

**LOBE SCIENCES LTD,
(the “Company”)**

STATEMENT OF EXECUTIVE COMPENSATION

General

Securities laws require that the Company prepare a “Statement of Executive Compensation” in accordance with Form 51-102F6V. Form 51-102F6V prescribes the disclosure requirements in respect of the compensation of certain executive officers (NEOs, as defined below) and directors of reporting issuers. For the purposes of this Statement of Executive Compensation:

“**compensation securities**” includes stock 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) each individual who served as chief executive officer (“**CEO**”) of the Company, or who performed functions similar to a CEO, during any part of the most recently completed financial year;
- (b) each individual who served as chief financial officer (“**CFO**”) of the Company, or who performed functions similar to a CFO, during any part of the most recently completed financial year;
- (c) the most highly compensated executive officer of the Company or any of its subsidiaries (if any) 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 Form 51-102F6V, 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.

For the purposes of this Statement of Executive Compensation, the Company’s NEOs for the financial year ended August 31, 2022 were Philip J. Young (current CEO) and Brian Zositko (current CFO).

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, including, for greater certainty, all plan and non-plan compensation, direct and indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite paid, payable, awarded, granted, given or otherwise provided to the NEO or director for service provided and for services to be provided, directly or indirectly, to the Company or any subsidiary thereof, for the periods indicated:

Name and Position	Year ⁽¹⁾	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites ⁽²⁾ (\$)	Value of All Other Compensation (\$)	Total Compensation (\$)
Philip J. Young ⁽³⁾ <i>Executive Chairman and CEO</i>	2022	222,895	57,123	32,000	Nil	Nil	312,018
	2021	145,850	Nil	19,500	Nil	Nil	165,350
Brian Zasitko ⁽⁴⁾ <i>CFO</i>	2022	37,895 ⁽⁵⁾	5,000	Nil	Nil	Nil	42,895
	2021	32,675 ⁽⁵⁾	Nil	Nil	Nil	Nil	32,675
Michael Petter ⁽⁶⁾ <i>Director</i>	2022	Nil	Nil	111,394	Nil	Nil	111,394
	2021	Nil	Nil	27,000	Nil	Nil	27,000
Jonathan Gilbert ⁽⁷⁾ <i>Executive Chairman and Director</i>	2022	350,241	94,545	32,000	Nil	Nil	476,786
	2021	230,379	127,300	19,500	Nil	Nil	377,179
Leighton Bocking ⁽⁸⁾ <i>Former Director</i>	2022	Nil	Nil	12,600	Nil	Nil	12,600
	2021	Nil	Nil	31,500	Nil	Nil	31,500
Thomas Baird ⁽⁹⁾ <i>Former CEO and Former Director</i>	2022	N/A	N/A	N/A	N/A	N/A	N/A
	2021	207,353	Nil	Nil	Nil	Nil	207,353

Notes:

- (1) For the financial years of the Company ended August 31, 2022 and 2021.
- (2) “Perquisites” include perquisites provided to an NEO or director that are not generally available to all employees and that, in aggregate, are: (a) \$15,000, if the NEO or director’s total salary for the financial year is \$150,000 or less; (b) 10% of the NEO or director’s salary for the financial year if the NEO or director’s total salary for the financial year is greater than \$150,000 but less than \$500,000; or (c) \$50,000 if the NEO or director’s total salary for the financial year is \$500,000 or greater.
- (3) Mr. Young was appointed CEO and a director of the Company on January 15, 2021 and executive chairman on [•]. Of the amount paid to Mr. Young during the year ended August 31, 2022, \$280,018 was paid to him in his capacity as CEO and \$32,000 was paid to him in his capacity as director. Of the amount paid to Mr. Young during the year ended August 31, 2021, \$145,850 was paid to him in his capacity as CEO and \$19,500 was paid to him in his capacity as director.
- (4) Mr. Zasitko was appointed CFO on January 1, 2020.
- (5) Mr. Zasitko is a consultant 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.
- (6) Mr. Petter was appointed a director of the Company on January 8, 2021.
- (7) Mr. Gilbert was appointed director on July 27, 2020 and Executive Chairman on December 14, 2020 and resigned as Executive Chairman on September 30, 2022.
- (8) Mr. Bocking was appointed director on July 25, 2019 and resigned as a director on December 20, 2021.
- (9) 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 during the year ended August 31, 2021, \$207,353 was paid to him in his capacity as CEO and \$nil was paid to him in his capacity as director.

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, 2022 for services provided or to be provided, directly or indirectly, to the Company or any subsidiary thereof:

Name and Position	Type of compensation security	Number of compensation securities, number of underlying securities and percentage of class ⁽¹⁾	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
Philip J. Young <i>CEO and Director</i>	Options ⁽²⁾	1,667 0.00% ⁽³⁾	Nov. 30/21	\$0.48	\$0.24	\$0.095	Nov. 30/25
	DSUs ⁽⁴⁾	87,500	Nov. 30/21	\$0.24	\$0.24	\$0.095	Nov. 30/25
		6,667	Feb 28/22	\$0.18	\$0.18		Feb 28/26
		6,667	May 31/22	\$0.06	\$0.06		May 31/26
		6,667 0.00% ⁽³⁾	Aug 31/22	\$0.10	\$0.10		Aug 31/26
RSUs	Nil	Nil	Nil	Nil	\$0.095	Nil	
Brian Zasitko <i>CFO</i>	Options	Nil	Nil	Nil	Nil	\$0.095	Nil
	DSUs	Nil	Nil	Nil	Nil	\$0.095	Nil
	RSUs	Nil	Nil	Nil	Nil	\$0.095	Nil
Michael Petter <i>Director</i>	Options ⁽⁵⁾	1,667 0.00% ⁽³⁾	Nov. 30/21	\$0.48	\$0.24	\$0.095	Nov. 30/25
	DSUs ⁽⁶⁾	87,500	Nov. 30/21	\$0.24	\$0.24	\$0.095	Nov. 30/25
		6,667	Feb 28/22	\$0.18	\$0.18		Feb 28/26
		6,667	May 31/22	\$0.06	\$0.06		May 31/26
		6,667 0.00% ⁽³⁾	Aug 31/22	\$0.10	\$0.10		Aug 31/26
RSUs	Nil	Nil	Nil	Nil	\$0.095	Nil	
Jonathan Gilbert <i>Executive Chairman and Director</i>	Options ⁽⁷⁾	1,667 0.00% ⁽³⁾	Nov. 30/21	\$0.48	\$0.24	\$0.095	Nov. 30/25
	DSUs ⁽⁸⁾	87,500	Nov. 30/21	\$0.24	\$0.24	\$0.095	Nov. 30/25
		6,667	Feb 28/22	\$0.18	\$0.18		Feb 28/26
		6,667	May 31/22	\$0.06	\$0.06		May 31/26
		6,667 0.00% ⁽³⁾	Aug 31/22	\$0.10	\$0.10		Aug 31/26
RSUs	Nil	Nil	Nil	Nil	\$0.095	Nil	
Leighton Bocking <i>Former Director</i>	Options ⁽⁹⁾	1,667 0.00% ⁽³⁾	Nov. 30/21	\$0.48	\$0.24	\$0.095	Nov. 30/25
	DSUs ⁽¹⁰⁾	87,500 0.00% ⁽³⁾	Nov. 30/21	\$0.24	\$0.24	\$0.095	Nov. 30/25
	RSUs	Nil	Nil	Nil	Nil	\$0.095	Nil

Notes:

- (1) Each stock option, deferred share unit or restricted share unit are exercisable or redeemable, as the case may be, for one Share.
- (2) These Options vested immediately. These Options were cancelled on April 20, 2022.
- (3) Represents the percentage of the issued and outstanding Shares of the Company as at August 31, 2022.
- (4) Of these DSUs, 21,875 vest annually from November 30, 2023 to November 30, 2025, 1,667 vest annually from February 28, 2023 to February 28, 2026, 1,667 vest annually from May 31, 2023 to May 31, 2026 and 1,667 vest annually from August 31, 2023 to August 31, 2026.
- (5) These Options vested immediately. These Options were cancelled on April 20, 2022.

- (6) Of these DSUs, 21,875 vest annually from November 30, 2023 to November 30, 2025, 1,667 vest annually from February 28, 2023 to February 28, 2026, 1,667 vest annually from May 31, 2023 to May 31, 2026 and 1,667 vest annually from August 31, 2023 to August 31, 2026.
- (7) These Options vested immediately. These Options were cancelled on April 20, 2022.
- (8) Of these DSUs, 21,875 vest annually from November 30, 2023 to November 30, 2025, 1,667 vest annually from February 28, 2023 to February 28, 2026, 1,667 vest annually from May 31, 2023 to May 31, 2026 and 1,667 vest annually from August 31, 2023 to August 31, 2026. These DSUs were cancelled on September 30, 2022, pursuant to Mr. Gilbert's resignation.
- (9) These Options vested immediately. These Options were cancelled on April 20, 2022.
- (10) Of these DSUs, 21,875 vest annually from November 30, 2023 to November 30, 2025. These DSUs were cancelled on December 21, 2021, pursuant to Mr. Bocking's resignation.

Exercise of Compensation Securities by Directors and NEOs

The following table sets out all exercises and redemptions of compensation securities by Directors and NEOs of the Company, or any subsidiary thereof, in the year ended August 31, 2022:

Name and Position	Type of compensation security	Number of compensation securities, number of underlying securities and percentage of class ⁽¹⁾	Date of redemption	Closing price of security or underlying security on date of redemption
Philip J. Young <i>CEO and Director</i>	RSUs	62,500 ⁽²⁾	June 22, 2023	\$0.05
Brian Zasitko <i>CFO</i>	RSUs	10,417 ⁽²⁾	June 22, 2023	\$0.05
Michael Petter <i>Director</i>	RSUs	Nil	Nil	Nil
Jonathan Gilbert <i>Executive Chairman and Director</i>	RSUs	62,500 ⁽²⁾	June 22, 2023	\$0.05
Leighton Bocking <i>Former Director</i>	RSUs	Nil	Nil	Nil

Notes:

- (1) Each RSU was redeemable for one Share.
- (2) The RSU's vested on June 15, 2023.

Stock Option Plans and Other Incentive Plans

Stock Option Plan

The Company has a stock option plan (the "**Stock Option Plan**") that provides for the issuance of stock options ("**Options**") to directors, senior officers, employees, employees of management companies that may be providing services to the Company, and consultants of the Company and its subsidiaries (collectively, "**Eligible Option Participants**"). The Stock Option Plan is limited to 15% of the aggregate and issued and outstanding Shares as at the date of approval of the Stock Option Plan, as such number may be revised from time to time by the Board, in accordance with any requirements of the Canadian Securities Exchange (the "**CSE**"). The Stock Option Plan was approved by Shareholders at the annual general and special meeting of the Company held on March 15, 2021.

The Plan provides that the Board may, from time to time, in its discretion, and in accordance with CSE requirements, grant to Eligible Option Participants 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, in any 12 month period, 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 Eligible Option Participants who undertake Investor Relations Activities (as defined in the CSE Policies) shall not exceed 1%, in the aggregate of the issued and outstanding Shares at the time of grant, on an undiluted basis.

In the event of a change of control of the Company, all unvested options granted to Eligible Option Participants (other than Eligible Option Participants performing Investor Relations Activities (as defined in the CSE Policies)) shall vest immediately.

The Board may amend the Stock Option Plan, subject to applicable law and prior approval, if required, of the CSE or any other regulatory authority having jurisdiction over the Company at the time. The Board may suspend, terminate, or discontinue the Stock Option Plan at any time, or amend or revise the terms thereof, provided that no such amendment, revision, termination or discontinuance shall adversely affect any holder of Options without such holder's consent.

As at the date of this Statement of Executive Compensation, there were 3,028,146 Options outstanding under the Stock Option Plan.

RSU Plan

On May 28, 2021, the Board approved and adopted a restricted share unit plan (the "**RSU Plan**") that provides for the issuance of restricted share units ("**RSUs**") to directors and officers of the Company or directors of an affiliated entity (collectively, "**Eligible RSU Participants**"). Each RSU represents an entitlement, subject to the terms of the RSU Plan, to one Share, or the cash equivalent of one Share, at the time of settlement. The RSU Plan is administered by the Board or a committee thereof to whom authority to administer the RSU Plan has been delegated. The number of Shares that may be issued upon settlement of RSUs, together with all other equity-based compensation plans of the Company, shall not exceed 15% of the aggregate issued and outstanding Shares on the date the RSU Plan was approved, subject to revision by the Board in accordance with the policies of the CSE. The obligations of the Company under the RSU Plan are unfunded and unsecured.

The purpose of the RSU Plan is to strengthen the alignment of interests between Eligible RSU Participants and Shareholders by linking a portion of annual compensation to the future value of Shares. The Board (or the committee thereof to whom authority to administer the RSU Plan has been delegated by the Board) may, from time to time, in its discretion, grant RSUs to Eligible RSU Participants, which shall be calculated by reference to: (a) the dollar amount of the participant's remuneration that will be satisfied by such RSUs; and (b) the last closing price of the Shares on the CSE immediately prior to the grant date.

All RSUs granted under the RSU Plan are initially unvested, and 25% of the RSUs granted will vest on the first anniversary of the grant date, with the remaining vesting evenly on the following three anniversaries. Upon vesting, the RSUs are settled, at the option of the Company, through either the issuance to the participant of Shares equal in

number to the number of RSUs that have vested, or a payment to such participant of the cash value of such Shares. If on the date on which Shares would be issuable the Company is in a Black Out Period, the Company will issue or deliver such Shares on or as soon as practicable after the 10th trading day following the end of such trading blackout. Other terms and conditions of the RSUs not inconsistent with the terms of the RSU Plan may be set out in the applicable letter between the Company and the Eligible RSU Participant.

Upon termination of the Eligible RSU Participant's employment with the Company or a subsidiary for any reason other than death, permanent disability or a resignation for "good reason" within two years following a change of control, all unvested RSUs held by an Eligible RSU Participant are forfeited. A termination due to death, permanent disability or a resignation for "good reason" within two years following a change of control will result in the accelerated vesting and settlement of RSUs held by an Eligible RSU Participant.

The Board or the administering committee thereof may amend the RSU Plan, subject to applicable law and prior approval, if required, of the CSE or any other regulatory authority having jurisdiction over the Company at the time. The Board or the administering committee thereof may suspend, terminate or discontinue the RSU Plan at any time, or amend or revise the terms thereof, provided that no such amendment, revision, termination or discontinuance shall adversely affect any holder of RSUs without such holder's consent.

The Company will obtain any necessary Shareholder approvals for the RSU Plan from time to time, as may be required pursuant to the policies of the CSE or the rules, policies and requirements of any other regulatory authority or stock exchange having jurisdiction over the Company.

As at the date of this Statement of Executive Compensation, there were 375,000 RSUs outstanding under the RSU Plan.

DSU Plan

On May 5, 2021, the Board approved and adopted a deferred share unit plan (the "**DSU Plan**") that provides for the issuance of deferred share units ("**DSUs**") to non-executive directors of the Company or non-executive directors of an affiliated entity (collectively, "**Eligible DSU Participants**"). Each DSU represents an entitlement, subject to the terms of the DSU Plan, to one Share, or the cash equivalent of one Share, at the time of settlement. The DSU Plan is administered by the Board or a committee thereof to whom authority to administer the DSU Plan has been delegated. The number of Shares that may be issued upon settlement of DSUs, together with all other equity-based compensation plans of the Company, shall not exceed 15% of the aggregate issued and outstanding Shares on the date the DSU Plan was approved, subject to revision by the Board in accordance with the policies of the CSE. The obligations of the Company under the DSU Plan are unfunded and unsecured.

The purpose of the DSU Plan is to strengthen the alignment of interests between Eligible DSU Participants and Shareholders by linking a portion of annual compensation to the future value of Shares. The Board (or the committee thereof to whom authority to administer the DSU Plan has been delegated by the Board) may, from time to time, in its discretion, grant DSUs to Eligible DSU Participants, which shall be calculated by reference to: (a) the dollar amount of the participant's remuneration that will be satisfied by such DSUs; and (b) the last closing price of the Shares on the CSE immediately prior to the grant date.

As soon as practicable following the date of an Eligible DSU Participant ceasing to be a director of the Company or its affiliates (and in any event, not later than December 31st of the calendar year following the year in which such former director has ceased to be a director), the DSUs granted to such former director will be settled, at the option of the Company, through either the issuance to the former director of Shares equal in number to the number of DSUs that have vested, or a payment to such former director of the cash value of such Shares. If on the date on which Shares would be issuable the Company is in a Black Out Period, the Company will issue or deliver such Shares on or as soon as practicable after the 10th trading day following the end of such trading blackout.

The Board or the administering committee thereof may amend the DSU Plan, subject to applicable law and prior approval, if required, of the CSE or any other regulatory authority having jurisdiction over the Company at the time. The Board or the administering committee thereof may suspend, terminate or discontinue the DSU Plan at any time,

or amend or revise the terms thereof, provided that no such amendment, revision, termination or discontinuance shall adversely affect any holder of DSUs without such holder's consent.

The Company will obtain any necessary Shareholder approvals for the DSU Plan from time to time, as may be required pursuant to the policies of the CSE or the rules, policies and requirements of any other regulatory authority or stock exchange having jurisdiction over the Company.

As at the date of this Statement of Executive Compensation, there were 240,004 DSUs outstanding under the DSU Plan.

Pension Plan Benefits

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

Employment, Consulting and Management Agreements

The following is a summary of the terms of employment, consulting and management agreements for directors and NEOs during the fiscal year ended August 31, 2022.

Philip J. Young – Executive Chairman and 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.

Michael Petter - Director

The Company does not have any employment, consulting or management agreement or arrangement with Mr. Petter in connection with his role as a director of the Company.

Jonathan Gilbert – Former Executive Chairman and Director

On January 15, 2021, the Company entered into a consulting employment agreement, effective January 1, 2021, with Jonathan Gilbert as the Executive Chairman (the "**Gilbert Agreement**"). Mr. Gilbert employment is for a 1 (one) year

term. Pursuant to the Gilbert Agreement, Mr. Gilbert is paid a monthly fee of \$22,927 and received 30,000 stock options on the date of his appointment. These stock options are exercisable at \$7.50CAD per share and expire of January 15, 2024. The Gilbert Agreement also provides for milestone incentive bonuses that are developed by the Company on an annual basis. Upon the termination of the Agreement, Mr. Gilbert shall be entitled to receive payment for all unpaid salary, accrued but unpaid bonuses, if any, and vacation accrued as of the date of termination.

The Gilbert Agreement was terminated on September 30, 2022 pursuant to a mutual separation and settlement agreement (“**Separation Agreement**”) in connection with Mr. Gilbert’s resignation as Executive Chairman and CEO of the Company. Pursuant to the Separation Agreement, the Company agreed to issue to Mr. Gilbert an aggregate of 5,300,836 common shares of the Company. The common shares to be issued to Mr. Gilbert will be subject to a statutory hold period of four months and one day from the date of issuance, in accordance with applicable securities legislation, and further, subject to escrow restrictions whereby 1,325,209 shares will be released on each of the following dates: four months and 1 day after October 3, 2022, March 31, 2023, June 30, 2023, and September 30, 2023.

The Company has no further obligation with respect the Gilbert Agreement or the Separation Agreement.

Leighton Bocking – Former Director

The Company did not have any employment, consulting or management agreement or arrangement with Mr. Bocking in connection with his former role as a director of the Company.

Oversight and Description of Director and NEO Compensation

The objective of the Company's compensation program is to compensate executive officers for their services to the Company at a level that is both in line with the Company's fiscal resources and competitive with companies at a similar stage of development. No objective identifiable measures are used to determine NEO compensation.

The Board of Directors has implemented three levels of compensation to align the interests of the executive officers with those of the shareholders. First, executive officers may be paid a monthly consulting fee. Second, the Board of Directors may award executive officers long term incentives in the form of stock options or RSUs. Finally, the Board of Directors may award cash or stock bonuses based on corporate and individual performance.

There are no performance criteria or goals to which any element of compensation is tied.

Compensation Committee

The Compensation Committee is comprised of Michael Petter who is currently independent based upon the tests for independence set forth in NI 52-110 (as defined herein).

Chief Executive Officer Compensation

The components of the CEO compensation are the same as those which apply to the other senior executive officers of the Company, namely base salary or consulting fee, incentives under the Stock Option Plan, DSU Plan and RSU Plan and bonuses.

In annually setting the salary and long-term incentives for the CEO, the independent directors, in conjunction with Compensation Committee of the Company, evaluate the performance of the CEO in light of the Company’s success in achieving its goals and objectives. In setting the CEO’s base salary the directors may also take into consideration its understanding of the salaries paid to other chief executive officers by similarly situated companies in the same industry.

Director Compensation

The components of the director compensation is reviewed annually by the compensation committee and is comprised

of a base fee and DSU incentive.

In annually setting the directors fees DSU incentives for the Board of Directors, the independent director, in conjunction with Compensation Committee of the Company, evaluate the compensation relative to directors similarly situated companies in the same industry.

Share-Based Awards

The Company's Stock Option Plan, DSU Plan and RSU Plan have been and will be used to provide share based incentives in consideration of the level of responsibility of the executive officer, as well as his or her impact on or contribution to, and/or his or her ability in the future to have an impact on or to contribute to, the longer-term operating performance of the Company. In determining the number of options, DSUs or RSUs to be granted to the Directors, officers, employees, or consultants, the Board of Directors takes into account the number of options, if any, previously granted to each of the Directors, officers, employees, or consultants, and the exercise price of any outstanding options to ensure that such grants are in accordance with the policies of the CSE and to closely align the interests of the executive officers with the interests of shareholders.

The directors and officers of the Company from time to time may be granted incentive stock options, DSUs or RSUs in accordance with the policies of the CSE and pursuant to the Stock Option Plan, DSU Plan or RSU Plan.

Other Compensation - Benefits and Perquisites

The Company's NEOs do not receive any benefits or perquisites.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth details regarding the number of Shares authorized from issuance from treasury under the Company's equity compensation plans as at August 31, 2022.

Plan Category	Number of shares to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by shareholders	4,210,476	\$0.44	1,562,671 ⁽¹⁾
Equity compensation plans not approved by shareholders	Nil	Nil	Nil
Total	4,210,476	\$0.44	1,562,671⁽¹⁾⁽²⁾

(1) This total represents the total available under the option, DSU and RSU plans.

(2) Based on 38,487,648 Shares outstanding as at August 31, 2022.

For information regarding the material terms of the Company's equity compensation plans, please see the heading entitled "Statement of Executive Compensation – Stock Option Plans and Other Incentive Plans".