



Suite 400 - 3600 Lysander Lane, Richmond, BC V7B 1C3

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON **OCTOBER 29TH, 2020**

Time and Date:	10:00 a.m. (Pacific time) on Thursday, October 29, 2020
Location:	Suite 400 - 3600 Lysander Lane, Richmond, BC V7B 1C3

NOTICE IS HEREBY GIVEN that an annual general and special meeting (the "**Meeting**") of the holders of common shares of Benchmark Botanic Inc. (the "**Company**") will be held at the Company's head office at Suite 400 - 3600 Lysander Lane, Richmond, BC V7B 1C3 on Thursday, October 29, 2020 at 10:00 a.m. (Pacific Time) for the following purposes:

1. To receive the audited financial statements of the Company for the financial year ended December 31, 2019, the auditor's report thereon and the management's discussion and analysis for the financial year ended December 31, 2019;
2. To fix the number of directors for the ensuing year at four (4);
3. To elect directors of the Company for the ensuing year;
4. To appoint Manning Elliott LLP, Chartered Public Accountants, as auditor for the ensuing year and to authorize the directors to fix the auditor's remuneration;
5. To re-approve the Company's stock option plan; and
6. To transact any other business that may properly come before the Meeting and any adjournment thereof.

Accompanying this Notice is the Information Circular in respect of the Meeting, which includes, among other things, the full text of the above resolutions and detailed information relating to the matters to be addressed at the Meeting. Please advise the Company of any change in your mailing address.

IMPACT OF COVID-19

This year, to proactively deal with the unprecedented public health impact of the ongoing novel coronavirus disease outbreak ("**COVID-19**"), to mitigate risks to the health and safety of our communities, Shareholders, employees and other stakeholders, and in order to comply with the measures imposed by federal, provincial and municipal governments, the Company strongly urges all shareholders to cast their votes by submitting their completed form of proxy or voting instruction form by one of the means described in the Information Circular accompanying this Notice in alternative to attending the Meeting in person.

Registered Shareholders: Every registered shareholder of common shares at the close of business on the record date is entitled to receive notice of and to attend and vote such common shares at the Meeting. Registered shareholders who are unable to attend the Meeting in person and who wish to ensure that their common shares will be voted at the Meeting are requested to complete, sign and deliver the enclosed form of proxy to TSX Trust Company, Suite 301 – 100 Adelaide Street West, Toronto, Ontario M5H 4H1. In order to be valid and acted upon at the Meeting, forms of proxy must be returned to the aforesaid address not later than 48 hours (excluding Saturdays, Sundays and holidays) before the time set for the holding of the Meeting or any adjournments thereof. Further instructions with respect to the voting by proxy are provided in the form of proxy and in the Information Circular accompanying this Notice.

Non-Registered Shareholders: Shareholders may beneficially own common shares that are registered in the name of a broker, another intermediary or an agent of that broker or intermediary ("**Non-Registered Shareholders**"). Without specific instructions, intermediaries are prohibited from voting shares for their clients.

If you are a Non-Registered Shareholder, it is vital that the voting instruction form provided to you by your broker, intermediary or its agent is returned according to their instructions, sufficiently in advance of the deadline specified by the broker, intermediary or agent, to ensure that they are able to carry out your voting instructions on your behalf.

Dated at Vancouver, British Columbia this 22th day of September, 2020

BENCHMARK BOTANICS INC.

(Signed) "William Ying"

Mr. William Ying
Chief Executive Officer

INVITATION TO SHAREHOLDERS

September 22, 2020

Dear Shareholder:

On behalf of the board of directors (the "**Board**") of Benchmark Botanics Inc. (the "**Company**"), we are notifying you of our annual general and special meeting (the "**Meeting**") of shareholders ("**Shareholders**") holding common shares of the Company to be held on October 29, 2020 at the Company's head office at Suite 400 - 3600 Lysander Lane, Richmond, BC V7B 1C3 at 10:00 a.m. (Pacific time), or any adjournment or postponement thereof.

In light of ongoing concerns regarding the spread of COVID-19, one of our primary considerations is to protect the health of our Shareholders. Accordingly, we strongly urge all Shareholders to cast their votes by submitting their completed form of proxy or voting instruction form by one of the means described in the Information Circular in alternative to attending the Meeting in person. We feel this is the most prudent step to take in the current and rapidly changing environment.

The items of business to be considered at the Meeting are described in the accompanying Notice of Meeting and Information Circular. The contents and the sending of the Information Circular have been approved by the Board.

Many of our public documents are available on the Company's website at <http://benchmarkbotanics.com/>. We encourage you to visit our web site for information about the Company, including news releases and investor presentations. To ensure that you receive the latest news on the Company, please subscribe through our website. Additional information relating to the Company is also available on SEDAR at www.sedar.com.

We look forward to receiving your vote at the Meeting.

Yours sincerely,

(Signed) "William Ying" _____

Mr. William Ying
Chief Executive Officer

BENCHMARK BOTANICS INC.

MANAGEMENT INFORMATION CIRCULAR

(Containing information as at September 22, 2020 unless indicated otherwise)

This Management Information Circular (the "**Information Circular**") furnished in connection with the solicitation of proxies by the management of Benchmark Botanics Inc. (the "**Company**") for use at the annual general meeting (the "**Meeting**") of its shareholders to be held on Suite 400 - 3600 Lysander Lane, Richmond, BC V7B 1C3 on Thursday, October 29, 2020 at 10:00 a.m. (Pacific time) and for the purposes set forth in the accompanying Notice of the Meeting.

In this Information Circular, references to the "**Company**", "**we**" and "**our**" refer to Benchmark Botanics Inc. and "**common shares**" means common shares without par value in the capital of the Company.

VOTING AND PROXIES

Persons Making the Solicitation

This Information Circular is provided to shareholders of the Company in connection with the solicitation of proxies by management of the Company for use at the Meeting. While it is expected that the solicitation will be primarily by mail, proxies may be solicited personally, by electronic communication or by telephone by the directors, officers and regular employees of the Company at nominal cost. All costs of solicitation of proxies by management will be borne by the Company.

Appointment and Revocation of Proxies

A form of proxy (the "**Proxy**") is enclosed with this Information Circular. If your common shares are held in physical form (i.e. paper form) and are registered in your name, then you are a registered shareholder (a "**Registered Shareholder**"). Only Registered Shareholders of the Company as of September 22, 2020 (the "**Record Date**") or their duly appointed proxyholders are permitted to vote at the Meeting. Registered Shareholders who wish to be represented by proxy at the Meeting must deliver their respective forms of Proxy to TSX Trust Company (the "**Transfer Agent**") by:

- (a) mail or courier to 301 - 100 Adelaide Street West, Toronto, Ontario, M5H 4H1; or
- (b) facsimile to 416-595-9593.

In all cases, the Proxy must be received by the Transfer Agent at least 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the Meeting or the adjournment thereof.

The persons named in the accompanying form of Proxy are officers of the Company.

Each Registered Shareholder submitting a Proxy has the right to appoint a person or company other than the persons named in the accompanying form of Proxy to represent the Registered Shareholder at the Meeting. A Registered Shareholder may exercise this right by striking out the names of the persons named in the Proxy and inserting the name of the desired representative in the blank space provided, or by completing another form of proxy, and in either case depositing the proxy with the Transfer Agent at the place and within the time specified above for the deposit of proxies. The proxyholder does not need to be a shareholder of the Company.

In addition to revocation in any other manner permitted by law, a Registered Shareholder who has given a proxy may revoke it by signing a proxy bearing a later date or by signing a valid notice of revocation, either of the foregoing to be signed by the Registered Shareholder or the Registered Shareholder's authorized attorney in writing, or, if the Registered Shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the proxy bearing a later date or the notice of revocation to the Transfer Agent at the place

specified above for the deposit of proxies at any time up to and including the last business day before the Meeting or any adjournment or postponement thereof, or to the chairman of the Meeting on the day of the Meeting or any adjournment or postponement thereof.

Non-Registered Shareholders

The following information is of significant importance to shareholders who do not hold common shares registered in their own name. A significant number of our shareholders are "non-registered" shareholders ("**Non-Registered Shareholders**") because the shares they own are not registered in their names but, rather, are registered in the name of a clearing agency or the name of the brokerage firm, investment dealer, bank, trust company or other intermediary (the "**Intermediary**") through which they deal with the shares they beneficially own. Non-Registered Shareholders should note that the only proxies that can be recognized and acted upon at the Meeting are those deposited by Registered Shareholders (those whose names appear on the records of the Company as the registered holders of common shares). Only Registered Shareholders as of the Record Date or their duly appointed proxyholders are permitted to vote at the Meeting. The purpose of the procedures described under this heading "Non-Registered Shareholders" is to permit Non-Registered Shareholders to direct the voting of any common shares they beneficially own.

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

In accordance with National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**"), we have elected to send copies of the proxy-related materials, including the Notice of Meeting, this Information Circular and the accompanying materials (collectively, the "**Meeting Materials**") directly to the Canadian NOBOs and indirectly through Intermediaries for onward distribution to the OBOs and NOBOs in the United States. We will also pay the fees and costs of Intermediaries for their services in delivering the Meeting Materials to OBOs in accordance with NI 54-101. Intermediaries must forward the Meeting Materials to each OBO or Non-Registered Shareholders in the United States (unless such shareholder has waived the right to receive such materials), and often use a service company (such as Broadridge Investor Communication Solutions), to permit a Non-Registered Shareholder to direct the voting of the shares held by the Intermediary on behalf of such Non-Registered Shareholder.

Intermediaries are required to forward the Meeting Materials to Non-Registered Shareholders unless a Non-Registered Shareholder has waived the right to receive them. In most cases, the Intermediary will provide the Non-Registered Shareholder with a voting instruction form (a "**VIF**"), which must be completed and signed by the Non-Registered Shareholder in accordance with the directions on the VIF and then returned to the Intermediary in accordance with the instructions of the Intermediary. If you receive a VIF, you cannot use it to vote common shares directly at the Meeting; the VIF must be completed and returned in accordance with the Intermediary's instructions, well in advance of the Meeting in order to have your common shares voted.

In some cases, an Intermediary will send Non-Registered Shareholders a proxy which has already been signed by the Intermediary which specifies the number of shares beneficially owned by the Non-Registered Shareholder but which otherwise is not completed. In this case, the Non-Registered Shareholder who wishes to submit a proxy should otherwise properly complete, date and return the form of proxy to the Company or the Transfer Agent as provided under the heading "Appointment and Revocation of Proxies". In all cases, Non-Registered Shareholders should carefully follow the instructions of their respective Intermediaries.

You have the right to appoint a person (who need not be a shareholder of the Company), other than the persons designated in the VIF, to represent you at the Meeting. To exercise this right, you should insert the name of the desired representative in the blank space provided in the VIF.

Although as a Non-Registered Shareholder you may not be recognized directly at the Meeting for the purposes of voting common shares registered in the name of your Intermediary, you, or a person designated

by you, may attend the Meeting as proxyholder for your Intermediary and vote your common shares in that capacity. **If you wish to attend at the Meeting and indirectly vote your common shares as proxyholder for your Intermediary, or have a person designated by you do so, you should enter your own name, or the name of the person you wish to designate, in the blank space on the VIF provided to you and return it to your Intermediary in accordance with the instructions provided by such Intermediary, well in advance of the Meeting.**

Exercise of Discretion

On any ballot that may be called for at the Meeting, the persons designated by a Registered Shareholder in the accompanying form of Proxy as proxyholders will vote or withhold from voting the Registered Shareholder's shares in accordance with the instructions of the Registered Shareholders, and if the Registered Shareholder specifies a choice regarding any matter to be acted upon, the shares will be voted accordingly. If a Registered Shareholder does not provide such instructions, the common shares will be voted by the management representatives FOR the matters described in this Information Circular.

The persons appointed under the Proxy are given discretionary authority regarding amendments or variations of those matters specified in the Proxy and Notice of Meeting and regarding any other matters which may properly be brought before the Meeting or any adjournment or postponement thereof. If any such matters should come before the Meeting, it is the intention of the persons named in the Proxy to vote the shares in accordance with their best judgment unless the Registered Shareholder has specified to the contrary that the common shares represented by the Proxy are to be withheld from voting on such matters. As of the date this Information Circular, management of the Company is not aware of any such amendment, variation, or other matter.

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

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

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

Our board of directors (the "**Board**") has fixed September 22, 2020 as the Record Date for determination of persons entitled to receive notice of the Meeting. Only Registered Shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of proxy in the manner and subject to the procedures described above will be entitled to vote or to have their common shares voted at the Meeting.

As at the Record Date, there were 203,612,218 common shares issued and outstanding, each carrying the right to one vote.

On a vote by a show of hands, each Registered Shareholder present in person or represented by proxy will have one vote. On a poll, each Registered Shareholder present in person or represented by proxy will have one vote for each common share registered in his, her or its name.

To the best knowledge of the Company's directors or executive officers, none of persons or companies beneficially own, directly or indirectly, or exercise control or direction over, directly or indirectly, common shares carrying more than 10% of the voting rights attached to all outstanding common shares of the Company as of the Record Date.

VOTES NECESSARY TO PASS RESOLUTIONS

A simple majority of affirmative votes cast at the Meeting is required to pass the resolutions described in this Information Circular. If there are more nominees for election as directors or appointment of the Company's auditor than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election or appointment is equal to the number of vacancies to be filled, all such nominees will be declared elected or appointed by acclamation.

SETTING NUMBER OF DIRECTORS

The persons named in the enclosed Proxy intend to vote in favour of fixing the number of directors at four (4). The Board proposes that the number of directors be fixed at four (4). Shareholders will therefore be asked to approve an ordinary resolution that the number of directors elected be fixed at four (4).

ELECTION OF DIRECTORS

The term of office of each of the current directors expires at the conclusion of the Meeting. Unless the director's office is earlier vacated in accordance with the provisions of the *Business Corporations Act* (British Columbia) (the "BCBCA"), each director elected will hold office until the conclusion of the next annual general meeting of the Company, or if no director is then elected, until a successor is elected.

The following table sets out the names of management's nominees for election as a director (a "**proposed director**"), the province and country in which he is ordinarily resident, all major offices and positions with the Company and any of its significant affiliates each now holds, each nominee's principal occupation, business or employment for the five preceding years for new director nominees, the period of time during which each has been a director of the Company and the number of common shares of the Company beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at the Record Date.

Name of Nominee, Province and Country of Ordinary Residence and Positions Held with the Company	Occupation, Business or Employment	Director Since	Common Shares Beneficially Owned or Controlled
William Ying British Columbia, Canada Chief Executive Officer and Director	See bio description below	October 12, 2018	Nil
Haifeng Liu ⁽¹⁾⁽²⁾ British Columbia, Canada President and Director	See bio description below	November 2, 2017	3,633,334 ⁽⁴⁾
George Dorin ⁽¹⁾ British Columbia, Canada Director	Mr. Dorin has served as a director, including chairman, audit committee chairman, chief financial officer and corporate secretary of several reporting issuers listed on Canadian and US stock exchanges. He is the founder and president of CANUS Capital Corporation, a private corporate finance and business advisory firm based in Surrey, B.C., Canada, which has provided services to both public and private companies since November, 2008. Also see bio description below	November 2, 2017	Nil

Name of Nominee, Province and Country of Ordinary Residence and Positions Held with the Company	Occupation, Business or Employment	Director Since	Common Shares Beneficially Owned or Controlled
James Moore British Columbia, Canada Director	Director of Goeasy Ltd. (TSX:GSY) from March 2020 to present Also see bio description below	January 2, 2019	Nil

Notes:

- (1) Denotes member of Audit Committee.
- (2) Of these shares, 2,700,000 are owned by Jin Hao Holding Ltd., which is a company controlled by Mr. Liu. Of the total 3,633,334 common shares held 405,000 are subject to escrow.

None of the proposed directors of the Company is to be elected under any arrangement or understanding between the proposed director and any other person or company, except the directors and officers of the Company acting solely in such capacity.

William Ying– Chief Executive Officer and Director

William brings over 20 years of experience in capital markets to the Company. Since 1996 he has served as an investment advisor at various financial institutions including Scotia McLeod, Yorkton Securities, Blackmont Capital, Jordan Capital Markets and Mackie Research Capital. Mr. Ying provides growth investment opportunities to accredited investors globally (institutional, corporate and individual) as well as advises growth oriented companies in capital raising, M & A, corporate development and other corporate finance activities. Mr. Ying also participates in the Mentor in Business program at Simon Fraser University (SFU Beedie School of Business) as a mentor to share his business experience with future business leaders. Mr. Ying holds a Master Degree of Business Administration from Ivey Business School at Western University, Ontario, Canada.

Haifeng Liu – President and Director

Mr. Liu has been the General Manager of Zhengzhou JinHao Mechanical Electric Co., Ltd., a Chinese company, since 2003. Mr. Liu has over 20 years of industry leadership experience and led the Linhe Winery Group (China)'s strategic revival plan in 2013. As an experienced venture capital expert, he has also participated in many large enterprises' financing programs.

In 2015, Mr. Liu successfully led the bankruptcy reorganization plan of the Galaxy Cotton Company (China), and helped the newly re-emerged enterprise to enter the market gradually. After just a few years of efforts, this company is now among the best in its industry in China.

Mr. Liu received a diploma major in Business Administration from the Henan University in China in 1997, and a certification from the Venture Capital & Private Equity Investment (VC/PE) advanced seminar course at the Tsinghua University School of Continuing Education from March, 2011 to April, 2012.

George Dorin, MSc(Econ), FCSI, CPA, CA, CF – Director

Mr. Dorin has 40 years of broad-based financial experience, including over 20 years as a corporate director or CFO for several private and public companies. He holds undergraduate degrees in both Science and Accounting from the University of British Columbia, a Master's Degree in Finance from the London School of Economics in England, and the Diploma FCSI (Fellow of the Canadian Securities Institute).

As a Chartered Professional Accountant, he was also granted a CF (Corporate Finance) specialist designation from CPA Canada in 2008. He has worked in the financial services sector with Ernst & Whinney (now KPMG), Price Waterhouse, Royal Bank of Canada, and with Pemberton Securities (now RBC Dominion Securities). In 2007 and 2008 he was a Senior Vice President, Corporate Finance with Wolrige Mahon, a BC-based CPA Firm. Most recently, he has been providing corporate finance, senior financial management, and corporate director (including Chairman and Audit Committee Chairman) services to several public companies through his personal services finance company CANUS Capital Corporation.

James Moore – Director

Mr. Moore is a Senior Business Advisor at the multinational law firm Dentons and a Public Policy Advisor at the global firm Edelman. He also serves as Chancellor of the University of British Columbia, is the national vice-chair of the Canadian Cancer Society, a member of the NAFTA Council for the Government of Canada and a corporate director. Previously he served as Canada's Minister of Industry, Minister of Canadian Heritage & Official Languages and Secretary of State for the Asia Pacific Gateway and Minister for the 2010 Olympics over a 15-year career as a Member of Parliament.

Cease Trade Orders

Mr. Dorin was a director of Huaxing Machinery Corp ("HUA"), which had a cease trade order issued against it on February 26, 2015. Due to its declining financial position, HUA's subsidiary operating company in China was unable to fund HUA, a reporting issuer that traded on the TSX Venture Exchange (TSXV: HUA), and provide the ongoing regulatory and financial reporting required by the British Columbia Securities Commission ("BCSC"). HUA was thus unable to complete an audit of its financial statements for the fiscal year ended December 31, 2014, which was to include restated financial statements for the prior year. HUA was moved to the NEX during May 2016 and subsequently delisted.

Mr. Dorin is also a director of China Keli Electric Co. Ltd (NEX:ZKL.H, formerly TSXV: ZKL) ("ZKL"), which had a cease trade order issued against it by the BCSC on September 8, 2014 for failure to timely file its audited consolidated financial statements for the year ended April 30, 2014. ZKL filed its audited consolidated financial statements for the year ended April 30, 2014 and the cease trade order was revoked by the BCSC on July 15, 2015. A further cease trade order was issued against the Company by the British Columbia Securities Commission on October 30, 2018 for failure to timely file the audited consolidated financial statements of the Company for the year ended April 30, 2018. The Company filed such financial statements, as well as interim financial statements for the interim periods ended July 31, 2018 and October 30, 2018, and applied to have the cease trade order revoked. ZKL sold its active operating business on October 29, 2018 and is currently pursuing another business opportunity. It is not currently trading.

Except as disclosed above, no other proposed director of the Company is, or within the 10 years before the date of this Information Circular has been, a director, Chief Executive Officer ("CEO") or Chief Financial Officer ("CFO") of any company (including the Company) that:

- (a) was subject to a cease trade order or an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities laws that was in effect for a period of more than 30 consecutive days (in each case, an "Order"), which was issued while the proposed director was acting in the capacity as director, CEO or CFO; or
- (b) was subject to an Order that was issued after the proposed director ceased to be a director, CEO or CFO and which resulted from an event that occurred while that person was acting in the capacity as director, CEO or CFO.

Bankruptcies

To the best of the Company's knowledge, no proposed director of the Company:

- (a) is, as at the date of this Information Circular, or has been, within the 10 years before the date of this Information Circular, a director or executive officer of any company (including the 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; or
- (b) has, within the 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

To the best of the Company's knowledge, 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 shareholder in deciding whether to vote for a proposed director.

APPOINTMENT OF AUDITOR

Manning Elliott LLP, Chartered Accountants, of 11th Floor, 1050 West Pender Street, Vancouver, British Columbia V6E 3S7, will be nominated at the Meeting for re-appointment as auditor of the Company at a remuneration to be fixed by the Board. Manning Elliott became our auditor on November 2, 2017 as a result of the closing of the share exchange transaction on that date, which is described in more detail under the heading "Interest Of Informed Persons In Material Transactions" in this Information Circular. Manning Elliott LLP replaced MNP LLP as auditor of the Company.

To be effective, the resolution to approve the appointment of the auditor must be passed by at least a majority of the votes cast at the Meeting. The persons designated in the enclosed form of Proxy, unless instructed otherwise, INTEND TO VOTE FOR the re-appointment of Manning Elliott, as auditor of the Company.

AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR

National Instrument 52-110 *Audit Committees* ("**NI 52-110**") requires the Company, as a venture issuer, to disclose annually in its Information Circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor, as set forth in the following:

The Audit Committee's Charter

The Audit Committee has a charter. A copy of the Audit Committee Charter is attached to this Information Circular as Schedule "A".

Composition of the Audit Committee

The members of the Audit Committee are George Dorin, Haifeng Liu and James Moore. Mr. Liu is an executive officer of the Company and is not considered to be independent. Mr. Dorin and James Moore are not executive officers of the Company and, therefore, are independent members of the Audit Committee. All members are considered to be financially literate.

A member of the audit committee is independent if the member has no direct or indirect material relationship with the Company. A material relationship means a relationship which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment.

A member of the audit committee is considered financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company.

Relevant Education and Experience

George Dorin

For a description of George Dorin's education and experience that is relevant to the performance of his responsibilities as a member of the Audit Committee, see his biographical information under the heading "Election of Directors" in this Information Circular.

James Moore

For a description of James Moore's education and experience that is relevant to the performance of his responsibilities as a member of the Audit Committee, see his biographical information under the heading "Election of Directors" in this Information Circular.

Haifeng Liu

For a description of Haifeng Liu's education and experience that is relevant to the performance of his responsibilities as a member of the Audit Committee, see his biographical information under the heading "Election of Directors" in this Information Circular.

Each member of the Audit Committee has adequate education and experience that would provide the member with:

- (a) an understanding of the accounting principles used by the Company to prepare its financial statements, and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- (b) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements, or experience actively supervising individuals engaged in such activities; and
- (c) an understanding of internal controls and procedures for financial reporting.

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year has the Audit Committee made any recommendations to the Board to nominate or compensate its auditor which were not adopted by the Board.

Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4 of NI 52-110 (*De Minimis Non-audit Services*) or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110. Part 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

Pre-Approval Policies and Procedures

All services to be performed by the independent auditor of the Company must be approved in advance by the Audit Committee. The Audit Committee has considered whether the provisions of services other than audit services is compatible with maintaining the auditor's independence and has adopted a policy governing the provision of these services. This policy requires that pre-approval by the Audit Committee of all audit and non-audit services provide by any external auditor, other than any de minimus non-audit services allowed by applicable law or regulation.

External Auditor Service Fees

The Audit Committee has reviewed the nature and amount of the non-audited services provided by Manning Elliott LLP, Chartered Accountant, for the financial year ended December 31, 2019, to the Company to ensure auditor

independence. The Audit Committee has reviewed the nature and amount of the non-audited services provided by MNP LLP, Chartered Accountant, for the financial year ended December 31, 2018, to the Company to ensure auditor independence. Fees billed for audit and non-audit services in the last two fiscal years for audit fees are outlined in the following table:

Nature of Services	Fees Billed by Auditor for the Financial Year Ended December 31, 2019	Fees Billed by Auditor for the Financial Year Ended December 31, 2018
Audit Fees ⁽¹⁾	\$73,143	\$54,935
Audit-Related Fees ⁽²⁾	Nil	Nil
Tax Fees ⁽³⁾	Nil	Nil
All Other Fees ⁽⁴⁾	\$8,589	\$3,675
TOTAL:	\$81,732	\$58,610

Notes:

- (1) "Audit Fees" include fees necessary to perform the annual audit of the Company's financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) "Audit-Related Fees" include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) "All Other Fees" include all other non-audit services.

Exemption

The Company is relying upon the exemption in section 6.1 of NI 52-110 regarding the composition of our Audit Committee and its reporting obligations under NI 52-110 for the financial year ended December 31, 2019. This exemption exempts a "venture issuer" from the requirements of Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) of that instrument, as would otherwise be required by NI 52-110.

CORPORATE GOVERNANCE

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day-to-day management of the Company. Corporate governance encourages establishing a reasonable degree of independence of the Board from executive management and the adoption of policies to ensure the Board recognizes the principles of good management. The Board is committed to sound corporate governance practices, which are in the interest of its shareholders and contribute to effective and efficient decision making.

NI 58-201 *Corporate Governance Guidelines* establishes corporate governance guidelines which apply to all public companies. The Board has reviewed the Company's own corporate governance practices in light of these guidelines. In certain cases, the Company's practices comply with the guidelines, however, the Board considers that some of the guidelines are not suitable for the Company at its current stage of development and therefore these guidelines have not been adopted. The Board will continue to review and implement corporate governance guidelines as the business of the Company progresses and becomes more active in operations. NI 58-101 *Disclosure of Corporate Governance Practices* mandates disclosure of corporate governance practices in Form 58-101F2, which disclosure is set out below.

Board of Directors

The mandate of the Board is to supervise the management of the Company and to act in the best interests of the Company. The Board acts in accordance with:

- (a) the BCBCA;
- (b) the Company's articles of incorporation; and
- (c) other applicable laws and the Company policies.

The Board approves all significant decisions that affect the Company before they are implemented. The Board supervises their implementation and reviews the results.

The Board is actively involved in the Company's strategic planning process. The Board discusses and reviews all materials relating to the strategic plan with management. The Board is responsible for reviewing and approving the strategic plan. At least one Board meeting each year is devoted to discussing and considering the strategic plan, which takes into account the risks and opportunities of the business. Management must seek the Board's approval for any transaction that would have a significant impact on the strategic plan.

The Board periodically reviews the Company's business and implementation of appropriate systems to manage any associated risks, communications with investors and the financial community and the integrity of our internal control and management information systems. The Board also monitors the Company's compliance with our timely disclosure obligations and reviews material disclosure documents prior to distribution. The Board periodically discusses the systems of internal control with our external auditor.

The Board is responsible for choosing the CEO, CFO and appointing senior management and for monitoring their performance and developing descriptions of the positions for the Board, including the limits on management's responsibilities and the corporate objectives to be met by the management.

The Board approves all the Company's major communications, including annual and quarterly reports, financing documents and press releases. The Board approves the Company's communication policy that covers the accurate and timely communication of all important information. It is reviewed annually. This policy includes procedures for communicating with analysts by conference calls.

The Board is responsible for determining whether or not each director is an independent director. Directors who also act as officers of the Company are not considered independent. Directors who do not also act as officers of the Company, do not work in the Company's day-to-day operations, are not party to any material contracts with the Company, or receive any fees from the Company are considered by the Board to be independent.

The Board consists of four directors, George Dorin, James Moore, William Ying, and Haifeng Liu. Mr. Dorin is independent based upon the tests for independence set forth in NI 52-110. Mr. Moore is independent based upon the tests for independence set forth in NI 52-110. Mr. Ying is not independent as he is the Company's CEO. Mr. Liu is not independent as he is the Company's President. Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A "material relationship" is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director's independent judgment.

Directorships

The following table sets out the proposed directors, officers and promoters of the Company that are, or have been within the last five years, directors, officers or promoters of other reporting issuers as at September 22, 2020:

Name of Director, Officer or Promoter	Name of Reporting Issuer	Name of Exchange or Market	Position	Term From – To
George Dorin	China Keli Electric Company Ltd. (formerly HSF Capital Corporation)	TSXV ⁽¹⁾ NEX ⁽⁴⁾	Director	May 2010 to present
	Benchmark Botanics Inc.	CSE ⁽³⁾	Director	November 2017 to present
	Eastern Platinum Limited	TSX ⁽²⁾	Director	July 2016 to present
	Gourmet Ocean Products Inc.	TSXV ⁽¹⁾ NEX ⁽⁴⁾	Director	February 2014 to present
	Pyng Medical Corp.	TSXV ⁽¹⁾	CFO	October 201 to April 2017
	Sino Rise Group Holding Corp. (former CINS Holding Corp.)	CSE ⁽³⁾	Director	September 2012 to November 2016
	Huaxing Machinery Corp. ⁽⁵⁾	TSXV ⁽¹⁾ NEX ⁽⁴⁾	Director	June 2013 to January 2017
Paul Haber	XTM Inc.	CSE ⁽³⁾	Director	February 2020 to present
	Meryllion Resources Corporation	CSE ⁽³⁾	Senior Officer	September 2017 to present
	Chinapintza Mining Corp.	NEX ⁽⁴⁾	Director	October 2010 to present
	Advantagewon Oil Corp.	CSE ⁽³⁾	Officer	June 2017 to present
	DataMetrex AI Limited	TSXV ⁽¹⁾	Director	May 2020 to present
	Gold Springs Resources Corp.	TSX ⁽²⁾	Director	February 20017 to May 2016
	Graph Blockchain Inc.	CSE ⁽³⁾	Director	May 2020 to present
	GTEC Holdings Ltd.	TSXV ⁽¹⁾	Senior Officer	January 2013 to June 2018
	Bluesky Digital Assets Corp.	CSE ⁽³⁾	Senior Officer	December 2015 to September 2019
Jin Kuang	Gourmet Ocean Products Inc.	TSXV ⁽¹⁾ NEX ⁽⁴⁾	CFO	February 2014 to present
	Evermount Ventures Inc.	TSXV ⁽¹⁾	Director	October 2012 to present
	Yongsheng Capital Inc.	TSXV ⁽¹⁾	CFO and Director	November 2011 to April 2019
	Axmin Inc.	TSXV ⁽¹⁾	CFO	October 2013 to November 2018
	Sunshine Agri-tech Inc.	TSXV ⁽¹⁾	CFO	December 2009 to September 30, 2017

Notes:

- (1) The TSX Venture Exchange.
- (2) The Toronto Stock Exchange.
- (3) The Canadian Securities Exchange.
- (4) The NEX is a separate board of the TSX Venture Exchange.
- (5) Huaxing Machinery Corp. was delisted from NEX in May, 2016.

Orientation and Continuing Education

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

The Board briefs all new directors regarding the Board's policies and other relevant corporate and business information. New Board members are also provided with access to all of the Company's publicly filed documents, the Company's records, and our management and professional advisors, including our auditor and legal counsel.

The Board also ensures that each director is up-to-date with current information regarding the Company's business, the role the director is expected to fulfill, and basic procedures and operations of the Board. Board members are encouraged to communicate with management and our auditor.

Ethical Business Conduct

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 Company's best interests.

Under the applicable corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Company and to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. A director is also required to disclose to the Board the nature and extent of any interest of the director in any material contract or material transaction, whether made or proposed, if the director is a party to the contract or transaction, is a director or officer (or an individual acting in a similar capacity) of a party to the contract or transaction or has a material interest in a party to the contract or transaction. The director must then abstain from voting on the contract or transaction unless the contract or transaction (i) relates primarily to his or her remuneration as a director, officer, employee or agent of the Company or an affiliate of the Company, (ii) is for indemnity or insurance for the benefit of the director in connection with the Company, or (iii) is with an affiliate of the Company. If the director abstains from voting after disclosure of their interest, the directors approve the contract or transaction and the contract or transaction was reasonable and fair to the Company at the time it was entered into, the contract or transaction is not invalid and the director is not accountable to the Company for any profit realized from the contract or transaction. Otherwise, the director must have acted honestly and in good faith, the contract or transaction must have been reasonable and fair to the Company and the contract or transaction must be approved by the shareholders by a special resolution after receiving full disclosure of its terms in order for the director to avoid such liability or the contract or transaction being invalid.

Nomination of Directors

The Board is responsible for identifying individuals qualified to become new Board members and recommending to the Board new director nominees for the next annual meeting of shareholders.

New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the time required, shown support for our mission and strategic objectives, and a willingness to serve.

The Board considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience.

Compensation

The Board conducts reviews with regard to directors' compensation once a year. To make its recommendation on directors' compensation, the Board takes into account the types of compensation and the amounts paid to directors of comparable publicly traded Canadian companies and aligns the interests of directors with the return to shareholders.

Compensation packages, including benefits, for executives and key managers will be developed based on performance and the Company's cash flow.

The Board decides the compensation of our officers, based on industry standards and the Company's financial situation.

Other Board Committees

The Company has established two committees presently, being the Audit Committee and the Compensation Committee.

Assessments

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

STATEMENT OF EXECUTIVE COMPENSATION

The Company is a venture issuer and is disclosing its executive compensation in accordance with Form 51-102F6V.

The following persons are considered the "Named Executive Officers" or "NEOs" for the purposes of this disclosure:

- (a) the Company's CEO;
- (b) the Company's CFO;
- (c) each of the Company's most highly compensated executive officers, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually more than \$150,000 as determined in accordance with subsection 1.3(5) of Form 51-102F6V, for the year ended December 31, 2019; and
- (d) each individual who would be a Named Executive Officer under paragraph (c) but for the fact the individual was neither an executive officer, nor acting in a similar capacity at December 31, 2019.

Director and Named Executive Officer Compensation, excluding Compensation Securities

The following table provides a summary of compensation paid or accrued, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company to each Named Executive Office and director of the Company during the Company's two most recent financial years ended December 31, 2019 and 2018.

Table of compensation excluding compensation securities							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
William Ying <i>CEO and Director</i>	2019	180,000	Nil	Nil	Nil	Nil	180,000
	2018	57,750	Nil	Nil	Nil	Nil	57,750
Haifeng Liu <i>Former VP, President and Director⁽¹⁾</i>	2019	168,000	Nil	Nil	Nil	Nil	168,000
	2018	148,000	Nil	Nil	Nil	Nil	148,000

Table of compensation excluding compensation securities							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
James Moore Director ⁽²⁾	2019	45,000	Nil	Nil	Nil	Nil	45,000
	2018	Nil	Nil	Nil	Nil	Nil	Nil
George Dorin Director ⁽³⁾	2019	48,500	Nil	Nil	Nil	Nil	48,500
	2018	36,363	Nil	Nil	Nil	Nil	36,363
Paul Haber CFO ⁽⁴⁾	2019	N/A	N/A	N/A	N/A	N/A	N/A
	2018	N/A	N/A	N/A	N/A	N/A	N/A
Jin Kuang Corporate Secretary and Former Interim CFO ⁽⁵⁾	2019	132,000	Nil	Nil	Nil	Nil	132,000
	2018	103,500	Nil	Nil	Nil	Nil	103,500
Claude (Cliff) Stowell Former Director ⁽⁶⁾	2019	150,000	Nil	Nil	Nil	Nil	150,000
	2018	150,000	Nil	Nil	Nil	Nil	150,000
Richard Lee Former CFO ⁽⁷⁾	2019	Nil	Nil	Nil	Nil	Nil	Nil
	2018	15,000	Nil	Nil	Nil	Nil	15,000
Peter Hughes Former Director ⁽⁸⁾	2019	Nil	Nil	Nil	Nil	Nil	Nil
	2018	15,958	Nil	Nil	Nil	Nil	15,958
Ping (Johnson) Zhang Former CEO and director ⁽⁹⁾	2019	210,000	Nil	Nil	Nil	Nil	210,000
	2018	180,000	Nil	Nil	Nil	Nil	180,000

Notes:

- (1) Mr. Liu was appointed as a Vice President and a director of the Company on November 2, 2017. He resigned as the Vice President and was appointed as the President of the Company on April 26, 2018.
- (2) Mr. Moore was appointed a director of the Company on January 2, 2019.
- (3) Mr. Dorin was appointed a director of the Company on November 2, 2017.
- (4) Mr. Haber was appointed as CFO on April 6, 2020.
- (5) Ms. Kuang resigned as CFO of the Company on November 2, 2017 and was appointed as an interim CFO on June 8, 2018 and resigned as interim CFO on April 6, 2020.
- (6) Mr. Stowell was appointed as COO and a director of the Company on November 2, 2017. Mr. Stowell resigned as COO on April 26, 2018.
- (7) Mr. Lee was appointed CFO of the Company on November 2, 2017 and resigned on June 8, 2018. Jin Kuang was acting as the Interim CFO.
- (8) Mr. Hughes was appointed a director of the Company on November 2, 2017 and resigned on July 30, 2018.
- (9) Mr. Zhang was appointed CEO and a director of the Company on November 2, 2017. Mr. Zhang resigned as CEO on October 12, 2018 and resigned as director on November 28, 2019.

Stock Options and Other Compensation Securities

The following table provides a summary of stock options granted by the Company to NEOs and directors during the financial year ended December 31, 2019.

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
William Ying <i>CEO and Director</i>	N/A	Nil	Nil	Nil	Nil	Nil	N/A
Haifeng Liu <i>President and Director</i>	N/A	Nil	Nil	Nil	Nil	Nil	N/A
James Moore <i>Director</i>	Stock option	600,000	January 24, 2019	0.45	0.445	0.425	January 23, 2024
Jin Kuang <i>Former Interim CFO and Corporate Secretary</i>	N/A	Nil	Nil	Nil	Nil	Nil	N/A
Paul Haber <i>CFO⁽¹⁾</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes:

- (1) Mr. Haber was appointed as CFO on April 6, 2020.
- (2) All of the above stock options will vest over a two year period, with 1/3 of the options having vested immediately on the date of grant; 1/3 will vest one year after the date of grant; and the final 1/3 will vest two years after the date of grant.

Stock Option Plan

The only equity compensation plan which the Company has in place is the stock option plan (the "**Plan**") attached hereto as Schedule "B", which was previously approved by the Board and our shareholders of the Company. The Plan was established to provide incentive to directors, officers, employees and consultants to increase their proprietary interest in the Company and thereby encourage them to advance the interests of the Company and continue their association with the Company. The Plan is administered by the Board and options are granted at the discretion of the Board to eligible participants (a "**Participant**").

The Plan is a 10% maximum rolling plan. As a 10% rolling plan the total number of common shares issuable as options under the Plan may be up to 10% of the Company's issued and outstanding common shares on the date on which an option is granted, less common shares reserved for issuance on exercise of options then outstanding under the Plan.

To be eligible to receive a grant of options under the Plan, a Participant must be either a director, officer, employee, consultant of the Company or a subsidiary, or an employee of a person or company which provides management services to the Company or a subsidiary (a "**Management Company Employee**"), at the time the option is granted.

The Plan is subject to the following restrictions:

- (a) The total number of common shares reserved for issuance under options granted to Insiders (defined below) cannot exceed 10% of the issued and outstanding shares, unless the Company has obtained Disinterested Shareholder Approval (defined below).
- (b) The number of options granted to Insiders in any 12-month period must not exceed 10% of the issued and outstanding shares, unless the Company has obtained Disinterested Shareholder Approval.
- (c) The number of options granted to any one Participant in any 12-month period cannot exceed 5% of the issued and outstanding common shares of the Company, unless the Company has obtained Disinterested Shareholder Approval.
- (d) The issuance to any one Participant within any 12-month period of a number of common shares must not exceed 5% of issued and outstanding shares, unless the Company has obtained Disinterested Shareholder Approval.
- (e) The exercise price of an option previously granted to an Insider cannot be reduced, unless the Company has obtained Disinterested Shareholder Approval.
- (f) The number of options granted to any one consultant in any 12-month period cannot exceed 2% of the issued and outstanding shares calculated at the date of the grant of the option.
- (g) The total number of options granted to Participants conducting investor relations activities in any 12-month period cannot exceed 2% of the issued and outstanding shares calculated at the date of the grant.
- (h) Options granted to Participants conducting investor relations activities will vest in stages over 12 months with no more than $\frac{1}{4}$ of the options vesting in any three month period.

"Disinterested Shareholder Approval" means the approval by a majority of the votes cast by all shareholders of the Company at a meeting excluding votes attached to listed common shares beneficially owned by Insiders (defined below) of the Company and Associates (as defined in the British Columbia *Securities Act*) of Insiders.

An **"Insider"** is a director, or senior officer of the Company, a director or senior officer of a company that is an Insider or subsidiary of the Company, or a person that beneficially owns or controls, directly or indirectly, voting common shares carrying more than 10% of the outstanding common shares of the Company.

The following is a summary of the material terms of the Plan:

- (a) All options granted under the Plan expire on a date not later than 10 years after the grant date of such options.
- (b) If a Participant ceases to be a director, officer, consultant, employee of the Company or its subsidiaries, or ceases to be a Management Company Employee, for any reason (other than death), such Option may exercise his or her stock option to the extent that the Participant was entitled to exercise it at the date of such cessation, provided that such exercise must occur within 90 days after the Participant ceases to be a director, officer, consultant, employee or a Management Company Employee, unless such Participant was engaged in investor relations activities, in which case such exercise must occur within 30 days after the cessation of the Participant's services to the Company.
- (c) If a Participant dies, the option previously granted to him or her will be exercisable only within one year after such death and then only:
 - (i) by the person or persons to whom the Participant's rights under the option pass by the Participant's will or the laws of descent and distribution; and
 - (ii) if and to the extent that such Participant was entitled to exercise the option at the date of his or her death.
- (d) The exercise price of each option will be set by the Board on the effective date of the option and will not be less than the Discounted Market Price (as defined in the Plan).

(e) Vesting of options are at the discretion of the Board.

As at the date of this Information Circular, there are stock options outstanding to purchase up to a total 5,960,000 common shares at a weighted average exercise price of \$0.34 per share exercisable on or before February 9, 2024.

Exercise of Compensation Securities by Directors and NEOs

During the financial year ending December 31, 2019, Haifeng Liu, the president and a director, exercised 466,667 stock options and Jin Kuang, the interim CFO, also exercised 200,000 stock options of the Company at an exercise price of \$0.20. Except as the set forth above, none of the other Named Executive Officers or directors exercised any stock options during the financial year ending December 31, 2019.

Employment, Consulting and Management Agreements

Effective October 12, 2018, the Company entered into an employment agreement with William Ying, the CEO and a director of the Company, whereby Mr. Ying agreed to provide employment services as the CEO of the Company for an all-inclusive consulting fee of \$15,000 per month.

Oversight and Description of Director and Named Executive Officer Compensation

The Board is responsible for determining, by way of discussions at board meetings, the compensation to be paid to the NEOs and directors of the Company.

Director compensation

Other than as set forth in the foregoing, no director of the Company who is not a Named Executive Officer has received, during the most recently completed financial year, compensation pursuant to:

- (a) any standard arrangement for the compensation of directors for their services in their capacity as directors, including any additional amounts payable for committee participation or special assignments;
- (b) any other arrangement, in addition to, or in lieu of, any standard arrangement, for the compensation of directors in their capacity as directors; or
- (c) any arrangement for the compensation of directors for services as consultants or expert.

Named Executive Officer Compensation

At this time we don't have a formal compensation program with specific performance goals; however, the performance of each NEO is considered along with our ability to pay compensation and the Company's results of operation for the period.

Compensation is designed to achieve the following key objectives:

- to support our overall business strategy and objectives;
- to provide market competitive compensation that is substantially performance-based;
- to provide incentives that encourage superior corporate performance and retention of highly skilled and talented NEOs; and
- to align executive compensation with corporate performance and therefore shareholders' interests.

Our compensation package is comprised of a base salary or service fees and option-based awards.

We don't have a formal compensation program which sets benchmarks for performance by NEOs.

The Board has not directly considered the implications of the risks associated with our compensation policies and practices.

We don't have a set policy preventing an NEO or director from purchasing financing instruments such as prepaid variable forward contracts, equity swaps, collars or units of exchange funds designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by such person.

Pension Disclosure

We do not have any form of pension plan that provides for payments or benefits to the NEO at, following, or in connection with retirement. We do not have any form of deferred compensation plan.

Termination and Change of Control Benefits

We don't have any plan contract, agreement or plan or arrangement that provides for payments to an NEO at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, a change in control of the Company or a change in the NEO's responsibilities.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out equity compensation plan information required to be disclosed by Form 52-102F5 – "Information Circular" as at the end of the Company's financial year ended December 31, 2019.

	Number of securities to be issued upon exercise of outstanding options, warrants and rights as at December 31, 2019	Weighted-average exercise price of outstanding options, warrants and rights as at December 31, 2019 (\$)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Plan Category	(a)	(b)	(c)
Equity compensation plans approved by security holders	8,506,666	0.34	8,647,893
Equity compensation plans not approved by security holders	N/A	N/A	N/A
Total	8,506,666	0.34	8,647,893

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

At no time during the Company's last completed financial year or as of the Record Date, was any director, executive officer, employee, proposed management nominee for election as a director of the Company nor any associate of any such director, executive officer, or proposed management nominee of the Company or any former director, executive officer or employee of the Company or any of its subsidiaries indebted to the Company or any of its subsidiaries or indebted to another entity where such indebtedness was 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

Other than as described below, to the knowledge of our management, no informed person (a director, officer or holder of 10% or more of the common shares) or nominee for election as a director of the Company or any associate or affiliate of any informed person or proposed director had any interest in any transaction which has materially affected or would materially affect the Company or any of its subsidiaries since January 1, 2019 (being the

commencement of the Company's last completed financial year), or has any interest in any material transaction in the current year.

Investment In 1139000 B.C. Ltd.

As at December 31, 2019, the investment represents an approximate 25% ownership in 1139000 B.C. Ltd. ("**1139000**"), a company incorporated in British Columbia, Canada. 1139000 has license medical cannabis cultivation operations in Pitt Meadows British Columbia, Canada.

On August 30, 2018, the Company entered into an Earn-in and Shareholders' Agreement (the "**1139000 Agreement**") with 1139000 and its shareholders to acquire and develop a four-acre greenhouse facility (the "**Facility**") into a licensed medical cannabis cultivation operations in Pitt Meadows, BC.

The existing shareholders of 1139000 will earn their initial 75% ownership interest in 1139000 by financing all the costs and expenses relating to the purchase, design, construction and upgrading of the Facility to meet the requirements of a licensed cultivation and production facility under the Cannabis Act.

MANAGEMENT CONTRACTS

Except as set out in this Information Circular, there are no management functions of the Company which are to any substantial degree performed by a person or company other than our directors or senior officers.

ADDITIONAL INFORMATION

Financial information is provided in the Company's audited financial statements for the financial year ended December 31, 2019 and in the related management discussion and analysis (the "**MD&A** "). The audited financial statements and MD&A were filed on SEDAR on April 28, 2020 at www.sedar.com and will be placed before the Meeting.

Additional information relating to the Company and a copy of the Financial Statements may be obtained at www.sedar.com, and upon request from the Company's registered and records office at Suite 1000 – 595 Burrard Street, Vancouver, British Columbia V7X 1S8, telephone: (604) 687-6789 or fax: (604) 683-5317. Copies of the above documents will be provided, upon request, free of charge to security holders of the Company. The Company may require the payment of a reasonable charge from any person or company who is not a security holder of the Company, who requests a copy of any such document.

OTHER MATTERS

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

SCHEDULE "A"
AUDIT COMMITTEE CHARTER

1. Introduction

The Audit Committee (the “Committee” or the “Audit Committee”) of Kaiyue International Inc. (“Kaiyue” or the “Company”) is a committee of the Board of Directors (the “Board”). The Committee shall oversee the accounting and financial reporting practices of the Company and the audits of the Company’s financial statements and exercise the responsibilities and duties set out in this Mandate.

2. Membership

Number of Members

The Committee shall be composed of three or more members of the Board.

Independence of Members

Each member of the Committee must be independent. “Independent” shall have the meaning, as the context requires, given to it in National Instrument 52-110 *Audit Committees*, as may be amended from time to time.

Chair

At the time of the annual appointment of the members of the Audit Committee, the Board shall appoint a Chair of the Audit Committee. The Chair shall be a member of the Audit Committee, preside over all Audit Committee meetings, coordinate the Audit Committee’s compliance with this Mandate, work with management to develop the Audit Committee’s annual work-plan and provide reports of the Audit Committee to the Board.

Financial Literacy of Members

At the time of his or her appointment to the Committee, each member of the Committee shall have, or shall acquire within a reasonable time following appointment to the Committee, the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company’s financial statements.

Term of Members

The members of the Committee shall be appointed annually by the Board. Each member of the Committee shall serve at the pleasure of the Board until the member resigns, is removed, or ceases to be a member of the Board. Unless a Chair is elected by the Board, the members of the Committee may designate a Chair by majority vote of the full Committee membership.

3. Meetings

Number of Meetings

The Committee may meet as many times per year as necessary to carry out its responsibilities.

Quorum

No business may be transacted by the Committee at a meeting unless a quorum of the Committee is present. A majority of members of the Committee shall constitute a quorum.

Calling of Meetings

The Chair, any member of the Audit Committee, the external auditors, the Chairman of the Board, or the Chief Executive Officer or the Chief Financial Officer may call a meeting of the Audit Committee by notifying the Company's Corporate Secretary who will notify the members of the Audit Committee. The Chair shall chair all Audit Committee meetings that he or she attends, and in the absence of the Chair, the members of the Audit Committee present may appoint a chair from their number for a meeting.

Minutes; Reporting to the Board

The Committee shall maintain minutes or other records of meetings and activities of the Committee in sufficient detail to convey the substance of all discussions held. Upon approval of the minutes by the Committee, the minutes shall be circulated to the members of the Board. However, the Chair may report orally to the Board on any matter in his or her view requiring the immediate attention of the Board.

Attendance of Non-Members

The external auditors are entitled to attend and be heard at each Audit Committee meeting. In addition, the Committee may invite to a meeting any officers or employees of the Company, legal counsel, advisors and other persons whose attendance it considers necessary or desirable in order to carry out its responsibilities. At least once per year, the Committee shall meet with the internal auditor and management in separate sessions to discuss any matters that the Committee or such individuals consider appropriate.

Meetings without Management

The Committee shall hold unscheduled or regularly scheduled meetings, or portions of meetings, at which management is not present.

Procedure

The procedures for calling, holding, conducting and adjourning meetings of the Committee shall be the same as those applicable to meetings of the Board.

Access to Management

The Committee shall have unrestricted access to the Company's management and employees and the books and records of the Company.

4. Duties and Responsibilities

The Committee shall have the functions and responsibilities set out below as well as any other functions that are specifically delegated to the Committee by the Board and that the Board is authorized to delegate by applicable laws and regulations. In addition to these functions and responsibilities, the Committee shall perform the duties required of an audit committee by any exchange upon which securities of the Company are traded, or any governmental or regulatory body exercising authority over the Company, as are in effect from time to time (collectively, the "Applicable Requirements").

Financial Reports

(a) General

The Audit Committee is responsible for overseeing the Company's financial statements and financial disclosures. Management is responsible for the preparation, presentation and integrity of the Company's financial statements and financial disclosures and for the appropriateness of the accounting principles and the reporting policies used by the Company. The auditors are responsible for auditing the Company's annual consolidated financial statements and for reviewing the Company's unaudited interim financial statements.

(b) Review of Annual Financial Reports

The Audit Committee shall review the annual consolidated audited financial statements of the Company, the auditors' report thereon and the related management's discussion and analysis of the Company's financial condition and results of operation ("MD&A"). After completing its review, if advisable, the Audit Committee shall approve and recommend for Board approval the annual financial statements and the related MD&A.

(c) Review of Interim Financial Reports

The Audit Committee shall review the interim consolidated financial statements of the Company, the auditors' review report thereon and the related MD&A. After completing its review, if advisable, the Audit Committee shall approve and recommend for Board approval the interim financial statements and the related MD&A.

(d) Review Considerations

In conducting its review of the annual financial statements or the interim financial statements, the Audit Committee shall:

- (i) meet with management and the auditors to discuss the financial statements and MD&A;
- (ii) review the disclosures in the financial statements;
- (iii) review the audit report or review report prepared by the auditors;
- (iv) discuss with management, the auditors and internal legal counsel, as requested, any litigation claim or other contingency that could have a material effect on the financial statements;
- (v) review the accounting policies followed and critical accounting and other significant estimates and judgements underlying the financial statements as presented by management;
- (vi) review any material effects of regulatory accounting initiatives or off-balance sheet structures on the financial statements as presented by management, including requirements relating to complex or unusual transactions, significant changes to accounting principles and alternative treatments under IFRS;

- (vii) review any material changes in accounting policies and any significant changes in accounting practices and their impact on the financial statements as presented by management;
- (viii) review management's report on the effectiveness of internal controls over financial reporting;
- (ix) review the factors identified by management as factors that may affect future financial results;
- (x) review results of the Company's audit committee whistleblower hotline program; and
- (xi) review any other matters, related to the financial statements, that are brought forward by the auditors, management or which are required to be communicated to the Audit Committee under accounting policies, auditing standards or Applicable Requirements.

(e) Approval of Other Financial Disclosures

The Audit Committee shall review and, if advisable, approve and recommend for Board approval financial disclosure in a prospectus or other securities offering document of the Company, press releases disclosing, or based upon, financial results of the Company and any other material financial disclosure, including financial guidance provided to analysts, rating agencies or otherwise publicly disseminated.

Auditors

(a) General

The Audit Committee shall be responsible for oversight of the work of the auditors, including the auditors' work in preparing or issuing an audit report, performing other audit, review or attest services or any other related work.

(b) Nomination and Compensation

The Audit Committee shall review and, if advisable, select and recommend for Board approval the external auditors to be nominated and the compensation of such external auditor. The Audit Committee shall have ultimate authority to approve all audit engagement terms and fees, including the auditors' audit plan.

(c) Resolution of Disagreements

The Audit Committee shall resolve any disagreements between management and the auditors as to financial reporting matters brought to its attention.

(d) Discussions with Auditors

At least annually, the Audit Committee shall discuss with the auditors such matters as are required by applicable auditing standards to be discussed by the auditors with the Audit Committee.

(e) Audit Plan

At least annually, the Audit Committee shall review a summary of the auditors' annual audit plan. The Audit Committee shall consider and review with the auditors any material changes to the scope of the plan.

(f) Quarterly Review Report

The Audit Committee shall review a report prepared by the auditors in respect of each of the interim financial statements of the Company.

(g) Independence of Auditors

At least annually, and before the auditors issue their report on the annual financial statements, the Audit Committee shall obtain from the auditors a formal written statement describing all relationships between the auditors and the Company; discuss with the auditors any disclosed relationships or services that may affect the objectivity and independence of the auditors; and obtain written confirmation from the auditors that they are objective and independent within the meaning of the applicable Rules of Professional Conduct/Code of Ethics adopted by the provincial institute or order of chartered accountants to which the auditors belong and other Applicable Requirements. The Audit Committee shall take appropriate action to oversee the independence of the auditors.

(h) Evaluation and Rotation of Lead Partner

At least annually, the Audit Committee shall review the qualifications and performance of the lead partner(s) of the auditors and determine whether it is appropriate to adopt or continue a policy of rotating lead partners of the external auditors.

(i) Requirement for Pre-Approval of Non-Audit Services

The Audit Committee shall approve in advance any retainer of the auditors to perform any non-audit service to the Company that it deems advisable in accordance with Applicable Requirements and Board approved policies and procedures. The Audit Committee may delegate pre-approval authority to a member of the Audit Committee. The decisions of any member of the Audit Committee to whom this authority has been delegated must be presented to the full Audit Committee at its next scheduled Audit Committee meeting.

(j) Approval of Hiring Policies

The Audit Committee shall review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.

(k) Communication with Internal Auditor

The internal auditor shall report regularly to the Committee. The Committee shall review with the internal auditor any problem or difficulty the internal auditor may have encountered including, without limitation, any restrictions on the scope of activities or access to required information, and any significant reports to management prepared by the internal auditing department and management's responses thereto.

The Committee shall periodically review and approve the mandate, plan, budget and staffing of the internal audit department. The Committee shall direct management to make changes it deems advisable in respect of the internal audit function.

The Committee shall review the appointment, performance and replacement of the senior internal auditing executive and the activities, organization structure and qualifications of the persons responsible for the internal audit function.

(l) Financial Executives

The Committee shall review and discuss with management the appointment of key financial executives and recommend qualified candidates to the Board, as appropriate.

Internal Controls

(a) General

The Audit Committee shall review the Company's system of internal controls.

(b) Establishment, Review and Approval

The Audit Committee shall require management to implement and maintain appropriate systems of internal controls in accordance with Applicable Requirements, including internal controls over financial reporting and disclosure and to review, evaluate and approve these procedures. At least annually, the Audit Committee shall consider and review with management and the auditors:

- (i) the effectiveness of, or weaknesses or deficiencies in: the design or operation of the Company's internal controls (including computerized information system controls and security); the overall control environment for managing business risks; and accounting, financial and disclosure controls (including, without limitation, controls over financial reporting), non-financial controls, and legal and regulatory controls and the impact of any identified weaknesses in internal controls on management's conclusions;
- (ii) any significant changes in internal controls over financial reporting that are disclosed, or considered for disclosure, including those in the Company's periodic regulatory filings;
- (iii) any material issues raised by any inquiry or investigation by the Company's regulators;
- (iv) the Company's fraud prevention and detection program, including deficiencies in internal controls that may impact the integrity of financial information, or may expose the Company to other significant internal or external fraud losses and the extent of those losses and any disciplinary action in respect of fraud taken against management or other employees who have a significant role in financial reporting; and
- (v) any related significant issues and recommendations of the auditors together with management's responses thereto, including the timetable for implementation of recommendations to correct weaknesses in internal controls over financial reporting and disclosure controls.

Compliance with Legal and Regulatory Requirements

The Audit Committee shall review reports from the Company's Corporate Secretary and other management members on: legal or compliance matters that may have a material impact on the Company; the effectiveness of the Company's compliance policies; and any material communications received from regulators. The Audit Committee shall review management's evaluation of and representations relating to compliance with specific applicable law and guidance, and management's plans to remediate any deficiencies identified.

Audit Committee Hotline Whistleblower Procedures

The Audit Committee shall establish for (a) the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters. Any such complaints or concerns that are received shall be reviewed by the Audit Committee and, if the Audit Committee determines that the matter requires further investigation, it will direct the Chair of the Audit Committee to engage outside advisors, as necessary or appropriate, to investigate the matter and will work with management and the general counsel to reach a satisfactory conclusion.

Audit Committee Disclosure

The Audit Committee shall prepare, review and approve any audit committee disclosures required by Applicable Requirements in the Company's disclosure documents.

Delegation

The Audit Committee may, to the extent permissible by Applicable Requirements, designate a sub-committee to review any matter within this mandate as the Audit Committee deems appropriate.

5. No Rights Created

This Mandate is a statement of broad policies and is intended as a component of the flexible governance framework within which the Audit Committee, functions. While it should be interpreted in the context of all applicable laws, regulations and listing requirements, as well as in the context of the Company's Articles and By-laws, it is not intended to establish any legally binding obligations.

6. Mandate Review

The Committee shall review and update this Mandate annually and present it to the Board for approval.

SCHEDULE "B"
STOCK OPTION PLAN

STOCK OPTION PLAN OF BENCHMARK BOTANICS INC. (FORMERLY KAIYUE INTERNATIONAL INC.)

1. Purpose

The purpose of the Stock Option Plan (the “**Plan**”) of **BENCHMARK BOTANICS INC.** (the “**Company**”) is to advance the interests of the Company by encouraging the directors, officers, employees and consultants of the Company, and of its subsidiaries and affiliates, if any, to acquire common shares in the capital of the Company (the “**Shares**”), thereby increasing their equity interest in the Company to encourage them to remain associated with the Company and to furnish them with additional incentive in their efforts on behalf of the Company.

2. Administration

The Plan shall be administered by the board of directors of the Company or by a special committee of the board of directors appointed from time to time by the board of directors pursuant to rules of procedures fixed by the board of directors (such committee or, if no such committee is appointed, the board of directors of the Company, collectively, the “**Board**”). A majority of the Board shall constitute a quorum, and the acts of a majority of the directors present at any meeting at which a quorum is present, or acts unanimously approved in writing, shall be the acts of the Board.

Subject to the provisions of the Plan, the Board shall have authority to construe and interpret the Plan and all option agreements entered into thereunder, to define the terms used in the Plan and in all option agreements entered into thereunder, to prescribe, amend and rescind rules and regulations relating to the Plan and to make all other determinations necessary or advisable for the administration of the Plan. All determinations and interpretations made by the Board shall be binding and conclusive on all Participants (as defined below) and on their legal personal representatives and beneficiaries.

Each option granted hereunder may be evidenced by an agreement in writing, signed on behalf of the Company and by the optionee, in such form as the Board shall approve. Each such agreement shall recite that it is subject to the provisions of this Plan.

3. Stock Exchange Rules

All options granted pursuant to this Plan shall be subject to rules and policies of any stock exchange or exchanges on which the common shares in the capital of the Company are listed and any other regulatory body having jurisdiction hereof (collectively, the “**Exchange**”).

4. Shares Subject to Plan

Subject to adjustment as provided in Section 16 hereof, the Shares reserved under the Plan shall be common shares in the capital of the Company. The aggregate number of

Shares issuable upon the exercise of all options granted under the Plan) shall be equal to 10% of the number of Shares in the capital of the Company that are outstanding from time to time. For greater certainty, any increase in the issued and outstanding Shares will result in an increase in the available number of Shares issuable under the Plan, and any exercise, termination or expiry of options will make new grants available under the Plan.

If any of the option granted hereunder shall expire or terminate for any reason in accordance with the terms of the Plan without being exercised, the unpurchased Shares subject thereto shall again be available for the purpose of the plan.

5. Maintenance of Sufficient Capital

The Company shall at all times during the term of the Plan reserve and keep available such numbers of Shares as will be sufficient to satisfy the requirements of the Plan.

6. Eligibility and Participation

Directors, officers, consultants, and employees of the Company, and of its subsidiaries and affiliates, if any, and employees of a person or company which provides management services to the Company, and of its subsidiaries and affiliates, if any, (the “**Management Company Employees**”) shall be eligible for selection to participate in the Plan (collectively, the “**Participants**”). Subject to compliance with applicable requirements of the Exchange, Participants may elect to hold options granted to them in an incorporated entity wholly owned by them and such entity shall be bound by the Plan in the same manner as if the options were held by the Participant.

Subject to the terms hereof, the Board shall determine to whom options shall be granted, the terms and provisions of the respective option agreements, the time or times at which such options shall be granted and vested, and the number of Shares to be subject to each option. In the case of employees or consultants of the Company or Management Company Employees, the option agreements to which they are party must contain a representation of the Company that such employee, consultant or Management Company Employee, as the case may be, is a bona fide employee, consultant or Management Company Employee of the Company, and of its subsidiaries and affiliates, if any.

A Participant who has been granted an option may, if such Participant is otherwise eligible, and if permitted under the policies of the Exchange, be granted an additional option or options if the Board shall so determine.

7. Exercise Price

- (a) The exercise price of the Shares subject to each option shall be determined by the Board, subject to applicable Exchange approval, at the time any option is granted. In no event shall such exercise price be lower than the Discounted

Market Price as that term is defined in Policy 1.1 Interpretation (“**Policy 1.1**”) of the Exchange.

- (b) Once the exercise price has been determined by the Board, accepted by the Exchange and the option has been granted, the exercise price of an option may only be reduced if the Board shall so determine, provided however, in the case of options held by Insiders of the Company (as defined in Policy 1.1), the exercise price of an option may be reduced only if disinterested shareholder approval (“**Disinterested Shareholder Approval**”) is obtained in accordance with subsections 2.10(b) and (c) of Policy 4.4 Incentive Stock Options of the Exchange.

8. Number of Optioned Shares

- (a) The number of Shares subject to an option granted to any one Participant shall be determined by the Board, but no one Participant shall be granted an option which exceeds the maximum number permitted by the Exchange.
- (b) Subject to Sections 8(c) and 8(d) hereof, options shall not be granted if the exercise thereof would result in the issuance of more than 5% of the issued and outstanding common shares in the capital of the Company in any twelve-month period to any one Participant unless the Company has obtained Disinterested Shareholder Approval in respect of such grant and meets applicable Exchange requirements.
- (c) Options shall not be granted if the exercise thereof would result in the issuance of more than 2% of the issued and outstanding common shares in the capital of the Company in any twelve-month period to any one consultant of the Company.
- (d) Options shall not be granted if the exercise thereof would result in the issuance of more than 2% of the issued and outstanding common shares in the capital of the Company in any twelve-month period to any and all Participants providing investor relation activities. Options granted to any and all Participants providing investor relations activities will vest in stages over 12 months with no more than $\frac{1}{4}$ of the options vesting any three month period.

9. Duration of Option

Each option and all rights thereunder shall be expressed to expire on the date set out in the option agreement and shall be subject to earlier termination as provided in Sections 11 and 12, provided that in no circumstances shall the duration of an option exceed a maximum of 10 year exercise term from the date of option grant.

10. Option Period, Consideration and Payment

- (a) The option period shall be a period of time fixed by the Board not to exceed the maximum term permitted by the Exchange, provided that the option period shall be reduced with respect to any option as provided in Sections 11 and 12 covering cessation as a director, officer, consultant, employee or Management Company Employee of the Company or its subsidiaries and affiliates, if any, or death of the Participant.
- (b) Subject to any vesting restrictions imposed by the Exchange, the Board may, in its sole discretion, determine the time during which options shall vest and the method of vesting, or that no vesting restriction shall exist.
- (c) Subject to any vesting restrictions imposed by the Board, options may be exercised in whole or in part at any time and from time to time during the option period. To the extent required by the Exchange, no options may be exercised under this Plan until this Plan has been approved by a resolution duly passed by the shareholders of the Company.
- (d) Except as set forth in Sections 11 and 12, no option may be exercised unless the Participant is at the time of such exercise a director, officer, consultant, or employee of the Company or any of its subsidiaries, or a Management Company Employee of the Company or any of its subsidiaries.
- (e) The exercise of any option will be contingent upon receipt by the Company at its head office of a written notice of exercise, specifying the number of Shares with respect to which the option is being exercised, accompanied by cash payment, certified cheque or bank draft for the full purchase price of such Shares with respect to which the option is exercised. No Participant or his legal representatives, legatees or distributees will be, or will be deemed to be, a holder of any common shares of the Company unless and until the certificates for Shares issuable pursuant to options under the Plan are issued to him or them under the terms of the Plan.

11. Ceasing To Be a Director, Officer, Consultant or Employee

- (a) If a Participant shall cease to be a director, officer, consultant, employee of the Company, or its subsidiaries, or ceases to be a Management Company Employee, for any reason (other than death), such Participant may exercise his option to the extent that the Participant was entitled to exercise it at the date of such cessation, provided that such exercise must occur within 90 days after the Participant ceases to be a director, officer, consultant, employee or a Management Company Employee, unless such Participant was engaged in investor relations activities, in which case such exercise must occur within 30 days after the cessation of the Participant's services to the Company.

- (b) If the Participant does not continue to be a director, officer, consultant, employee of the Resulting Issuer (as that term is defined in Policy 1.1) upon completion of the Company's Qualifying Transaction, the options granted hereunder must be exercised by the Participant within the later of 12 months after completion of the Qualifying Transaction and 90 days after the Participant ceases to become a director, officer, consultant or employee of the Resulting Issuer.
- (c) Nothing contained in the Plan, nor in any option granted pursuant to the Plan, shall confer upon any Participant any right with respect to continuance as a director, officer, consultant, employee or Management Company Employee of the Company or of any of its subsidiaries or affiliates, if any.

12. Death of Participant

Notwithstanding section 11, in the event of the death of a Participant, the option previously granted to him shall be exercisable only within the one (1) year after such death and then only:

- (a) by the person or persons to whom the Participant's rights under the option shall pass by the Participant's will or the laws of descent and distribution; and
- (b) if and to the extent that such Participant was entitled to exercise the Option at the date of his death.

13. Rights of Optionee

No person entitled to exercise any option granted under the Plan shall have any of the rights or privileges of a shareholder of the Company in respect of any Shares issuable upon exercise of such option until certificates representing such Shares shall have been issued and delivered.

14. Proceeds from Sale of Shares

The proceeds from the sale of Shares issued upon the exercise of options shall be added to the general funds of the Company and shall thereafter be used from time to time for such corporate purposes as the Board may determine.

15. Disinterested Shareholder Approval

Disinterested Shareholder Approval is required where the Plan, together with all of the Company's previously established and outstanding stock option plans or grants, could result at any time in:

- (a) the number of Shares reserved for issuance under stock options granted to Insiders exceeding 10% of the issued and outstanding Shares;

- (b) the grant to Insiders, within a 12 month period, of a number of options exceeding 10% of the issued and outstanding Shares; or
- (c) the issuance to any one Optionee, within a 12 month period, of a number of Shares exceeding 5% of the issued and outstanding Shares.

16. Adjustments

If the outstanding common shares of the Company are increased, decreased, changed into or exchanged for a different number or kind of shares or securities of the Company or another Company or entity through re-organization, merger, re-capitalization, re-classification, stock dividend, subdivision or consolidation, any adjustments relating to the Shares optioned or issued on exercise of options and the exercise price per Share as set forth in the respective stock option agreements shall be made in accordance to the terms of such agreements.

Adjustments under this Section shall be made by the Board whose determination as to what adjustments shall be made, and the extent thereof, shall be final, binding and conclusive. No fractional Share shall be required to be issued under the Plan on any such adjustment.

17. Transferability

All benefits, rights and options accruing to any Participant in accordance with the terms and conditions of the Plan shall not be transferable or assignable unless specifically provided herein or the extent, if any, permitted by the Exchange. During the lifetime of a Participant any benefits, rights and options may only be exercised by the Participant.

18. Tax Withholding

Notwithstanding any other provision contained herein, in connection with the exercise of an option by a Participant or assignee from time to time, as a condition to such exercise:

- (a) the Company shall require such Participant or assignee to pay to the Company an amount as necessary so as to ensure that the Company is in compliance with the applicable provisions of any federal, provincial or local law relating to the withholding of tax or other required deductions (the “**Applicable Withholdings and Deductions**”) relating to the exercise of such options; or
- (b) in the event a Participant or assignee does not pay the amount specified in (a), the Company shall be permitted to engage a broker or other agent, at the risk and expense of the Participant or assignee, to sell an amount of underlying common shares issuable on the exercise of such option and to apply the cash received on the sale of such underlying common shares as

necessary so as to ensure that the Company is in compliance with the Applicable Withholdings and Deductions relating to the exercise of such options. In addition, the Company shall be entitled to withhold from any amount payable to a Participant or assignee, either under this Plan or otherwise, such amount as may be necessary so as to ensure that the Company is in compliance with Applicable Withholdings and Deductions relating to the exercise of such options.

19. Amendment and Termination of Plan

Subject to applicable approval of the Exchange, the Board may, at any time, suspend or terminate the Plan. Subject to applicable approval of the Exchange, the Board may also at any time amend or revise the terms of the Plan; provided that no such amendment or revision shall result in a material adverse change to the terms of any options theretofore granted under the Plan, unless shareholder approval, or Disinterested Shareholder Approval, as the case may be, is obtained for such amendment or revision.

20. Necessary Approvals

The ability of a Participant to exercise options and the obligation of the Company to issue and deliver Shares in accordance with the Plan is subject to any approvals which may be required from shareholders of the Company and any regulatory authority or stock exchange having jurisdiction over the securities of the Company. If any Shares cannot be issued to any Participant for whatever reason, the obligation of the Company to issue such Shares shall terminate and any option exercise price paid to the Company will be returned to the Participant.

21. Effective Date of Plan

The Plan has been adopted by the Board of the Company subject to the approval of the Shareholders and the Exchange and, if so approved, subject to the discretion of the Board, the Plan shall become effective upon such approval being obtained.

22. Interpretation

The Plan will be governed by and construed in accordance with the laws of the Province of Alberta.

