

# **Lobe Sciences Ltd.**

Suite 1400-1199 West Hastings Street  
Vancouver, BC V6E 3T5

**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF  
SHAREHOLDERS  
TO BE HELD ON MONDAY, MARCH 15, 2021**

**AND**

**INFORMATION CIRCULAR**

*February 11, 2021*

*This document requires immediate attention. If you are in doubt as to how to deal with the documents or matters referred to in this Information Circular, you should immediately contact your advisor.*

**LOBE SCIENCES LTD.**  
Suite 1400-1199 West Hastings Street  
Vancouver, BC V6E 3T5

**INFORMATION CIRCULAR**  
**February 11, 2021**

**INTRODUCTION**

This Information Circular accompanies the Notice of Annual General and Special Meeting of shareholders (the “**Notice**”) and is furnished to shareholders holding common shares (each, a “**Share**”) in the capital of Lobe Sciences Ltd. (the “**Company**”) in connection with the solicitation by the management of the Company of proxies to be voted at the annual general and special meeting (the “**Meeting**”) of the shareholders to be held at 10:00 a.m. (Vancouver time) on Monday, March 15, 2021 at the offices of Bennett Jones LLP, 2500 – 666 Burrard Street, Vancouver, BC, or at any adjournment or postponement thereof.

**Date and Currency**

The date of this Information Circular is February 11, 2021. Unless otherwise stated, all amounts herein are in Canadian dollars.

**PROXIES AND VOTING RIGHTS**

**Management Solicitation**

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

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

**Appointment of Proxy**

Registered shareholders are entitled to vote at the Meeting. A shareholder is entitled to one vote for each Share that such shareholder holds on the record date of February 8, 2021 on the resolutions to be voted upon at the Meeting, and any other matter to come before the Meeting.

The persons named as proxyholders in the enclosed form of proxy (the “**Designated Persons**”) are directors and/or officers of the Company.

**A SHAREHOLDER HAS THE RIGHT TO APPOINT A PERSON (WHO NEED NOT BE A SHAREHOLDER) OTHER THAN THE DESIGNATED PERSONS NAMED IN THE ENCLOSED FORM OF PROXY TO ATTEND AND ACT FOR OR ON BEHALF OF THAT SHAREHOLDER AT THE MEETING.**

**A SHAREHOLDER MAY EXERCISE THIS RIGHT BY STRIKING OUT THE PRINTED NAMES OF THE DESIGNATED PERSONS AND INSERTING THE NAME OF SUCH OTHER PERSON AND, IF DESIRED, AN ALTERNATE TO SUCH PERSON, IN THE BLANK SPACE PROVIDED ON THE FORM OF PROXY. SUCH SHAREHOLDER SHOULD NOTIFY THE NOMINEE OF THE APPOINTMENT, OBTAIN THE NOMINEE'S CONSENT TO ACT AS PROXY, AND PROVIDE INSTRUCTION TO THE NOMINEE ON HOW THE SHAREHOLDER'S SHARES SHOULD BE VOTED. THE NOMINEE MUST BRING PERSONAL IDENTIFICATION TO THE MEETING.**

In order to be voted, the completed form of proxy must be received by the Company's registrar and transfer agent, Olympia Trust Company (the "**Transfer Agent**"), at its offices located at 125 9th Avenue SE, Suite 2300, Calgary, AB T2G 0P6, by mail or fax, at least 48 hours (excluding Saturdays, Sundays and holidays recognized in the Province of British Columbia) prior to the scheduled time of the Meeting, or any adjournment or postponement thereof.

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

#### **Revocation of Proxies**

A shareholder who has given a proxy may revoke it at anytime before it is exercised by an instrument in writing: (a) executed by that shareholder or by that shareholder's attorney-in-fact authorized in writing or, where the shareholder is a corporation, by a duly authorized officer of, or attorney-in-fact for, the corporation; and (b) delivered either: (i) to the Company at the address set forth above, at any time up to and including the last business day preceding the day of the Meeting or, if adjourned or postponed, any reconvening thereof, (ii) to the Chairman of the Meeting prior to the vote on matters covered by the proxy on the day of the Meeting or, if adjourned or postponed, any reconvening thereof, or (iii) in any other manner provided by law.

Also, a proxy will automatically be revoked by either: (i) attendance at the Meeting and participation in a poll (ballot) by a shareholder, or (ii) submission of a subsequent proxy in accordance with the foregoing procedures. A revocation of a proxy does not affect any matter on which a vote has been taken prior to any such revocation.

#### **Voting of Shares and Proxies and Exercise of Discretion by Designated Persons**

A shareholder may indicate the manner in which the Designated Persons are to vote with respect to a matter to be voted upon at the Meeting by marking the appropriate space. If the instructions as to voting indicated in the proxy are certain, the Shares represented by the proxy will be voted or withheld from voting in accordance with the instructions given in the proxy. If the shareholder specifies a choice in the proxy with respect to a matter to be acted upon, then the Shares represented will be voted or withheld from the vote on that matter accordingly. **The Shares represented by a proxy will be voted or withheld from voting in accordance with the instructions of the shareholder on any ballot that may be called for and if the shareholder specifies a choice with respect to any matter to be acted upon, the Shares will be voted accordingly.**

**IF NO CHOICE IS SPECIFIED IN THE PROXY WITH RESPECT TO A MATTER TO BE ACTED UPON, THE PROXY CONFERS DISCRETIONARY AUTHORITY WITH RESPECT TO THAT MATTER UPON THE DESIGNATED PERSONS. IT IS INTENDED THAT THE DESIGNATED PERSONS WILL VOTE THE SHARES REPRESENTED BY THE PROXY IN FAVOUR OF EACH MATTER IDENTIFIED IN THE PROXY, INCLUDING FOR THE NOMINEES OF THE BOARD FOR DIRECTORS AND AUDITOR.**

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

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

### ADVICE TO BENEFICIAL SHAREHOLDERS

Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Most shareholders are “non-registered” shareholders because the Shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company. More particularly, a person is not a registered shareholder in respect of Shares which are held on behalf of that person (the “**Non-Registered Holder**”) but which are registered either: (a) in the name of an intermediary (an “**Intermediary**”) that the Non-Registered Holder deals with in respect of the Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators or self-administered RRSP’s, RRIF’s, RESPs and similar plans); or (b) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc.) of which the Intermediary is a participant. In accordance with the requirements set out in National Instrument 54-101 of the Canadian Securities Administrators (“**NI 54-101**”), the Company has distributed copies of the Notice, this Information Circular and the form of proxy (collectively, the “**Meeting Materials**”) to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders.

Intermediaries are required to forward the Meeting Materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Very often, Intermediaries will use service companies to forward the Meeting Materials to Non-Registered Holders. Generally, Non-Registered Holders who have not waived the right to receive Meeting Materials will either:

- (a) be given a form of proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature), which is restricted as to the number of Shares beneficially owned by the Non-Registered Holder but which is otherwise not completed. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Holder when submitting the proxy. In this case, the Non-Registered Holder who wishes to submit a proxy should otherwise properly complete the form of proxy and deposit it with the Transfer Agent as provided above; or
- (b) more typically, be given a voting instruction form which is not signed by the Intermediary, and which, when properly completed and signed by the Non-Registered Holder and returned to the Intermediary or its service company, will constitute voting instructions (often called a “voting instruction form”) which the Intermediary must follow. Typically, the voting instruction form will consist of a one page pre-printed form. Sometimes, instead of a one page pre-printed form, the voting instruction form will consist of a regular printed proxy form accompanied by a page of instructions, which contains a removable label containing a bar-code and other information. In order for the form of proxy to validly constitute a voting instruction form, the Non-Registered Holder must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and return it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company.

In either case, the purpose of this procedure is to permit a Non-Registered Holder to direct the voting of the Shares which they beneficially own. Should a Non-Registered Holder who receives one of the above forms wish to vote at the Meeting in person, the Non-Registered Holder should strike out the names of the Designated Persons and insert the Non-Registered Holder’s name in the blank space provided. In either case, Non-Registered Holders should carefully follow the instructions of their Intermediary, including those regarding when and where the proxy or proxy authorization form is to be delivered.

There are two kinds of beneficial owners – those who object to their name being made known to the issuers of securities which they own (called OBOs for Objecting Beneficial Owners) and those who do not object to the issuers of the securities they own knowing who they are (called NOBOs for Non-Objecting Beneficial Owners). Pursuant to NI 54-101, issuers can obtain a list of their NOBOs from Intermediaries for distribution of proxy-related materials directly to NOBOs.

**These Meeting Materials are being sent to both registered shareholders and NOBOs under NI 54-101. If you are a Non-Registered Holder who is a NOBO, and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of Shares have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding Shares on your behalf. The Company’s management does not intend to pay for Intermediaries to forward to OBOs the Information Circular and related proxy materials and voting instruction form, and OBOs will not receive the materials unless the OBOs’ Intermediary assumes the cost of delivery.**

### VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Company is authorized to issue an unlimited number of Shares without par value. As of the record date, determined by the board of directors of the Company (the “Board”) to be the close of business on February 8, 2021, a total of 199,733,984 Shares were issued and outstanding. Each Share carries the right to one vote at the Meeting.

Only registered shareholders as of the record date are entitled to receive notice of, and to attend and vote at, the Meeting or any adjournment or postponement of the Meeting.

To the knowledge of the directors and senior officers of the Company, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, Shares carrying more than 10% of the voting rights attached to the outstanding Shares of the Company.

### NUMBER AND ELECTION OF DIRECTORS

The Board presently consists of four directors, being Jonathan Gilbert, Philip J. Young, Leighton Bocking and Michael Petter (collectively, the “**Current Directors**”). The shareholders are required to elect the directors of the Company to hold office until the next annual general meeting of shareholders or until the successors of such directors are elected or appointed.

The number of directors of the Company was set at three at the Company’s last annual general meeting. Shareholders will be asked at the Meeting to pass an ordinary resolution to set the number of directors for the ensuing year at four. To be approved, an ordinary resolution needs to be passed by at least a majority of the votes cast by the shareholders present in person, or represented by proxy, and entitled to vote at the Meeting.

**Management recommends the approval of setting the number of directors of the Company at four. Unless otherwise indicated, the Designated Persons will vote the Shares represented by a form of proxy FOR the resolution fixing the number of directors at four.**

Pursuant to the Advance Notice Policy adopted by the Board on May 6, 2014, any additional director nominations for the Meeting must have been received by the Company in compliance with the Advance Notice Policy. As no such nominations were received by the Company, Management’s nominees for election as directors, being the Current Directors, shall be the only nominees eligible to stand for election at the Meeting.

The following table sets out biographical information with respect to each of the Current Directors:

Name, Place of Residence and Position(s) with the Company	Principal Occupation, Business or Employment for Last Five Years <sup>(1)</sup>	Director Since	Number of Shares Beneficially Owned <sup>(1)</sup>
Jonathan Gilbert <sup>(2)</sup> <i>Roslyn Heights, NY, USA</i> Executive Chairman and Director	Executive Chairman of the Company since December 14, 2020; Director of the Company since July 27, 2020; CEO and Director, Eleusian Biosciences Corp. from May 2020 to July 2020; CEO and Director of SOL Global Investments Corp. from December 2014 to August 2018; CEO and Director of Tassili Life Sciences Corp. from July 2019 to April 2020; Executive Chairman of Exactus Inc. from February 2019 to July 2019.	July 27, 2020	12,192,792 <sup>(3)</sup>

Name, Place of Residence and Position(s) with the Company	Principal Occupation, Business or Employment for Last Five Years <sup>(1)</sup>	Director Since	Number of Shares Beneficially Owned <sup>(1)</sup>
Philip J. Young <i>Boca Raton, FL, USA</i> CEO, Corporate Secretary and Director	CEO of the Company since January 15, 2020; President and CEO of TrippBio from August 2020 to present; CEO of Exactus Inc. from February 2016 to August 2019.	January 15, 2021	Nil <sup>(4)</sup>
Leighton Bocking <sup>(2)</sup> <i>Vancouver, BC, Canada</i> Director	Director of the Company since July 25, 2019; President of the Company and Green Star Biosciences Inc. from April 1, 2019 to June 19, 2019; Private and public finance consultant since 2010.	July 25, 2019	37,500 <sup>(5)(6)</sup>
Michael Petter <sup>(2)</sup> <i>Mill Valley, CA, USA</i> Director	Director of the Company since January 8, 2021; Managing Director of Eyvo eProcurement Solutions since January 2009; Co-founder and Director, Eleusian Biosciences Corp. from March 2020 to July 2020; Co-founder and Director, Tassili Life Science Corp from July 2019 to March 2020; Director, Scythian Biosciences Corp from January 2015 to January 2018.	January 8, 2021	942,636 <sup>(7)</sup>

(1) Information has been furnished by the respective nominees individually.

(2) Member of the Audit Committee.

(3) Mr. Gilbert holds 1,700,000 stock options, 200,000 of which are exercisable until October 19, 2023 at a price of \$0.10 per Share and 1,500,000 of which are exercisable until January 24, 2024 at a price of \$0.15 per Share.

(4) Mr. Young holds 2,000,000 stock options which are exercisable until January 24, 2024 at a price of \$0.15 per Share.

(5) Owned by Bocking Financial Corp., a company controlled by Mr. Bocking.

(6) Mr. Bocking holds 1,250,000 stock options, 250,000 of which are exercisable until June 28, 2024 at a price of \$0.25 per Share, 50,000 of which are exercisable until August 30, 2024 at a price of \$0.115 per Share, 200,000 of which are exercisable until October 19, 2023 at a price of \$0.10 per Share, 500,000 of which are exercisable until January 15, 2024 at a price of \$0.15 per Share and 50,000 of which are exercisable until May 30, 2028 at a price of \$0.20 per Share.

(7) Mr. Petter holds 500,000 stock options which are exercisable until January 24, 2024 at a price of \$0.15 per Share.

Management does not contemplate that any of its nominees will be unable to serve as directors. If any vacancies occur in the slate of nominees listed above before the Meeting, then the Designated Persons intend to exercise discretionary authority to vote the Shares represented by proxies for the election of any other persons as directors.

**Management recommends the election of each of the Current Directors as a director of the Company. The Designated Persons intend to vote FOR the election of each of the Current Directors, unless a shareholder has specified in their form of proxy that the Shares represented by such a form of proxy are to be withheld from voting in respect thereof.**

#### *Corporate Cease Trade Orders*

Other than as disclosed below, to the best of management's knowledge, no proposed director of the Company has, within 10 years before the date of this Information Circular, been a director or officer of any company that, while that person was acting in that capacity, (i) was the subject of a cease trade or similar order or an order that denied that person or company access to any exemption under securities legislation for a period of more than 30 consecutive days, or (ii) was subject to an event that resulted, after the director or officer ceased to be a director or officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days.

#### *Bankruptcies*

To the best of management's knowledge, no proposed director of the Company: (i) is or has been within the 10 years before the date of this Information Circular, a director or executive officer of any company that, while that person was

acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets; or (ii) has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, became subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets.

### *Penalties and Sanctions*

To the best of management's knowledge, no proposed director of the Company has been subject to: (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with 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.

Jonathan Gilbert is a director of ITOK Capital Corp. ("**ITOK**"), which was the subject of cease trade orders (the "**Cease Trade Orders**") issued by the Ontario Securities Commission, the British Columbia Securities Commission and the Alberta Securities Commission on May 27, 2013, May 13, 2013, and August 26, 2013, respectively, for failing to file its audited annual financial statements and management's discussion and analysis for the year ended December 31, 2012, together with the related certifications, and its interim unaudited financial statements and interim management's discussion and analysis for the period ended March 31, 2013, along with related certifications. The Cease Trade Orders were lifted on January 22, 2021, after ITOK updated the requisite filings. Mr. Gilbert was appointed to the board of ITOK in October, 2020 and was not a director of the company at the time the Cease Trade Orders were issued.

## **STATEMENT OF EXECUTIVE COMPENSATION**

### **General**

The following information is presented in accordance with National Instrument Form 51-102F6V – *Statement of Executive Compensation - Venture Issuers* (the "**Form**"). For the purposes of this Information Circular:

"**CEO**" means each individual who acted as Chief Executive Officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year;

"**CFO**" means each individual who acted as Chief Financial Officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year;

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

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

- (a) a CEO;
- (b) a CFO;
- (c) in respect of the Company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5) of the Form, for that financial year; and

- (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company or its subsidiaries, nor acting in a similar capacity, at the end of that financial year;

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

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

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

The following table sets out all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company and its subsidiaries, excluding compensation securities, to each NEO and director, in any capacity, for the financial years ended August 31, 2020 and August 31, 2019.

Name and Position	Year	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites <sup>(1)</sup> (\$)	Value of All Other Compensation (\$)	Total Compensation (\$)
Brian Zasitko <sup>(2)</sup> <i>CFO</i>	2020	20,238 <sup>(3)</sup>	Nil	Nil	Nil	Nil	20,238
	2019	N/A	N/A	N/A	N/A	N/A	N/A
Jonathan Gilbert <sup>(4)</sup> <i>Executive Chairman and Director</i>	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	N/A	N/A	N/A	N/A	N/A	N/A
Leighton Bocking <sup>(5)</sup> <i>Director</i>	2020	2,750	Nil	Nil	Nil	Nil	2,750
	2019	19,879	Nil	Nil	Nil	Nil	19,879
Thomas Baird <sup>(6)</sup> <i>Former CEO and Former Director</i>	2020	123,940	Nil	Nil	Nil	Nil	123,940
	2019	N/A	N/A	N/A	N/A	N/A	N/A
Rahim Rajwani <sup>(7)</sup> <i>Former CEO and Former Director</i>	2020	261,184	Nil	Nil	Nil	Nil	261,184
	2019	59,638	Nil	Nil	Nil	Nil	59,638
Alex McAulay <sup>(8)</sup> <i>Former CFO</i>	2020	38,653	Nil	Nil	Nil	Nil	38,653
	2019	17,444	Nil	Nil	Nil	Nil	17,444
Faizaan Lalani <sup>(9)</sup> <i>Former Director</i>	2020	2,750	Nil	Nil	Nil	Nil	2,750
	2019	20,000	Nil	Nil	Nil	Nil	20,000

<sup>(1)</sup> “Perquisites” include perquisites provided to an NEO or director that are not generally available to all employees and that, in aggregate, are: (a) \$15,000, if the NEO or director’s total salary for the financial year is \$150,000 or less; (b) 10% of the NEO or director’s salary for the financial year if the NEO or director’s total salary for the financial year is greater than \$150,000 but less than \$500,000; or (c) \$50,000 if the NEO or director’s total salary for the financial year is \$500,000 or greater.

<sup>(2)</sup> Mr. Zasitko was appointed CFO on January 1, 2020.

<sup>(3)</sup> Mr. Zasitko is an employee of Invictus Accounting Group LLP (“**Invictus**”). The amount disclosed consists of consulting fees charged by Invictus to the Company pursuant to a consulting agreement between Invictus and the Company, which are attributable to the services provided by Mr. Zasitko to the Company.

<sup>(4)</sup> Mr. Gilbert was appointed director on July 27, 2020 and Executive Chairman on December 14, 2020.

<sup>(5)</sup> Mr. Bocking was appointed director on July 25, 2019.

<sup>(6)</sup> Mr. Baird was appointed CEO and director on February 19, 2020 and resigned as director and CEO on January 8, 2021 and January 15, 2021, respectively. Of the amount paid to Mr. Baird, \$123,940 was paid to him in his capacity as CEO and \$nil was paid to him in his capacity as director.



- (7) Mr. Rajwani served as CEO and director from June 19, 2019 to February 19, 2020. Of the amount paid to Mr. Rajwani during the year ended August 31, 2020, \$98,772 was paid to him in his capacity as CEO and \$nil was paid to him in his capacity as director. Of the amount paid to Mr. Rajwani during the year ended August 31, 2019, \$162,412 was paid to him in his capacity as CEO and \$nil was paid to him in his capacity as director.
- (8) Mr. McAulay served as CFO from May 30, 2019 to December 31, 2019.
- (9) Mr. Lalani was appointed director on May 30, 2019 and resigned as a director on April 17, 2020.

Philip J. Young was appointed CFO and a director of the Company on January 15, 2021 and Michael Petter was appointed a director of the Company on January 8, 2021, subsequent to the Company's most recently completed financial year.

### Stock Options and Other Compensation Securities

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

Name and Position	Type of Compensation Security	Number of Compensation Securities and Percentage of Class <sup>(1)</sup>	Date of Issue or Grant	Issue, Conversion or Exercise Price	Closing Price of Security or Underlying Security on Date of Grant <sup>(2)</sup>	Expiry Date
Brian Zasitko <sup>(3)</sup> <i>CFO</i>	Options <sup>(4)</sup>	50,000 <sup>(5)</sup> 25,000 <sup>(5)</sup> 0.05% <sup>(6)</sup>	Jan. 16/20 Feb. 6/20	\$0.14 \$0.085	\$0.14 \$0.085	Jan. 16/25 Feb. 6/25
Jonathan Gilbert <sup>(7)</sup> <i>Executive Chairman and Director</i>	Option	Nil	Nil	Nil	Nil	Nil
Leighton Bocking <sup>(8)</sup> <i>Director</i>	Option <sup>(9)</sup>	200,000 0.14% <sup>(6)</sup>	May 19/20	\$0.14	\$0.035	May 19/23
Thomas Baird <sup>(10)</sup> <i>Former CEO and Director</i>	Option <sup>(11)</sup>	500,000 0.35% <sup>(6)</sup>	Feb. 24/20	\$0.06	\$0.06	Feb. 24/22 <sup>(12)</sup>
Rahim Rajwani <sup>(13)</sup> <i>Former CEO and Director</i>	Option	Nil	Nil	Nil	Nil	Nil
Alex McAulay <i>Former CFO</i>	Option	Nil	Nil	Nil	Nil	Nil
Faizaan Lalani <i>Former Director</i>	Option	Nil	Nil	Nil	Nil	Nil

(1) Each stock option is exercisable or redeemable into one Share.

(2) All of the compensation securities granted or issued in the financial year ended August 31, 2020 were comprised of Shares or securities exercisable into Shares. The closing price per Share on the Canadian Securities Exchange (the "CSE") on August 31, 2020, being the last trading day of the Company's most recently completed fiscal year, was \$0.07.

(3) As at August 31, 2020, Mr. Zasitko held a total of 75,000 Options.

(4) These Options vested immediately.

(5) For each stock option grant to Mr. Zasitko, Invictus was granted an option for the same amount and on the same terms as the options granted to Mr. Zasitko.

(6) Represents the percentage of the issued and outstanding Shares of the Company as at August 31, 2020.

(7) As at August 31, 2020, Mr. Gilbert did not hold any Options.

- (8) As at August 31, 2020, Mr. Bocking held a total of 550,000 Options.
- (9) Of these Options, 150,000 vested immediately and 7,143 Options vested monthly from June, 2020 to and including December, 2020.
- (10) As at August 31, 2020, Mr. Baird held a total of 500,000 Options.
- (11) These options vested in full on May 24, 2020.
- (12) On January 15, 2021, the expiry date was amended from February 24, 2022 to July 15, 2021 in connection with Mr. Baird's resignation as director and CEO.
- (13) As at August 31, 2020, Mr. Rajwani did not hold any Options.

### Exercise of Compensation Securities by Directors and NEOs

No director or NEO exercised or redeemed any compensation securities during the Company's most recently completed fiscal year ended August 31, 2020.

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

#### *Stock Option Plan*

At a meeting of the Board on May 29, 2019, and in connection with the completion of the transaction to acquire the assets of GreenStar Biosciences Inc. that constituted a reverse take-over of the Company (the "**Transaction**"), the Company adopted a new form of stock option plan that provides for the issuance of stock options to directors, officers, employees and consultants of up to 10% of the outstanding Shares, on an undiluted basis, from time to time (the "**Plan**"). Shareholders of the Company approved the Plan at the annual general and special meeting of the Company held on March 25, 2020. A copy of the Plan will be available for review at the Meeting.

The Plan provides that the Board may, from time to time, in its discretion, and in accordance with CSE requirements, grant to directors, officers, employees and consultants to the Company, non-transferable Options to purchase Shares, exercisable for a period determined by the Board at the time of grant, provided that the term shall not exceed the maximum term permitted by the CSE, if any. The exercise price for each Option shall be determined by the Board, subject to the policies of the CSE (the "**CSE Policies**"), at the time the Option is granted, but such price shall not be less than the higher of the closing price of the Shares on either the date of grant or the trading day prior to the date of grant.

The Board may determine, in its discretion, any vesting provisions to be imposed in connection with any grant of Options, subject to compliance with the CSE Policies. Options granted to consultants performing Investor Relations Activities (as defined in the CSE Policies) shall vest in stages over 12 months, with no more than one quarter of the Options vesting in any three months period.

Options may be exercised for up to 90 days following cessation of an optionee's position with the Company (or 30 days if the optionee was engaged in Investor Relations Activities, subject to extension at the direction of the Board); provided that, if the cessation of office, directorship, employment or consulting arrangement was by reason of death, the Options may be exercised until the earlier of the date of grant and the date that is one year after such death.

Should the expiry date of an Option fall within a period during which an optionee is prohibited from exercising an Option due to trading restrictions imposed by the Company (in any case, a "**Black Out Period**") or within nine business days following the expiration of a Black Out Period, the expiry date will be automatically extended to the date which is the tenth business day after the end of the Black Out Period.

The Plan also provides that the number of Shares reserved for issuance to: (a) any one optionee shall not exceed 5% of the issued and outstanding Shares at the time of grant, on an undiluted basis, unless disinterested shareholder is obtained; (b) any one consultant shall not exceed 2% of the issued and outstanding Shares at the time of grant, on an

undiluted basis; and (c) all optionees who undertake Investor Relations Activities shall not exceed 1%, in the aggregate, of the issued and outstanding Shares at the time of grant, on an undiluted basis, in any 12 month period.

As at the date of this Information Circular, there were 15,768,836 Options outstanding under the Plan.

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

The following is a summary of the terms of employment, consulting and management agreements for NEOs during the fiscal year ended August 31, 2020 and for current members of management.

#### *Philip J. Young – CEO*

On January 15, 2021, the Company entered into a consulting agreement with Mr. Young pursuant to which the Company agreed to employ Mr. Young as CEO of the Company, effective as of January 15, 2021 in consideration of an annual base salary of US\$175,000. Mr. Young is eligible to receive a performance bonus of a bonus incentive program to be based on the satisfaction of certain performance objectives to be agreed upon by Mr. Young and the Board on an annual basis. He is also entitled to, among other things, participate in the Plan. In the event that the agreement is terminated by Mr. Young or by the Company, the Company shall pay Mr. Young any outstanding base salary and other amounts owing under the agreement up to the date of termination. In connection with the consulting agreement, the Company will grant Mr. Young 2,000,000 stock options subject to vesting provisions which provide for the vesting of 12.5% on the date of grant and 12.5% every three (3) months thereafter.

#### *Brian Zasitko, CFO*

On November 25, 2019, the Company entered into a consulting agreement with Invictus whereby Invictus will provide the services of Brian Zasitko to act as the Company's CFO. Invictus is entitled to a monthly consulting fee of \$3,000 plus any hourly fees charged by Invictus supporting staff as necessary. The Company may terminate the Consulting Agreement at any time, for a material breach. Mr. Zasitko is eligible to receive a performance bonus of a bonus incentive program to be based on the satisfaction of certain performance objectives to be agreed upon by Mr. Zasitko and the Board on an annual basis. Mr. Zasitko is also entitled to, among other things, participate in the Plan. In the event that the agreement is terminated by the Company without just cause or by Mr. Young for good reason (each as defined in the agreement), the Company shall pay Invictus any outstanding amounts owing under the agreement. In the event that the agreement is terminated by the Company or Invictus in connection with a change of control of the Company (as defined in the agreement), the Company shall pay Invictus any outstanding base salary and other amounts owing under the agreement.

#### *Thomas Baird – Former CEO and Former Director*

On February 19, 2020, the Company entered into a consulting agreement with Mr. Baird pursuant to which the Company agreed to employ Mr. Baird as CEO of the Company, effective as of February 19, 2020 in consideration of an annual base salary of US\$126,000 and performance incentives based upon closing of a financing. In connection with the consulting agreement, the Company was to grant Mr. Baird 500,000 stock options with an additional 500,000 stock options to be granted on February 19, 2021. The consulting agreement was terminated on January 15, 2021 in connection with Mr. Baird's resignation as CEO of the Company. The Company has no further obligation with respect to the additional 500,000 stock options which were to be granted on February 19, 2021.

#### *Rahim Rajwani – Former CEO and Former Director*

On June 19, 2019, the Company entered into a consulting agreement with Mr. Rajwani pursuant to which the Company agreed to employ Mr. Rajwani as CEO of the Company, effective as of June 19, 2019, for a 5-year term in consideration of an annual base salary of US\$180,000. In connection with the employment agreement, the Company granted Mr. Rajwani 1,600,000 stock options. The consulting agreement was terminated on February 19, 2020 in connection with Mr. Rajwani's resignation as CEO of the Company.

## Oversight and Description of Director and NEO Compensation

Given the Company’s small size and early stage of development, the Board has not yet appointed a formal compensation committee and typical powers and responsibilities thereof are carried out by the Board as a whole. The CEO assists the Board in assessing the performance of all other executive officers, and the Board has authorized the CEO to make determinations with respect to salaries to be paid to certain officers within a set of fixed parameters. The proposed executive compensation is then presented to the Board for approval and/or ratification, as applicable. The Board also has the responsibilities of reviewing and recommending director, officer and employee compensation, overseeing the Company’s base compensation structure and equity-based compensation program, and evaluating the performance of officers generally and in light of annual goals and objectives. The Board conducts reviews with regard to the compensation of the directors and CEO once a year.

In addition to the foregoing, certain directors may be paid additional fees in special circumstances, as determined in the sole discretion of the Board, such as in connection with serving on a special committee of the Board from time to time.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth details regarding Plan, being the Company’s only equity compensation plan as of August 31, 2020. The Plan was approved by shareholders of the Company at the annual general and special meeting held on March 25, 2020.

Plan Category	Number of shares to be issued upon exercise of outstanding Options <sup>(1)</sup>	Weighted-average exercise price of outstanding options	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by shareholders	6,668,836	\$0.12	7,642,606 <sup>(2)</sup>
Equity compensation plans not approved by shareholders	Nil	Nil	Nil
<b>Total</b>	6,668,836	\$0.12	7,642,606 <sup>(2)</sup>

<sup>(1)</sup> The Company does not have any warrants outstanding under any equity compensation plans.

<sup>(2)</sup> Based on 143,114,425 Shares outstanding as at August 31, 2020. The Plan is a rolling plan under which the Company can issue such number of Options as is equal to 10% of the Company’s issued and outstanding Shares from time to time. As of February 8, 2021, there were 199,733,984 Shares outstanding, and 15,768,836 Options outstanding, such that the Company could issue up to an additional 4,204,562 Options as at such date.

A copy of the Plan is available for review at the office of the Company at the address set out on the first page of this Information Circular, during normal business hours up to and including the date of the Meeting.

## APPOINTMENT OF AUDITOR

It is proposed that Manning Elliott LLP (“**Manning Elliott**”), of 1700 - 1030 West Georgia Street, Vancouver, BC V6E 2Y3, be appointed as auditor of the Company for the financial year ending August 31, 2021. Manning Elliott LLP was appointed as auditor of the Company upon the completion of the Transaction on May 30, 2019.

At the Meeting, shareholders will be asked to vote for the appointment of Manning Elliott LLP, to serve as auditor of the Company for the Company’s fiscal year ending August 31, 2021 at a remuneration to be fixed by the Board.

**Management recommends shareholders vote for the appointment of Manning Elliott LLP as the Company’s auditor for the Company’s fiscal year ending August 31, 2021 at remuneration to be fixed by the Board.**

## AUDIT COMMITTEE DISCLOSURE

National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”) of the Canadian Securities Administrators requires the Company, as a venture issuer, to disclose annually in its Information Circular certain information concerning the constitution of its Audit Committee and its relationship with its independent auditor.

### **The Audit Committee Charter**

The full text of the Company’s Audit Committee Charter is as Schedule “A”.

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

The Company’s Audit Committee is currently comprised of three directors consisting of Jonathan Gilbert, Leighton Bocking and Michael Petter. As defined in National Instrument 52-110, Mr. Bocking and Mr. Petter are “independent” and Mr. Gilbert is not “independent” as he is also the Executive Chairman of the Company and an officer of a material subsidiary of the Company. The Company is exempt from the Audit Committee composition requirements in NI 52-110 which require all Audit Committee members to be independent. All of the Audit Committee members are “financially literate”, as defined in NI 52-110, as all have the industry experience necessary to understand and analyze financial statements of the Company, as well as the understanding of internal controls and procedures necessary for financial reporting.

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

### **Relevant Education and Experience**

#### *Jonathan Gilbert*

Mr. Gilbert has over 20 years of leadership, capital raising and public markets expertise. Previously, he was the co-founder, CEO and director of SOL Global Investments Corp. (formerly Scythian Biosciences Corp.), a publicly traded research and development company. He was also founder, CEO and a director of Tassili Life Sciences Corp., which was acquired by CSE-listed Champignon Brands Inc. in March 2020. Mr. Gilbert was also executive chairman of Exactus Inc., an OTC listed company. Jonathan received his BBA in Finance and Financial Management Services from The George Washington University and received his MBA from Kennedy Western University.

#### *Leighton Bocking*

Mr. Bocking has been working in the capital markets for over 18 years. His primary role has been as an independent corporate development consultant in addition to holding various directorship positions. Mr. Leighton has been particularly focused on financing and structuring companies.

#### *Michael Petter*

Michael Petter is an accomplished leader and entrepreneur with significant experience, co-founding and acting as a director of several companies that successfully completed M&A transactions. He holds a Bachelors in Computer Science from London University and is a Chartered Engineer. He also runs a business mentoring program that assists businesses and individuals with change management. Mr. Petter was co-founder and director of Eleusian Biosciences Corp., and co-founded and was a director of Tassili Life Sciences Corp. which was acquired by CSE-listed Champignon Brands Inc. in March 2020. Mr. Petter has independent board experience being chairman of a compensation committee and as a member of an audit committee.

### **Audit Committee Oversight**

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

### **Reliance on Certain Exemptions**

Since the commencement of the Company's most recently completed financial year, the Company has not relied on:

- (a) the exemption in section 2.4 (*De Minimis Non-Audit Services*) of NI 52-110, which exempts all non-audit services provided by the Company's auditor from the requirement to be pre-approved by the Audit Committee if such services are less than 5% of the auditor's annual fees charged to the Company;
- (b) the exemption in subsection 6.1.1(4) (*Circumstances 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 (*Exemptions*).

### **Pre-Approval Policies and Procedures**

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as set out in the Audit Committee Charter of the Company.

### **External Auditor Service Fees**

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

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

<b>Year Ended August 31</b>	<b>Audit Fees</b>	<b>Audit Related Fees</b>	<b>Tax Fees</b>	<b>All Other Fees</b>
2020	\$49,000	\$Nil	\$7,000	\$Nil
2019	\$52,500	\$12,000	\$Nil	\$Nil

### **Exemption**

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

### **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

No current or former director, executive officer or employee, proposed nominee for election to the Board, or associate of such persons is, or has been, indebted to the Company since the beginning of the most recently completed financial year of the Company and no indebtedness remains outstanding as at the date of this Information Circular.

None of the directors or executive officers of the Company is or, at any time since the beginning of the most recently completed financial year, has been indebted to the Company. None of the directors' or executive officers' indebtedness to another entity is, or at any time since the beginning of the most recently completed financial year, has been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company.

### INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

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

### MANAGEMENT CONTRACTS

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

### CORPORATE GOVERNANCE

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

#### Board of Directors

The Board currently consists of four directors, being Jonathan Gilbert, Philip J. Young, Leighton Bocking and Michael Petter. Mr. Bocking and Mr. Petter are "independent" in that they are independent and free from any interest and any business or other relationship which could or could reasonably be perceived to, materially interfere with their ability to act in the best interest of the Company, other than the interests and relationships arising from being shareholders. Mr. Gilbert is the Executive Chairman of the Company and an officer of a material subsidiary of the Company, and Mr. Young is the CEO of the Company, and therefore they are not considered to be independent.

#### Directorships

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

Name of Director of the Company	Names of Other Reporting Issuers and Exchange Listing
Jonathan Gilbert	ITOK Capital Corp. (TSXV: ITKP)
Philip J. Young	N/A
Leighton Bocking	Carlyle Commodities Corp. (CSE: CCC) (formerly Delrey Metals Corp.) Maitri Health Technologies Corp. (CSE: MTEC) (formerly Dizun International Enterprises Inc.) Tarachi Gold Corp. (CSE: TRG)
Michael Petter	N/A

### **Orientation and Continuing Education**

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

### **Ethical Business Conduct**

The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

### **Nomination of Directors**

The Board is responsible for identifying individuals qualified to become new Board members and recommending to the Board new director nominees for the next annual general meeting of shareholders. New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the required time, show support for the Company's mission and strategic objectives, and a willingness to serve.

### **Compensation**

The Board conducts reviews with regard to the compensation of the directors and CEO once a year.

### **Other Board Committees**

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

### **Assessments**

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

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

Except as disclosed elsewhere in this Information Circular, no director or executive officer of the Company who was a director or executive officer since the beginning of the Company's last financial year, no proposed nominee for election as a director of the Company, nor any associate or affiliates of any such directors, officers or nominees, has any material interest, direct or indirect, by way of beneficial ownership of Shares or other securities in the Company or otherwise, in any matter to be acted upon at the Meeting, other than the election of directors, the appointment of the auditor and the confirmation of the Plan.

## **PARTICULARS OF MATTERS TO BE ACTED UPON**

### **Confirming Stock Option Plan**

The Company presently has in place a "rolling" Plan whereby the Company is authorized to grant stock options of up to 10% of its issued and outstanding common shares, from time to time. The Plan is described above under the heading "Statement of Executive Compensation – *Stock Option Plan and Other Incentive Plans*".

Shareholders will be asked to consider, and if thought fit, to approve an ordinary resolution ratifying and approving the Company's Plan. There have been no changes to the Plan since it was last approved by shareholders of the Company at the March 25, 2020 annual general and special meeting.

Reference can be made to the full text of the Plan, which will be available for review at the Meeting.



At the Meeting, the shareholders will be asked to approve the following ordinary resolution:

**“BE IT RESOLVED**, as an ordinary resolution of the shareholders of Lobe Sciences Ltd. that:

1. The Company’s current stock option plan (the **“Plan”**), as adopted by the board of directors of the Company and further described in the Company’s Information Circular dated February 11, 2021, be and is hereby ratified, confirmed and approved;
2. The Board be and is hereby authorized, in its absolute discretion, to administer the Plan and amend or modify the Plan in accordance with its terms and conditions and with the policies of the Canadian Securities Exchange (the **“CSE”**); and
3. Any one director or officer of the Company be and is hereby authorized and directed to do all such acts and things and to execute and deliver, under the corporate seal of the Company or otherwise, all such deeds, documents, instruments and assurances as in his opinion may be necessary or desirable to give effect to the foregoing resolutions, including, without limitation, making any changes to the Plan required by the CSE or applicable securities regulatory authorities and to complete all transactions in connection with the administration of the Plan.”

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

**Management recommends that shareholders vote for the ordinary resolution at the Meeting. It is the intention of the Designated Persons, if not expressly directed otherwise in such form of Proxy, to vote such Proxy FOR the ordinary resolution.**

#### **ADDITIONAL INFORMATION**

Shareholders may contact the Company at its office by mail at Suite 1400-1199 West Hastings Street, Vancouver, BC V6E 3T5 to request copies of the Company’s financial statements and related Management’s Discussion and Analysis (the **“MD&A”**). Financial information is provided in the Company’s audited financial statements and MD&A for the year ended August 31, 2020, which are available, together with additional information relating to the Company, under the Company’s profile on SEDAR at [www.sedar.com](http://www.sedar.com).

#### **OTHER MATTERS**

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

**APPROVAL OF THE BOARD OF DIRECTORS**

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

Dated at Vancouver, British Columbia this 11<sup>th</sup> day of February, 2021.

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

**LOBE SCIENCES LTD.**

*“Philip J. Young”*

\_\_\_\_\_  
Philip J. Young

Chief Executive Officer and Director

**SCHEDULE “A”  
LOBE SCIENCES LTD.  
AUDIT COMMITTEE CHARTER**

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**PURPOSE**

The overall purpose of the Audit Committee (the “**Committee**”) of Lobe Sciences Ltd. (the “**Company**”) is to ensure that the Company’s management has designed and implemented an effective system of internal financial controls, to review and report on the integrity of the consolidated financial statements and related financial disclosure of the Company, and to review the Company’s compliance with regulatory and statutory requirements as they relate to financial statements, taxation matters and disclosure of financial information. It is the intention of the Board that through the involvement of the Committee, the external audit will be conducted independently of the Company’s Management to ensure that the independent auditors serve the interests of Shareholders rather than the interests of Management of the Company. The Committee will act as a liaison to provide better communication between the Board and the external auditors. The Committee will monitor the independence and performance of the Company’s independent auditors.

**COMPOSITION, PROCEDURES AND ORGANIZATION**

- (1) The Committee shall consist of at least three members of the Board of Directors (the “**Board**”).
- (2) At least two (2) members of the Committee shall be independent and the Committee shall endeavour to appoint a majority of independent directors to the Committee, who in the opinion of the Board, would be free from a relationship which would interfere with the exercise of the Committee members’ independent judgment. At least one (1) member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices applicable to the Company. For the purposes of this Charter, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company’s financial statements.
- (3) The Board, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, shall appoint the members of the Committee for the ensuing year. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.
- (4) Unless the Board shall have appointed a chair of the Committee, the members of the Committee shall elect a chair and a secretary from among their number.
- (5) The quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and to hear each other.
- (6) The Committee shall have access to such officers and employees of the Company and to the Company’s external auditors, and to such information respecting the Company, as it considers to be necessary or advisable in order to perform its duties and responsibilities.
- (7) Meetings of the Committee shall be conducted as follows: (a) the Committee shall meet at least four times annually at such times and at such locations as may be requested by the chair of the Committee. The external auditors or any member of the Committee may request a meeting of the Committee; (b) the external auditors shall receive notice of and have the right to attend all meetings of the Committee; and (c) management representatives may be invited to attend all meetings except private sessions with the external auditors.

- (8) The internal auditors and the external auditors shall have a direct line of communication to the Committee through its chair and may bypass management if deemed necessary. The Committee, through its chair, may contact directly any employee in the Company as it deems necessary, and any employee may bring before the Committee any matter involving questionable, illegal or improper financial practices or transactions.

#### **ROLES AND RESPONSIBILITIES**

- (9) The overall duties and responsibilities of the Committee shall be as follows:
- (a) to assist the Board in the discharge of its responsibilities relating to the Company's accounting principles, reporting practices and internal controls and its approval of the Company's annual and quarterly consolidated financial statements and related financial disclosure;
  - (b) to establish and maintain a direct line of communication with the Company's internal and external auditors and assess their performance;
  - (c) to ensure that the management of the Company has designed, implemented and is maintaining an effective system of internal financial controls; and
  - (d) to report regularly to the Board on the fulfillment of its duties and responsibilities.
- (10) The duties and responsibilities of the Committee as they relate to the external auditors shall be as follows:
- (a) to recommend to the Board a firm of external auditors to be engaged by the Company, and to verify the independence of such external auditors;
  - (b) to review and approve the fee, scope and timing of the audit and other related services rendered by the external auditors;
  - (c) review the audit plan of the external auditors prior to the commencement of the audit;
  - (d) to review with the external auditors, upon completion of their audit:
    - (i) be non-audit services provided by the external auditors;
    - (ii) to discuss with the external auditors the quality and not just the acceptability of the Company's accounting principles; and
    - (iii) to implement structures and procedures to ensure that the Committee meets the external auditors on a regular basis in the absence of management.
- (11) The duties and responsibilities of the Committee as they relate to the internal control procedures of the Company are to:
- (a) review the appropriateness and effectiveness of the Company's policies and business practices which impact on the financial integrity of the Company, including those relating to internal auditing, insurance, accounting, information services and systems and financial controls, management reporting and risk management;
  - (b) review compliance under the Company's business conduct and ethics policies and to periodically review these policies and recommend to the Board changes which the Committee may deem appropriate;
  - (c) review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls of the Company; and
  - (d) periodically review the Company's financial and auditing procedures and the extent to which recommendations made by the internal audit staff or by the external auditors have been implemented.
- (12) The Committee is also charged with the responsibility to:
- (a) review the Company's quarterly statements of earnings, including the impact of unusual items and changes in accounting principles and estimates and report to the Board with respect thereto;
  - (b) review and approve the financial sections of:

- (i) the annual report to Shareholders;
  - (ii) the annual information form, if required;
  - (iii) annual and interim MD&A; - 3 - (iv) prospectuses;
  - (v) news releases discussing financial results of the Company; and
  - (vi) other public reports of a financial nature requiring approval by the Board,
  - (vii) and report to the Board with respect thereto;
- (c) review regulatory filings and decisions as they relate to the Company's consolidated financial statements;
  - (d) review the appropriateness of the policies and procedures used in the preparation of the Company's consolidated financial statements and other required disclosure documents, and consider recommendations for any material change to such policies;
  - (e) review and report on the integrity of the Company's consolidated financial statements;
  - (f) review the minutes of any audit committee meeting of subsidiary companies;
  - (g) review with management, the external auditors and, if necessary, with legal counsel, any litigation, claim or other contingency, including tax assessments that could have a material effect upon the financial position or operating results of the Company and the manner in which such matters have been disclosed in the consolidated financial statements;
  - (h) review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, tax matters and disclosure of financial information; and
  - (i) develop a calendar of activities to be undertaken by the Committee for each ensuing year and to submit the calendar in the appropriate format to the Board of Directors following each annual general meeting of shareholders.
- (13) The Committee shall have the authority:
- (a) to engage independent counsel and other advisors as it determines necessary to carry out its duties,
  - (b) to set and pay the compensation for any advisors employed by the Committee; and
  - (c) to communicate directly with the internal and external auditors.