offer, whereupon all Shares subject to Options will become vested and the Options may be exercised in whole or in part by each Option Holder so as to permit each Option Holder to tender the Shares received upon exercise of his Options, pursuant to the Offer. However, if:

- (a) the Offer is not completed within the time specified therein; or
- (b) all of the Shares acquired by the Option Holder on the exercise of his Option and tendered pursuant to the Offer are not taken up or paid for by the offeror in respect thereof;

then the Shares received upon the exercise of such Options, or in the case of clause (b) above, the Shares that are not taken up and paid for, may be returned by each Option Holder to the Company and reinstated as authorized but unissued Shares and with respect to such returned Shares, the Options shall be reinstated as if they had not been exercised and the terms upon which such Shares were to become vested pursuant to paragraph 3.6 shall be reinstated. If any Shares are returned to Company under this paragraph 3.7, the Company shall immediately refund the exercise price to the Option Holder for such Shares.

3.8 Acceleration of Expiry Date

If at any time when an Option granted under the Plan remains unexercised an Offer is made by an offeror, the Board may, upon notifying each Option Holder of full particulars of the Offer, declare vested all Shares issuable upon the exercise of Options granted under the Plan, and, notwithstanding paragraphs 3.4 and 3.5, declare that the Expiry Date for the exercise of all unexercised Options granted under the Plan is accelerated so that all Options will either be exercised or will expire prior to the date upon which Shares must be tendered pursuant to the Offer.

3.9 Effect of Reorganization, Amalgamation or Merger

If the Company is reorganized, amalgamated or merges with or into another Company, at the discretion of the Board, any Shares receivable on the exercise of an Option shall be converted into the securities, property or cash which the Option Holder would have received upon such reorganization, amalgamation or merger if the Option Holder had exercised his Option immediately prior to the record date applicable to such reorganization, amalgamation or merger, and the exercise price shall be adjusted appropriately by the Board and such adjustment shall be binding for all purposes of the Plan.

3.10 Effect of Change of Control

If a Change of Control occurs, all Shares subject to each outstanding Option will become vested, subject to any required approval of the Exchange, whereupon all Options may be exercised in whole or in part by the Option Holder.

3.11 Assignment of Options

Options may not be assigned or transferred, provided however that the Personal Representative of an Option Holder may, to the extent permitted by paragraph 4.1, exercise the Option within the Exercise Period.

3.12 Adjustments

If, prior to the complete exercise of any Option, the Shares are consolidated, subdivided, converted, exchanged or reclassified or in any way substituted for (collectively the "Event") other shares of the Company, an Option, to the extent that it has not been exercised, shall be adjusted by the Board in accordance with such Event in the manner the Board deems appropriate. No fractional Shares shall be issued upon the exercise of any Option and accordingly, if as a result of the Event, 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 with respect to the fractional interest so disregarded.

3.13 Exclusion From Severance Allowance, Retirement Allowance or Termination Settlement

If an Option Holder retires, resigns or is terminated from employment or engagement with the Company or any subsidiary of the Company, the loss or limitation, if any, pursuant to the Option Certificate with respect to the right to purchase Shares which were not vested at the time or which, if vested, were cancelled, shall not give rise to any right to damages and shall not be included in the calculation of nor form any part of any severance allowance, retiring allowance or termination settlement of any kind whatsoever in respect of such Option Holder.

ARTICLE 4 EXERCISE OF OPTION

4.1 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 or from time to time during the Exercise Period up to 5:00 p.m. local time in Vancouver, British Columbia on the Expiry Date by delivering to the Administrator an Exercise Notice, the applicable Option Certificate and a certified cheque or bank draft payable to the Company in an amount equal to the aggregate Exercise Price of the Shares to be purchased pursuant to the exercise of the Option.

4.2 Issue of Share Certificates

As soon as practicable following the receipt of the Exercise Notice, the Administrator shall cause to be delivered to the Option Holder a certificate for the Shares purchased pursuant to the exercise of the Option. If the number of Shares purchased is less than the number of Shares subject to the Option Certificate surrendered, the Administrator shall forward a new Option Certificate to the Option Holder concurrently with delivery of the aforesaid share certificate for the balance of Shares available under the Option.

4.3 Condition of Issue

The issue of Shares by the Company pursuant to the exercise of an Option is subject to this Plan and compliance with the laws, rules and regulations of all regulatory bodies applicable to the issuance and distribution of such Shares and to the listing requirements of the Exchange or any stock exchange on which the Shares may be listed. The Option Holder agrees to comply with all such laws, rules and regulations and agrees to furnish to the Company any information, report and/or undertakings required to comply with and to fully co-operate with the Company in complying with such laws, rules and regulations.

ARTICLE 5 ADMINISTRATION

5.1 Administration

The Plan shall be administered by the Administrator on the instructions of the Board. The Board may make, amend and repeal at any time and from time to time such regulations not inconsistent with the Plan as it may deem necessary or advisable for the proper administration and operation of the Plan and such regulations shall form part of the Plan. The Board may delegate to the Administrator or any Director or Employee of the Company such administrative duties and powers as it may see fit.

5.2 Interpretation

The interpretation by the Board of any of the provisions of the Plan and any determination by it pursuant thereto shall be final and conclusive and shall not be subject to any dispute by any Option Holder. No member of the Board or any person acting pursuant to authority delegated by it hereunder shall be liable for any action or determination in connection with the Plan made or taken in good faith and each member of the Board 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.

5.3 Withholding

The Company may withhold from any amount payable to an Option Holder, either under this Plan or otherwise, such amount as may be necessary to enable the Company to comply with the applicable requirements of any federal, provincial, state or local law, or any administrative policy of any applicable tax authority, relating to the withholding of tax or any other required deductions with respect to grants hereunder (the "Withholding Obligations"). The Company shall also have the right in its discretion to satisfy any liability for any Withholding Obligations by selling, or causing a broker to sell, on behalf of any Option Holder such number of Shares issued to the Option Holder sufficient to fund the Withholding Obligations (after deducting commissions payable to the broker), or retaining any amount payable which would otherwise be delivered, provided or paid to the Option Holder hereunder.

The Company may require an Option Holder, as a condition to exercise of an Option, to make such arrangements as the Company may require so that the Company can satisfy applicable Withholding Obligations with respect to such exercise, including, without limitation, requiring the Option Holder to: (i) remit the amount of any such Withholding Obligations to the Company in advance; (ii) reimburse the Company for any such Withholding Obligations; (iii) authorize the Company to sell, on behalf of the Option Holder, all of the Shares issuable upon exercise of such Options or such number of Shares as is required to satisfy the Withholding Obligations and to retain such portion of the net proceeds (after payment of applicable commissions and expenses) from such sale the amount required to satisfy any such Withholding Obligations; or (iv) cause a broker who sells Shares acquired by the Option Holder under the Plan on behalf of the Option Holder to withhold from the proceeds realized from such sale the amount required to satisfy any such Withholding Obligations and to remit such amount directly to the Company. The Company undertakes to remit any such amount to the applicable taxation or regulatory authority on account of such Withholding Obligations.

Any Shares of a Option Holder that are sold by the Company, or by a broker engaged by the Company (the "Broker"), to fund Withholding Obligations will be sold as soon as practicable in transactions effected on the Exchange or such other stock exchange where the majority of the trading volume and value of the Shares occurs. In effecting the sale of any such Shares, the Company or the Broker will exercise its sole judgement as to the timing and manner of sale and will not be obligated to seek or obtain a minimum price. Neither the Company nor the Broker will be liable for any loss arising out of any sale of such Shares including any loss relating to the manner or timing of such sales, the prices at which the Shares are sold or otherwise. In addition, neither the Company nor the Broker will be liable for any loss arising from a delay in transferring

any Shares to an Option Holder. The sale price of Shares sold on behalf of Option Holders will fluctuate with the market price of the Company's shares and no assurance can be given that any particular price will be received upon any such sale.

ARTICLE 6 AMENDMENT AND TERMINATION

6.1 Prospective Amendment

Subject to applicable regulatory and, if required by any relevant law, rule or regulation applicable to the Plan, to shareholder approval, the Board may from time to time amend the Plan and the terms and conditions of any Option thereafter to be granted and, without limiting the generality of the foregoing, may make such amendment for the purpose of meeting any changes in any relevant law, rule or regulation applicable to the Plan, any Option or the Shares or for any other purpose which may be permitted by all relevant laws, rules and regulations, provided always that any such amendment shall not alter the terms or conditions of any Option or impair any right of any Option Holder pursuant to any Option awarded prior to such amendment. Notwithstanding the foregoing, the Board may, subject to the requirements of the Exchange, amend the terms upon which each Option shall become vested with respect to Shares without further approval of the Exchange, other regulatory bodies having authority over the Company, the Plan or the shareholders.

6.2 Retrospective Amendment

Subject to applicable regulatory and, if required by any relevant law, rule or regulation applicable to the Plan, to shareholder approval, the Board may from time to time retrospectively amend the Plan and, with the consent of the affected Option Holders, retrospectively amend the terms and conditions of any Options which have been previously granted.

6.3 Termination

The Board may terminate the Plan at any time provided that such termination shall not alter the terms or conditions of any Option or impair any right of any Option Holder pursuant to any Option awarded prior to the date of such termination. Notwithstanding the termination of the Plan, the Company, Options awarded under the Plan, Option Holders and Shares issuable under Options awarded under the Plan shall continue to be governed by the provisions of the Plan.

6.4 Agreement

The Company and every person to whom an Option is awarded hereunder shall be bound by and subject to the terms and conditions of the Plan.

6.5 No Shareholder Rights

An Option Holder shall not have any rights as a shareholder of the Company with respect to any of the Shares covered by an Option until the Option Holder exercises such Option in accordance with the terms of the Plan and the issuance of the Shares by the Company.

6.6 Record Keeping

The Company shall maintain a register in which shall be recorded the name and address of each Option Holder, the number of Options granted to an Option Holder, the details thereof and the number of Options outstanding.

6.7 No Representation or Warranty

The Company makes no representation or warranty as to the future market value of any Shares issued in accordance with the provisions of the Plan.

6.8 Option Holder Status

For stock options granted to Employees, Consultants or Management Company Employees, the Company represents that each such Option Holder will be a *bona fide* Employee, Consultant or Management Company Employee, as the case may be.

**ARTICLE 7
APPROVALS REQUIRED FOR PLAN**

7.1 Substantive Amendments to Plan

Any substantive amendments to the Plan shall be subject to the Company first obtaining the approvals of:

- (a) the shareholders or disinterested shareholders, as the case may be, of the Company at a general meeting where required by the rules and policies of the Exchange or any stock exchange on which the Shares may be listed for trading; and
- (b) the Exchange or any stock exchange on which the Shares may be listed for trading.

Approved by the directors on September 29, 2014.

SCHEDULE "A"

**MATICA ENTERPRISES INC.
STOCK OPTION PLAN OPTION CERTIFICATE**

This Certificate is issued pursuant to the provisions of the Stock Option Plan (the "Plan") of Matica Enterprises Inc. (the "Company") and evidences that _____ (the "Option Holder") is the 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 \$ _____ per Share. Subject to the provisions of the Plan:

- (a) the Award Date of this Option is _____; and
- (b) the Expiry Date of this Option is _____.

The right to purchase Shares under the Option will vest in the Option Holder in increments over the term of the Option as follows:

Date	Cumulative Number of Shares which may be Purchased

This Option may be exercised in accordance with its terms at any time and from time to time from and including the Award Date through to and including up to 5:00 p.m. local time in Vancouver, British Columbia on the Expiry Date, by delivery to the Administrator of the Plan an Exercise Notice, in the form provided in the Plan, together with this Certificate and a certified cheque or bank draft payable to "Matica Enterprises Inc." in an amount equal to the aggregate of the Exercise Price of the Shares in respect of which the Option is being exercised and all applicable withholdings. If the Option Holder is an employee, consultant or management company employee, the Option Holder confirms that it is a bona fide employee, consultant or management company employee, as the case may be.

This Certificate and the Option evidenced hereby are not assignable, transferable or negotiable and are subject to the detailed terms and conditions contained in the Plan. 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.

The foregoing Option has been awarded this _____ day of _____.

The Option Holder acknowledges that:

1. the Option Holder has read and understands the Plan, and agrees to the terms and conditions of the Plan and this Certificate; and
2. the Option Holder consents to the disclosure by the Company of personal information regarding the Option Holder to the Canadian Securities Exchange (the "Exchange") and to the collection, use and disclosure of such information by the Exchange, as the Exchange may determine.

MATICA ENTERPRISES INC.

Per: _____
Authorized Signatory

SCHEDULE "B"
EXERCISE NOTICE

TO: The Administrator, Stock Option Plan
 Matica Enterprises Inc.

1. Exercise of Option

The undersigned hereby irrevocably gives notice, pursuant to the Stock Option Plan (the "Plan") of Matica Enterprises Inc. (the "Company"), of the exercise of the Option to acquire and hereby subscribes for (cross out inapplicable item):

- (a) all of the Shares; or
- (b) _____ of the Shares which are the subject of the option certificate attached hereto.

Calculation of total Exercise Price:

- (a) number of Shares to be acquired on exercise: _____ Shares
- (b) times the Exercise Price per Share: \$_____
- Total Exercise Price, as enclosed herewith: \$_____

2. Withholding Obligations

The undersigned acknowledges that the Company has tax remittance and withholding obligations pursuant to the *Income Tax Act* (Canada). Accordingly, in accordance with Section 5.3 of the Plan, the undersigned has enclosed a cheque(s) in the amount of \$_____ for the total Exercise Price of the Shares and all applicable withholdings payable to "Matica Enterprises Inc."

The undersigned's estimated taxable income for the current tax year is \$_____.

3. Residency

The undersigned certifies that he or she [check applicable box]:

is; or

is not

a resident of Canada.

4. Issuance and Delivery of Share Certificate

The Company is directed to deliver the share certificate evidencing the number of Shares to be issued to the undersigned pursuant to this Exercise Notice to the undersigned at the following address:

DATED the _____ day of _____.

Witness

Signature of Option Holder

Name of Witness (Print)

Name of Option Holder (Print)