Mojave Jane Brands Inc.
Suite 2050, 1055 W. Georgia St.
P.O. Box 11121, Royal Centre
Vancouver, British Columbia V6E 3P3
Tel: 604 684-2181

Form 51-102F6V

STATEMENT OF EXECUTIVE COMPENSATION – VENTURE ISSUERS (for financial years ended August 31, 2020 and August 31, 2019)

GENERAL

The following information, dated February 27, 2021, is provided as required under Form 51-102F6V – *Statement of Executive Compensation*, for Venture Issuers (the "**Form**"), as such term is defined in National Instrument 51-102.

For the purposes of this Form:

"**Company**" means Mojave Jane Brands Inc.;

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

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

(a) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief executive officer, including an individual performing functions similar to a chief executive officer;

(b) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief financial officer, including an individual performing functions similar to a chief financial officer;

(c) in respect of the company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than $150,000;

(d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the company, and was not acting in a similar capacity, at the end of that financial year.

DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION

<u>During financial year ended August 31, 2020</u>, based on the definition above, the NEOs of the Company were: Cam Birge, interim Chief Executive Officer, interim Chief Financial Officer, Chairman, and Director, Robert Allen, former Chairman and Director, Gary Latham, former Chief Executive Officer and Director, and Thomas W. Baird, former Chief Operating Officer. The Directors of the Company who were not NEOs during financial year ended August 31, 2020 were Dieter MacPherson and Anthony J. Gentile.

Cam Birge was appointed as the Chairman on November 5, 2019, as interim Chief Financial Officer on November 7, 2019, and as interim Chief Executive Officer on March 15, 2020.

Robert Allen was appointed to the Board on June 18, 2018 and as the Chairman on May 8, 2019 and subsequently resigned as the Chairman and from the Board on November 5, 2019.

Gary Latham was appointed to the Board and as CEO on November 15, 2018 and subsequently resigned as CEO and from the Board on January 31, 2020.

Thomas Baird was appointed as COO on November 15, 2018 and subsequently resigned as COO on February 5, 2020.

During financial year ended August 31, 2019, based on the definition above, the NEOs of the Company were: Gary Latham, Chief Executive Officer and Director, David E. Argudo, former Chief Executive Officer and Director, Christian Scovenna, former interim Chief Executive Officer and Director, Fiona Fitzmaurice, Chief Financial Officer, Thomas W. Baird, Chief Operating Officer, and Paul Mann, former Chief Operating Officer. The directors of the Company who were not NEOs during financial year end August 31, 2019 were: Campbell Birge, Anthony J. Gentile, Dieter MacPherson, Daniel Petrov and Richard Palanco.

Fiona Fitzmaurice was appointed as CFO and to the Board on October 25, 2017 and resigned from the Board on June 18, 2018 and as CFO on July 31, 2019.

Christian Scovenna was appointed to the Board on August 29, 2017 and as interim CEO on October 16, 2018 and subsequently resigned as interim CEO on November 15, 2018 and from the Board on May 30, 2019.

David E. Argudo was appointed to the Board on August 29, 2017 and as CEO on December 1, 2017 and resigned as CEO and from the Board on October 16, 2018.

Dieter Macpherson was appointed to the Board on March 6, 2019.

Richard Polanco was appointed to the Board on August 29, 2017 and resigned from the Board on April 12, 2019.

Daniel Petrov was appointed to the Board on August 29, 2017 and resigned from the Board on April 29, 2019.

Paul Mann was appointed as COO on March 16, 218 and was terminated as COO on October 16, 2018.

The Company is authorized to issue an unlimited number of Common Shares without par value, each carrying the right to one vote ("**Common Shares**"). The Company's Common Shares are listed on the Canadian Securities Exchange under stock symbol "JANE".

Director and NEO Compensation, Excluding Options and Compensation Securities

The following table of compensation, excluding options and compensation securities, provides a summary of the compensation paid by the Company to NEOs and directors of the Company who were not NEOS for the financial years ended August 31, 2020 and August 31, 2019. Options and compensation securities are disclosed under the heading "**Stock Options and Other Compensation Securities**" in this Form.

Table of Compensation Excluding Compensation Securities							
Name and principal position	**Year**	**Salary, consulting fee, retainer or commission ($)**	**Bonus ($)**	**Committee or meeting fees ($)**	**Value of perquisites ($)**	**Value of all other compensation ($)**	**Total compensation ($)**
Cam Birge [1] *Director and Interim CEO and Interim CFO*	2020 2019	41,250 Nil	Nil Nil	16,250 33,000	Nil Nil	Nil Nil	57,500 33,000
Gary Latham[2] *former Director and CEO*	2020 2019	128,434 196,072	Nil 317,159	Nil Ni	Nil Nil	Nil 44,514	128,434 557,745
Fiona Fitzmaurice[3] *former CFO*	2020 2019	Nil 342,674	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil 342,674
Thomas Baird[4] *former COO*	2020 2019	128,573 196,168	Nil 317,159	Nil Nil	Nil Nil	Nil 29,527	128,573 542,854

Table of Compensation Excluding Compensation Securities							
Name and principal position	**Year**	**Salary, consulting fee, retainer or commission ($)**	**Bonus ($)**	**Committee or meeting fees ($)**	**Value of perquisites ($)**	**Value of all other compensation ($)**	**Total compensation ($)**
David E. Argudo [5] *former CEO and Director*	2020 2019	Nil 32,671	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil 32,671
Christian Scovenna [6] *former CEO and Director*	2020 2019	Nil 336,520	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil 336,520
Paul Mann[7] *former COO*	2020 2019	Nil 15,115	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil 15,115
Dieter Macpherson[8] *Director*	2020 2019	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
AJ Gentile [9] *Director*	2020 2019	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
Robert Allen[10] *former Director*	2020 2019	Nil Nil	Nil Nil	Nil 30,400	Nil Nil	Nil Nil	Nil 30,400
Richard Polanco[11] *former Director*	2020 2019	Nil Nil	Nil Nil	Nil 23,080	Nil Nil	Nil Nil	Nil 23,080
Daniel Petrov[12] *former Director*	2020 2019	Nil Nil	Nil Nil	Nil 3,960	Nil Nil	Nil Nil	Nil 3,960

Notes:

(1) Cam Birge was appointed to the Board on October 22, 2018, as the Chairman on November 5, 2019, as interim CFO on November 7, 2019 and as Interim CEO on February 1, 2020. All compensations were received as a director.

(2) Gary Latham was appointed to the Board and as CEO on November 15, 2018 and subsequently resigned as CEO and from the Board on January 31, 2020.

(3) Fiona Fitzmaurice was appointed as CFO and to the Board on October 25, 2017 and resigned from the Board on June 18, 2018 and as CFO on July 31, 2019.

(4) Thomas Baird was appointed as COO on November 15, 2018and subsequently resigned as COO on February 5, 2020.

(5) David E. Argudo was appointed to the Board on August 29, 2017 and as CEO on December 1, 2017 and resigned as CEO and from the Board on October 16, 2018.

(6) Christian Scovenna was appointed to the Board on August 29, 2017 and as interim CEO on October 16, 2018 and subsequently resigned as interim CEO on November 15, 2018 and from the Board on May 30, 2019.

(7) Paul Mann was appointed as COO on March 16, 218 and was terminated as COO on October 16, 2018.

(8) Dieter Macpherson was appointed to the Board on March 6, 2019.

(9) AJ Gentile was appointed to the Board on April 12, 2019.

(10) Robert Allen was appointed to the Board on June 18, 2018 and as the Chairman on May 8, 2019 and subsequently resigned as the Chairman and from the Board on November 5, 2019.

(11) Richard Polanco was appointed to the Board on August 29, 2017 and resigned from the Board on April 12, 2019.

(12) Daniel Petrov was appointed to the Board on August 29, 2017 and resigned from the Board on April 29, 2019.

Stock Option Plan and Oher Compensation Plans

10% "rolling" Share Option Plan **(Option-Based Awards)**

At the Company's April 12, 2019 annual general and special meeting, shareholders approved the adoption of the Company's new 10% "rolling" share option plan (the "**Option Plan**") which Option Plan was established to provide incentive to qualified parties to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company. The Stock Option Plan is a rolling stock option plan that sets the number of Common Shares issuable thereunder at a maximum of 10% of the Common Shares issued and outstanding at the time of any grant.

The Stock Option Plan provides that the Board of the Company may from time to time, in its discretion, grant to directors, officers, employees and consultants of the Company, or any subsidiary of the Company, the option to purchase Common Shares. The Stock Option Plan provides for a floating maximum limit of 10% of the outstanding Common Shares as permitted by the policies of the Canadian Securities Exchange.

Management proposes share option grants to the Board based on such criteria as performance, previous grants, and hiring incentives. The Board administers the Company's Option Plan and all option grants require Board approval. The Option Plan allows options to be issued to directors, officers, employees or consultants of the Company.

In compensating its senior management, the Company employs a combination of salary and equity participation. The Board is of the view that encouraging its executives and employees to hold shares of the Company is the best way to align their interests with those of the Company's shareholders. Equity participation is accomplished through the Company's Option Plan.

Share options are granted to executives and employees taking into account a number of factors, including the amount and term of options previously granted, base salary and competitive factors. The amounts and terms of options granted are determined by the Board based on recommendations put forward by the CEO. Due to the Company's limited financial resources, option grants are an important part of executive compensation to assist in maintaining executive motivation.

Given the evolving nature of the Company's business, the Board continues to review and redesign the overall compensation plan for senior management so as to continue to address the objectives identified above.

A summary of the material aspects of the Stock Option Plan is as follows:

a) the Stock Option Plan is administered by the Company's Board or, if the Board so designates, a Committee of the Board appointed in accordance with the Stock Option Plan to administer the Stock Option Plan;

b) the maximum number of shares in respect of which options may be outstanding under the Stock Option Plan at any given time is equivalent to 10% of the issued and outstanding shares of the Company at that time, less the number of shares, if any, subject to prior options;

c) following termination of an optionee's employment, directorship, consulting agreement or other qualified position, the optionee's option shall terminate upon the expiry of such period of time following termination, not to exceed 90 days (30 days if the optionee is engaged in providing investor relations services), or, in certain circumstances such longer period as may be determined by the directors, but in any event, no longer than the initial term of the option;

d) an option granted under the Stock Option Plan will terminate one year following the death of the optionee. These provisions do not have the effect of extending the term of an option which would have expired earlier in accordance with its terms, and do not apply to any portion of an option which had not vested at the time of death or other termination;

e) as long as required by Exchange policy, no one individual may receive options on more than 5% of the issued and outstanding shares of the Company (the "**Outstanding Shares**") in any 12 month period, no one consultant may receive options on more than 2% of the Outstanding Shares in any 12 month period, and options granted to persons employed to provide investor relations services may not exceed, in the aggregate, 2% of the Outstanding Shares in any 12 month period;

f) options may not be granted at prices that are less than the Discounted Market Price as defined in Exchange policy which, subject to certain exceptions, generally means the most recent closing price of the Company's shares on the Exchange, less a discount of from 15% to 25%, depending on the trading value of the Company's shares;

g) any amendment of the terms of an option shall be subject to any required regulatory and shareholder approvals; and

h) in the event of a reorganization of the Company or the amalgamation, merger or consolidation of the shares of the Company, the Board of Directors shall make such appropriate provisions for the protection of the rights of the optionee as it may deem advisable.

Fixed Restricted Share Unit Plan (**Share-Based Awards)**

At the Company's March 1, 2018 annual general meeting, shareholders approved the adoption of a fixed restricted share unit plan (the "**RSU Plan**"), which RSU Plan is designed to provide certain directors, officers, consultants and other key employees (an "**Eligible Person**") of the Company and its related entities with the opportunity to acquire restricted share units ("**RSUs**") of the Company. The acquisition of RSUs allows an EligiblePerson to participate in the long-term success of the Company thus promoting the alignment of an Eligible Person's interests with that of the Shareholders. The Board or a committee approved by the Board will be responsible for administering the RSU Plan.

At the Company's April 12, 2019 annual general and special meeting, shareholders approved an increase to the maximum number of common shares under the RSU Plan, to total maximum 3,050,364 Common Shares.

The following summary of the RSU Plan.

Benefits of the RSU Plan

The RSU Plan is designed to be a long term incentive for the directors, officers, consultants and other key employees of the Company. RSUs provide the Company with an additional compensation tool to help retain and attract highly qualified directors, officers, consultants and employees.

The Board may engage such consultants and advisors as it considers appropriate, including compensation or human resources consultants or advisors, to provide advice and assistance in determining the amounts to be paid under the RSU Plan and other amounts and values to be determined hereunder or in respect of the RSU Plan including, without limitation, those related to a particular fair market value.

Nature and Administration of the RSU Plan

All Directors, Officers, Consultants and Employees (as defined in the RSU Plan) of the Company and its related entities ("**Eligible Persons**") are eligible to participate in the RSU Plan (as "**Recipients**"), and the Company reserves the right to restrict eligibility or otherwise limit the number of persons eligible for participation as Recipients in the RSU Plan. Eligibility to participate as a Recipient in the RSU Plan does not confer upon any person a right to receive an award of RSUs.

Subject to certain restrictions, the Board or its appointed committee, can, from time to time, award RSUs to Eligible Persons. RSUs will be credited to an account maintained for each Recipient on the books of the Company as of the award date. The number of RSUs to be credited to each Recipient's account shall be determined at the discretion of the Board and pursuant to the terms of the RSU Plan.

Each award of RSUs vests on the date (each a "**Vesting Date**") that is the later of the Trigger Date (as defined in the RSU Plan) and the date upon which the relevant performance condition or other vesting condition set out in the award has been satisfied, subject to the requirements of the RSU Plan.

RSUs and all other rights, benefits or interests in the RSU Plan are non-transferable and may not be pledged or assigned or encumbered in any way and are not subject to attachment or garnishment, except that if a Recipient dies the legal representatives of the Recipient will be entitled to receive the amount of any payment otherwise payable to the Recipient hereunder in accordance with the provisions hereof.

Credit for Dividends

A Recipient's account will be credited with additional RSUs as of each dividend payment date in respect of which cash dividends are paid on Shares. The number of additional RSUs to be credited to a Recipient's account is computed by multiplying the amount of the dividend per Share by the aggregate number of RSUs that were credited to the Recipient's account as of the record date for payment of the dividend, and dividing that number by the Fair Market Value. Note that the Company is not obligated to pay dividends on Shares.

Resignation, Termination, Leave of Absence or Death

Generally, if a Recipient's employment or service is terminated, or if the Recipient resigns from employment with the Company, then any RSUs credited to him or her under the RSU Plan which have not vested on or before the separation date for the Recipient are forfeited, cancelled and terminated without payment.

In the event a Recipient is terminated without cause, unvested RSUs will immediately vest on the date of termination. If a Recipient's employment or service is terminated (otherwise than without cause), or the Recipient enters Retirement (as defined in the RSU Plan), dies, or suffers Total Disability (as defined in the RSU Plan), all unvested RSUs are automatically cancelled without compensation.

Control Change

In the event of a Change of Control, all RSUs credited to an account of a Recipient that have not otherwise previously been cancelled pursuant to the terms of the RSU Plan shall vest on the date on which the Change of Control occurs (the "**Change of Control Date**"). Within thirty (30) days after the Change of Control Date, but in no event later than the Expiry Date, the Participant shall receive a cash payment equal in amount to: (a) the number of Restricted Share Units that vested on the Change of Control Date; multiplied by (b) the Fair Market Value on the Change of Control Date, net of any withholding taxes and other source deductions required by law to be withheld by the Company.

Adjustments

In the event of any dividend paid in shares, share subdivision, combination or exchange of shares, merger, consolidation, spin-off or other distribution of Company assets to shareholders, or any other change in the capital of the Company affecting Shares, the Board will make adjustments with respect to the number of RSUs outstanding and any proportional adjustments as it, in its discretion, considers appropriate to reflect the change.

Vesting

The Board has discretion to grant RSUs to Eligible Persons as it determines is appropriate, and can impose conditions on vesting as it sees fit in addition to the Performance Conditions if any. Vesting occurs on the date set by the Board at the time of the grant or if no date is set then September 1 of the third calendar year following the date of the grant (the "**Trigger Date**"), and the date upon which the relevant Performance Condition or other vesting condition has been satisfied, subject to the limitations of the RSU Plan.

The Board may accelerate the Trigger Date of any RSU at its election.

Limitations under the RSU Plan

Unless Shareholder Approval is obtained, or unless permitted otherwise by the rules of the Exchange:

the maximum number of Shares which may be reserved for issuance to Related Persons (as a group) under the RSU Plan, together with any other Share Compensation Arrangement, may not exceed 10% of the issued Shares;

a) the maximum number of RSUs that may be granted to Related Persons (as a group) under the RSU Plan, together with any other Share Compensation Arrangement, within a 12-month period, may not exceed 10% of the issued Shares calculated on the Grant Date;

b) the maximum number of RSUs that may be granted to any one Eligible Person under the RSU Plan, together with any other Share Compensation Arrangement, within a 12-month period, may not exceed 5% of the issued Shares calculated on the Grant Date;

c) the maximum number of RSUs that may be granted to a Consultant, within a 12-month period, may not result in a number of RSUs exceeding 2% of the number of Shares outstanding at the Grant Date, together with any other Share Compensation Arrangement, without the prior consent of the CSE; and

d) grants of RSUs under the RSU Plan to any one Eligible Person may not exceed 1% of the issued Shares at the Grant Date and may not, in aggregate, exceed 2% of the issued Shares, within a 12-month period.

Stock Options and Other Compensation Securities

Outstanding Compensation Securities

The following table discloses the particulars of the outstanding option-based awards to the NEOs and Directors of the Company who were not NEOs pursuant to the Option Plan at financial year ended August 30, 2020.

At August 31, 2020 there were no RSUs outstanding under the RSU Plan.

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**
Cam Birge *Director and Interim CEO and Interim CFO*	Stock Options	500,000 (0.43%)	May 7, 2019	0.34	0.34	0.01	May 8, 2024

Note: Percentage based on 116,291,323 Common Shares issued and outstanding as at August 31, 2020.

Exercise of Compensation Securities

Refer to the table below as to exercises of restricted share units (share-based awards) by NEOs of the Company and Directors of the Company who were not NEOs during financial year ended August 31, 2020 and August 31, 2019.

Exercise of Compensation Securities by Directors and NEOs							
Name and position	**Type of compensation security**	**Number of underlying securities exercised**	**Exercise price per security ($)**	**Date of exercise**	**Closing price per security on date of exercise ($)**	**Difference between exercise price and closing price on date of exercise ($)**	**Total value on exercise date ($)**
David E. Argudo *former CEO and Director*	Restricted share units	700,000	$nil	March 22, 2019	0.38	0.38	$287,000
Christian Scovenna (6) *former CEO and Director*	Restricted share units	150,000	$nil	September 17, 2019	0.145	0.145	$61,500

Employment and management agreements

The Company has entered into the following employment agreements during fiscal years ended August 31, 2020 and August 31, 2019:

Cam Birge, CEO

During fiscal year ended August 31, 2020, the Company agreed to pay a monthly management fee of $7,500 to Cam Birge, Interim CEO, effective March 15, 2020.

This agreement was still in effect as at August 31, 2020.

Employment Agreement with Gary Latham, former CEO

The Company entered into an employment agreement with Gary Latham for an annual base salary of US$175,000. Under the employment agreement, the Company agreed to pay Gary Latham a signing bonus of US$250,000. In addition, Gary Latham is eligible to earn bonus compensation of up to 50% of the base salary and reimbursed for group health benefits up to US$2,700 per month. In the event that the Company terminate the employment without cause, the Company is required to give thirty (30) days written notice and pay a lump sum amount equal to the aggregate of six month's base salary plus six month's reimbursement of payments for continuing health coverage. In the event that the termination is as a result of a change in control, the Company is required to pay a lump sum amount equal to the aggregate of sixteen month's base salary plus sixteen month's reimbursement of payments for continuing health coverage.

This agreement was terminated upon Mr. Latham's resignation as CEO of the Company on January 31, 2020.

Employment Agreement with Thomas Baird, former COO

The Company entered into an employment agreement with Thomas Baird for an annual base salary of US$175,000. Under the employment agreement, the Company agreed to pay Thomas Baird a signing bonus of US$250,000. In addition, Thomas Baird is eligible to earn bonus compensation of up to 50% of the base salary and reimbursed for group health benefits up to US$2,700 per month. In the event that the Company terminate the employment without cause, the Company is required to give thirty (30) days written notice and pay a lump sum amount equal to the aggregate of six month's base salary plus six month's reimbursement of payments for continuing health coverage. In the event that the termination is as a result of a change in control, the Company is required to pay a lump sum amount equal to the aggregate of sixteen month's base salary plus sixteen month's reimbursement of payments for continuing health coverage.

This agreement was terminated upon Mr. Baird's resignation as COO of the Company on February 5, 2020.

Employment Agreement with Fiona Fitzmaurice, former CFO

The Company entered into an employment agreement with Fiona Fitzmaurice for an annual base salary of $144,000. In addition, Fiona Fitzmaurice is eligible to earn bonus compensation of up to 25% of the base salary and group health benefits. In the event that the Company terminate the employment without cause, the Company is required to pay a lump sum amount equal to the aggregate of 50% of her base salary and to continue to provide the group health coverages for a period of one year. In the event that the termination is as a result of a change in control, the Company is required to pay a lump sum amount equal up to two times her base salary and to continue to provide the group health coverages for a period of one year.

Ms. Fitzmaurice resigned as the CFO of the Company on July 31, 2019. On July 31, 2019, the Company signed a mutual separation agreement with Fiona Fitzmaurice whereby the Company agreed to pay Fiona Fitzmaurice a severance payment of $158,400 as well as payment of health benefits for a period of one year. The Company also agreed to grant stock options to Fiona Fitzmaurice to purchase 150,000 common shares of the Company at an exercise price of $0.25 per share for a period of one year.

Christian Scovenna, former interim CEO

Christian Scovenna was appointed to the Board on August 29, 2017 and as interim CEO on October 16, 2018 and subsequently resigned as interim CEO on November 15, 2018 and from the Board on May 30, 2019.

On May 30, 2019, the Company signed a letter agreement whereby the Company agreed to pay Christian Scovenna, a severance payment of $184,280 as well as payment of health benefits for a period of one year.

Other than as set out above, the Company has not entered into any other contract, agreement, plan or arrangement that provides for payments to a NEO or a director at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement a change in control of the Company or a change in an NEOs or directors responsibilities.

Oversight and description of director and NEO compensation

Director Compensation

The Company established a director compensation agreement (the "Director Compensation Agreement") on July 1, 2018. Under the terms of the Director Compensation Agreement, non-management directors receive cash consideration of $1,000 per month for acting in their capacity as directors of the Company. A director receives additional compensation of $1,000 per month if the director is a member of a Board committee or additional compensation of $1,500 per month if the director is a chair of the Board or a Board committee. Other than information provided by way of director compensation under table "**Table of Compensation Excluding Compensation Securities**" above, there was no compensation paid to directors of the Company who were not NEOs of the Company at financial year ended August 31, 2020.

Elements of NEO Compensation Program

The responsibilities relating to executive and director compensation, including reviewing and recommending compensation of the Company's officers and employees and overseeing the Company's base compensation structure and equity-based compensation program is performed by the Board as a whole. The Board also assumes responsibility for reviewing and monitoring the long-range compensation strategy for the Company's senior management. The Board generally reviews the compensation of senior management on an annual basis taking into account compensation paid by other issuers of similar size and activity and the performance of officers generally and in light of the Company's goals and objectives.

The compensation program for the senior management of the Company is designed within this context with a view that the level and form of compensation achieves certain objectives, including:

(a) attracting and retaining qualified executives;

(b) motivating the short and long-term performance of these executives; and

(c) better aligning their interests with those of the Company's shareholders.

In compensating its senior management, the Company has employed a combination of base salary and equity participation through its Option Plan (described above) and its RSU Plan (described above). Recommendations for senior management compensation are presented to the Board for review.

Base Salary or Consulting Fees

In the Board's view, paying base salaries which are reasonable in relation to the level of service expected while remaining competitive in the markets in which the Company operates is a first step to attracting and retaining qualified and effective executives.

Base salary ranges for the executive officers were initially determined upon a review of companies within the industry, which were of the same size as the Company, at the same stage of development as the Company and considered comparable to the Company

In determining the base salary or consulting fees 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 same 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 Incentive Compensation

The Company's objective is to achieve certain strategic objectives and milestones. The Board considers executive bonus compensation dependent upon the Company meeting those strategic objectives and milestones and sufficient cash resources being available for the granting of bonuses. The Board approves executive bonus compensation dependent upon compensation levels based on recommendations of the CEO. Such recommendations are generally based on information provided by issuers that are similar in size and scope to the Company's operations.

Equity Participation

The Company believes that encouraging its executives and employees to become shareholders is the best way of aligning their interests with those of its shareholders. Equity participation is accomplished through the Company's existing stock option plan and its restricted share unit plan. Stock options and restricted share units ("**RSUs**") are granted to executives and employees taking into account a number of factors, including the amount and term of options and RSUs previously granted, base salary and bonuses and competitive factors. The amounts and terms of options and RSUs granted are determined by the Compensation and Corporate Governance Committee based on recommendations put forward by the CEO. Due to the Company's limited financial resources, the Company emphasizes the provisions of stock option grants and RSU grants to maintain executive motivation.

Except for the grant of incentive share options and restricted share unit awards to the NEOs and any compensation payable pursuant to an executive compensation agreement between the CEO or CFO and the Company, there are no arrangements under which NEOs were compensated by the Company during the two most recently completed financial years for their services in their capacity as NEOs, directors or consultants.

During the years ended August 31, 2020 and 2019, the Company incurred the following transactions with related parties:

Amounts due from related party of $nil (August 31, 2019 - $86,909) related to payroll taxes paid on behalf of the former CEO of the Company. The amount was due on demand, unsecured and non-interest bearing. During the year ended August 31, 2020, the Company recorded an allowance for the full amount of $88,250 due to the uncertainty of the collectability of the amount.

Amounts due to related parties of $41,250 (August 31, 2019 - $181,983) were director and management fees due to directors and officers of the Company and are unsecured, non-interest bearing, and have no specific terms of repayment.

Key management personnel include directors (executive and non-executive) and officers of the Company. The compensation paid or payable to key management personnel during the years ended August 31 is as follows:

	2020	2019
Management and director fees	$ 57,043	$ 556,289
Salaries and benefits	257,007	1,378,589
Share-based payments	-	837,025
Total	$ 314,050	$ 2,771,903

The Company entered into the following transactions relating to key management personnel and entities over which they have control or significant influence during the year ended August 31, 2020:

a) Incurred management fees of $41,250 (2019 - $nil) and director fees of $16,250 (2019 - $33,000) to the Interim CEO of the Company.

b) Incurred salaries of $128,434 (2019 - $513,327) to the former Chief Executive Officer of the Company.

c) Incurred salaries of $128,573 (2019 - $513,231) to the former Chief Operating Officer of the Company.

d) Incurred management fees of $7,543 (2019 - $11,700) to the former corporate secretary of the Company.

e) Incurred salaries of $nil (2019 - $352,031) and management fees of $nil (2019 - $69,843) to the former Chief Financial Officer of the Company.

f) Incurred management fees of $nil (2019 - $336,520) to a former officer and director of the Company.

g) Incurred management fees of $nil (2019 - $32,671) to a former officer and director of the Company.

h) Incurred management fees of $nil (2019 - $15,115) to a former officer of the Company.

i) Incurred director fees of $nil (2019 - $57,440) to three former directors of the Company.

Compensation Review Process

Risks Associated with the Company's Compensation Program

The Company's directors have not considered the implications of any risks to the Company associated with decisions regarding the Company's compensation program. The Company intends to formalize its compensation policies and practices and will take into consideration the implications of the risks associated with the Company's compensation program and how it might mitigate those risks.

The Company did not retain a compensation consultant during financial years ending August 31, 2020 and August 31, 2019.

Benefits and Perquisites

The Company does not, as of the date of this Form, offer any benefits or perquisites to its NEOs other than potential grants of incentive stock options and RSUs as otherwise disclosed and discussed herein.

Hedging by Directors or NEOs

The Company has not, to date, adopted a policy restricting its executive officers and directors from purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, which are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by executive officers or directors. The Company is not, however, aware of any directors of officers having entered into this type of transaction.

As of the date of this Form, entitlement to grants of incentive stock options under the Company's Stock Option Plan and unit awards under the Company's Restricted Share Unit Plan are the only equity security elements awarded by the Company to its executive officers and directors.

Pension Disclosure

The Company and its subsidiaries do not have any pension plan arrangements in place, nor do they have any deferred compensation plans.