



## **WPD PHARMACEUTICALS INC.**

Suite 1080, 789 West Pender Street, Vancouver, BC V6C 1H2  
Tel: 604-428-7050

### **MANAGEMENT INFORMATION CIRCULAR**

(This document contains information as at September 1, 2021 and all amounts are in Canadian dollars, unless otherwise indicated.)

#### **GENERAL PROXY INFORMATION**

This Management Information Circular is furnished to the shareholders (the "Shareholders") of WPD Pharmaceuticals Inc. (the "Company") by the board of directors of the Company (the "Board") in connection with the solicitation by the Company's Board of proxies to be voted at the Annual General and Special Meeting (the "Meeting") of the Shareholders to be held on Wednesday, September 29 at 10:00 a.m. PST at 900 – 885 West Georgia Street, Vancouver, British Columbia or at any adjournment or postponement thereof.

#### **COVID-19**

**In view of COVID-19, the Company encourages Shareholders not to attend the Meeting in person. No more than 10 persons will be permitted to attend in person at the in-person location for the Meeting. The Company may take additional precautionary measures in relation to the Meeting in response to further developments in the COVID-19 outbreak. As always, the Company encourages Shareholders to vote prior to the Meeting.**

**Any person who intends to attend the Meeting in person must register at least 72 hours in advance and receive approval, by email notice with full name and contact information of Shareholder to Brittany Yap, [byap@cwilson.com](mailto:byap@cwilson.com).**

**Shareholders are encouraged to vote on the matters before the meeting by proxy and to join the Meeting by Zoom. Any person who intends to attend the Meeting via Zoom must register his/her name and email address with the Company's CFO at least 72 hours in advance by email to Michael Malana, [michael.malana@wpdpharmaceuticals.com](mailto:michael.malana@wpdpharmaceuticals.com). Registered persons will receive an invitation to the Zoom call by return email.**

## PROXIES AND VOTING RIGHTS

### Management Solicitation

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

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

### Appointment and Revocation of Proxy

#### Registered Shareholders

Registered Shareholders are entitled to vote at the Meeting. A Shareholder is entitled to one vote for each common share in the capital of the Company ("Common Shares") that such Shareholder holds on August 6, 2021 (the "Record Date") on the resolutions to be acted upon at the Meeting and any other matter to come before the Meeting. The persons named as proxy holders (the "Designated Persons") in the enclosed form of proxy are directors and/or officers of the Company.

**In order to be voted, the completed form of proxy must be received by the Company's registrar and transfer agent, Computershare Investor Services Inc., at their offices located at 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario M5J 2Y1 (Tel: 1 800 564 6253), at least 48 hours (excluding Saturdays, Sundays and holidays recognized in the Province of British Columbia) prior to the scheduled commencement of the Meeting or an adjournment of the Meeting.**

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

A Shareholder who has given a proxy may revoke it at any time, before it is exercised, by an instrument in writing: (a) executed by that Shareholder or by that Shareholder's attorney-in-fact authorized in writing or, where that Shareholder is a corporation, by a duly authorized officer of, or attorney-in-fact for, the corporation and (b) delivered either: (i) to the Company at Suite 1080, 789 West Pender Street, Vancouver, BC V6C 1H2 (Attention: Liam Corcoran) at any time up to and including the last business day preceding the day of the Meeting or, if adjourned or postponed, any reconvening thereof; (ii) to the Chairman of the Meeting prior to

the vote on matters covered by the proxy on the day of the Meeting or, if adjourned or postponed, any reconvening thereof; or (iii) in any other manner provided by law. Also, a proxy will automatically be revoked by either: (a) attendance at the Meeting and participation in a poll (ballot) by a Shareholder or (b) submission of a subsequent proxy in accordance with the foregoing procedures. A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

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

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

**A Shareholder has the right to appoint a person to attend and act for them on their behalf at the Meeting other than the persons named in the enclosed instrument of proxy. To exercise this right, the Shareholder must strike out the names of the persons named in the instrument of proxy and insert the name of his nominee in the blank space provided, or complete another instrument of proxy. Such Shareholder should notify the nominee of the appointment, obtain the nominee's consent to act as proxy and should provide instruction to the nominee on how the Shareholder's shares should be voted. The nominee should bring personal identification to the meeting.**

If no choice is specified in the proxy with respect to a matter to be acted upon, the proxy confers discretionary authority with respect to that matter upon the Designated Persons named in the form of proxy. It is intended that the Designated Persons will vote the Common Shares represented by the proxy in favour of each matter identified in the proxy and for the nominees of the Company's board of directors for directors and auditor.

**However, in view of COVID-19, the Company encourages Shareholders not to attend the Meeting in person. No more than 10 persons will be permitted to attend in person at the in-person location for the Meeting. Shareholders are encouraged to vote on the matters before the meeting by proxy and to join the Meeting by Zoom. Any person who intends to attend the Meeting via Zoom must register his/her name and email address with the Company's CFO at least 72 hours in advance by email to Michael Malana michael.malana@wpdpharmaceuticals.com. Registered persons will receive an invitation to the Zoom call by return email.**

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to other matters which may properly come before the Meeting, including any amendments or variations to any matters identified in the notice of meeting, and with respect to other matters which may properly come before the Meeting. At the date of this Information Circular, management of the Company is not aware of any such amendments, variations, or other matters to come before the Meeting.

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

### Non Registered Shareholders

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

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

In accordance with the requirements of National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*, the Company has elected to send the notice of meeting, this Information Circular and a request for voting instructions (a “VIF”) instead of a proxy (the notice of meeting, Information Circular and VIF or proxy are collectively referred to as the “Meeting Materials”), directly to the NOBOs and indirectly through intermediaries to the OBOs. The intermediaries (or their service companies) are responsible for forwarding the Meeting Materials to the OBOs.

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

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

In either case, the purpose of this procedure is to permit Beneficial Shareholders to direct the voting of the shares which they beneficially own. **A Beneficial Shareholder receiving a VIF, through Broadridge or another intermediary, cannot use that form to vote Common Shares directly at the Meeting. Beneficial Shareholders should carefully follow the instructions set out in the VIF including those regarding when and where the VIF is**

**to be delivered.** Should a Beneficial Shareholder who receives a VIF wishes to attend the Meeting or have someone else attend on their behalf, the Beneficial Shareholder may request a legal proxy as set forth in the VIF, which will grant the Beneficial Shareholder or their nominee the right to attend and vote at the Meeting.

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

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

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

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

Except as otherwise disclosed herein, no: (a) person who has been a director or executive officer of the Company at any time since the beginning of the Company's last financial year; (b) proposed nominee for election as director of the Company; and (c) associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any of the matters to be acted upon other than the election of directors and the appointment of auditors.

#### **VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES**

The Company is authorized to issue an unlimited number of Common Shares without par value, of which 113,438,244 Common Shares are issued and outstanding as of August 6, 2021, the Record Date.

Only the registered holders of Common Shares who were holders as of the Record Date are entitled to vote at the Meeting. These registered holders of Common Shares will be entitled to one vote for each Common Share held on the Record Date.

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

<b>Name of Shareholder</b>	<b>Number of Shares Owned</b>	<b>Percentage of Outstanding Shares<sup>(1)</sup></b>
CDS & Co	48,623,169	42.86%
Waldemar Priebe	31,639,170 <sup>(2) (3)</sup>	27.9%
Triple G Ventures LLC <sup>(4)</sup>	12,083,522	10.65%

(1) Based on 113,438,244 Shares issued and outstanding as of August 6, 2021.

(2) Includes 338,640 Shares owned by Plus Holdings LLC, although Waldemar Priebe owns only 60% of that company and Kevan Casey owns the other 40%.

- (3) Includes 7,257,063 Shares held by EKA-TW Holdings, LLC, a company controlled by Waldemar Priebe.  
 (4) Triple G Ventures LLC is a private company owned and controlled by Kevan Casey.

## MATTERS TO BE ACTED UPON AT THE MEETING

### Appointment and Remuneration of Auditors

At the Meeting, Shareholders will be asked to pass an ordinary resolution to appoint Davidson & Company LLP, Chartered Professional Accountants as auditors of the Company for the fiscal year ending December 31, 2021, and to authorize the directors of the Company to fix the remuneration to be to be paid to the auditors for the fiscal year ending December 31, 2021. An ordinary resolution needs to be passed by a simple majority of the votes cast by the Shareholders present in person or represented by proxy and entitled to vote at the Meeting.

Davidson & Company LLP, Chartered Professional Accountants was first appointed auditor of the Company in December, 2019.

**Management of the Company recommends that Shareholders vote for the appointment of Davidson & Company LLP, Chartered Professional Accountants, as the Company's auditors for the Company's fiscal year ending December 31, 2021 and to authorize the directors of the Company to fix the remuneration to be paid to the auditors for the fiscal year ending December 31, 2021.**

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

### Election of Directors

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

The Shareholders will be asked to pass an ordinary resolution to fix the number of directors of the Company at three (3). Management of the Company proposes to nominate each of the following persons for election as a director. Information concerning such persons, as furnished by the individual nominees, is as follows:

Name, Province & Country of Residence and Position Held with the Company	Principal Occupation During the Last Five Years	Number of Voting Securities Beneficially Owned or Controlled or Directed, Directly or Indirectly <sup>(1)</sup>	Period(s) During Which Served as a Director of the Company
Liam Lake Corcoran <sup>(2)</sup> British Columbia, Canada  <i>Corporate Secretary, Canadian Vice President of Legal and Director</i>	Corporate Secretary, Canadian Vice President of Legal and Director of the Company from June 2017 to present; Partner at Pythe Navis MDP from January 2019 to present; Associate at Alexander Holburn Beaudin & Lang LLP from May 2015 to January 2019.	Nil <sup>(3)</sup>	June 23, 2017 to present
Teresa Liliana Rzepczyk <sup>(2)</sup> British Columbia, Canada  <i>Director</i>	Director of the Company from April 2019 to present; for past 5 years Controller of First Merit Group; Former Chief Financial Officer and Director of Cannex Capital Holdings	2,000 <sup>(4)</sup>	April 23, 2019 to present

	Inc. (formerly, Arco Resources Corp.)		
Peter Novak <sup>(2)</sup> Michigan, United States  <i>Director</i>	Director of the Company from December 2019 to present; for the past 5 years General Agent, Insurance Agency associated with MassMutual Financial Group insurance company.	453,778 <sup>(5)</sup>	December 20, 2019 to present

- (1) Information has been furnished by the respective nominees individually and is as at August 6, 2021.
- (2) Member of the Company's audit committee.
- (3) Does not include an aggregate of 700,000 options held directly, each of which is exercisable into one Share at a price of \$0.86 per Share until January 13, 2025.
- (4) Does not include an aggregate of 200,000 options held directly, each of which is exercisable into one Share at a price of \$0.86 per Share until January 13, 2025.
- (5) Does not include an aggregate of 500,000 options held directly, each of which is exercisable into one Share at a price of \$0.86 per Share until January 13, 2025.

**Management recommends Shareholders to vote for the nominees for re-election as directors.**

**UNLESS SUCH AUTHORITY IS WITHHELD, PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF A RESOLUTION TO FIX THE NUMBER OF DIRECTORS AT THREE (3) AND TO APPOINT AS DIRECTORS, LIAM LAKE CORCORAN, TERESA LILIANA RZEPczyk AND PETER NOVAK.**

Management does not contemplate that any of the nominees will be unable to serve as a director.

**Approval of Stock Option Plan**

At the Meeting, Shareholders will be asked to pass an ordinary resolution to approve the stock option plan (the "Stock Option Plan"). The Stock Option Plan is attached hereto as **Schedule "B"**. An ordinary resolution needs to be passed by a simple majority of the votes cast by the Shareholders present in person or represented by proxy and entitled to vote at the Meeting.

The Canadian Securities Exchange (the "CSE") requires that each company listed on the CSE have a stock option plan. In order to comply with the CSE policy, and to provide incentive to directors, officers, employees, management and others who provide services to the Company or any subsidiary to act in the best interests of the Company, the Shareholders of the Company will be asked to adopt the Stock Option Plan which was previously approved by the directors on January 13, 2020.

The Stock Option Plan provides that the number of shares (the "Shares") reserved for issuance will not exceed 10% of the issued and outstanding Shares at any given time. Accordingly, the maximum number of Shares reserved under the Stock Option Plan is currently 11,343,824 Shares.

The Stock Option Plan will be administered by the Board, which will have full and final authority with respect to the granting of all options thereunder.

Options may be granted under the Stock Option Plan to such directors, officers, employees, or consultants of the Company and its affiliates, if any, as the Board may from time to time designate. The exercise price of option grants will be determined by the Board, but after listing on the CSE will not be less than the greater of the closing market prices of the underlying Shares on (i) the trading day prior to the date of grant of the stock options and (ii) the date of grant of the stock options. All options granted under the Stock Option Plan will expire not later than the date that is ten years from the date that such options are granted. Options terminate earlier as follows: (i) immediately in the event of dismissal with cause; (ii) one month from date of termination other than for cause, or as set forth in each particular stock option agreement; (iii) three months from the date of disability; or (iv) twelve months from the date of death. Options granted under the Stock Option Plan are not

transferable or assignable other than by will or other testamentary instrument or pursuant to the laws of succession.

At the Meeting, Shareholders will be asked to approve the following ordinary resolution (the “Plan Resolution”), which must be approved by at least a majority of the votes cast by Shareholders represented in person or by proxy at the Meeting who vote in respect of the Plan Resolution:

“RESOLVED, as an ordinary resolution of the shareholders of WPD Pharmaceutical Inc. (the “Company”), that:

1. The Company’s Stock Option Plan (the “Stock Option Plan”) as described in the Company’s information circular to reserve that number of Shares that does not exceed 10% of the issued and outstanding Shares at any given time, be and is hereby ratified, confirmed and approved, subject to the acceptance of the Stock Option Plan by the Canadian Securities Exchange (“CSE”);
2. The Board be authorized in its absolute discretion to administer the Plan and amend or modify the Stock Option Plan in accordance with its terms and conditions and with the policies of the CSE; and
3. Any one director or officer of the Company be and is hereby authorized and directed to do all such acts and things and to execute and deliver, under the corporate seal of the Company or otherwise, all such deeds, documents, instruments and assurances as in his opinion may be necessary or desirable to give effect to the foregoing resolutions, including, without limitation, making any changes to the Plan required by the CSE or applicable securities regulatory authorities and to complete all transactions in connection with the administration of the Stock Option Plan.”

The form of the Plan Resolution set forth above is subject to such amendments as management of the Company may propose at the Meeting, but which do not materially affect the substance of the Plan Resolution.

**Management of the Company recommends that Shareholders vote in favour of the Plan Resolution at the Meeting.**

## **CORPORATE CEASE TRADE ORDERS OR BANKRUPTCIES**

### **Orders**

None of the directors of the Company are, or within the past ten years prior to the date hereof has been, a director or executive officer of any issuer that, while that person was acting in the capacity:

- (a) was subject to a cease trade or similar order that denied the issuer access to any statutory exemptions for a period of more than 30 consecutive days;
- (b) was subject to an event that resulted, after the director or executive officer ceased to be a director or senior officer, in the issuer being the subject of a cease trade or similar order or an order that denied the issuer access to any statutory exemptions for a period of more than 30 consecutive days; or
- (c) was declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to the bankruptcy or insolvency or has been subject to or instituted any proceedings, arrangements or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of the person.



## Bankruptcies

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

To the best of management's knowledge, no proposed director of the Company has, within the ten (10) years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

## Penalties or Sanctions

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

The above information was provided by management of the Company.

## STATEMENT OF EXECUTIVE COMPENSATION – VENTURE ISSUERS

### General

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

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

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

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

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

### Director and Named Executive Officer Compensation, Excluding Compensation Securities

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

Name and Position	Year <sup>(1)</sup>	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Committee, Director or Meeting Fees (\$)	Value of Perquisites <sup>(2)</sup> (\$)	Value of all other Compensation (\$)	Total Compensation (\$)
Mariusz Olejniczak <sup>(5)</sup> CEO	2020	75,000	Nil	Nil	Nil	Nil	75,000
	2019 <sup>(3)</sup>	42,000	Nil	Nil	Nil	Nil	42,000
	2019 <sup>(4)</sup>	N/A	N/A	N/A	N/A	N/A	N/A
Michael Malana <sup>(6)</sup> CFO	2020	41,250	Nil	Nil	Nil	Nil	41,250
	2019 <sup>(3)</sup>	N/A	N/A	N/A	N/A	N/A	N/A
	2019 <sup>(4)</sup>	N/A	N/A	N/A	N/A	N/A	N/A
Christopher Cherry <sup>(7)</sup> Former CFO	2020	38,500	Nil	Nil	Nil	Nil	38,500
	2019 <sup>(3)</sup>	37,000	Nil	Nil	Nil	Nil	37,000
	2019 <sup>(4)</sup>	N/A	N/A	N/A	N/A	N/A	N/A
Liam Lake Corcoran <sup>(8)</sup> Director, Corporate Secretary, Canadian Vice President of Legal and Former CEO	2020	51,000	Nil	Nil	Nil	Nil	51,000
	2019 <sup>(3)</sup>	60,000	Nil	4,000	Nil	Nil	64,000
	2019 <sup>(4)</sup>	Nil	Nil	5,000	Nil	Nil	5,000
Yari Nieken <sup>(9)</sup> Former CFO And Director	2020	N/A	N/A	N/A	N/A	N/A	N/A
	2019 <sup>(3)</sup>	14,286	Nil	Nil	Nil	Nil	14,286
	2019 <sup>(4)</sup>	N/A	N/A	N/A	N/A	N/A	N/A
Von Rowell Torres <sup>(10);(15)</sup> Former CEO, Corporate Secretary and Director	2020	N/A	N/A	N/A	N/A	N/A	N/A
	2019 <sup>(3)</sup>	4,500	Nil	Nil	Nil	Nil	4,500
	2019 <sup>(4)</sup>	42,000	Nil	Nil	Nil	Nil	42,000
Teresa Liliana Rzepczyk <sup>(11)</sup> Director	2020	Nil	Nil	12,100	Nil	Nil	12,100
	2019 <sup>(3)</sup>	Nil	Nil	8,000	Nil	Nil	8,000
	2019 <sup>(4)</sup>	N/A	N/A	N/A	N/A	N/A	N/A
Walter Klomp <sup>(12)</sup> Director	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019 <sup>(3)</sup>	Nil	Nil	Nil	Nil	Nil	Nil
	2019 <sup>(4)</sup>	N/A	N/A	N/A	N/A	N/A	N/A

Name and Position	Year <sup>(1)</sup>	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Committee, Director or Meeting Fees (\$)	Value of Perquisites <sup>(2)</sup> (\$)	Value of all other Compensation (\$)	Total Compensation (\$)
Peter Novak <sup>(13)</sup> Director	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019 <sup>(3)</sup>	Nil	Nil	Nil	Nil	Nil	Nil
	2019 <sup>(4)</sup>	N/A	N/A	N/A	N/A	N/A	N/A
Marina Bueno <sup>(14)</sup> Former Director	2020	N/A	N/A	N/A	N/A	N/A	N/A
	2019 <sup>(3)</sup>	Nil	Nil	2,000	Nil	Nil	2,000
	2019 <sup>(4)</sup>	Nil	Nil	5,000	Nil	Nil	5,000

- (1) On December 20, 2019 the Company changed its year end from January 31st to December 31st.
- (2) "Perquisites" include perquisites provided to an NEO or director that are not generally available to all employees and that, in aggregate, are: (a) \$15,000, if the NEO or director's total salary for the financial year is \$150,000 or less, (b) 10% of the NEO or director's salary for the financial year if the NEO or director's total salary for the financial year is greater than \$150,000 but less than \$500,000, or (c) \$50,000 if the NEO or director's total salary for the financial year is \$500,000 or greater.
- (3) For the year ended December 31, 2019.
- (4) For the year ended January 31, 2019.
- (5) Mariusz Olejniczak was appointed Chief Executive Officer of the Company on December 20, 2019.
- (6) Michael Malana was appointed Chief Financial Officer of the Company on August 10, 2020.
- (7) Christopher Cherry was appointed Chief Financial Officer of the Company on December 20, 2019 and resigned on August 10, 2020.
- (8) Liam Lake Corcoran was appointed a director of the Company on June 23, 2017 and Corporate Secretary and Canadian Vice President of Legal on December 20, 2019. Mr. Corcoran was appointed Chief Executive Officer on March 1, 2019 and resigned on December 20, 2019.
- (9) Yari Nieken was appointed Chief Financial Officer and director on March 1, 2019 and resigned on December 20, 2019.
- (10) Von Rowell Torres was appointed Chief Executive Officer, Corporate Secretary and director on July 19, 2018. He resigned from all positions effective March 1, 2019.
- (11) Teresa Liliana Rzepczyk was appointed as a director of the Company on April 23, 2019.
- (12) Walter Klemm was appointed as a director of the Company on December 20, 2019 and will not be seeking re-election at the meeting.
- (13) Peter Novak was appointed as a director of the Company on December 20, 2019.
- (14) Marina Bueno was appointed a director on July 27, 2018 and resigned on April 23, 2019.
- (15) Consulting fees paid to Essos Corporate Services Inc., a private company owned by Mr. Torres.

## Stock Options and Other Compensation Securities

The following table sets out all compensation securities granted or issued to each director and NEO by the Company or any subsidiary thereof in the year ended December 31, 2020 for services provided, or to be provided, directly or indirectly, to the Company or any subsidiary thereof:

Name and Position	Type of Compensation Security	Number of Compensation Securities/Number of Underlying Securities /Percentage of Class	Date of Issue or Grant	Issue, Conversion or Exercise Price (\$)	Closing Price of Security or Underlying Security on Date of Grant	Closing Price of Security or Underlying Security at Year End	Expiry Date
Mariusz Olejniczak CEO <sup>(1)</sup>	Stock Options	1,000,000 / 1,000,000 / 11.4%	January 13, 2020	\$0.86	\$0.79	\$0.285	January 13, 2025
Michael Malana <sup>(2)</sup> CFO	Stock Options	Nil	N/A	N/A	N/A	N/A	N/A
Christopher Cherry <sup>(3)</sup> Former CFO	Stock Options	500,000 / 500,000 / 5.7%	January 13, 2020	\$0.86	\$0.79	\$0.285	January 13, 2025

Name and Position	Type of Compensation Security	Number of Compensation Securities/Number of Underlying Securities /Percentage of Class	Date of Issue or Grant	Issue, Conversion or Exercise Price (\$)	Closing Price of Security or Underlying Security on Date of Grant	Closing Price of Security or Underlying Security at Year End	Expiry Date
Liam Lake Corcoran <sup>(4)</sup> Director, Corporate Secretary, Canadian Vice President Of Legal and Former CEO	Stock Options	700,000 / 700,000 / 8.0%	January 13, 2020	\$0.86	\$0.79	\$0.285	January 13, 2025
Yari Nieken <sup>(5)</sup> Former CFO And Director	Stock Options	200,000 / 200,000 / 2.3%	January 13, 2020	\$0.86	\$0.79	\$0.285	January 13, 2025
Von Rowell Torres <sup>(6)</sup> Former CEO, Corporate Secretary and Director	Stock Options	Nil	N/A	N/A	N/A	N/A	N/A
Teresa Liliana Rzepczyk <sup>(7)</sup> Director	Stock Options	200,000 / 200,000 / 2.3%	January 13, 2020	\$0.86	\$0.79	\$0.285	January 13, 2025
Walter Klemp <sup>(8)</sup> Director	Stock Options	750,000 / 750,000 / 8.5%	January 13, 2020	\$0.86	\$0.79	\$0.285	January 13, 2025
Peter Novak <sup>(9)</sup> Director	Stock Options	500,000 / 500,000 / 5.7%	January 13, 2020	\$0.86	\$0.79	\$0.285	January 13, 2025
Marina Bueno <sup>(10)</sup> Former Director	Stock Options	Nil	N/A	N/A	N/A	N/A	N/A

As at December 31, 2020:

- (1) Mariusz Olejniczak, the CEO of the Company, owned an aggregate of 1,000,000 compensation securities, comprised solely of stock options, each of which is exercisable into one common share exercisable at a price of \$0.86 per common share until January 13, 2025.
- (2) Michael Malana, CFO of the Company did not own any compensation securities.
- (3) Christopher Cherry, the former CFO of the Company, owned an aggregate of 500,000 compensation securities, comprised solely of stock options, each of which is exercisable into one common share exercisable at a price of \$0.86 per common share until January 13, 2025.
- (4) Liam Lake Corcoran, the Corporate Secretary, Canadian Vice President of Legal, director and former CEO of the Company, owned an aggregate of 700,000 compensation securities, comprised solely of stock options, each of which is exercisable into one common share exercisable at a price of \$0.86 per common share until January 13, 2025.
- (5) Yari Nieken, a director and former CFO of the Company owned an aggregate of 200,000 compensation securities, comprised solely of stock options, each of which is exercisable into one common share exercisable at a price of \$0.86 per common share until January 13, 2025.
- (6) Von Rowell Torres, former CEO, Corporate Secretary and director of the Company did not own any compensation securities.
- (7) Teresa Liliana Rzepczyk, a director of the Company owned an aggregate of 200,000 compensation securities, comprised solely of stock options, each of which is exercisable into one common share exercisable at a price of \$0.86 per common share until January 13, 2025.
- (8) Walter Klemp, a director of the Company owned an aggregate of 750,000 compensation securities, comprised solely of stock options, each of which is exercisable into one common share exercisable at a price of \$0.86 per common share until January 13, 2025.
- (9) Peter Novak, a director of the Company owned an aggregate of 500,000 compensation securities, comprised solely of stock options, each of which is exercisable into one common share exercisable at a price of \$0.86 per common share until January 13, 2025.
- (10) Marina Bueno, former director of the Company did not own any compensation securities.

### **Exercise of Compensation Securities by Directors and NEOs**

No compensation securities were exercised by an NEO or director of the Company during the year ended December 31, 2020.

### **Stock Option Plans and Other Incentive Plans**

The Board adopted an incentive Stock Option Plan on January 13, 2020, whereby it can grant stock options to directors, officers, employees and consultants of the Company. Unless authorized by the Shareholders of the Company in accordance with applicable securities laws, the number of Common Shares that may be reserved for issuance under the Stock Option Plan, together with all of the Company's other compensation or incentive mechanisms involving the issuance or potential issuance of common shares, shall not exceed ten percent (10%) of the total number of issued Shares of the Company (calculated on an undiluted basis) at the time an option is granted.

As of the date of this Information Circular, there are 6,675,000 stock options outstanding to the Company's directors, officers, employees and consultants. Stock options may be granted under the Stock Option Plan to such directors, officers, employees, or consultants of the Company and its affiliates, if any, as the Board may from time to time designate. The exercise price of options will be determined by the Board, but such price will not be less than the minimum prevailing price permitted by the CSE. All options granted under the Stock Option Plan will expire not later than the maximum exercise period as determined by the applicable securities laws and the policies of the CSE. Options terminate earlier as follows: (i) immediately in the event of dismissal with cause; (ii) 30 days from date of termination other than for cause; (iii) one year from the date of disability; or (iv) one year from the date of death. Options granted under the Stock Option Plan are not transferable or assignable other than by will or other testamentary instrument or pursuant to the laws of succession.

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

### **External Management Companies**

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

### **Employment, Consulting and Management Agreements**

Other than the consulting agreement with Michael Malana, the material terms of which are set forth below, the Company is not party to any formal, written employment, consulting or management agreements with any other NEO or director.

The Company entered into a consulting agreement with Michael Malana, effective July 15, 2020 (the "**Malana Agreement**"). Under the terms of the Malana Agreement, Mr. Malana agreed to provide senior consulting services and act as CFO of the Company at a base rate of \$7,500 per month plus GST for an initial period of three months after which the services of Mr. Malana may be terminated by the Company with 30 days written notice to that effect.

### **Termination and Change of Control Benefits**

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

## Oversight and Description of Director and NEO Compensation

The Company's compensation program is intended to attract, motivate, reward and retain the management talent needed to achieve the Company's business objectives of improving overall corporate performance and creating long-term value for the Company's shareholders. The compensation program is intended to reward executive officers on the basis of individual performance and achievement of corporate objectives, including the advancement of the exploration and development goals of the Company. The Company's current compensation program is comprised of base salary or fees, short term incentives such as discretionary bonuses and long term incentives such as stock options.

The Board has not created or appointed a compensation committee given the Company's current size and stage of development. All tasks related to developing and monitoring the Company's approach to the compensation of the Company's NEOs and directors are performed by the members of the Board. The compensation of the NEOs, directors and the Company's employees or consultants, if any, is reviewed, recommended and approved by the Board without reference to any specific formula or criteria. NEOs that are also directors of the Company are involved in discussion relating to compensation, and disclose their interest in and abstain from voting on compensation decisions relating to them, as applicable, in accordance with the applicable corporate legislation.

## Pension Plan Benefits

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

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

### Equity Compensation Plan Information

The following table provides information regarding the Company's equity compensation plans which were in effect as at the financial year ended December 31, 2020:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights <sup>(1)</sup>	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by security holders	6,675,000	\$0.87	4,668,824
Equity compensation plans not approved by security holders	Nil	N/A	Nil
<b>Total</b>	6,675,000	\$0.87	4,668,824

(1) The Company does not have any warrants or rights outstanding under any equity compensation plans.

## DELISTING FROM THE CANADIAN STOCK EXCHANGE

The Company's operations and CEO are located in Poland. Many of its major shareholders are located outside of Canada and the Company has not been successful to date in raising funds in the markets in Canada or through the facilities of the Canadian Stock Exchange ("CSE"). Various parties have offered to finance the

Company on the condition that it not be listed for trading in Canada, and that potentially a listing in Poland or elsewhere in Europe be sought.

Management of the Company believes that the opportunities for biotech companies like the Company is much greater in Europe than in Canada as the appetite for biotech investment and the willingness to be patient in waiting for operational results is much greater. As such, the Company has come to the conclusion that unless major financing for the Company is attained in the next short time, a delisting of the Company's Shares from the CSE is the best option for advancing the Company.

At the Meeting, Shareholders will be asked to approve the following special resolution (the "CSE Delisting Resolution"), which must be approved by at least 2/3 of the votes cast by Shareholders represented in person or by proxy at the Meeting who vote in respect of the CSE Delisting Resolution, other than directors and officers of the Company and other than the controlling shareholder, Waldemar Priebe. In addition, should the Shareholders approve of the delisting, the Company will provide no less than 30 days' advance notice of the delisting, to permit Shareholders to sell their shares through the facilities of the CSE during that period.

**THERE IS NO ASSURANCE AFTER DELISTING FROM THE CSE THAT THE COMPANY WILL SUCCESSFULLY LIST ON ANY OTHER STOCK EXCHANGE OR TRADING PLATFORM AND THEREFORE SHAREHOLDERS MAY NOT HAVE A TRADING VENUE FOR THEIR COMPANY SHARES. IT MAY BECOME IMPOSSIBLE FOR SHAREHOLDERS TO SELL THEIR SHARES IN THE COMPANY, EXCEPT THROUGH PRIVATE TRANSACTIONS.**

The CSE Delisting Resolution to be put before the Shareholders at the Meeting is set out below:

"RESOLVED, as a special resolution of the shareholders of WPD Pharmaceuticals Inc. (the "Company"):

1. the delisting of the shares from the Canadian Securities Exchange (the "CSE") be and is hereby authorized and approved (the "CSE Delisting");
2. in the event the shareholders approve of the CSE Delisting, the board of directors shall apply to the CSE to carry out the delisting, provided that the delisting not become effective for a minimum of 30 days' after notice of the delisting application is made public by way of issuing a news release and filing a material change report on SEDAR; and
3. any one director or officer of the Company be and is hereby authorized and directed to do all such acts and things and to execute and deliver, under the corporate seal of the Company or otherwise, all such deeds, documents, instruments and assurances as in their opinion may be necessary or desirable to give effect to the foregoing resolutions, including, without limitation, making any changes to the CSE Delisting as required by the CSE or the securities exchange with which the Company seeks to list its Shares or applicable securities regulatory authorities."

To be effective, the CSE Delisting Resolution must be approved by at least 2/3 of the votes cast by the Shareholders, other than votes of the directors, officers and the controlling shareholder, in each case attending the Meeting and voting on the proposal in person or by proxy.

The form of the CSE Delisting Resolution set forth above is subject to such amendments as management may propose at the Meeting, but which do not materially affect the substance of the CSE Delisting Resolution.

**The Board of the Company has concluded that the CSE Delisting is in the best interests of the Company and its Shareholders, and accordingly, Management of the Company recommends that Shareholders vote in favour of the CSE Delisting Resolution.**

**In the absence of instructions to the contrary, the persons named in the accompanying proxy intend to vote FOR the CSE Delisting Resolution.**

#### **AUDIT COMMITTEE DISCLOSURE**

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

##### **The Audit Committee Charter**

The full text of the Company’s audit committee charter (the “**Audit Committee Charter**”) is attached as **Schedule “A”** to this information circular.

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

The Company’s Audit Committee is comprised of four directors consisting of Liam Corcoran, Teresa Rzepczyk, Walter Klemp and Peter Novak. As defined in NI 52-110, Mr. Corcoran, the Company’s Corporate Secretary and Canadian Vice President of Legal, is not “independent”, as he is an executive officer of the Company and each of Mr. Klemp, Mr. Novak and Ms. Rzepczyk are independent. All of the Audit Committee members are “financially literate”, as defined in NI 52-110, as all have the industry experience necessary to understand and analyze financial statements of the Company, as well as the understanding of internal controls and procedures necessary for financial reporting.

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

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

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



*Liam Lake Corcoran*

Mr. Corcoran is a lawyer. He was an Associate at Alexander Holburn Beaudin & Lang LLP (AHBL) where he was a member of the firm's Insurance Practice where his practice was litigation-based and focused on insurance defence. Prior to joining AHBL, Mr. Corcoran worked on the business side (client management, negotiation) of the film industry.

*Teresa Rzepczyk*

Ms. Rzepczyk has over 15 years of experience working with junior resources companies, with a particular focus on accounting and finance. She has an extensive background in organizing and managing public companies, including the going public process. Ms. Rzepczyk has experience as Controller of First Merit Group and is the former Chief Financial Officer and a former Director of Cannex Capital Holdings Inc. (formerly, Arco Resources Corp.)

*Walter Klemp*

Mr. Klemp is the Founder and CEO of Moleculin Biotech, Inc. (Nasdaq: MBRX) since 2007. Mr. Klemp has also President and CEO of Zeno Corporation from 2004 to 2010, where he successfully developed and marketed a number of dermatology devices and drugs from concept through FDA approval. Mr. Klemp is also a Founder and Executive Chairman of Soliton, Inc. (Nasdaq: SOLY), a medical device company founded in 2012.

Previously, Mr. Klemp served as CEO and Chairman of Drypers Corporation, a publicly traded multinational consumer products company which he founded, from 1987 to 2000. At Drypers, Mr. Klemp developed growth strategies, orchestrated mergers and acquisitions, and grew the company from start-up to \$400 million in annualized sales and to a #1 ranking on the INC 500. Notably, he has overseen nearly \$750 million in public and private financings throughout his career.

*Peter Novak*

Mr. Novak is a 30-year veteran of the insurance and financial services industry. He is currently the General Agent of one of MassMutual's largest agencies with \$4.8 billion in assets under management. He previously served as general agent to MassMutual's Rochester agency; co-general agent at The New England/Robinson Co. in Waterbury, Connecticut; and as an agent at the New York Life Insurance Company.

Mr. Novak is the co-founder of the Charter Oak Fund, Charter Oak's charitable arm, which supports numerous local philanthropic causes and organizations. He also serves as a board member of GAMA International and GAMA's Executive Leadership Cabinet; an executive board member of The Kosciuszko Foundation; a board member at Quinnipiac University; Chairman of the Board of Quinnipiac university's Central European Institute (CEI); and an adjunct member of the University of Warsaw Alumni Association.

**Audit Committee Oversight**

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

**Reliance on Certain Exemptions**

Since the commencement of the Company's most recently completed financial year, the Company has not relied on the exemptions in Sections 2.4, 6.1.1(4), 6.1.1(5), or 6.1.1(6) or Part 8 of NI 52-110. Section 2.4 (*De Minimis Non-Audit Services*) which provide an exemption from the requirement that the Audit Committee must

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

### Pre-Approval Policies and Procedures

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

### External Auditor Service Fees

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

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

Year Ended	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
December 31, 2020	\$75,000	Nil	Nil	Nil
December 31, 2019	\$101,000	\$33,000	Nil	Nil
January 31, 2019	\$16,000	\$3,000 <sup>(1)</sup>	\$1,900	Nil

(1) The fees billed in relation to the review of the financial statements for the six months ended July 2018.

### Exemption

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

### INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

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

No indebtedness of current or former director, executive officer, proposed nominee for election to the Board, or associate of such person is, or at any time since the beginning of the most recently completed financial year

has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries.

### INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

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

### MANAGEMENT CONTRACTS

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

### CORPORATE GOVERNANCE

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

#### Board of Directors

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

Teresa Liliana Rzepczyk, Walter Klemp and Peter Novak are “independent” in that each are independent and free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director’s ability to act with the best interests of the Company, other than the interests and relationships arising from being Shareholders. Mariusz Olejniczak is the CEO, Liam Lake Corcoran is the Corporate Secretary and Canadian Vice President of Legal of the Company and Michael Malana is the CFO of the Company.

#### Directorships

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

Name	Name of Reporting Issuer	Trading Market
Liam Lake Corcoran	Glorious Creation Limited	CSE
	Prospect Ridge Resources Corp.	CSE

Name	Name of Reporting Issuer	Trading Market
Walter Klemp	Soliton, Inc. <i>Delaware</i>	NASDAQ
	Moleculin Biotech, Inc. <i>Delaware</i>	NASDAQ

### **Orientation and Continuing Education**

The Board briefs all new directors with respect to the policies of the Board and other relevant corporate and business information. The Board does not provide any continuing education.

### **Ethical Business Conduct**

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

### **Nomination of Directors**

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

### **Compensation**

The Company has not provided compensation to members of the Board or the Company's Chairman at any time and does not intend to provide compensation to any director or the Chairman in the near term other than through awards of Stock Options pursuant to the Company's Stock Option Plan. See "*Statement of Executive Compensation.*"

### **Other Board Committees**

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

### **Assessments**

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

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

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

securities in the Company or otherwise, in any matter to be acted upon at the Meeting, other than the election of directors.

#### **ADDITIONAL INFORMATION**

Shareholders may contact the Company at its office by mail at Suite 1080, 789 West Pender Street, Vancouver, British Columbia V6C 1H2, to request copies of the Company's financial statements and related Management's Discussion and Analysis (the "**MD&A**"). Financial information is provided in the Company's audited financial statements and MD&A for the most recently completed financial year and in the financial statements and MD&A for subsequent financial periods, which are available on SEDAR.

#### **OTHER MATTERS**

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

#### **APPROVAL OF THE BOARD OF DIRECTORS**

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

Dated at Vancouver, British Columbia this 1st day of September, 2021.

**ON BEHALF OF THE BOARD OF DIRECTORS OF**

**WPD PHARMACEUTICALS INC.**

*"Liam Corcoran"*

\_\_\_\_\_  
Liam Corcoran  
Corporate Secretary and Director

## SCHEDULE "A"

The following is the text of the current Charter of the Audit Committee (the "Charter") as adopted by the Board on January 1, 2008. The Board of Directors may amend the Charter in the future in light of evolving corporate governance standards.

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### Audit Committee Charter

#### Overall Purpose / Objectives

The Audit Committee will assist the board of directors (the "Board") in fulfilling its responsibilities. The Audit Committee will review the financial reporting process, the system of internal control and management of financial risks, the audit process, and the Company's process for monitoring compliance with laws and regulations and its own code of business conduct. In performing its duties, the committee will maintain effective working relationships with the Board of Directors, management, and the external auditors and monitor the independence of those auditors. To perform his or her role effectively, each committee member will obtain an understanding of the responsibilities of committee membership as well as the Company's business, operations and risks.

#### Authority

The Board authorizes the audit committee, within the scope of its responsibilities, to seek any information it requires from any employee and from external parties, to obtain outside legal or professional advice and to ensure the attendance of Company officers at meetings as appropriate.

#### Organization

##### (a) Membership

The Audit Committee will be comprised of at least three members, who are directors, a majority of which are not officers or employees of the Company.

The chairman of the Audit Committee will be nominated by the committee from time to time. A quorum for any meeting will be two members.

The secretary of the Audit Committee will be the Company Secretary, or such person nominated by the Chairman.

##### (b) Attendance at Meetings

The Audit Committee may invite such other persons (e.g. the President or Chief Financial Officer) to its meetings, as it deems appropriate.

Meetings shall be held not less than four times a year. Special meetings shall be convened as required. External auditors may convene a meeting of the Audit Committee if they consider that it is necessary.

The proceedings of all meetings will be minuted.

#### Roles and Responsibilities

The Audit Committee will:

- Gain an understanding of whether internal control recommendations made by external auditors have been implemented by management.

- Gain an understanding of the current areas of greatest financial risk and whether management is managing these effectively.
- Review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on the financial statements.
- Review any legal matters which could significantly impact the financial statements as reported on by the general counsel and meet with outside independent counsel whenever deemed appropriate.
- Review the annual and quarterly financial statements, including Management's Discussion and Analysis and all annual and interim earnings press releases, prior to public dissemination, including any certification, report, opinion or review rendered by the external auditors and determine whether they are complete and consistent with the information known to committee members; determine that the auditors are satisfied that the financial statements have been prepared in accordance with generally accepted accounting principles.
- Pay particular attention to complex and/or unusual transactions such as those involving derivative instruments and consider the adequacy of disclosure thereof.
- Focus on judgmental areas, for example those involving valuation of assets and liabilities and other commitments and contingencies.
- Review audit issues related to the Company's material associated and affiliated companies that may have a significant impact on the Company's equity investment.
- Meet with management and the external auditors to review the annual financial statements and the results of the audit.
- Evaluate the fairness of the interim financial statements and disclosures and obtain explanations from management on whether:
  - (a) actual financial results for the interim period varied significantly from budgeted or projected results;
  - (b) generally accepted accounting principles have been consistently applied;
  - (c) there are any actual or proposed changes in accounting or financial reporting practices; and
  - (d) there are any significant or unusual events or transactions which require disclosure and, if so, consider the adequacy of that disclosure.
- Review the external auditors' proposed audit scope and approach and ensure no unjustifiable restriction or limitations have been placed on the scope.
- Review the performance of the external auditors and approve in advance provision of services other than auditing. Consider the independence of the external auditors, including reviewing the range of services provided in the context of all consulting services bought by the company. The Board authorizes the Chairman of the Audit Committee to approve any non-audit or additional audit work which the Chairman deems as necessary and to notify the other members of the Audit Committee of such non-audit or additional work.
- Make recommendations to the Board regarding the reappointment of the external auditors and the compensation to be paid to the external auditor.

- Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.
- Review and approve the Company's hiring policies regarding partners, employers and former partners and employees of the present and former external auditors of the Company.
- Establish a procedure for:
  - (a) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters; and
  - (b) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters.
- Meet separately with the external auditors to discuss any matters that the committee or auditors believe should be discussed privately.
- Endeavour to cause the receipt and discussion on a timely basis of any significant findings and recommendations made by the external auditors.
- Ensure that the Board is aware of matters which may significantly impact the financial condition or affairs of the business.
- Perform other functions as requested by the full Board.
- If necessary, institute special investigations and, if appropriate, hire special counsel or experts to assist, and set the compensation to be paid to such special counsel or other experts.
- Review and recommend updates to the charter; receive approval of changes from the Board.



## Schedule "B"

The following is the text of the current Stock Option Plan (the "Plan") as adopted by the Board on January 13, 2020.

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### WPD PHARMACEUTICALS INC.

### INCENTIVE STOCK OPTION PLAN

#### Part 1 INTERPRETATION

1.1 Definitions. In this Plan, the following words and phrases shall have the following meanings:

- (a) **"Affiliate"** means a company that is a parent or Subsidiary of the Company, or that is controlled by the same person as the Company;
- (b) **"Board"** means the board of directors of the Company or any committee thereof duly empowered and authorized to grant Options under this Plan;
- (c) **"Change of Control"** means the occurrence of any one of the following events:
  - (i) there is a report filed with any securities commission or securities regulatory authority in Canada, disclosing that any offeror (as the term "offeror" is defined in Section 1.1 of Multilateral Instrument 62-104 Take-Over Bids and Issuer Bids) has acquired beneficial ownership of, or the power to exercise control or direction over, or securities convertible into, any shares of capital stock of any class of the Company carrying voting rights under all circumstances (the **"Voting Shares"**), that, together with the offeror's securities would constitute Voting Shares of the Company representing more than 50% of the total voting power attached to all Voting Shares of the Company then outstanding,
  - (ii) there is consummated any amalgamation, consolidation, statutory arrangement, merger, business combination or other similar transaction involving the Company:
    - (A) in which the Company is not the continuing or surviving corporation; or
    - (B) pursuant to which any Voting Shares of the Company would be reclassified, changed or converted into or exchanged for cash, securities or other property, other than (in each case) an amalgamation, consolidation, statutory arrangement, merger, business combination or other similar transaction involving the Company in which the holders of the Voting Shares of the Company immediately prior to such amalgamation, consolidation, statutory arrangement, merger, business combination or other similar transaction have, directly or indirectly, more than 50% of the Voting Shares of the continuing or surviving corporation immediately after such transaction,
  - (iii) any person or group of persons shall succeed in having a sufficient number of its nominees elected as directors of the Company such that such nominees, when added to any existing directors of the Company, will constitute a majority of the directors of the Company, or

- (iv) there is consummated a sale, transfer or disposition by the Company of all or substantially all of the assets of the Company,

provided that an event shall not constitute a Change of Control if its sole purpose is to change the jurisdiction of the Company's organization or to create a holding company, partnership or trust that will be owned in substantially the same proportions by the persons who held the Company's securities immediately before such event;

- (d) **"Company"** means WPD Pharmaceuticals Inc.;
- (e) **"Consultant"** means an individual or Consultant Company, other than an Employee, Director or Officer, 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, other than services provided in relation to a distribution of securities,
  - (ii) provides such services under a written contract between the Company or an Affiliate,
  - (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, and
  - (iv) has a relationship with the Company or an Affiliate that enables the individual to be knowledgeable about the business and affairs of the Company;
- (f) **"Consultant Company"** means for an individual Consultant, a company or partnership of which the individual is an employee, shareholder or partner;
- (g) **"CSE"** means the Canadian Securities Exchange;
- (h) **"Director"** means a director of the Company or a Subsidiary;
- (i) **"Disability"** means any disability with respect to an Optionee which the Board, in its sole and unfettered discretion, considers likely to prevent the Optionee from permanently:
  - (i) being employed or engaged by the Company, an Affiliate or another employer, in a position the same as or similar to that in which he was last employed or engaged by the Company or an Affiliate, or
  - (ii) acting as a director or officer of the Company or an Affiliate,and **"Date of Disability"** means the effective date of the Disability as determined by the Board in its sole and unfettered discretion;
- (j) **"Eligible Person"** means a bona fide Director, Officer, Employee or Consultant, or a corporation wholly owned by such Director, Officer, Employee or Consultant;
- (k) **"Employee"** means:
  - (i) an individual who is considered an employee of the Company or an Affiliate under the *Income Tax Act* (and 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 an Affiliate 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 an Affiliate 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 need not be made at source;
- (l) **“Exchange”** means the CSE or any other stock exchange on which the Shares are listed for trading;
- (m) **“Exchange Policies”** means the policies, bylaws, rules and regulations of the Exchange governing the granting of options by the Company, as amended from time to time;
- (n) **“Exercise Price”** means the amount payable per Share on the exercise of an Option, as determined in accordance with the terms hereof;
- (o) **“Expiry Date”** means 5:00 p.m. (Vancouver time) on the day on which an Option expires as specified in the Option Agreement therefor or in accordance with the terms of this Plan;
- (p) **“Grant Date”** for an Option means the date of grant thereof by the Board;
- (q) **“Income Tax Act”** means the *Income Tax Act* (Canada), as amended from time to time;
- (r) **“Insider”** has the meaning ascribed thereto in the *Securities Act*;
- (s) **“Investor Relations Activities”** means any activities or communications, by or on behalf of the Company or a shareholder of the Company, that promote or reasonably could be expected to promote the purchase or sale of securities of the Company, but does not include:
- (i) the dissemination of information or preparation of records in the ordinary course of business of the Company:
    - (A) to promote the sale of products or services of the Company, or
    - (B) to raise public awareness of the Company, that cannot reasonably be considered to promote the purchase or sale of securities of the Company,
  - (ii) activities or communications necessary to comply with the requirements of:
    - (A) applicable Securities Laws,
    - (B) the Exchange, or
    - (C) the bylaws, rules or other regulatory instruments of any self-regulatory body or exchange having jurisdiction over the Company; or
  - (iii) activities or communications that may be otherwise specified by the Exchange;

- (t) **“Option”** means the right to purchase Shares granted hereunder to an Eligible Person;
- (u) **“Option Agreement”** means the stock option agreement between the Company and an Eligible Person whereby the Company provides notice of grant of an Option to such Eligible Person;
- (v) **“Optioned Shares”** means Shares that may be issued in the future to an Eligible Person upon the exercise of an Option;
- (w) **“Optionee”** means the recipient of an Option hereunder, their heirs, executors and administrators;
- (x) **“Officer”** means any senior officer of the Company or an Affiliate;
- (y) **“Plan”** means this incentive stock option plan, as amended from time to time;
- (z) **“Securities Act”** means the *Securities Act* (British Columbia), as amended from time to time;
- (aa) **“Securities Laws”** means the applicable acts, policies, bylaws, rules and regulations of the securities commissions governing the granting of Options by the Company, as amended from time to time;
- (bb) **“Shares”** means the common shares in the capital of the Company, provided that, in the event of any adjustment pursuant to Section 4.7, **“Shares”** shall thereafter mean the shares or other property resulting from the events giving rise to the adjustment; and
- (cc) **“Subsidiary”** has the meaning ascribed thereto in the Securities Act.

1.2 **Gender.** Throughout this Plan, whenever the singular or masculine or neuter is used, the same shall be construed as meaning the plural or feminine or body politic or corporate, and vice-versa as the context or reference may require.

1.3 **Currency.** Unless otherwise indicated, all dollar amounts referred to in this Plan are in Canadian funds.

1.4 **Interpretation.** This Plan will be governed by and construed in accordance with the laws of the Province of British Columbia without giving effect to any choice or conflict of law provision or rule that would cause the application of the domestic substantive laws of any other jurisdiction.

## Part 2 PURPOSE

2.1 **Purpose.** The purpose of this Plan is to attract and retain Directors, Officers, Employees and Consultants and to motivate them to advance the interests of the Company by affording them with the opportunity to acquire an equity interest in the Company through Options granted under this Plan.

## Part 3 GRANTING OF OPTIONS

3.1 **Establishment of Plan.** This Plan is hereby established to recognize contributions made by Eligible Persons and to create an incentive for their continuing assistance to the Company and its Affiliates.

3.2 **Eligibility.** Options to purchase Shares may be granted hereunder to Eligible Persons from time to time by the Board.

3.3 Options Granted Under the Plan. All Options granted under the Plan will be evidenced by an Option Agreement in such form determined by the Board setting forth the number of Optioned Shares, the term of the Option, the vesting terms, if any, the Exercise Price and such other terms as determined by the Board.

3.4 Terms Incorporated. Subject to specific variations approved by the Board, all terms and conditions set out herein will be deemed to be incorporated into and form part of an Option Agreement made hereunder. In the event of any discrepancy between this Plan and an Option Agreement, the provisions of this Plan shall govern.

3.5 Limitations on Shares Available for Issuance. Unless authorized by the shareholders of the Company in accordance with applicable Securities Laws, the number of Shares reserved for issuance under this Plan, together with all of the Company's other previously established or proposed stock options, stock option plans, employee stock purchase plans or any other compensation or incentive mechanisms involving the issuance or potential issuance of Shares, shall not exceed ten percent (10%) of the total number of issued Shares of the Company (calculated on an undiluted basis) at the time an Option is granted.

3.6 Options Not Exercised. In the event an Option granted under the Plan expires unexercised, is terminated or is otherwise lawfully cancelled prior to exercise of the Option, the Optioned Shares that were issuable thereunder will be returned to the Plan and will be available again for an grant under this Plan.

3.7 Acceleration of Unvested Options. If there is a Change of Control, then all outstanding Options, whether fully vested and exercisable or remaining subject to vesting provisions or other limitations on exercise, shall be exercisable in full.

3.8 Powers of the Board. The Board will be responsible for the general administration of the Plan and the proper execution of its provisions, the interpretation of the Plan and the determination of all questions arising hereunder. Without limiting the generality of the foregoing, the Board has the power to:

- (a) allot Shares for issuance in connection with the exercise of Options;
- (b) grant Options hereunder;
- (c) subject to appropriate shareholder and regulatory approval, amend, suspend, terminate or discontinue the Plan, or revoke or alter any action taken in connection therewith, except that no general amendment or suspension of the Plan will, without the written consent of all applicable Optionees, alter or impair any Option previously granted under the Plan;
- (d) delegate all or such portion of its powers hereunder as it may determine to one or more committees of the Board, either indefinitely or for such period of time as it may specify, and thereafter each such committee may exercise the powers and discharge the duties of the Board in respect of the Plan so delegated to the same extent as the Board is hereby authorized so to do; and
- (e) may in its sole discretion amend this Plan (except for previously granted and outstanding Options) to reduce the benefits that may be granted to Eligible Persons (before a particular Option is granted) subject to the other terms hereof.

Part 4  
TERMS AND CONDITIONS OF OPTIONS

4.1 Exercise Price. The Board shall establish the Exercise Price at the time each Option is granted, subject to the following conditions:

- (a) if the Shares are listed on an Exchange, then the Exercise Price for the Options granted will not be less than the minimum prevailing price permitted by the Exchange;

- (b) if the Shares are not listed, posted and trading on any stock exchange or quoted on any quotation system, then the Exercise Price for the Options granted will be determined by the Board at the time of granting; and
- (c) in all other cases, the Exercise Price shall be determined in accordance with the applicable Securities Laws and stock exchange Policies.

4.2 Term of Option. The Board shall establish the Expiry Date for each Option at the time such Option is granted, subject to the following conditions:

- (a) the Option will expire upon the occurrence of any event set out in Section 4.6 and at the time period set out therein; and
- (b) the Expiry Date cannot be longer than the maximum exercise period as determined by the applicable Securities Laws and Exchange Policies.

4.3 Automatic Extension of Term of Option. The Expiry Date will be automatically extended if the Expiry Date falls within a blackout period during which the Company prohibits Optionees from exercising their Options, provided that:

- (a) the blackout period has been formally imposed by the Company pursuant to its internal trading policies as a result of the bona fide existence of undisclosed material information (as defined in applicable Securities Laws and Exchange Policies);
- (b) the blackout period expires upon the general disclosure of the undisclosed material information and the expiry date of the affected Options is extended to no later than ten (10) business days after the expiry of the blackout period; and
- (c) the automatic extension will not be permitted where the Optionee or the Company is subject to a cease trade order (or similar order under applicable securities laws) in respect of the Company's securities.

4.4 Vesting of Options.

- (a) No Option shall be exercisable until it has vested. The Board shall establish a vesting period or periods at the time each Option is granted to an Eligible Person, subject to the compliance with applicable Securities Laws and Exchange Policies.
- (b) If no vesting schedule is specified at the time of grant and the Optionee is not performing Investor Relations Activities, the Option shall vest immediately.

4.5 Non Assignable. Subject to Section 4.6, all Options will be exercisable only by the Optionee to whom they are granted and will not be assignable or transferable.

4.6 Termination of Option. Unless the Board determines otherwise, the Options will terminate in the following circumstances:

- (a) Termination of Services For Cause. If the engagement of the Optionee as a Director, Officer, Employee or Consultant is terminated for cause (as determined by common law), any Option granted hereunder to such Optionee shall terminate and cease to be exercisable immediately upon the Optionee ceasing to be a Director, Officer, Employee or Consultant by reason of termination for cause;
- (b) Termination of Services Without Cause or Upon Resignation. If the engagement of the Optionee as a Director, Officer, Employee or Consultant of the Company is terminated for any reason other than cause (as determined by common law), disability or death, or if such Director, Officer, Employee, or

Consultant resigns, as the case may be, the Optionee may exercise any Option granted hereunder to the extent that such Option was exercisable and had vested on the date of termination until the date that is the earlier of:

- (i) the Expiry Date; and
  - (ii) the date that is 30 days after the effective date of the Optionee ceasing to be a Director, Officer, Employee or Consultant for such reason or because of such resignation;
- (c) Death. If the Optionee dies, the Optionee's lawful personal representatives, heirs or executors may exercise any Option granted hereunder to the extent such Option was exercisable and had vested on the date of death until the earlier of (i) the Expiry Date, and (ii) one year after the date of death of such Optionee;
- (d) Disability. If the Optionee ceases to be an Eligible Person due to his Disability, or, in the case of an Optionee that is a company, the Disability of the person who provides management or consulting services to the Company or to an Affiliate, the Optionee may exercise any Option granted hereunder to the extent that such Option was exercisable and had vested on the Date of Disability until the earlier of:
- (i) the Expiry Date; and
  - (ii) the date that is one year after the Date of Disability; and
- (e) Changes in Status of Eligible Person. If the Optionee ceases to be one type of Eligible Person but concurrently is or becomes one or more other type of Eligible Person, the Option will not terminate but will continue in full force and effect and the Optionee may exercise the Option until the earlier of:
- (i) the Expiry Date; and
  - (ii) the applicable date set forth in Sections 4.6(a) to 4.6(d) above where the Optionee ceases to be any type of Eligible Person.

If the Optionee is an Employee, the Option will not be affected by any change of the Optionee's employment where the Optionee continues to be employed by the Company or an Affiliate.

4.7 Adjustment of the Number of Optioned Shares. The number of Optioned Shares subject to an Option will be subject to adjustment in the events and in the manner following:

- (a) Following the date an Option is granted, the exercise price for and the number of Optioned Shares which are subject to an Option will be adjusted, with respect to the then unexercised portion thereof, in the events and in accordance with the provisions and rules set out in this Section 4.7, with the intent that the rights of Optionees under their Options are, to the extent possible, preserved and maintained notwithstanding the occurrence of such events. Any dispute that arises at any time with respect to any adjustment pursuant to such provisions and rules will be conclusively determined by the Board, and any such determination will be binding on the Company, the Optionee and all other affected parties.
- (b) If there is a change in the outstanding Shares by reason of any share consolidation or split, reclassification or other capital reorganization, or a stock dividend, arrangement, amalgamation, merger or combination, or any other change to, event affecting, exchange of or corporate change or transaction affecting the Shares, the Board shall make, as it shall deem advisable and subject to the requisite approval of the relevant regulatory authorities, appropriate substitution and/or adjustment in:

- (i) the number and kind of shares or other securities or property reserved or to be allotted for issuance pursuant to this Plan;
  - (ii) the number and kind of shares or other securities or property reserved or to be allotted for issuance pursuant to any outstanding unexercised Options, and in the exercise price for such shares or other securities or property; and
  - (iii) the vesting of any Options, including the accelerated vesting thereof on conditions the Board deems advisable, and if the Company undertakes an arrangement or is amalgamated, merged or combined with another corporation, the Board shall make such provision for the protection of the rights of Optionees as it shall deem advisable.
- (c) If the outstanding Shares are changed into or exchanged for a different number of shares or into or for other securities of the Company or securities of another company or entity, in a manner other than as specified in Section 4.6(b), then the Board, in its sole discretion, may make such adjustment to the securities to be issued pursuant to any exercise of the Option and the exercise price to be paid for each such security following such event as the Board in its sole and absolute discretion determines to be equitable to give effect to the principle described in Section 4.7, and such adjustments shall be effective and binding upon the Company and the Optionee for all purposes.
- (d) No adjustment provided in this Section 4.7 shall require the Company to issue a fractional share and the total adjustment with respect to each Option shall be limited accordingly.
- (e) The grant or existence of an Option shall not in any way limit or restrict the right or power of the Company to effect adjustments, reclassifications, reorganizations, arrangements or changes of its capital or business structure, or to amalgamate, merge, consolidate, dissolve or liquidate, or to sell or transfer all or any part of its business or assets.

Part 5  
COMMITMENT AND EXERCISE PROCEDURES

5.1 Option Agreement. Upon grant of an Option hereunder, an authorized director, officer or agent of the Company will deliver to the Optionee an Option Agreement detailing the terms of such Options and upon such delivery the Optionee will be subject to the Plan and have the right to purchase the Optioned Shares at the Exercise Price set out therein subject to the terms and conditions hereof.

5.2 Manner of Exercise. An Optionee who wishes to exercise his Option, in its entirety or any portion thereof, may do so by delivering:

- (a) a notice of exercise to the Company specifying the number of Optioned Shares being acquired pursuant to the Option; and
- (b) cash, a certified cheque or a bank draft payable to the Company for the aggregate Exercise Price for the Optioned Shares being acquired.

5.3 Subsequent Exercises. If an Optionee exercises only a portion of the total number of his Options, then the Optionee may, from time to time, subsequently exercise all or part of the remaining Options until the Expiry Date.

5.4 Delivery of Certificate and Hold Periods. As soon as practicable after receipt of the Notice of Exercise described in Section 5.2 and payment in full for the Optioned Shares being received by the Company, the Company will or will direct its transfer agent to issue a certificate to the Optionee for the appropriate number of Optioned Shares. Such certificate issued may bear a legend stipulating any resale restrictions required under applicable Securities Laws and Exchange Policies.



5.5 Withholding. The Company may withhold from any amount payable to an Optionee, either under this Plan or otherwise, such amount as it reasonably believes is necessary to enable the Company to comply with the applicable requirements of any federal, provincial, local or foreign law, or any administrative policy of any applicable tax authority, relating to the withholding of tax or any other required deductions with respect to options (the “**Withholding Obligations**”). The Company may also satisfy any liability for the Withholding Obligations, on such terms and conditions as the Company may determine in its discretion, by:

- (a) requiring an Optionee, as a condition to the exercise of any Options, to make such arrangements as the Company may require so that the Company can satisfy the Withholding Obligations including, without limitation, requiring the Optionee to remit to the Company in advance, or reimburse the Company for, the Withholding Obligations; or
- (b) selling on the Optionee’s behalf, or requiring the Optionee to sell, Optioned Shares acquired by the Optionee under the Plan, or retaining any amount which would otherwise be payable to the Optionee in connection with any such sale.

## Part 6 AMENDMENTS

6.1 Amendment of the Plan. The Board reserves the right, in its absolute discretion, to at any time amend, modify or terminate the Plan with respect to all Shares in respect of Options which have not yet been granted hereunder. Any amendment to any provision of the Plan will be subject to shareholder approval, if required by Exchange Policy, and any necessary regulatory approvals. If this Plan is suspended or terminated, the provisions of this Plan and any administrative guidelines, rules and regulations relating to this Plan shall continue in effect for the duration of such time as any Option remains outstanding.

6.2 Amendment of Outstanding Options. The Board may amend any Option with the consent of the affected Optionee and the Exchange, if required, including any shareholder approval required by the Exchange Policies or applicable Securities Laws.

6.3 Amendment Subject to Approval. If the amendment of an Option requires shareholder or regulatory approval, such amendment may be made prior to such approvals being given, but no such amended Options may be exercised unless and until such approvals are given.

## Part 7 GENERAL

7.1 Exclusion from Severance Allowance, Retirement Allowance or Termination Settlement. If the Optionee retires, resigns or is terminated from employment or engagement with the Company or Affiliate, the loss or limitation, if any, pursuant to the Option Agreement with respect to the right to purchase Optioned Shares, 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 Optionee.

7.2 Employment and Services. Nothing contained in the Plan will confer upon or imply in favour of any Optionee any right with respect to office, employment or provision of services with the Company, or interfere in any way with the right of the Company to lawfully terminate the Optionee’s office, employment or service at any time pursuant to the arrangements pertaining to same. Participation in the Plan by an Optionee is voluntary.

7.3 No Rights as Shareholder. Nothing contained in this Plan nor in any Option granted thereunder shall be deemed to give any Optionee any interest or title in or to any Shares or any rights as a shareholder of the Company or any other legal or equitable right against the Company whatsoever other than as set forth in this Plan and pursuant to the exercise of any Option in accordance with the provisions of the Plan and the Option Agreement.

7.4 No Representation or Warranty. The Company makes no representation or warranty as to the future market value of Optioned Shares issued in accordance with the provisions of the Plan or to the effect of the *Income Tax Act* (Canada) or any other taxing statute governing the Options or the Optioned Shares issuable thereunder or the tax consequences to a Optionee. Compliance with applicable Securities Laws as to the disclosure and resale obligations of each Optionee is the responsibility of such Optionee and not the Company.

7.5 Other Arrangements. Nothing contained herein shall prevent the Board from adopting other or additional compensation arrangements, subject to any required approval.

7.6 No Fettering of Discretion. The awarding of Options under this Plan is a matter to be determined solely in the discretion of the Board. This Plan shall not in any way fetter, limit, obligate, restrict or constrain the Board with regard to the allotment or issue of any Shares or any other securities in the capital of the Company or any of its Affiliates other than as specifically provided for in this Plan.

Part 8  
EFFECTIVE DATE OF PLAN

8.1 Effective Date. This Plan shall become effective upon its approval by the Board.