

**MATICA ENTERPRISES INC.**

**ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS  
TO BE HELD ON FRIDAY JUNE 28, 2019**

**LETTER FROM MANAGEMENT**

**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING**

**MANAGEMENT INFORMATION CIRCULAR AS AT MAY 24, 2019**

**MATICA ENTERPRISES INC.**

**May 24, 2019**

**Dear Matica Shareholder,**

**It is my pleasure to report on an exceptional 2018. In 2018, and thus far in 2019, Matica has met many of our set goals and expectations.**

**Our flagship project in Dorval, Quebec was granted a Standard Cultivation licence from Health Canada in October. This was a monumental achievement for our team. RoyalMax Biotechnology Canada Inc. is now one of only 13 cultivation licence holders in the Province of Quebec. With the first harvest completed in May 2019 and a second harvest due in June 2019, the Company expects to have its first sales of cannabis by the fall of 2019. Our exceptional team, working in a state of the art facility, has produced what should prove to be a top quality product. Our grow team has managed to produce a yield of over 2.8 pounds of flower per light. These results have truly surpassed our projections.**

**In 2018, Matica acquired a 181 acre farm south of Montreal where we are planning to erect 1,000,000 square feet of purpose built cannabis specific greenhouses in 200,000 square foot phases. During 2018, five acres were cleared and graded for construction of the first phase expected to advance to foundations this spring and greenhouse erection this summer. The Hemmingford township greenhouses are expected to propel Matica into the forefront of Quebec cannabis producers.**

**Not satisfied with cultivation alone, Matica has invested in cannabis delivery systems. Matica invested in Yunify Natural Technologies in 2018 with the goal of research and eventual production of cannabis or hemp topicals for the medical and personal care markets. Yunify, on behalf of Matica, has taken steps to introduce hemp derived CBD topicals to the US Market. In addition to topicals, Yunify has developed a personal care mist to remove the odour of cannabis. The product utilizes a naturally programmed Ion Encapsulation technology and contains naturally balanced minerals and trace minerals with high ionic exchange abilities. As with all Yunify products, these are natural and green products.**

**In anticipation of the expected legalisation of edibles in October of this year, Matica has purchased Trichome Treats. Working with Trichome's award winning chocolatiers we intend to produce a full range of adult-use cannabis infused products. Cannabis edibles, beverages and infused derivatives are due to be part of the future product mix. Building on our successes in 2018, Matica intends to continue to deliver and create value for shareholders.**

**On behalf of Matica, we would like to thank all our shareholders for their ongoing support.**

**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 44 Victoria Street, Suite 1102, Toronto, Ontario, on Friday, June 28, 2019 at 2:00 p.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, 2018 and December 31, 2017 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 the continuation of the stock option plan, as more particularly set out in the section of the information circular entitled “Continuation of the Stock Option Plan”;
5. appoint UHY McGovern Hurley 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. act upon such other matters, including amendments to the foregoing, as may properly come before the Meeting or any adjournment(s) or postponement(s) thereof.

The Information Circular and the appendices thereto are deemed to form part of this Notice of Meeting.

Registered holders of Matica common 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 2:00 p.m. (EDT) on Wednesday June 26, 2019 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 Ontario) before the time on the date to which the Meeting is adjourned or postponed.

Shareholders who do not hold Matica common 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 common shares will be voted at the Meeting. If Matica common 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 May 24, 2019.

**BY ORDER OF THE BOARD OF DIRECTORS**

*“Boris Ziger”*

**Boris Ziger**  
**Chief Executive Officer and Director**

# MATICA ENTERPRISES INC.

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# MATICA ENTERPRISES INC.

## MANAGEMENT PROXY CIRCULAR (unless otherwise noted, as at May 24, 2019)

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 44 Victoria Street, Suite 1102, Toronto, Ontario, on Friday, June 28, 2019 at 2:00 p.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 receipt of all necessary regulatory approvals and satisfaction of all other conditions in connection with the application for a license under the Access to Cannabis for Medical Purposes Regulations (“ACMPR”), and other statements that are not historical facts.

Key assumptions upon which forward-looking statements and information are based include that RoyalMax Biotechnologies Inc. will ultimately be licensed under the ACMPR. This assumption should be considered carefully. Readers are cautioned that the foregoing assumption is not exhaustive. Although Matica believes that the assumptions on which any forward-looking statements or information are made are reasonable, based on the information available to Matica on the date such statements are made, no assurances can be given as to whether these assumptions will prove to be correct.

Forward-looking statements or information are subject to 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 risk that the proposed transaction will not be completed if the requirements of the definitive agreement are not met 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 completing the proposed transaction could be delayed if Matica is not able to obtain the necessary approvals on the timelines planned; the risk of changes to assumptions relating to the parties completing the requirements of the definitive agreement, its structure, and the timing thereof, the timing of obtaining required approvals and satisfying closing conditions for the proposed transaction, the state of the economy in general and capital markets in particular, and the investor interest in the business and future prospects of Matica. In addition, if the proposed transaction is completed, there are significant risks associated with the medical marijuana sector and those described under the heading “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 any forward-looking statements and information.

Readers are cautioned that the foregoing list of factors is not exhaustive of the factors that may affect forward-looking statements. Readers are also cautioned to consider these and other factors, uncertainties and potential events carefully and not put undue reliance on forward-looking statements. The forward-looking statements contained in this Information Circular are based upon what management 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.

# MATICA ENTERPRISES INC.

## Notice Regarding Information

Information in this Information Circular is given as at May 24, 2019 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 44 Victoria Street, Suite 1102, Toronto, Ontario, on Friday, June 28, 2019 at 2:00 p.m. (EDT). The Matica Board has fixed the close of business on May 24, 2019 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.**

# MATICA ENTERPRISES INC.

## 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 continuation of the existing stock option plan, among other things.**

The Proxy confers discretionary authority on the persons named therein with respect to:

- (a) any 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 common shares may wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered holders of Matica common 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 390 Bay Street, Suite 920, Toronto, ON M5H 2Y2 or by hand delivery at 390 Bay Street, Suite 920, Toronto, ON , or by fax to (416) 350-5008, in all cases ensuring that the form of proxy is received before 2:00 p.m. (EDT) on Wednesday June 26, 2019 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 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.

## MATICA ENTERPRISES INC.

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 voter information form (“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 common shares. However, its purpose is limited to instructing the intermediary on how to vote your Matica common 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 common 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 common shares at the Meeting and that person might 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 common shares to be represented at the Meeting and the appointment of any shareholder’s representative. **If you receive a VIF from Broadridge, the VIF must be completed and returned to Broadridge, in accordance with its instructions, well in advance of the Meeting in order to have your Matica common shares voted or to have an alternate representative duly appointed to attend the Meeting and vote your Matica common shares at the Meeting.**

### **Notice to Matica Securityholders in the United States**

The solicitation of proxies involves 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.



## MATICA ENTERPRISES INC.

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 390 Bay Street, Suite 920, Toronto, ON M5H 2Y2, 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 by
- (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 315,791,822 common shares are issued and outstanding. Each common share in the capital of Matica has the right to one vote.

Shareholders registered as at May 24, 2019, 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 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.**

# MATICA ENTERPRISES INC.

## 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 <sup>(1)</sup>
Boris Ziger Toronto, Ontario, Canada Chief Executive Officer	Chief Executive Officer of Matica since September 2012	March 1, 2012	10,364,969
<i>George A. Brown</i> <sup>(2)</sup> Etobicoke, Ontario, Canada Interim Chief Financial Officer	Interim Chief Financial Officer of Matica since October 2015 President of MacMillan Minerals Inc. August 2012 to July 2016	May 25, 2015	2,831,312
Charn Deol <sup>(2)</sup> Richmond, British Columbia, Canada	Self-employed with a focus on administrative and consulting positions in public and private companies	March 15, 2017 (May 15, 2014 to June 15, 2016)	Nil
<i>Meissam Hagh Panah</i> <sup>(2)</sup> Montreal, Quebec, Canada	Self-employed with a focus on international affairs and business development recently focused on the cannabis and hemp industries.	May 24, 2019	8,640

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.

A shareholder can vote for all of the above nominees, vote for some of the above nominees and withhold voting for other of the nominees, or withhold voting 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.**

# MATICA ENTERPRISES INC.

## 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 (“CTO”) 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 CTO 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 February 6, 2008, the British Columbia Securities Commission (“BCSC”) issued a CTO prohibiting George Brown from trading in the securities of Duran Ventures Inc. and MacMillan Gold Corp. for failure to file required insider reports. The required insider reports were filed and the BCSC CTO was revoked August 16, 2010.

In May 2014, Matica’s management initiated a management cease trade order (“MCTO”) for not being able to timely file its December 31, 2013 audited financial statements. On May 12, 2014, the Ontario Securities Commission (“OSC”) issued a temporary MCTO against the CEO, Boris Ziger, and the former CFO, Richard Tong. On May 13, 2014, the BCSC issued a MCTO against the former CFO, Richard Tong. On May 23, 2014, the temporary OSC MCTO lapsed or expired and was replaced by a permanent OSC MCTO. Matica completed its 2013 annual filings and the OSC permanent MCTO lapsed or expired on June 4, 2014 and the BCSC MCTO was revoked June 6, 2014.

In May 2015, Matica’s management initiated a MCTO for not being able to timely file its December 31, 2014 audited financial statements. On May 4, 2015, the OSC issued a temporary MCTO against the CEO, Boris Ziger, and the former CFO, Richard Tong. On May 4, 2015, the BCSC issued a MCTO against the former CFO, Richard Tong. On May 15, 2015, the OSC temporary MCTO lapsed or expired and was replaced by a permanent OSC MCTO. Matica completed its 2014 annual filings and the OSC permanent MCTO lapsed or expired on June 8, 2015 and the BCSC MCTO was revoked on June 10, 2015.

In May 2016, Matica’s management initiated a management CTO for not being able to timely file its December 31, 2015 audited financial statements. On May 17, 2016, the OSC issued a temporary MCTO against the CEO, Boris Ziger, and the CFO, George Brown. On May 30, 2016, the OSC temporary MCTO lapsed or expired and was replaced by a permanent MCTO. On August 3, 2016, the OSC MCTO lapsed or expired and was replaced by a Failure to File CTO (“FFCTO”) against the Company. Matica completed the 2015 annual filings and the FFCTO was revoked on November 2, 2016.

## 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, 2018, Matica had two Named Executive Officers (“NEOs”) being, Boris Ziger, Chief Executive Officer (“CEO”), and George A. Brown, the Interim 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 consulting 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 stock 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 stock 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 determined by the previous closing 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.

# MATICA ENTERPRISES INC.

## 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 (\$) <sup>(1)</sup>	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$) <sup>(2)</sup>	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Boris Ziger CEO	2018	Nil	N/A	892,400	Nil	Nil	N/A	161,000	1,053,400
	2017	Nil	N/A	916,456	Nil	Nil	N/A	96,000	1,012,456
	2016	Nil	N/A	35,408	Nil	Nil	N/A	96,000	131,408
George Brown Interim CFO	2018	Nil	N/A	892,400	Nil	Nil	N/A	83,000	975,400
	2017	Nil	N/A	894,473	Nil	Nil	N/A	45,000	839,473
	2016	Nil	N/A	56,250	Nil	Nil	N/A	42,000	98,250

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. 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 the Company financial statements.
- (2) Other compensation consists of the value of shares issued in lieu of salary or bonuses.

### *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.

**MATICA ENTERPRISES INC.**

**Outstanding Option-Based Awards**

Name	Option-based Awards			
	Number of securities underlying unexercised options (#)	Option exercise price (\$) <sup>(1)</sup>	Option expiration date	Value of unexercised in-the-money options (\$) <sup>(1)</sup>
Boris Ziger CEO	3,500,000	0.11	July 11, 2019	Nil
	2,000,000	0.42	December 24, 2020	Nil
	2,000,000	0.35	March 23, 2021	Nil
	2,000,000	0.175	August 23, 2021	Nil
George A. Brown Interim CFO	3,000,000	0.11	July 11, 2019	Nil
	2,000,000	0.42	December 24, 2020	Nil
	2,000,000	0.35	March 23, 2021	Nil
	2,000,000	0.175	August 23, 2021	Nil

Note:

(1) "In-the-Money Options" means the excess of the market value of Matica's shares on December 31, 2018 over the exercise price of the options. The market price for Matica's common shares on December 31, 2018 was \$0.09

***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 CEO	892,400	Nil
George Brown Interim CFO	892,400	Nil

# MATICA ENTERPRISES INC.

## *Narrative Discussion*

The following information is a brief description of Matica's existing stock option plan (the "**Stock Option Plan**") and is qualified in its entirety by the full text of the Stock Option Plan, which will be available for review at the Meeting.

Stock options granted under the Stock Option Plan are 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 previous closing price of Matica's shares traded through the stock exchange on which Matica's shares are then trading, less any discount permitted by the stock exchange. The maximum number of common shares which may be issued pursuant to stock options previously granted and those granted under the 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 employee engaged in investor relations activities. Stock options are subject to vesting at the discretion of the Board.

Any stock options granted pursuant to the Stock Option Plan will terminate on the earlier of the expiry date of the grant or 90 days after the stock option holder ceases to act as a director, officer, employee or consultant of Matica. If such cessation is on account of retirement or death, the stock option will terminate on the earlier of the expiry date of the grant or twelve months after the termination of services. Any stock options granted to a stock option holder engaged primarily to provide investor relations activities will terminate on the earlier of the expiry date of the grant or 30 days after termination of services.

## **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 as noted in disclosures that follow, \$1,500 of compensation per fiscal quarter 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. A onetime \$10,000 achievement bonus was awarded to each non NEO director in 2018 for successfully receiving a cultivation licence.

## MATICA ENTERPRISES INC.

Set out below is a summary of compensation paid or accrued during Matica’s three most recently completed financial years to Matica’s directors, other than the NEOs previously disclosed.

### Director Compensation Table

Name	Year	Fees earned (\$)	Option-based awards <sup>(1)</sup> (\$)	Non-equity incentive plan compensation (\$)	All other compensation <sup>(2)</sup> (\$)	Total (\$)
Charn Deol	2018	6,000	446,200	Nil	10,000	462,200
	2017	1,500	417,991	Nil	3,000	422,491
	2016	9,000	3,331	Nil	Nil	12,331
Denis Bouchard	2018	6,000	446,200	Nil	10,000	462,200
	2017	3,000	403,463	Nil	Nil	406,463
	2016	N/A	N/A	N/A	N/A	N/A

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. 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 the Company financial statements.
- (2) Other compensation consists of the value of shares issued in lieu of director’s fees or bonuses.

### *Narrative Discussion*

The above directors of Matica were paid \$1,500 per fiscal quarter in 2018 and are currently paid \$3,000 per fiscal quarter for their services as directors, plus reimbursements for out-of-pocket expenses incurred in connection with such duties. Directors also participate in the Stock Option Plan.

### 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 non NEO 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 (\$) <sup>(1)</sup>
Charn Deol	1,000,000	0.35	March 23, 2021	Nil
	1,000,000	0.175	August 23, 2021	Nil
Denis Bouchard	1,000,000	0.42	July 28, 2019 <sup>(2)</sup>	Nil
	1,000,000	0.35	July 28, 2019 <sup>(2)</sup>	Nil
	1,000,000	0.175	July 28, 2019 <sup>(2)</sup>	Nil



## MATICA ENTERPRISES INC.

Note:

- (1) “In-the-Money Options” means the excess of the market value of Matica’s shares on December 31, 2018 over the exercise price of the options. The market price for Matica’s common shares on December 31, 2018 was \$0.09
- (2) Options to Mr. Bouchard expire 90 days from April 29, 2019 resignation date.

### *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 other than those disclosed on page 14 for any 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 (\$)
Charn Deol	446,200	Nil
Denis Bouchard	446,200	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 December 31, 2018 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	30,000,000	\$0.30	44,090
Equity compensation plans not approved by the securityholders	N/A	N/A	N/A
<b>Total</b>	30,000,000	\$0.30	44,090

### *Indebtedness of Directors and Executive Officers*

As at the date of this Information Circular and at all times since January 1, 2018, 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.

# MATICA ENTERPRISES INC.

## *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 election of directors, the appointment of auditors and the approval for the continuation of the existing 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, other than 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, UHY McGovern Hurley LLP, Chartered Accountants ("McGovern Hurley"), of Toronto, Ontario, 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 McGovern Hurley, as the auditor of Matica to hold office for the ensuing year with remuneration to be fixed by the directors. McGovern Hurley has been the auditor of Matica since April 2016.

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

**"IT IS RESOLVED THAT UHY McGovern Hurley 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 UHY McGovern Hurley LLP, Chartered Accountants."**

## **Audit Committee**

Matica is to have an audit committee comprised of not less than three directors, a majority of whom should be independent.

## *Audit Committee Charter*

The text of the audit committee's charter is attached as Appendix "A" 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 ENTERPRISES INC.

Matica’s audit committee consists of George Brown, Charn Deol, and Meissam Hagh Panah. In the view of Management of Matica, Charn Deol and Meissam Hagh Panah are “independent” as such term is defined in NI 52-110. George Brown, Charn Deol, and Meissam Hagh Panah are “financially literate” as such terms are defined in NI 52-110.

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

Mr. Brown has an Honours Bachelor of Business Administration degree from Bishop’s University in Lennoxville, Quebec. Mr. Brown has over 40 years experience in various management and financial reporting positions including a cumulative 15 years experience serving as CEO or President of four publicly listed resource companies. Mr. Brown has also been a director of six public companies including Matica.

Mr. Deol is a physiological psychologist by profession, having earned a M.A. in psychology from the University of British Columbia and a Ph.D. in counseling psychology from Columbia State College. Mr. Deol also has over 30 years of experience in the financial markets and has served on both private and public company boards.

Mr. Hagh Panah is a consultant with 10 years of international affairs and business development experience in a variety of industries with a special focus in the past few years on the Cannabis & Hemp sector in Québec and worldwide. He obtained a Certificate in Administration from HEC Montreal while working in diverse management roles in Montreal’s technologic sector.

## ***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 UHY McGovern Hurley LLP, Chartered Accountants, for services rendered in the last two fiscal years:

	<u>2018</u>	<u>2017</u>
	(\$)	(\$)
Audit fees <sup>(1)</sup> .....	25,000	20,000
Audit related fees <sup>(2)</sup> .....	Nil	Nil
Tax fees <sup>(3)</sup> .....	-	2,500
All other fees <sup>(4)</sup> .....	500	400
Total	<u>\$25,500</u>	<u>\$22,900</u>

# MATICA ENTERPRISES INC.

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 all 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 and George Brown, who is currently Interim Chief Financial Officer.

### ***Directorships***

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

- George A. Brown is a director of Terreno Resources Corp.
- Charn Deol is a director of Berkwood Resources Ltd., Saville Resources Inc., United Battery Metals Corp., and Syd Financial 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.

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## *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 currently in the form of stock option grants.

## *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.

## **CONTINUATION OF THE EXISTING STOCK OPTION PLAN**

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

The existing Stock Option Plan was last approved by shareholders on June 29, 2018. There are currently stock options outstanding under the existing Stock Option Plan representing % of the current outstanding common shares of Matica. The Board of Directors has deemed it appropriate to update the approval of the Stock Option Plan. Matica is therefore seeking approval for the continuation of the existing Stock Option Plan. If the continuation of the Stock Option Plan is approved, options to purchase common shares will be available to be granted, which, when combined with outstanding options, will represent up to 10% of the outstanding common shares of Matica.

The following information is intended as a brief description of the Stock Option Plan. The full text of the Stock Option Plan was filed on SEDAR on August 28, 2014 attached as Appendix "C" to the Information Circular dated August 20, 2014. A copy may also be requested from the Company and will be made available at the meeting.

1. The maximum number of Matica common shares issuable under the 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 previous 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.

## MATICA ENTERPRISES INC.

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 retirement or 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 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 continuation of the existing 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](http://www.sedar.com) and upon request from Matica at Suite 1102, 44 Victoria Street, Toronto, Ontario, M5C 1Y2, telephone number (416) 304-9935 or email: [info@maticaenterprises.com](mailto: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](http://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, 2018, and such information is available on SEDAR at [www.sedar.com](http://www.sedar.com) and will be sent free of charge to any Matica shareholder upon written request.

# MATICA ENTERPRISES INC.

## APPROVAL OF BOARD

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

DATED at Toronto, Ontario, on May 24, 2019.

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

*“Boris Ziger”*

Boris Ziger  
**Chief Executive Officer and Director**

## APPENDIX A

### 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