



**LIFESTYLE DELIVERY SYSTEMS INC.
NOTICE OF ANNUAL GENERAL MEETING
OF SHAREHOLDERS
TO BE HELD ON APRIL 25, 2019
AND
INFORMATION CIRCULAR
AS AT MARCH 28, 2019**



Lifestyle Delivery Systems Inc.

CSE : LDS

OTCQB : LDSYF

Frankfurt: LD6, WKN: A14XHT

CEO Letter to our shareholders

March 28, 2019

As CEO of Lifestyle Delivery Systems Inc., I am excited for this year's Annual General Meeting. We have so many milestones to share with our shareholders this year and I believe that it would be impossible to convey the totality of the LDS vision in words alone.

For the benefit of our shareholders, and in an effort to help them understand all aspects of our Company, this year the AGM is being held in Adelanto, California. It will be a unique AGM in its unconventional level of access for our shareholders to see their investment first hand. The purpose of choosing this location was to allow our shareholders the opportunity to visit the facility. This visit will provide a greater understanding of the Company's vision and the significance of the accomplishments that have been achieved over the last year. This year's AGM will also allow our shareholders to meet the key members of our operations and development teams, and hear first-hand the accomplishments and strategies of the only truly vertically integrated cannabis company. The LDS team in Adelanto is excited to meet our shareholders and share the results of five years of development and innovation.

Sincerely,

/s/ Brad Eckenweiler

Brad Eckenweiler
CEO/LDS

Those shareholders intending on participating in the total LDS experience tour before the AGM should RSVP to reserve their spot at investor.relations@lifestyledeliverysystem.com, or agm@lifestyledeliverysystem.com on or before April 12, 2019.

LIFESTYLE DELIVERY SYSTEMS INC.
Suite 820, 1130 Pender Street West
Vancouver, British Columbia, Canada V6E 4A4
Telephone: 866-347-5058 / Fax: 604-648-0517

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that an annual general meeting (the “Meeting”) of Shareholders of Lifestyle Delivery Systems Inc. (the “Company”) will be held at Adelanto Stadium, 12000 Stadium Way, Adelanto, CA 92301, on April 25, 2019 at 3:00 p.m. PST for the following purposes:

1. To receive and consider the audited financial statements of the Company for the two fiscal years ended December 31, 2017 and December 31, 2016, respectively and the reports of the auditors and the management discussion and analysis related thereto;
2. To set the number of directors of the Company for the ensuing year at four (4) persons;
3. To elect Brad Eckenweiler, Casey Fenwick, Dr. John Sanderson, and Yanika Silina as the Company’s directors for the ensuing year;
4. To appoint Dale Matheson Carr-Hilton Labonte LLP as the auditor of the Company for the ensuing year, and to authorize the directors to fix the remuneration to be paid to the auditors;
5. To transact such other business as may properly come before the Meeting and any adjournment thereof.

No other matters are contemplated, however any permitted amendment to or variation of any matter identified in this Notice may properly be considered at the Meeting. The Meeting may also consider the transaction of such other business as may properly come before the Meeting or any adjournment thereof.

The Company’s board of directors (the “Board”) has fixed March 21, 2019, as the record date for the determination of shareholders entitled to notice of and to vote at the Meeting and any adjournment or postponement thereof. Each registered shareholder at the close of business on that date is entitled to such notice and to vote at the Meeting.

A shareholder who is unable to attend the Meeting in person and who wishes to ensure that such shareholder’s Common Shares will be voted at the Meeting is requested to complete, date and execute the enclosed form of proxy and deliver it in accordance with the instructions set out in the form of proxy and in the Information Circular.

If you hold your Common Shares in a brokerage account you are not a registered shareholder. Unregistered shareholders who plan to attend the Meeting must follow the instructions set out in the form of proxy or voting instruction form to ensure that their Common Shares will be voted at the Meeting.

The audited financial statements for the year ended December 31, 2017 and December 31, 2016, report of the auditor and related management discussion and analysis will be made available at the Meeting and are available on www.sedar.com.

DATED at Vancouver, British Columbia, this 28th day of March, 2019.

BY ORDER OF THE BOARD

“Brad Eckenweiler”
Brad Eckenweiler
Chief Executive Officer and Director

LIFESTYLE DELIVERY SYSTEMS INC.

Suite 820, 1130 Pender Street West
Vancouver, British Columbia, Canada V6E 4A4
Telephone: 866-347-5058 / Fax: 604-648-0517

INFORMATION CIRCULAR

as at March 28, 2019 *(except as otherwise indicated)*

This Information Circular is furnished in connection with the solicitation of proxies by the management of Lifestyle Delivery Systems Inc. (the “Company”) for use at the annual general meeting (the “Meeting”) of its shareholders to be held on April 25, 2019, at the time and place 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 Lifestyle Delivery Systems Inc. “Common Shares” means common shares without par value in the capital of the Company. “Beneficial Shareholders” means shareholders who do not hold Common Shares in their own name and “intermediaries” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders.

GENERAL PROXY INFORMATION

Solicitation of Proxies

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and regular employees of the Company without payment of any special compensation. The Company will bear all costs of this solicitation. We have arranged for intermediaries to forward the meeting materials to beneficial owners of the Common Shares held of record by those intermediaries and we may reimburse the intermediaries for their reasonable fees and disbursements in that regard.

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

Appointment of Proxyholders

Registered shareholders as of the close of business on the Record Date (as defined below) are entitled to attend and vote at the Meeting, and are encouraged to participate in the Meeting and to vote on the matters to be considered in person or by proxy.

The individuals named in the accompanying form of proxy (the “Proxy”) are directors and/or officers of the Company. **If you are a shareholder entitled to vote at the Meeting, you have the right to appoint a person or company other than the persons designated in the Proxy, who need not be a shareholder, to attend and act for you and on your behalf at the Meeting. You may do so either by inserting the name of that other person in the blank space provided in the Proxy or by completing and delivering another suitable form of proxy. You should notify the nominee of the appointment, obtain the nominee’s consent to act as proxy and provide instructions to the nominee on how you wish your shares to be voted. Your nominee should bring personal identification to the meeting.**

Voting by Proxyholder

The persons named in the Proxy will vote or withhold from voting the Common Shares represented thereby in accordance with your instructions on any ballot that may be called for. If you specify a choice with respect to any matter to be acted upon, your Common Shares will be voted accordingly. The Proxy confers discretionary authority on the persons named therein with respect to:

- (a) each matter or group of matters identified therein for which a choice is not specified, other than the appointment of an auditor and the election of directors;
- (b) any amendment to or variation of any matter identified therein; and
- (c) any other matter that properly comes before the Meeting.

In respect of a matter for which a choice is not specified in the Proxy, the persons named in the Proxy will vote the Common Shares represented by the Proxy for the approval of such matter.

In the case of abstentions from, or withholding of, the voting of the Common Shares on any matter, the Common Shares that are the subject of the abstention or withholding will be counted for determining whether a valid quorum is present at the Meeting, but will not be counted as affirmative or negative on the matter to be voted on.

Registered Shareholders

Registered Shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered Shareholders may submit a proxy using one of the following methods:

- (a) complete, date and sign the enclosed form of proxy and return it to the Company's transfer agent, Computershare Trust Company of Canada ("Computershare"), by fax within North America at 1-866-249-7775, outside North America at (416) 263-9524, or by mail to the 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1 or by hand delivery at 2nd Floor, 510 Burrard Street, Vancouver, British Columbia, V6C 3B9; or
- (b) use a touch-tone phone to transmit voting choices to a toll-free number listed on your proxy card. Registered shareholders must follow the instructions of the voice response system and refer to the enclosed proxy form for the toll-free number, the holder's account number and the proxy access number; or
- (c) log on to Computershare's website at www.investorvote.com. Registered shareholders must follow the instructions that appear on the screen and refer to the enclosed proxy form for the holder's account number and the proxy access number.

Whatever method a registered shareholder chooses to submit their proxy they must ensure that the proxy is received at least 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or the adjournment thereof.

Beneficial Shareholders

The information in this section is of significant importance to shareholders who do not hold Common Shares in their own name. Beneficial Shareholders should note that the only proxies that can be recognized and acted upon at the Meeting are those deposited by registered shareholders (those whose names appear on the records of the Company as the registered holders of Common Shares) or as set out in the following disclosure.

If Common Shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those Common Shares will not be registered in the shareholder's name on the records of the Company. Such Common Shares will more likely be registered under the names of the shareholder's broker or an agent of that broker (an "intermediary"). In Canada, the vast majority of such Common Shares are registered under the

name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms), and in the United States of America (the “United States” or the “U.S.”), under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks).

Intermediaries are required to seek voting instructions from Beneficial Shareholders in advance of shareholder meetings. Every intermediary has its own mailing procedures and provides its own return instructions to clients. There are two kinds of Beneficial Shareholders: Objecting Beneficial Owners (“OBOs”) object to their name being made known to the issuers of securities which they own; and Non-Objecting Beneficial Owners (“NOBOs”) who do not object to the issuers of the securities they own knowing who they are.

The Company is taking advantage of the provisions of National Instrument 54-101 - Communication with Beneficial Owners of Securities of a Reporting Issuer (“NI 54-101”) that permit the Company to deliver proxy-related materials directly to its NOBOs. As a result NOBOs can expect to receive a Voting Instruction Form (“VIF”) from our transfer agent, Computershare. The VIF is to be completed and returned to Computershare as set out in the instructions provided on the VIF. Computershare will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the shares represented by the VIFs they receive.

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

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

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

The proxy form supplied to you by your broker will be similar to the proxy provided to registered shareholders by the Company. However, its purpose is limited to instructing the intermediary on how to vote your Common Shares on your behalf. Most brokers delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“Broadridge”) in Canada and in the United States. Broadridge mails a VIF in lieu of the proxy provided by the Company. The VIF will name the same persons as the Company’s Proxy to represent your Common Shares at the Meeting. You have the right to appoint a person (who need not be a Beneficial Shareholder of the Company), who is different from any of the persons designated in the VIF, to represent your Common Shares at the Meeting and that person may be you. To exercise this right, insert the name of the desired representative, which may be you, in the blank space provided in the VIF. The completed VIF must then be returned to Broadridge in accordance with Broadridge’s instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting and the appointment of any shareholder’s representative. **If you receive a VIF from Broadridge, the VIF must be completed and returned to Broadridge, in accordance with its instructions, well in advance of the Meeting in order to have your Common Shares voted or to have an alternate representative duly appointed to attend the Meeting and vote the Common Shares at the Meeting.**

Notice to Shareholders in the United States

The solicitation of proxies involves securities of an issuer located in Canada and is being effected in accordance with the corporate laws of the Province of British Columbia, Canada and securities laws of the provinces of

Canada. The proxy solicitation rules under the United States *Securities Exchange Act of 1934*, as amended, are not applicable to the Company or this solicitation, and this solicitation has been prepared in accordance with the disclosure requirements of the securities laws of the provinces of Canada. Shareholders should be aware that disclosure requirements under the securities laws of the provinces of Canada differ from the disclosure requirements under United States securities laws.

The enforcement by Shareholders of civil liabilities under United States federal securities laws may be affected adversely by the fact that the Company is incorporated under the *Business Corporations Act* (British Columbia) certain of its directors and its executive officers are residents of Canada and a substantial portion of its assets and the assets of such persons are located outside the United States. Shareholders may not be able to sue a foreign company or its officers or directors in a foreign court for violations of United States federal securities laws. It may be difficult to compel a foreign company and its officers and directors to subject themselves to a judgment by a United States court.

Revocation of Proxies

In addition to revocation in any other manner permitted by law, a registered shareholder who has given a proxy may revoke it by:

- (a) executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the registered shareholder or the registered shareholder's authorized attorney in writing, or, if the 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 to Computershare Trust Company of Canada, or to the Company's business office located at Suite 820 – 1130 Pender Street West, Vancouver, British Columbia, Canada, V6E 4A4, at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law, or
- (b) personally attending the Meeting and voting the registered shareholder's Common Shares.

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

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

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

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The board of directors (the "Board") of the Company has fixed the close of business on March 21, 2019, as the record date for the determination of persons entitled to receive notice of and to vote at the Meeting (the "Record Date"). Only shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of proxy in the manner and subject to the provisions described above will be entitled to vote or to have their Common Shares voted at the Meeting.

As of March 21, 2019, there were 119,741,031 Common Shares issued and outstanding, each carrying the right to one vote. No group of shareholders has the right to elect a specified number of directors, and there are no cumulative or similar voting rights attached to the Common Shares.

To the knowledge of the directors and executive officers of the Company, no person or corporation beneficially owned, directly or indirectly, or exercised control or direction over, Common Shares carrying more than 10% of the voting rights attached to all outstanding Common Shares of the Company as at March 21, 2019.

VOTES NECESSARY TO PASS RESOLUTIONS

A simple majority of affirmative votes cast at the Meeting is required to pass the resolutions described herein. 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.

CORPORATE GOVERNANCE

General

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the shareholders of the Company. Corporate governance also takes into account the role of the individual members of management appointed by the Board who are charged with the day-to-day management of the Company. The Board is committed to sound corporate governance practices, which are both in the interest of its shareholders and contribute to effective and efficient decision making.

Board of Directors

The Board is currently composed of three (3) directors. None of the current directors of the Company is independent, since as of the date of this Information Circular all directors hold executive positions with the Company. Mr. Eckenweiler is the CEO, Ms. Silina is the CFO, and Dr. Sanderson is Chief Science Officer ("CSO") of the Company.

The Board is proposing to increase the number of directors to four (4). In addition to Mr. Eckenweiler, Dr. Sanderson, and Ms. Silina, the Board has nominated Casey Fenwick. Mr. Fenwick is the Company's President and a director of its subsidiary, and therefore is not an independent as that term is defined in NI 52-110.

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

Directorships

Of all the current and proposed directors Yanika Silina is currently only director who holds directorships in other reporting issuers. As of the date of this Information Circular Ms. Silina is a director of Cell MedX Corp., a reporting issuer listed on OTCQB, and Kesselrun Resources Ltd., a reporting issuer listed on TSX Venture exchange.

Orientation and Continuing Education

In order to orient new directors, the Board briefs all new directors with the policies of the Board, and other relevant corporate and business information.

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 best interests of the Company. Further, the Company's auditor has full and unrestricted access to the Audit Committee at all times to discuss the audit of the Company's financial statements and any related findings as to the integrity of the financial reporting process.

Under applicable corporate legislation, a director is required to act honestly and in good faith with a view to the best interest of the Company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, and 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 voting on the contract or transaction, unless the contract or transaction (i) relates primarily to their 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 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 does not have a nominating committee, and these functions are currently performed by the Board as a whole. 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 the 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, show support for the Company's mission and strategic objectives, and a willingness to serve.

Compensation

The Board as a whole conducts reviews with regard to the directors' and the CEO's compensation once a year. To make its recommendation on directors' and the CEO's compensation, the Board takes into account the types of compensation and the amounts paid to directors and the CEO of comparable publicly traded Canadian companies. Members of the Board do not currently receive any remuneration for acting in such capacity.

Other Board Committees

The Board has no committees other than the Audit Committee.

Assessments

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

EXECUTIVE COMPENSATION

In this section "Named Executive Officer" ("NEO") means the Chief Executive Officer (the "CEO"), the Chief Financial Officer (the "CFO") and each of the three most highly compensated executive officers, other than the CEO and CFO, who were serving as executive officers at the end of the most recently completed fiscal year and whose total salary and bonus exceeds \$150,000 as well as any additional individuals for whom disclosure would have been provided except that the individual was not serving as an officer of the Company at the end of the most recently completed fiscal year end.

For the financial year ended December 31, 2018, the NEOs of the Company were: Brad Eckenweiler, CEO, James Pakulis, former President, Yanika Silina, CFO, and Dr. Sanderson, CSO.

Compensation Discussion and Analysis

As the Company does not have a compensation committee, the Board has the responsibility to administer compensation policies related to executive management.

Executive compensation is based upon the need to provide a compensation package that will allow the Company to attract and retain qualified and experienced executives balanced with a pay-for-performance philosophy. Compensation for this fiscal year and prior fiscal years is based upon a negotiated salary, with option-based awards and bonuses potentially being issued and paid as an incentive for performance.

The Board has not considered the implications of the risks associated with the Company's compensation program.

The Company has not adopted a policy restricting its executive officers or directors from purchasing financial instruments that are designated to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by its executive officers or directors. To the best of the Company's knowledge, none of the executive officers or directors has purchased such financial instruments.

Compensation Review Process

The Board is responsible for the compensation policies and guidelines for the Company and for implementing and overseeing compensation policies.

The Board reviews on an annual basis the cash compensation, performance and overall compensation package of each executive officer, including the NEOs. The Board makes decisions with respect to basic salary and participation in share compensation arrangements for each executive officer. In considering executive officers other than the CEO, the Board takes into account the recommendation of the CEO.

The Company does not have a formal compensation program with set benchmarks, however, the Company does have a compensation program which seeks to reward an executive officer's current and future expected performance. Individual performance in connection with the achievement of corporate milestones and objectives is also reviewed for all executive officers.

Elements of Executive Compensation Program

The Company's compensation program consists of the following elements:

- (a) base salary or consulting fees;
- (b) bonus payments; and
- (c) equity participation through the Company's stock option plan.

Base Salary or Consulting Fees

In determining the base salary of an executive officer, the Board considers the following factors:

- (a) the particular responsibilities related to the position;
- (b) salaries paid by other companies in the machinery and equipment wholesale industry which were similar in size as the Company;
- (c) the experience level of the executive officer;
- (d) the amount of time and commitment which the executive officer devotes to the Company; and
- (e) the executive officer's overall performance and performance in relation to the achievement of corporate milestones and objectives.

Bonus Payments

Each of the executive officers, as well as all employees, is eligible for an annual bonus, payable in cash or through stock-based compensation. The amount paid is based on the Board's assessment of the Company's performance for the year. Factors considered in determining bonus amounts include individual performance, financial criteria (such as cash flow and share price performance) and operational criteria (such as significant licensing contracts, revenue growth and the attainment of corporate milestones).

The Company did not award any bonuses during the financial years ended December 31, 2017 and 2016.

Equity Participation

Equity participation is accomplished through the Company's stock option plan.

Option-based Awards

The Board is responsible for administering compensation policies related to the Company's executive management, including the option-based awards.

The Board approved a stock option plan dated April 21, 2011 (the "2011 Plan") pursuant to which the Board may grant stock options to directors, officers, employees, management and others who provide services to the Company. The 2011 Plan provides compensation to participants and additional incentive to work toward long-term Company performance.

The 2011 Plan was implemented to grant stock options in consideration of the level of responsibility as well as optionee impact and/or contribution to the longer-term operating performance of the Company. In determining the number of share options to be granted, the Company's Board takes into account the number of share options, if any, previously granted, and the exercise price of any outstanding stock options to ensure that such grants are in accordance with the policies of the CSE, and closely align the interests of the executive officers with the interests of the Company's shareholders.

Summary Compensation Table For Financial Years Ended December 31, 2018, 2017, and 2016

The compensation paid to the NEOs during the Company's three most recently completed financial years ended December 31, 2018, 2017, and 2016 is set out below and expressed in Canadian dollars, unless otherwise noted:

| Name and principal position | Year | Salary (\$) | Share-based awards (\$) | Option-based awards (\$) | Non-equity incentive plan compensation (\$) | | Pension value (\$) | All other compensation (\$) | Total compensation ⁽¹⁾ (\$) |
|---|------|-------------|-------------------------|--------------------------|---|---------------------------|--------------------|-----------------------------|--|
| | | | | | Annual incentive plans | Long-term incentive plans | | | |
| Brad Eckenweiler ⁽²⁾ Director and CEO | 2018 | Nil | Nil | 342,391 | Nil | Nil | Nil | 388,943 | 731,334 |
| | 2017 | Nil | Nil | 1,584,719 | Nil | Nil | Nil | 389,580 | 1,974,299 |
| | 2016 | Nil | Nil | 83,369 | Nil | Nil | Nil | 252,129 | 335,498 |
| James Pakulis, ⁽³⁾ Former President and Director | 2018 | Nil | Nil | Nil | Nil | Nil | Nil | 70,999 | 70,999 |
| | 2017 | Nil | Nil | 376,328 | Nil | Nil | Nil | 77,916 | 454,244 |
| | 2016 | Nil | Nil | 28,748 | Nil | Nil | Nil | 79,536 | 108,284 |
| Yanika Silina ⁽⁴⁾ CFO, Corporate Secretary and Director | 2018 | Nil | Nil | Nil | Nil | Nil | Nil | 116,416 | 116,416 |
| | 2017 | Nil | Nil | 225,797 | Nil | Nil | Nil | 81,916 | 307,713 |
| | 2016 | Nil | Nil | 14,695 | Nil | Nil | Nil | 12,000 | 26,695 |

| Name and principal position | Year | Salary (\$) | Share-based awards (\$) | Option-based awards (\$) | Non-equity incentive plan compensation (\$) | | Pension value (\$) | All other compensation (\$) | Total compensation ⁽¹⁾ (\$) |
|-----------------------------------|------|-------------|-------------------------|--------------------------|---|---------------------------|--------------------|-----------------------------|--|
| | | | | | Annual incentive plans | Long-term incentive plans | | | |
| Dr. John Sanderson ⁽⁵⁾ | 2018 | Nil | Nil | Nil | Nil | Nil | Nil | 78,720 | 78,720 |
| | 2017 | Nil | 590,000 | 451,194 | Nil | Nil | Nil | 38,958 | 1,080,152 |
| CSO | 2016 | Nil | Nil | 57,496 | Nil | Nil | Nil | Nil | 57,496 |

Notes:

- The amounts include all amounts set out in this table for each NEO and executive officer.
- Mr. Eckenweiler was appointed a director of the Company on May 1, 2015, and as CEO of the Company on May 22, 2015. On July 31, 2015, the Company entered into a consulting agreement with Mr. Eckenweiler for a one year term for USD\$6,700 per month (the "Consulting Agreement"). Effective July 1, 2016, the Company agreed to extend the agreement for an additional one year term for USD\$25,000 per month. On February 28, 2017, the Consulting Agreement was further amended to extend the initial term to February 28, 2021, with automatic renewals for successive one year periods thereafter. In case of the termination of the Consulting Agreement by the Company without due cause, the Company agreed to pay Mr. Eckenweiler a lump sum amount equal to the product of monthly remuneration otherwise payable to Mr. Eckenweiler under the Consulting Agreement (US\$25,000 per month, as amended on July 31, 2016) multiplied by 18 months regardless of the length of time remaining under the then current term. On July 13, 2016, the Company granted Mr. Eckenweiler stock options to purchase up to 1,450,000 Common Shares at \$0.12 per share expiring on July 13, 2017. On July 27, 2017, the Company granted Mr. Eckenweiler stock options to purchase up to 4,211,000 Common Shares at \$0.50 per share expiring on July 27, 2019. On August 15, 2018, the Company granted Mr. Eckenweiler stock options to purchase up to 2,825,820 Common Shares at \$0.58 per share expiring on August 15, 2020.
- Mr. Pakulis has served as Director and President of the Company from November 2, 2015 to November 16, 2018. The Company agreed to reimburse Mr. Pakulis for his consulting services at USD\$5,000 per month. On May 1, 2017, the Company and Mr. Pakulis entered into a management consulting agreement for US\$5,000 per month extending for a term of two years expiring on May 1, 2019, with automatic renewals for successive one year periods thereafter. On July 13, 2016, the Company granted Mr. Pakulis stock options to purchase up to 500,000 Common Shares at \$0.12 per share expiring on July 13, 2017. On July 27, 2017, the Company granted Mr. Pakulis stock options to purchase up to 1,000,000 Common Shares at \$0.50 per share expiring on July 27, 2019. Mr. Pakulis resigned from all positions he held with the Company on November 16, 2018, however, the Company agreed to allow Mr. Pakulis to exercise his options up to July 27, 2019, the original expiry of the options granted to him.
- Ms. Silina has served as the Company's Chief Financial Officer and Corporate Secretary since November 27, 2015, and as director since January 25, 2018. On May 1, 2017, the Company and Ms. Silina entered into a management consulting agreement for US\$7,500 per month extending for a term of two years expiring on May 1, 2019, with automatic renewals for successive one year periods thereafter. On July 13, 2016, the Company granted Ms. Silina stock options to purchase up to 255,595 Common Shares at \$0.12 per share expiring on July 13, 2017. On July 27, 2017, the Company granted Ms. Silina stock options to purchase up to 600,000 Common Shares at \$0.50 per share expiring on July 27, 2019.
- Dr. Sanderson has served as the Company's Chief Science Officer since April 26, 2016. During the Fiscal 2017, the Company agreed to compensate Dr. Sanderson for his consulting services at US\$5,000 per month under a month-to-month verbal agreement. On May 23, 2017, in consideration for an exclusive worldwide license to the technology relating to the transmucosal delivery of biologically active substances granted to the Company by Dr. Sanderson, and Nanostrips, Inc., a company controlled by Dr. Sanderson, the Company issued Dr. Sanderson 1,000,000 Common Shares of the Company valued at \$590,000. On July 13, 2016, the Company granted Dr. Sanderson stock options to purchase up to 1,000,000 Common Shares at \$0.12 per share expiring on July 13, 2017. On July 27, 2017, the Company granted Dr. Sanderson stock options to purchase up to 1,200,000 Common Shares at \$0.50 per share expiring on July 27, 2019.

Incentive Plan Awards

Value of Option-Based Awards Vested or Earned During the Year by NEOs

The following table sets forth, for each NEO, the values of all incentive plan awards which vested or were earned during the financial years ended December 31, 2018 and December 31, 2017.

| Option-based Awards | | | | |
|--------------------------------------|--|----------------------------|--------------------------------|---|
| Name | Number of securities underlying unexercised options ⁽¹⁾ (#) | Option exercise price (\$) | Option expiration date (M/D/Y) | Value of unexercised in-the-money options ⁽²⁾ (\$) |
| Brad Eckenweiler Director and CEO | 4,211,000 | \$0.50 | July 27, 2019 | Nil |
| | 2,825,820 | \$0.58 | August 15, 2020 | Nil |

| Option-based Awards | | | | |
|---|---|-------------------------------|-----------------------------------|--|
| Name | Number of securities underlying unexercised options ⁽¹⁾ (#) | Option exercise price (\$) | Option expiration date (M/D/Y) | Value of unexercised in-the-money options ⁽²⁾ (\$) |
| James Pakulis Former Director and President | 1,000,000 | \$0.50 | July 27, 2019 | Nil |
| Yanika Silina Director, CFO, Corporate Secretary | 600,000 | \$0.50 | July 27, 2019 | Nil |
| Dr. John Sanderson Director and CSO | 1,200,000 | \$0.50 | July 27, 2019 | Nil |

Notes:

1. All stock options granted to NEOs fully vested at the time of grant.
2. Value is calculated by multiplying the number of securities which may be acquired on exercise of the option by the difference, if any, between the market value of the securities underlying the options as at the closing price on the date of the current financial year end, or, if no trades on date of the current financial year end, closing price on the previous trading day. On December 31, 2018, the Company's Common Shares traded at \$0.29 per share and therefore all options were out of the money.

On July 13, 2016, the Company granted to its NEOs options to acquire up to 3,205,595 Common Shares, exercisable at \$0.12 per share, expiring on July 13, 2017. The options vested immediately upon grant and were exercised in full during the Company's fiscal 2016 and 2017 years.

On July 27, 2017, the Company granted to its NEOs options to acquire up to 7,011,000 Common Shares, exercisable at \$0.50 per share, expiring on July 27, 2019. The options vested immediately upon grant.

On August 15, 2018, the Company granted to Mr. Eckenweiler an option to acquire up to 2,825,820 Common Shares, exercisable at \$0.58 per share, expiring on August 15, 2020. The option vested immediately upon grant.

Pension Plan Benefits

The Company does not have a pension plan or deferred compensation plan for its directors, officers or employees.

Termination and Change of Control Benefits

Aside from the information provided in the *Summary Compensation Table for Financial Years Ended December 31, 2018, 2017, and 2016*, there are no compensatory plan(s) or arrangements(s), with respect to any of the NEOs resulting from the resignation, retirement or any other termination of the officer's employment, or from a change of the NEOs responsibilities following a change of control.

Compensation of Directors

The table below shows compensation paid to the Company's directors, other than directors who were also NEOs, during the Company's two most recently completed financial years ended December 31, 2018 and 2017 and expressed in Canadian dollars, unless otherwise noted:

| Name and principal position | Year | Salary (\$) | Share-based awards (\$) | Option-based awards (\$) | Non-equity incentive plan compensation (\$) | | Pension value (\$) | All other compensation (\$) | Total compensation (\$) |
|---|------|-------------|-------------------------|--------------------------|---|---------------------------|--------------------|-----------------------------|-------------------------|
| | | | | | Annual incentive plans | Long-term incentive plans | | | |
| David Velisek ⁽¹⁾ Former Director and CEO | 2018 | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| | 2017 | Nil | Nil | 112,899 | Nil | Nil | Nil | Nil | 112,899 |

| Name and principal position | Year | Salary (\$) | Share-based awards (\$) | Option-based awards (\$) | Non-equity incentive plan compensation (\$) | | Pension value (\$) | All other compensation (\$) | Total compensation (\$) |
|--|------|-------------|-------------------------|--------------------------|---|---------------------------|--------------------|-----------------------------|-------------------------|
| | | | | | Annual incentive plans | Long-term incentive plans | | | |
| Arni Johannson ⁽²⁾ Former Director | 2018 | Nil | Nil | 342,391 | Nil | Nil | Nil | 60,000 | 402,391 |
| | 2017 | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |

Notes:

- David Velisek acted as the Company's director since September 14, 2010 until March 27, 2019. From December 31, 2013 until May 22, 2015, Mr. Velisek was also the Company's CEO. On July 27, 2017, the Company granted Mr. Velisek stock options to purchase up to 300,000 common shares at \$0.50 per share expiring on July 27, 2019. Per the Company's rolling stock option plan, all options expire 30 days after optionee's resignation. Mr. Velisek resigned as director of the Company on March 27, 2019, as such the options issued to Mr. Velisek expire on April 26, 2019.
- Mr. Johannson served as the director of the Company since January 25, 2018 until March 15, 2019. On January 1, 2018, the Company and Mr. Johannson entered into a consulting agreement for CAD\$5,000 per month extending for a term of two years expiring on January 1, 2020, with automatic renewals for successive one year periods thereafter. On January 11, 2018, the Company granted Mr. Johannson stock options to purchase up to 500,000 common shares at \$1.15 per share expiring on January 11, 2020. Per the Company's rolling stock option plan, all options expire 30 days after optionee's resignation. Mr. Johannson resigned as director of the Company on March 15, 2019, as such the options issued to Mr. Johannson expire on April 14, 2019.

Incentive Plan Awards

Value of Option-Based Awards Vested or Earned During the Year by Directors, other than NEOs

At December 31, 2018, the following option-based awards were granted to directors, other than directors who were also the Company's NEOs:

| Option-based Awards to Directors not Included in NEO Disclosure | | | | |
|---|--|----------------------------|---------------------------------|---|
| Name | Number of securities underlying unexercised options ⁽¹⁾ (#) | Option exercise price (\$) | Option expiration date (M/D/Y) | Value of unexercised in-the-money options ⁽²⁾ (\$) |
| David Velisek Former Director | 25,000 | \$0.80 | August 15, 2021 ⁽³⁾ | Nil |
| | 300,000 | \$0.50 | July 27, 2019 ⁽³⁾ | Nil |
| Arni Johannson Former Director | 500,000 | \$1.15 | January 11, 2020 ⁽⁴⁾ | Nil |

Notes:

- All stock options granted to directors fully vested at the time of grant.
- Value is calculated by multiplying the number of securities which may be acquired on exercise of the option by the difference, if any, between the market value of the securities underlying the options as at the closing price on the date of the current financial year end, or, if no trades on date of the current financial year end, closing price on the previous trading day. On December 31, 2018, the Company's Common Shares traded at \$0.29 per share and therefore all options were out of the money.
- Per the Company's rolling stock option plan, options expire 30 days after director's resignation. Mr. Velisek resigned as director of the Company on March 27, 2019, as such options issued to Mr. Velisek expire on April 26, 2019.
- Per the Company's rolling stock option plan, options expire 30 days after director's resignation. Mr. Johannson resigned as director of the Company on March 15, 2019, as such the options issued to Mr. Johannson expire on April 14, 2019.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The Company has a "rolling" stock option plan dated April 21, 2011, as amended on April 8, 2013 (the "Plan"). Pursuant to the Plan, the Company can grant options up to a maximum of 10% of the Company's issued and outstanding Common Shares.

The following table sets out equity compensation plan information as at the end of the financial year ended December 31, 2018.

Equity Compensation Plan Information

| | Number of securities to be issued upon exercise of outstanding options, warrants and rights | Weighted-average exercise price of outstanding options, warrants and rights | Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) |
|---|---|---|---|
| Plan Category | (a) | (b) | (c) |
| Equity compensation plans approved by security holders (the Plan) | 11,696,820 ⁽¹⁾ | \$0.55 | 277,283 |
| Equity compensation plans not approved by security holders | Nil | Nil | Nil |
| Total | 11,696,820 | \$0.55 | 277,283 |

Notes:

- On February 7, 2019, the Company granted an option to acquire up to 2,000,000 Common Shares to Mr. Fenwick, the Company's president and management's director nominee. In addition, the Company granted warrants to acquire up to 3,000,000 Common Shares and an option to acquire up to 1,000,000 Common Shares to its consultants. The options and warrants were issued outside the Plan; vest over a two-year period in equal instalments beginning on February 7, 2019, and may be exercised at a price of \$0.465 per share expiring five years after each vesting date.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No individual who is or who at any time during the last financial year was a director or executive officer of the Company, a proposed nominee for election as a director of the Company, or an associate of any such director, executive officer or proposed nominee is, or at any time since the beginning of the last completed financial year has been, indebted to the Company or any of its subsidiaries and no indebtedness of any such individual to another entity is, or has at any time since the beginning of such year been, the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by the Company or any of its subsidiaries.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

To the knowledge of management of the Company, no executive officer, director, nominee for election as a director of the Company, any person who beneficially owns or controls, directly or indirectly, common shares carrying more than 10% of the voting rights of the Company, or any associate or affiliate of any of the forgoing has or has had any interest in any transaction which, since the commencement of the Company's most recently completed financial year, or in any proposed transaction, which has materially affected or would materially affect the Company, other than the following:

On May 3, 2017, the Company entered into an exclusive worldwide license agreement with its Chief Science Officer, Dr. John D. Sanderson, and Nanostrips, Inc., a company controlled by Dr. Sanderson (the "Sanderson License Agreement"). Under the terms of the Sanderson License Agreement, the Issuer has been granted a worldwide exclusive license to the technology described in the provisional patent application relating to the transmucosal delivery of biologically active substances filed by Dr. Sanderson on November 6, 2016, and later refiled on December 18, 2017, and any technologies deriving therefrom, in the field of cannabis and cannabis extract related products. The technology developed by Dr. Sanderson relates to infusing cannabis extracts in thin film oral delivery strips. In consideration for this license, the Issuer has agreed to issue to Dr. Sanderson 1,000,000 Common Shares, which were issued on May 23, 2017, with an additional 1,000,000 Common Shares issuable upon the granting of a United States patent containing claims directed to the new and innovative subject matter described in the provisional patent application. The Sanderson License Agreement extends for a term expiring on the expiration of the last patent issued in relation to the technology licensed by Dr. Sanderson to the Issuer. Dr. Sanderson filed the patent application on December 18, 2018, and as of the date of this Information Circular the patent application is being reviewed by the United States Patent and Trademark Office.

CONTRACTS

There are no management functions of the Company which are, to any substantial degree, performed by a person or company other than the directors or senior officers of the Company.

PARTICULARS OF MATTERS TO BE ACTED UPON

To the knowledge of the Board, the only matters to be brought before the Meeting are those matters set forth in the accompanying Notice of Meeting.

1. Financial Statements, Auditor's Report and Management Discussion & Analysis

The audited financial statements of the Company for the fiscal years ended December 31, 2017 and December 31, 2016 as prepared by the Company, the audit report for the years ended December 31, 2017 and December 31, 2016 as issued by Dale Matheson Carr-Hilton Labonte LLP, as well as each related management discussion and analysis will be placed before the Meeting. Additional information may be obtained upon request from the Company at Suite 820 – 1130 Pender Street West, Vancouver, British Columbia, V6E 4A4, telephone: 866-347-5058 or fax: 604-648-0517. These documents and additional information are also available through the internet at www.sedar.com.

No further action or approval is required at the Meeting with respect to these documents.

2. Set the Number of Directors to be Elected

Shareholders will be asked to pass an ordinary resolution at the Meeting to set the number of directors to be elected. At the Meeting, it will be proposed that four (4) directors be elected to hold office until the next annual general meeting of the Company's shareholders or until their successors are elected or appointed. **Unless otherwise directed, it is the intention of the persons named in the enclosed form of proxy to vote in favor of the ordinary resolution setting the number of directors to be elected at four (4).**

The Board unanimously recommends that each shareholder vote "for" the setting of the number of directors to be elected at four (4).

3. Election of Directors

The term of office of each of the current directors will end at the conclusion of the Meeting. Unless the director's office is vacated earlier in accordance with the provisions of the *Business Corporations Act* (British Columbia) (the "BCA"), 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 four (4) nominees for election as directors, all major offices and positions with the Company and any of its significant affiliates each now holds, each nominee's principal occupation, business or employment (including 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 date of this Information Circular.

| Name of Nominee; Current Position with the Company and Province and Country of Residence | Occupation, Business or Employment ⁽¹⁾ | Period as a Director or Officer of the Company | Common Shares Beneficially Owned or Controlled ⁽¹⁾ |
|--|---|--|--|
| Brad Eckenweiler ⁽²⁾ Director and Chief Executive Officer Washington, USA | Director and CEO of Triton Emission Solutions Inc. (formerly Polysield Technologies Inc.) from September 2013 to May 2014. During 2011 to 2013 Mr. Eckenweiler acted as an independent consultant to various companies. | Director and CEO since May 1, 2015 | 8,770,000 ⁽³⁾ |
| Dr. John Sanderson ⁽²⁾ Chief Science Officer, California, USA | Dr. Sanderson is a stem cell researcher, who has worked as a medical director and consultant at Johnson & Johnson, as well as consulted other Fortune 100 health care companies and the U.S. government, on technological solutions for obesity, diabetes, and asthma. In addition, Dr. Sanderson is the CEO and Director of Cellese Inc., CEO and Director of Nanostrips Inc. and Secretary and Director of Locata Inc (USA), privately held corporations. | CSO since April 26, 2016, Director since January 25, 2018 | 3,200,000 ⁽⁴⁾ |
| Yanika Silina ⁽⁶⁾ Chief Financial Officer BC, Canada | Ms. Silina is a Chartered Professional Accountant. Ms. Silina is CFO of Cell MedX Corp., a director of Kesselrun Resources Ltd., and CFO of Stuhini Exploration Ltd., reporting issuers listed on the TSX Venture Exchange. | CFO since November 27, 2015, Director since January 25, 2018 | 171,095 ⁽⁵⁾ |
| Casey Fenwick Nominee director California, US | Prior to joining the Company, Mr. Fenwick worked as independent sales and marketing consultant with several large oil and gas projects from 2009 to 2011; from 2011 to 2014 Mr. Fenwick worked with digital advertising companies, and from 2015 onwards with private cannabis manufacturing companies. | President since February 4, 2019, Management's nominee for election | nil ⁽⁷⁾ |

Notes:

1. The information as to principal occupation, business or employment and Common Shares beneficially owned or controlled is not within the knowledge of the management of the Company and has been furnished by the respective nominees. Common Shares beneficially owned, are voting securities beneficially owned, directly or indirectly, or over which the director nominee exercises control or direction.
2. Proposed member of Audit Committee.

3. Mr. Eckenweiler holds options to purchase up to 4,211,000 Common Shares of the Company at an exercise price of \$0.50, expiring on July 27, 2019, and 2,825,820 Common Shares of the Company at an exercise price of \$0.58, expiring on August 20, 2020.
4. Dr. Sanderson holds options to purchase up to 1,200,000 Common Shares of the Company at an exercise price of \$0.50, expiring on July 27, 2019.
5. Ms. Silina holds options to purchase up to 600,000 Common Shares of the Company at an exercise price of \$0.50, expiring on July 27, 2019.
6. Ms. Silina is currently employed by Da Costa Management Corp., a privately-held corporation that provides bookkeeping and administrative services to LDS. Da Costa Management Corp. does not pay Ms. Silina for acting as the CFO of LDS, nor does Da Costa Management Corp. is paid by LDS for Ms. Silina's services. Ms. Silina is compensated directly by the Company for her services as CFO.
7. Mr. Fenwick holds options to purchase up to 2,000,000 Common Shares of the Company at an exercise price of \$0.465. The options vest over a two-year period in equal quarterly instalments beginning on February 7, 2019, and expire five years after each vesting date.

Management does not contemplate that any of the nominees will be unable to serve as a director. However, if a nominee should be unable to so serve for any reason prior to the Meeting, the persons named in the enclosed form of proxy reserve the right to vote for another nominee at their discretion. **The persons named in the enclosed form of proxy intend to vote for the election of all of the nominees whose names are set forth above.**

The Board unanimously recommends that each shareholder vote “for” the election of the above nominees as directors.

Cease Trade Orders

To the best of the Company's knowledge, no proposed nominee for election as a director of the Company (a “Proposed Director”) is, or has been, within the ten years preceding the date of this Information Circular, a director, chief executive officer or chief financial officer of any company that:

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

For the purposes of this Information Circular, an “order” means a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to an exemption under securities legislation, and such order was in effect for more than 30 consecutive days.

Bankruptcies

To the best of the Company's knowledge, no Proposed Director has, within ten years before the date of this Information Circular been a director or executive officer of any company that, while the Proposed Director was acting as a director or executive officer, 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 or receiver manger or trustee appointed to hold the company's assets.

To the best of the Company's knowledge, no Proposed Director has, within ten years before the date of this Information Circular, become 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 or receiver manger or trustee appointed to hold the Proposed Director's assets.

Other Penalties or Sanctions

To the best of the Company's knowledge, no Proposed Director has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a Proposed Director.

Audit Committee and Relationship with Auditor

Pursuant to National Instrument 52-110 of the Canadian Securities Administrators (“NI 52-110”), the Company is required to have an Audit Committee comprised of not less than three directors, a majority of whom are not officers, control persons or employees of the Company, or affiliates of the Company, and the Company is required to disclose annually in its Information Circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor. Such disclosure is set forth below:

Audit Committee Charter

The purpose of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities by reviewing the financial information, which will be provided to the shareholders and the public, the systems of corporate controls, which management and the Board have established, and overseeing the audit process. It has general responsibility to oversee internal controls, accounting and auditing activities and legal compliance of the Company. The Committee also is mandated to review and approve all material related party transactions. A copy of the Audit Committee Charter was filed on SEDAR as Schedule “A” to the Company’s preliminary long form prospectus dated March 18, 2011.

Composition of the Audit Committee

Following the Meeting, provided that they are elected as directors at the Meeting, the following persons are expected to be confirmed as members of the Company’s Audit Committee:

- Brad Eckenweiler - management’s nominee. Mr. Eckenweiler is not independent, as Mr. Eckenweiler is the CEO of the Company.
- Dr. Sanderson – management’s nominee. Dr. Sanderson is not independent, as Dr. Sanderson is the CSO of the Company.

Each of the above persons is considered to be financially literate.

Relevant Education and Experience

Brad Eckenweiler. In addition to acting as a director and officer of the Company, from September 9, 2013 to May 16, 2014, Mr. Eckenweiler acted as Chief Executive Officer and as a director of Triton Emission Solutions Inc. (OTCQB:DSOX), a company engaged in a business of emission abatement and control technologies for the marine industry. Mr. Eckenweiler is an executive with worldwide business experience in operations, corporate finance, multi-border negotiations and global securities markets.

Dr. Sanderson. In addition to acting as a director and officer of the Company, Dr. Sanderson is a stem cell researcher, who has worked as a medical director and consultant at Johnson & Johnson, as well as consulted other Fortune 100 health care companies and the U.S. government, on technological solutions for obesity, diabetes, and asthma. From 2015 to 2018 Dr. Sanderson acted as Chief Medical Officer of Cell MedX Corp. (OTCQB:CMXC). In addition, Dr. Sanderson is the CEO and Director of Cellese Inc., CEO and Director of Nanostrips Inc. and Secretary and Director of Locata Inc (USA), privately held corporations.

Based on their business experiences, Mr. Eckenweiler and Dr. Sanderson have the education and experience necessary to act on the Company’s Audit Committee.

Audit Committee Oversight

At no time since the commencement of the Company's most recent completed financial year was a recommendation of the Audit Committee made to nominate or compensate an external auditor not adopted by the Board.

Reliance on Certain Exemptions

Except as disclosed below, since the commencement of the Company's most recently completed fiscal year, the Company has not relied on:

- (a) the exemption in Section 2.4 (*De Minimis Non-audit Services*) of NI 52-110;
- (b) the exemption in Subsection 6.1.1(4) (*Circumstance Affecting the Business or Operations of the Venture Issuer*) of NI 52-110;
- (c) the exemption in Subsection 6.1.1(5) (*Events Outside Control of Member*) of NI 52-110;
- (d) the exemption in Subsection 6.1.1(6) (*Death, Incapacity or Resignation*) of NI 52-110; or
- (e) an exemption from NI 52-110 in whole or in part granted under Part 8 (*Exemption*) of NI 52-110.

As of the date of this proxy statement, the Company's Audit Committee is not compliant with the audit committee composition requirements for venture issuers, and was not compliant during its fiscal year ended December 31, 2017. In the opinion of the Board, the Company's current level of operations was suitably addressed. The Company intends to continue to pursue its growth strategy and intends to appoint directors during the course of the year in order to satisfy independence requirements with a view to becoming compliant as operations expand.

Pre-Approval Policies and Procedures

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

External Auditor Service Fees (By Category)

Fees incurred with the Company's Auditor for audit and non-audit services in the Company's last two fiscal years are outlined in the following table:

| | Fees Paid to Auditor in Fiscal Year Ended December 31, 2017 | Fees Paid to Auditor in Fiscal Year Ended December 31, 2016 |
|-----------------------------------|--|--|
| Audit Fees ⁽¹⁾ | \$46,400 | \$28,560 |
| Audit-related Fees ⁽²⁾ | Nil | Nil |
| Tax Fees ⁽³⁾ | \$3,800 | \$2,000 |
| All Other Fees ⁽⁴⁾ | Nil | Nil |
| Total | \$50,200 | \$30,560 |

Notes:

1. "Audit Fees" include fees necessary to perform the annual audit of the Company's consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
2. "Audit-Related Fees" include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed 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 a “venture issuer” as defined in NI 52-110 and relies on the exemption in section 6.1 of NI 52-110 relating to Parts 3 (*Composition of the Audit Committee*) and 5 (*Reporting Obligations*) of NI 52-110.

4. Appointment and Remuneration of Auditors

Dale Matheson Carr-Hilton Labonte LLP, Chartered Accountants, Suite 1500, 1140 Pender Street West, Vancouver, British Columbia V6E 4G1, will be nominated at the Meeting for reappointment as auditor of the Company. Dale Matheson Carr-Hilton Labonte LLP, Chartered Accountants, was first appointed auditor on January 18, 2016.

Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote FOR the reappointment of the firm of Dale Matheson Carr-Hilton Labonte LLP, Chartered Accountants, as auditor of the Company until the close of the next annual meeting of shareholders.

The Board unanimously recommends that each shareholder vote “for” the appointment of Dale Matheson Carr-Hilton Labonte LLP, as auditor and authorizing the Board to approve the compensation of the auditor.

ADDITIONAL INFORMATION

Additional information relating to the Company can be found in each of the Company’s audited comparative financial statements for the financial years ended December 31, 2017 and 2016 and the accompanying auditor’s report and related management discussion and analyses. Additional copies of this Information Circular may be obtained from SEDAR at www.sedar.com and upon request from the Company at Suite 820, 1130 Pender Street West, Vancouver, British Columbia, V6E 4A4, telephone number: 866-347-5058 or fax number 604-648-0517. Copies of documents will be provided 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

Management of the Company is not aware of any other matter that is to come before the Meeting other than as set forth in the notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote the Common Shares represented thereby in accordance with their best judgment on such matter.

The contents of this Information Circular and its distribution to shareholders have been approved by the Board of the Company.

DATED at Vancouver, British Columbia, March 28th, 2019.

BY ORDER OF THE BOARD

“Brad Eckenweiler”

Brad Eckenweiler
Chief Executive Officer and Director