

IONIC BRANDS CORP.
1142 Broadway, Suite 300
Tacoma, WA 98402

**NOTICE OF ANNUAL GENERAL MEETING OF
SHAREHOLDERS
TO BE HELD ON MARCH 8, 2021**

AND

INFORMATION CIRCULAR

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

IONIC BRANDS CORP.

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual general meeting (the “**Meeting**”) of shareholders (the “**Shareholders**”) of Ionic Brands Corp. (the “**Company**”) will be held at the offices of McMillan LLP, Suite 1500, 1055 West Georgia Street, Vancouver, British Columbia, by way of in-person/teleconference call meeting, on Monday, March 8, 2021, at the hour of 10:00 a.m. (Pacific Time). **In light of the ongoing public health concern related to COVID-19 and in order to comply with measures imposed by the federal and provincial governments, the Company is encouraging Shareholders and others not to attend the Meeting in person.**

The Company is offering Shareholders the option to listen and participate (but not vote) at the Meeting in real time by conference call at:

Within Canada (Toll Free): 1-855-244-8680
From US: 1-855-797-9485
Attendee Access Code: 862 707 94

The Meeting is to be held for the following purposes:

1. to receive the audited financial statements of the Company for the fiscal year ended December 31, 2019, together with the auditor’s report thereon;
2. to determine the number of directors and elect directors for the ensuing year;
3. to appoint Dale Matheson Carr-Hilton Labonte LLP as the auditors of the Company for the ensuing year and to authorize the Directors to fix their remuneration;
4. to ratify and approve the Company’s Stock Option Plan for continuation until the Company’s next annual general meeting, as such Stock Option Plan is more particularly described in the accompanying management information circular (the “**Circular**”); and
5. to transact such other business, including amendments to the foregoing, as may properly come before the Meeting or any adjournment or adjournments thereof.

NOTE OF CAUTION Concerning COVID-19 Outbreak

At the date of this Notice and the accompanying Circular, it is the intention of the Company to hold the Meeting at the location stated above in this Notice. We are continuously monitoring development of current coronavirus outbreak (“**COVID-19**”). In light of the rapidly evolving public health guidelines related to COVID-19, we ask Shareholders to consider voting their common shares of the Company (the “**Common Shares**”) by proxy and not attend the Meeting in person. Those Shareholders who do wish to attend the Meeting in person, should carefully consider and follow the instructions of the Federal Public Health Agency of Canada available at: <https://www.canada.ca/en/public-health/services/diseases/coronavirus-disease-covid-19.html>. We ask that Shareholders also review and follow the instructions of any regional health authorities of the Province of British Columbia, including the Vancouver Coastal Health Authority, the Fraser Health Authority and any other health authority holding jurisdiction over the areas you must travel through to attend the Meeting. Do not attend the Meeting in person if you are experiencing any cold or flu-like symptoms, or if you or someone with whom you have been in close contact has travelled to/from outside of Canada within the 14 days immediately prior to the Meeting. All Shareholders are strongly encouraged to vote by submitting their completed form of proxy (or voting instruction form) prior to the Meeting by one of the means described in the Circular accompanying this Notice.

The Company reserves the right to take any additional pre-cautionary measures deemed to be appropriate, necessary or advisable in relation to the Meeting in response to further developments in the COVID-19 outbreak, including: (i) holding the Meeting virtually or by providing a webcast of the Meeting; (ii) hosting the Meeting solely by means of remote communication; (iii) changing the Meeting date and/or changing the means of holding the Meeting; (iv) denying access to persons who exhibit cold or flu-like symptoms, or who have, or have been in close contact with

someone who has, travelled to/from outside of Canada within the 14 days immediately prior to the Meeting; and (v) such other measures as may be recommended by public health authorities in connection with gatherings of persons such as the Meeting. Should any such changes to the Meeting format occur, the Company will announce any and all of these changes by way of news release, which will be filed under the Company's profile on SEDAR. We strongly recommend you check the Company's SEDAR profile prior to the Meeting for the most current information. In the event of any changes to the Meeting format due to the COVID-19 outbreak, the Company will not prepare or mail amended Meeting proxy materials.

THE BOARD OF DIRECTORS AND MANAGEMENT REQUEST ALL SHAREHOLDERS VOTE BY PROXY AND NOT ATTEND THE MEETING IN PERSON.

In order to be valid and acted upon at the Meeting, proxies must be received no later than 10:00 a.m. (Pacific Time) on Thursday, March 4, 2021 or not less than 48 hours (excluding Saturdays, Sundays and statutory holidays) before the time for holding the Meeting or any postponement(s) or adjournment(s) thereof. Failure to so deposit a form of proxy will result in its invalidation. Notwithstanding the foregoing, the chair of the Meeting has the discretion to accept proxies received after such deadline.

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

The audited financial statements for the fiscal year ended December 31, 2019 and the report of the auditor thereon will be made available at the Meeting and are available on www.sedar.com.

Registered Shareholders who are unable to attend the Meeting in person and who wish to ensure that their Shares will be voted at the Meeting are requested to complete, date and sign the enclosed form of proxy, or another suitable form of proxy and deliver it in accordance with the instructions set out in the form of proxy and in the Circular.

Non-registered Shareholders who plan to attend the Meeting must follow the instructions set out in the form of proxy or voting instruction form to ensure that their Common Shares will be voted at the Meeting. If you hold your Shares in a brokerage account, you are a non-registered Shareholder.

Shareholders who wish to attend the Meeting in person must call McMillan LLP at (604) 689-9111 at least 48 hours prior to the date of the Meeting for further instructions on in-person attendance procedures.

DATED at Vancouver, British Columbia, as of this 2nd day of February, 2021.

BY ORDER OF THE BOARD

"John Phillip Gorst"

**John Phillip Gorst
Chief Executive Officer**

IONIC BRANDS CORP.
1142 Broadway, Suite 300
Tacoma, WA 98402

MANAGEMENT INFORMATION CIRCULAR
(at at January 27, 2021, except as otherwise noted)

This Management Information Circular (“Circular”) is furnished in connection with the solicitation of proxies by the management of Ionic Brands Corp. for use at the annual general meeting (the “Meeting”) of the Company’s shareholders (the “Shareholders”) to be held on March 8, 2021 at the time and place and for the purposes set forth in the accompanying notice of Meeting.

In this Circular, references to “the **Company**”, “we” and “our” refer to **Ionic Brands Corp.** “**Common Shares**” means common shares in the capital of the Company. “**Beneficial Shareholders**” means Shareholders who do not hold Common Shares in their own name and “**intermediaries**” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders. “**Registered Shareholder**” means the person whose name appears on the central securities register maintained by or on behalf of the Company and who holds Common Shares in his or her own name.

GENERAL PROXY INFORMATION

Solicitation of Proxies

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and regular employees of the Company. The Company will bear all costs of this solicitation. We have arranged for intermediaries to forward the meeting materials to beneficial owners of the Common Shares held of record by those intermediaries and we may reimburse the intermediaries for their reasonable fees and disbursements in that regard.

Appointment of Proxyholders

The individuals named in the accompanying form of proxy (the “**Proxy**”) are officers and/or directors of the Company. **If you are a Shareholder entitled to vote at the Meeting, you have the right to appoint a person or company other than either of the persons designated in the Proxy, who need not be a Shareholder, to attend and act for you and on your behalf at the Meeting. You may do so either by inserting the name of that other person in the blank space provided in the Proxy or by completing and delivering another suitable form of proxy.**

Voting by Proxyholder

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

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

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

Registered Shareholders

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

- (a) complete, date and sign the Proxy and return it to the Company's transfer agent, Odyssey Trust Company ("Odyssey"), by at 1-800-517-4553, or by mail or hand delivery to Suite 323, 409 Granville Street, Vancouver, British Columbia Canada V6C 1T2;
- (b) use a touch-tone phone to transmit voting choices to a toll-free number. Registered shareholders must follow the instructions of the voice response system and refer to the enclosed Proxy form for the toll-free number, the holder's account number and the control number; or
- (c) use the internet through the website of the Company's transfer agent at www.odysseytrust.com. Registered Shareholders must follow the instructions that appear on the screen and refer to the enclosed Proxy form for the holder's account number and the control number.

In either case you must ensure the Proxy is received at least 48 hours (excluding Saturdays, Sundays and statutory holidays) before the Meeting or the adjournment thereof. Failure to complete or deposit the Proxy properly may result in its invalidation. The time limit for the deposit of proxies may be waived by the Company's board of directors (the "Board") at its discretion without notice. **Please note that in order to vote your Common Shares in person at the Meeting, you must attend the Meeting and register with the scrutineer before the Meeting. If you have already submitted a Proxy, but choose to change your method of voting and attend the Meeting to vote, then you should register with the scrutineer before the Meeting and inform them that your previously submitted Proxy is revoked and that you personally will vote your Common Shares at the Meeting.**

Beneficial Shareholders

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

If Common Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those Common Shares will not be registered in the Shareholder's name on the records of the Company. Such Common Shares will more likely be registered under the name of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of such Common Shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms). In the United States of America (the "U.S." or the "United States") the vast majority of such Common Shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks).

Intermediaries are required to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary has its own mailing procedures and provides its own return instructions to clients.

There are two kinds of Beneficial Shareholders - 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*").

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

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

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

Notice to Shareholders in the United States

The solicitation of proxies involves securities of an issuer located in Canada and is being effected in accordance with the corporate laws of the Province of British Columbia, Canada and securities laws of the provinces of Canada. The proxy solicitation rules under the United States *Securities Exchange Act of 1934*, as amended, are not applicable to the Company or this solicitation, and this solicitation has been prepared in accordance with the disclosure requirements of the securities laws of the provinces of Canada. Shareholders should be aware that disclosure requirements under the securities laws of the provinces of Canada differ from the disclosure requirements under United States securities laws.

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

Revocation of Proxies

In addition to revocation in any other manner permitted by law, a Registered Shareholder who has given a Proxy may revoke it by:

1. executing a Proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the Registered Shareholder or the Registered Shareholder’s authorized attorney in writing, or, if the Shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the Proxy bearing a later date to Odyssey or to the Company at Suite 2250 – 1055 West Hastings Street, Vancouver, B.C. V6E 2E9, at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law; or
2. personally attending the Meeting and voting the Registered Shareholder’s Common Shares.

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

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

No director or executive officer of the Company, or any person who has held such a position since the beginning of the last completed financial year of the Company, nor any nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way

of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors, as further described below.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

Effective July 3, 2013, the Company continued out of the Province of Ontario into the jurisdiction of the BCBCA and subsequently changed its name to Ionic Brands Corp. on March 22, 2019.

The board of directors (the “**Board**”) of the Company has fixed January 27, 2021 as the record date (the “**Record Date**”) for determination of persons entitled to receive notice of the Meeting. Only Shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver the Proxy in the manner and subject to the provisions described above will be entitled to vote or to have their Common Shares voted at the Meeting.

The Company is authorized to issue an unlimited number of Common Shares without par value, which Common Shares are listed for trading on the Canadian Securities Exchange (the “**CSE**”). As of January 27, 2021, there were 253,964,402 Common Shares issued and outstanding, each carrying the right to one vote. The Company is also authorized to issue an unlimited number of Preferred Shares. As at January 27, 2021, there were no Preferred Shares issued and outstanding. No group of Shareholders has the right to elect a specified number of directors, nor are there cumulative or similar voting rights attached to the Common Shares.

Escrow Shares

As of January 27, 2021, the Company had 19,926,492 Common Shares held in escrow pursuant to Escrow Agreement dated March 22, 2019.

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

VOTES NECESSARY TO PASS RESOLUTIONS

A simple majority of affirmative votes cast in person or by proxy at the Meeting is required to pass the resolutions described herein as ordinary resolutions.

If there are more nominees for election as directors or appointment of the Company’s auditor than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election or appointment is equal to the number of vacancies to be filled, all such nominees will be declared elected or appointed by acclamation.

FINANCIAL STATEMENTS

The audited financial statements of the Company’s financial yearended December 31, 2019 and the report of the auditor thereon, will be placed before Shareholders at the Meeting for their consideration. No formal action will be taken at the Meeting to approve the financial statements. If any Shareholder has questions regarding such financial statements, such questions may be brought forward at the Meeting. Copies of the audited financial statements are available through the internet on SEDAR, which can be accessed at www.sedar.com.

NUMBER OF DIRECTORS

The size of the Company’s Board is currently set at six (6). The Board proposes that the number of directors remain at six (6). At the Meeting, Shareholders will be asked to approve an ordinary resolution to set the number of directors at six (6). An ordinary resolution needs to be passed by a simple majority of votes cast by the Shareholders present in person or represented by proxy and entitled to vote at the Meeting.

Management recommends the Shareholders approve the resolution to set the number of directors of the Company at six (6). Unless otherwise indicated on the form of Proxy received by the Company, the persons designated as proxyholders in the accompanying form of proxy will vote the Common Shares represented by such form of proxy, properly executed, in favour of the resolution to set the number of directors of the Company at six (6).

ELECTION OF DIRECTORS

At present, the directors of the Company are elected at each annual general meeting and hold office until the next annual general meeting or until their successors are duly elected or appointed in accordance with the Company's Articles or until such director's earlier death, resignation or removal.

Management of the Company proposes to nominate all of the current directors of the Company, as set out in the table below, for election by the Shareholders as directors of the Company. Information concerning such persons, as furnished by the individual nominees, is as follows:

Name, Place of Residence and Position(s) with the Company	Principal Occupation, Business or Employment for Last Five Years ⁽¹⁾	Director Since	Number of Common Shares Owned ⁽¹⁾
John Phillip Gorst ⁽²⁾⁽³⁾ Chief Executive Officer & Director Washington, USA	<i>See director biographies below.</i>	March 22, 2019	18,800,641
Austin Taylor Gorst Vice-President & Director Washington, USA	<i>See director biographies below.</i>	March 22, 2019	2,439,796
Bryen Joseph Salas President & Director Washington, USA	<i>See director biographies below.</i>	March 22, 2019	3,732,153
Christian Drew Struzan Chief Marketing Officer & Director Washington, USA	<i>See director biographies below.</i>	March 22, 2019	5,248,176
Christian Dante Vara ⁽²⁾⁽³⁾ Director Washington, USA	<i>See director biographies below.</i>	February 25, 2020	Nil
Jonathan Yan ⁽²⁾⁽³⁾ Director British Columbia, Canada	<i>See director biographies below.</i>	January 12, 2021	Nil

Notes:

- (1) Information has been furnished by the respective nominees individually.
- (2) Member of the Company's Audit Committee.
- (3) Member of the Company's Compensation Committee.

None of the proposed nominees for election as a director of the Company are proposed for election pursuant to any arrangement or understanding between the nominee and any other person, except the directors and senior officers of the Company acting solely in such capacity.

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 Common Shares represented by proxies for the election of any other persons as directors.

Biographies of Director Nominees

John P. Gorst

John has been CEO of the Company since March 2019. Prior to joining the Company, John was CEO of InsynQ, Inc. for 17 years before the company was sold. John has built, led, and sold four different technology companies, with market values up to US\$600 million. He raised a total of US\$30 million for his past businesses and has applied the same capital raising strategies for the Company.

As CEO of the Company, John assumed a fledgling workforce and helped the more youthful managers and staff of the Company to learn and apply critical thinking skills, problem identification and resolution, and lean kaizen practices. His keen radar senses issues before they become problems, and he has helped the team learn how to readily adapt. John has employed a well-balanced executive-level team to achieve the goals and mission of the Company.

John has led his executive team in the development of an aggressive business growth plan to maximize possible opportunities for expansion of market share of existing products. He plans to continue to focus on research and development activities that the Company hopes will evolve into new product lines that will help establish the Company as a world-class leader in this industry.

Austin T. Gorst

Austin has been active in the growth of the business since its inception in 2014. Austin worked six years in information technology while going through the infancies of the business and development of the vape products the Company sells today. In September 2015, Austin resigned from his Account Executive role at InsynQ, Inc. and joined the Company as a full-time manager of the business. Austin was part of the Company's subsidiary's, Blacklist Holdings Inc., growth in 2016. He assisted with training and building the Blacklist Holdings Inc.'s team and increased top line revenue through sales in the Washington market. In early 2017, he started the first expansion plan to replicate Blacklist Holdings Inc.'s business plan in the state of Oregon.

Bryen Salas

Bryen has been the President of Company since March 2019. He was Vice President of Sales of Blacklist Holdings Inc. from 2012-2017, leading Ionic branded products to becoming one of the top selling vaporizer brands sold in the State of Washington.

Throughout his years at Blacklist Holdings Inc., Bryen served in crucial managerial roles, supporting the functions of Blacklist Holdings Inc.'s supply chain, product development, marketing, human resources and technology.

Christian Struzan

Christian brings 30 years of experience in marketing and branding for the entertainment industry to the Company. He founded an advertising agency which developed and executed marketing campaigns for feature films and television series. Christian has expertise in electronic, mobile, and print media advertising.

In December 2017, Blacklist Holdings Inc. was recognized at the DOPE industry awards of Washington State for best branding and marketing.

Christian Vara

Christian Vara has nearly 30 years experience as an entrepreneur who has built, purchased and sold businesses across a variety of verticals. Well versed in real estate, Christian successfully identified, negotiated, and secured a ground lease with an international company for several hundred million dollars. In media, Christian launched a national interactive, digital media company, serving restaurants, hotels, fitness clubs, medical offices and

automobile dealerships. Additional media efforts include an equity stake in a boutique outdoor media company, where he drove regional business and development efforts. Operational experience stems from fifteen years in the vending industry, where he purchased a Massachusetts based tobacco wholesale and vending company and pioneered the growth to one of the largest and most recognized vending companies in the USA until the successful sale. Christian served as CEO of M Brands 2018 to 2020, Co-founder Topcast Networks, LLC 2012 to 2018, Partner Worldwide Amherst Media 2008 to Present, President and CEO Melo-Tone Inc. 1996 to 2008

As an Independent Director, Christian assists with negotiating contracts, business development and other activities as directed by the Board of Directors, for Ionic Brands.

Jonathan Yan

Jonathan is a Chartered Professional Accountant trained by PwC. He specializes in financial reporting and has experience working on go-public transactions. Jonathan is a key finance team member of a number of TSX-Venture and CSE listed companies in the junior mining and technology industries. Jonathan holds a diploma in accounting and a Bachelor of Science degree from the University of British Columbia.

Management recommends the election of each of the nominees listed above as a director of the Company.

Cease Trade Orders or Bankruptcies:

Other than as disclosed below, no proposed director is, as at the date of this Circular, or has been, within ten (10) years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Company in respect of which the Circular is being prepared) that:

- (1) was subject to a cease trade or similar order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
- (2) was subject to a cease trade or similar order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

No proposed director is, as at the date of this Circular, or has been within ten (10) years before the date of this Circular, a director or executive officer of any company (including the Company in respect of which the Circular is being prepared) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

No proposed director has, within the past ten years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or become subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager, or trustee appointed to hold the assets of the proposed director.

On June 22, 2020, the Ontario Securities Commission issued a failure to file cease trade (the “CTO”) for the Company’s failure to file the annual audited financial statements for the year ended December 31, 2019, annual management’s discussion and analysis for the year ended December 31, 2019, and certifications of the annual filings for the year ended December 31, 2019. John Phillip Gorst, Austin Taylor Gorst, Bryen Joseph Salas, Christian Drew Struzan and Christian Dante Vara are directors of the Company at the time the Company was subject to the CTO. The CTO was revoked on December 11, 2020.

Penalties and Sanctions

No proposed director of the Company has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or has been subject to any other penalties or sanctions imposed by a court or

regulatory body that would likely be considered important to a reasonable Shareholder in deciding whether to vote for a proposed director.

APPOINTMENT OF AUDITOR

Dale Matheson Carr-Hilton LaBonte LLP, Chartered Professional Accountants, of 1500 – 1140 West Pender Street, Vancouver, British Columbia V6E 4G1, will be nominated at the Meeting for re-appointment as auditor of the Company to hold office until the next annual general meeting of shareholders, at a remuneration to be fixed by the directors. The Board resolved that Abraham Chan LLP not be proposed for reappointment as the auditor of the Company. Dale Matheson Carr-Hilton LaBonte LLP was first appointed auditor of the Company on February 13, 2018.

At the Meeting, Shareholders shall be called upon to appoint Dale Matheson Carr-Hilton LaBonte LLP, Chartered Accountants, as auditors of the Company, to hold office until the next Annual General Meeting of Shareholders, and to authorize the directors to fix their remuneration.

The Board unanimously recommends that the Shareholders vote for the appointment of Dale Matheson Carr-Hilton LaBonte LLP, Chartered Accountants, as auditors of the Company, to hold office until the next Annual General Meeting of Shareholders, and to authorize the directors to fix their remuneration.

AUDIT COMMITTEE DISCLOSURE

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

The Audit Committee’s Charter

The audit committee has a charter, a copy of which is attached as Schedule “A” to the Company’s Information Circular dated April 24, 2016, which was filed on SEDAR on May 2, 2016.

Composition of Audit Committee

The following persons are members of the audit committee:

Jonathan Yan	Independent	Financially Literate
John P. Gorst	Not Independent	Financially Literate
Christian Vara	Independent	Financially Literate

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

An audit committee member is financially literate if he has the ability to read and understand a set of financial statements that present a breadth 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.

Relevant Education and Experience

Each member of the Company’s audit committee has adequate education and experience relevant to their performance as an audit committee member and, in particular, the requisite education and experience that provides the member with:

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

See *Biographies of Director Nominees* above, in particular the biographies of each Audit Committee member, for more information concerning each Audit Committee member’s education and experience.

Audit Committee Oversight

The audit committee has not made any recommendations to the Board to nominate or compensate any auditor other than Dale Matheson Carr-Hilton LaBonte LLP, Chartered Professional Accountants.

Reliance on Certain Exemptions

The Company’s auditors, Dale Matheson Carr-Hilton LaBonte LLP, Chartered Professional Accountants have not provided any material non-audit services.

Pre-Approval Policies and Procedures

Formal policies and procedures for the engagement of non-audit services have yet to be formulated and adopted. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by, as applicable, the Board and the Audit Committee, on a case-by-case basis.

External Auditor Service Fees

The audit committee has reviewed the nature and amount of the non-audit services provided by Crowe MacKay, The Doty Group, and Dale Matheson Carr-Hilton LaBonte LLP, Chartered Professional Accountants, to the Company to ensure auditor independence. Payments to Crowe MacKay, The Doty Group, Dale Matheson Carr-Hilton LaBonte LLP, Chartered Professional Accountants, for audit and non-audit services in the years ended December 31, 2019 and December 31, 2018 are outlined in the following table.

Year Ended December 31	Audit Fees⁽¹⁾	Audit Related Fees⁽²⁾	Tax Fees⁽³⁾	All Other Fees⁽⁴⁾
2019	\$54,095.29	Nil	Nil	Nil
2018	\$8,670	Nil	Nil	Nil

Notes:

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

Exemption

The Company is a “venture issuer” as defined in NI 52-110 and relies on the exemption in section 6.1 of NI 52-110 relating to Parts 3 (Composition of Audit Committee) and 5 (Reporting Obligations).

CORPORATE GOVERNANCE

National Instrument 58-101 - *Disclosure of Corporate Governance Practices* ("**NI 58-101**") requires issuers to disclose their corporate governance practices and National Policy 58-201 - *Corporate Governance Guidelines* ("**NP 58-201**") provides guidance on corporate governance practices. This section sets out the Company's approach to corporate governance and addresses the Company's compliance with NI 58-101.

Corporate governance refers to the policies and structure of the board of directors of a company, whose members are elected by and are accountable to the company's shareholders. Corporate governance encourages establishing a reasonable degree of independence of the board of directors from executive management and the adoption of policies to ensure the board of directors recognizes the principles of good management. The Board is committed to sound corporate governance practices as such practices are both in the interests of shareholders and help to contribute to effective and efficient decision-making.

Board of Directors

Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A “material relationship” is a relationship which could, in the Board's opinion, be reasonably expected to interfere with the exercise of a director's independent judgment.

The Board facilitates its independent supervision over management of the Company through frequent meetings of the Board at which members of management or non-independent directors are not in attendance and by retaining independent consultants where it deems necessary.

Management is delegated the responsibility for meeting defined corporate objectives, implementing approved strategic and operating plans, carrying on the Company's business in the ordinary course, managing cash flow, evaluating new business opportunities, recruiting staff and complying with applicable regulatory requirements. The Board facilitates its independent supervision over management by reviewing and approving long-term strategic, business and capital plans, material contracts and business transactions, and all debt and equity financing transactions. Through its Audit Committee, the Board examines the effectiveness of the Company's internal control processes and management information systems. The Board reviews executive compensation and recommends stock option grants.

The independent members of the Board are Christian Vara and Jonathan Yan. Austin Gorst, John Gorst, Bryen Salas and Christian Struzan are not independent as they are officers of the Company.

Directorships

None of the directors of the Company are currently on the board of directors of other reporting issuers

Orientation and Continuing Education

While the Company does not have formal orientation and training programs, new Board members are provided with:

- (a) a Board manual which provides information respecting the functioning of the Board of Directors, committees and copies of the Company's corporate governance policies;
- (b) access to recent, publicly filed documents of the Company, technical reports and the Company's internal financial information;
- (c) access to management and technical experts and consultants; and
- (d) information regarding a summary of significant corporate and securities responsibilities.

Board members are encouraged to communicate with management, auditors and technical consultants; to keep themselves current with industry trends and developments and changes in legislation with management's assistance; and to attend related industry seminars and visit the Company's operations. Board members have full access to the Company's records.

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.

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

The Board requires that directors and executive officers who have an interest in a transaction or agreement with the Company promptly disclose that interest at any meeting of the Board at which the transaction or agreement will be discussed and abstain from discussions and voting in respect to same if the interest is material or if required to do so by corporate or securities law.

Nomination of Directors

The Corporate Governance and Compensation Committee (the "**Compensation Committee**") has responsibility for identifying potential Board candidates. The Compensation Committee assesses potential Board candidates to fill perceived needs on the Board for required skills, expertise, independence and other factors. Members of the Board and representatives of the mineral exploration industry are consulted for possible candidates.

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

Compensation

The Compensation Committee has the responsibility for reviewing and recommending to the board compensation for the directors and senior management. See *Executive Compensation – Compensation Discussion and Analysis*.

Other Board Committees

The Compensation Committee is responsible for reviewing all overall compensation strategy, objectives and policies; annually reviewing and assessing the performance of the executive officers; recommending to the Board

the compensation of the executive officers; reviewing executive appointments; and recommending the adequacy and form of directors' compensation.

This Compensation Committee meets at least once annually. Currently, the members are John Gorst, Christian Vara and Jonathan Yan. Following the Meeting, a Board of Directors meeting will be held to elect the members of the Committee for the ensuing year.

The Board of Directors has no other committees other than the Audit Committee and the Compensation Committee.

Assessments

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

STATEMENT OF EXECUTIVE COMPENSATION

General

For the purpose 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 stock 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:

- 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 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 (if any), 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

The following compensation table, excluding options and compensation securities, provides a summary of the compensation paid by the Company to NEOs and members of the Board for the two most recently completed financial years. Options and compensation securities are disclosed under the heading “Stock Options and Other Compensation Securities” below.

Name and Position	Year Ended March 31	Salary, Consulting Fee, Retainer or Commission US(\$)	Bonus US(\$)	Committee or Meeting Fees US(\$)	Value of Perquisites ⁽¹⁾ US(\$)	Value of All Other Compensation US(\$)	Total Compensation US(\$)
John Gorst ⁽²⁾ <i>Chief Executive Officer, Board Chairman & Director</i>	2019	273,450	Nil	4,500	Nil	24,735	302,685
	2018	129,000	Nil	Nil	Nil	42,618	171,618
Dan Devlin ⁽³⁾ <i>Chief Financial Officer</i>	2019	164,000	Nil	Nil	Nil	Nil	164,000
	2018	Nil	Nil	Nil	Nil	Nil	Nil
Christian Struzan ⁽⁴⁾ <i>Chief Marketing Officer & Director</i>	2019	191,650	Nil	6,000	Nil	Nil	197,650
	2018	116,497	Nil	Nil	Nil	Nil	116,497
Andrew Schell ⁽⁵⁾ <i>(Former) Chief Strategies Officer & Director</i>	2019	176,000	Nil	4,500	Nil	77,962	258,192
	2018	72,500	Nil	Nil	Nil	93,923	166,423
Scott Manson ⁽⁶⁾ <i>(Former) Chief Financial Officer & General Counsel</i>	2019	120,500	Nil	Nil	Nil	Nil	120,500
	2018	35,000	Nil	Nil	Nil	Nil	35,000
Johnny Stange ⁽⁷⁾ <i>(Former) Chief Revenue Officer</i>	2019	249,139	Nil	Nil	Nil	32,665	281,804
	2018	202,366	Nil	Nil	Nil	Nil	202,366
Rhett Couture ⁽⁸⁾ <i>(Former) Chief Financial Officer & VP Business Dev</i>	2019	98,187	Nil	Nil	Nil	Nil	98,187
	2018	Nil	Nil	Nil	Nil	Nil	Nil
Bryen Salas ⁽⁹⁾ <i>President & Director</i>	2019	242,907	55,889	6,000	Nil	Nil	190,387
	2018	135,861	Nil	Nil	Nil	Nil	99,542
Austin Gorst ⁽¹⁰⁾ <i>Vice-President & Director</i>	2019	140,017	44,370	6,000	Nil	Nil	190,387
	2018	99,542	Nil	Nil	Nil	Nil	99,542
M. Carroll Benton ⁽¹¹⁾ <i>(Former) Director</i>	2019	8,000	Nil	6,000	Nil	Nil	14,000
	2018	37,500	Nil	Nil	Nil	Nil	37,500
Brian Lofquist ⁽¹²⁾ <i>(Former) Director</i>	2019	Nil	Nil	6,000	Nil	Nil	6,000
	2018	Nil	Nil	Nil	Nil	Nil	Nil

Notes: In an effort to assist the Company's ability to sustain operations during cash-flow difficulties, executives and management team members agreed to temporarily reduce and/or defer salaries in quarter 4 of 2019, and said salaries remain unpaid as of December 31, 2019. Original contract details are as follows:

- (1) "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.
- (2) John Gorst was appointed CEO and a director on March 22, 2019. He is employed at an annual salary of \$300,000 and deferred \$75,000.
- (3) Dan Devlin was initially employed as Chief Operations Officer to oversee the Company's expansion of the edibles market, and then assumed the interim CFO role in November 2019 to assist the Company in completing its public audit. \$45,000 in wages was deferred.
- (4) Christian Struzan serves as the Chief of Marketing (CMO) and is Director of the Company, employed at an annual salary of \$205,000. Deferred salaries of \$21,250 remains unpaid.

- (5) Andrew Schell had served as the Chief Strategies Officer and Director and resigned in September 2019.
- (6) Scott Manson who was retained as CFO and General Counsel stepped down from the CFO role to serve as General Counsel in third quarter of 2019. Mr. Manson has since resigned from his position as General Counsel.
- (7) Johnny Stange serving as Chief Revenue Officer was terminated in November 2019 when unable to fulfill performance expectations and growth goals in the California and Nevada markets.
- (8) Rhett Couture was initially employed as the VP of Business Development, to oversee industry growth opportunities, primarily in Canada, and held a brief interim role as CFO in Q3 of 2019 before being terminated in November 2019 for performance issues.
- (9) Bryen Salas is a board director and served as Executive Vice President and in September 2019, served as President of a holdings company of the Company. Deferred wages of \$41,875 plus \$31,874.55 in unpaid commission for April – December 2019.
- (10) Austin Gorst previously served as General Sales Manager of the Oregon subsidiary market and in October 2019, assumed Vice President of Sale. Deferred wages of \$10,100 remains unpaid as of December 31, 2019.
- (11) M. Carroll Benton was a member of the Board of directors from March 2019 to September 25, 2020. Ms. Benton deferred Board compensation of \$1500.
- (12) Brian Lofquist was a member of the Board of directors from March 22, 2019 to September 25, 2020. Mr. Lofquist deferred Board compensation of \$1500.

Stock Options and Other Incentive Plans

10% Rolling Stock Option Plan (Option-Based Awards)

The Company has in place a 10% “rolling” stock option plan dated for reference May 27, 2016 (the “**Option Plan**”), which was last approved by Shareholders at the Company’s annual general and special meeting held on March 4, 2019.

The Option Plan was implemented by the Company to provide incentives to directors, officers, senior management and consultants of the Company and to enable the Company to attract and retain experienced and qualified individuals in those positions by permitting such individuals to directly participate in an increase common share value created for the Shareholders. The Company currently has no equity compensation plans other than the Option Plan. The Option Plan is a part of the Company’s long-term incentive strategy for its executive officers. The Option Plan is intended to reinforce commitment to long-term profitability and Shareholder value.

All option grants are recommended by the Corporate Governance Committee and Compensation Committee and approved by the Board of Directors. Stock option grants are dependent on each recipient’s level of responsibility, authority and importance to the Company and the degree to which such executive officer’s long-term contribution will be key to the Company’s long-term success. Previous grants of stock options are taken into account when considering new grants. In addition to recommending the number of stock options to be granted, the Compensation Committee also makes the following determinations:

- the recommended exercise price for each option granted;
- the date on which each option is granted;
- the vesting terms for each option; and
- any other material terms and conditions of each option grant.

The Compensation Committee makes these determinations subject to, and in accordance with, the provisions of the Option Plan.

Material Terms of the Option Plan

- (a) the number of shares reserved for issue pursuant to options granted to participants who are Insiders (as such term is defined in the Option Plan) shall not exceed 10% of the number of shares then outstanding;
- (b) the grant to Insiders within a 12-month period, of a number of Options exceeding 10% of the outstanding Common Shares;

- (c) the grant to any one optionee within a 12-month period, of a number of Options exceeding 5% of the issued and outstanding Common Shares unless the Company obtains the requisite disinterested shareholder approval;
- (d) the grant to all persons engaged by the Company to provide investor relations activities, within any 12-month period, of Options reserving for issuance a number of Common Shares exceeding in the aggregate 2% of the Company's issued and outstanding Common Shares; or
- (e) the grant to any one consultant, in any 12-month period, of Options reserving for issuance a number of Common Shares exceeding in the aggregate 2% of the Company's issued and outstanding Common Shares.

The directors may amend or discontinue the Option Plan at any time, provided that no such amendment may, without the consent of the Optionee, alter or impair any option previously granted to an optionee under the Option Plan and provided further that any amendment to the Option Plan will require the prior consent of the CSE, if applicable. Pursuant to the Board's authority to govern the implementation and administration of the Option Plan, all previously granted and outstanding stock options shall be governed by the provisions of the Option Plan.

A copy of the Option Plan is attached as Schedule "A" to the management information circular dated April 14, 2016, which was filed on SEDAR on May 2, 2016. A copy of the Option Plan will also be available at the Meeting.

Stock Options and Other Compensation Securities

The following table provides a summary of all compensation securities granted or issued to each director and NEO by the Company or one of its subsidiaries in the most recently completed financial year for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries during the financial year ended December 31, 2019:

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
John Gorst <i>CEO, Board Chairman & Director</i>	Performance warrants	2,408,000	March 22, 2019	\$0.05	N/A	\$0.02	June 30, 2021
	Stock Options	126,000	April 11, 2019	\$0.68	\$0.62	\$0.02	April 12, 2024
	Stock Options	200,000	August 16, 2019	\$0.20	\$0.145	\$0.02	August 16, 2024
Dan Devlin <i>(former) Interim CFO & Chief Operations Officer</i>	Stock Options	50,000	April 11, 2019	\$0.68	\$0.62	\$0.02	April 12, 2024
	Stock Options	50,000	August 16, 2019	\$0.20	\$0.145	\$0.02	August 16, 2024
Christian Struzan <i>Chief Marketing Officer & Director</i>	Performance warrants	2,008,000	March 22, 2019	\$0.05	N/A	\$0.02	June 30, 2021
	Stock Options	129,000	April 11, 2019	\$0.68	\$0.62	\$0.02	April 12, 2024
	Stock Options	200,000	August 16, 2019	\$0.20	\$0.145	\$0.02	August 16, 2024
Andrew Schell <i>(Former) Chief Strategies Officer & Director</i>	Performance warrants	2,408,000	March 22, 2019	\$0.05	N/A	\$0.02	June 30, 2021
	Stock Options	126,000	April 11, 2019	\$0.68	\$0.62	\$0.02	April 12, 2024
	Stock Options	200,000	August 16, 2019	\$0.20	\$0.145	\$0.02	August 16, 2024
Scott Manson <i>(Former) CFO & Counsel</i>	Stock Options	129,000	April 11, 2019	\$0.68	\$0.62	\$0.02	April 12, 2024
Johnny Stange <i>(Former) Chief Revenue Officer</i>	Performance warrants	100,000	March 22, 2019	\$0.05	N/A	\$0.02	June 30, 2021
	Stock Options	129,000	April 11, 2019	\$0.68	\$0.62	\$0.02	April 12, 2024

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
Rhett Couture <i>(Former) VP Business Dev Interim CFO</i>	Stock Options Stock Options	60,000 500,000	April 11, 2019 August 16, 2019	\$0.68 \$0.20	\$0.62 \$0.145	\$0.02 \$0.02	April 12, 2024 August 16, 2024
Bryen Salas <i>President & Director</i>	Performance warrants Stock Options Stock Options	1,908,000 129,000 200,000	March 22, 2019 April 11, 2019 August 16, 2019	\$0.05 \$0.68 \$0.20	N/A \$0.62 \$0.145	\$0.02 \$0.02 \$0.02	June 30, 2021 April 12, 2024 August 16, 2024
Austin Gorst <i>Vice-President & Director</i>	Performance warrants Stock Options Stock Options	1,908,000 129,000 200,000	March 22, 2019 April 11, 2019 August 16, 2019	\$0.05 \$0.68 \$0.20	N/A \$0.62 \$0.145	\$0.02 \$0.02 \$0.02	June 30, 2021 April 12, 2024 August 16, 2024
M. Carroll Benton <i>(Former) Director</i>	Stock Options Stock Options	100,000 100,000	April 11, 2019 August 16, 2019	\$0.68 \$0.20	\$0.62 \$0.145	\$0.02 \$0.02	April 12, 2024 August 16, 2024
Brian Lofquist <i>(Former) Director</i>	Stock Options Stock Options	100,000 100,000	April 11, 2019 August 16, 2019	\$0.68 \$0.20	\$0.62 \$0.145	\$0.02 \$0.02	April 12, 2024 August 16, 2024

Exercise of Compensation Securities by NEOs and Directors

There were no compensation securities exercised by any of the NEOs or directors of the Company during the financial year ended December 31, 2019.

Employment, Consulting and Management Agreements

Formation of the Company's executive-level team followed the completion of the acquisition of Blacklist Holdings Inc. Holdings Inc. in March 2019 and provided a wide-spectrum of diverse skills and experience envisioned to assist the Company to pioneer the Company through new and aggressive ventures in response to investors expecting the Company to move quickly in growing the western market of the United States.

Upon recognizing the inept ability of several chief executives to effectively perform, the CEO worked to downsize its executive team and seize control as best as possible of failing ventures as executed by key strategic members removed from the team. The Board then took actions to finalize contractual agreements with remaining executive members to solidify the team that would continue to resolve the multitude of problems faced by the Company and to rebuild, restructure and regain market position.

As developed by the Compensation Committee and recommended to the Board, executive employment contracts were implemented to retain the proven executives that continue to move the Company forward. It is critical that the Company maintain support and incentive of its executive team, wherein consideration of the multitude of problems and constraints faced by the Company, the fact that the Company continues to survive is remarkable.

The following are summaries of the material terms of employment agreements, as developed in 2019 and executed through 2020 after completion of negotiations with remaining executives, whereby stated compensation was applicable through year ended December 31, 2019.

Overview of individual contracts

John Gorst agreed to serve as the Chief Executive Officer (CEO) and Board Chairman executed an employment contract in August 2019, following his successful plight of taking Blacklist Holdings Inc. Holdings Inc. public. His initial contract enforces the term of one year from the effective date to continue until the Company exercises its right of non-renewal. His employment agreement with the Company provides for an annual salary of US\$300,000, and as

long as he is in good standing, he is eligible for a bonus up to 50% of his base salary, pro-rated for the first partial year after effective date and paid within 2.5 months after the end of the applicable calendar/fiscal year as recommended by the Compensation Committee and approved by the Board.

Dan Devlin initially employed as Chief Operations Officer and then assumed Interim CFO under a contract he entered as Chief Operations Officer at an annual salary of US\$180,000.

Christian Struzan serves as Chief Marketing Officer and is a Director, under an annual salary of US\$205,000.

Bryen Salas serves as President and is a Director, under an annual salary of US\$180,000.

Austin Gorst serves as Vice President of Sales and is a Director, under an annual salary of US\$144,000.

Benefits on Termination Without Cause or For Good Reason

Each employee may terminate their agreement for good reason or the Company can terminate without cause, or at the end of the initial term where employee and Company are not agreeing to terms for continued employment, such termination entitles employee to receive payment as of the termination date for (i) any unpaid accrued salaries or other contracted compensation, (ii) any earned but unpaid annual bonus, (iii) full 100% vesting of any outstanding Performance Stock Options, (iv) full 100% vesting of any outstanding Performance Warrants, and (v) subject to employee's compliance with any proprietary rights agreement that may be in effect, and their execution, and non-revocation, of a release of claims in favor of the Company, its affiliates and their respective officers and directors in a form provided by the Company (the "**Release**"), Employee shall be entitled to receive twelve (12) months of Employee's final base salary as severance pay (the "**Severance**"). No severance will be paid if an employee refuses to sign said release, within (21) days of termination, and with (7) days to revoke release. Severance will be paid in a lump sum less required withholding taxes on the next normal pay period.

Good reason can be executed by the employee following written notice to be provided to the Company regarding existing circumstances whereby the Company has at least (30) days to cure such circumstances in the event of (a) material reduction to base salary of just said employee, and not proportionately across the board of all executives, (b) increased job duties without mutual content or corresponding salary increase, (c) failure by the Company to fund initiatives associated with employee's responsibilities and incentives that extend achievement of goals beyond reasonable expectation, (d) failure by the Company to make timely commitments or decisions for employee to achieve success consistent with job duties and incentives, (e) any material breach by the Company of any provision in the employment agreement. If employee does not terminate their employment within 90 days after providing notice to Company to cure circumstances and if the Company is unresponsive within this timeframe, employee will be deemed to have waived right to terminate for good reason with respect to such grounds.

Benefits on Change in Control

If the employee's employment is terminated by the Company for Good Reason or by the Company without Cause (other than on account of employee's death or disability), in each case within twelve (12) months following a Change in Control, employee shall be entitled to receive payment of (i) any accrued but unpaid base salary as of the termination date, (ii) any earned but unpaid annual bonus as of the termination date, (iii) full (100%) vesting of any outstanding Performance Stock Options and Performance Warrants, and (iv) subject to the employee's compliance with proprietary rights agreement that may be in effect, and his execution of the Release and such Release becoming effective within the release period, Employee shall be entitled to receive an amount as indicated below in accordance with specific executive contract(s) as severance pay, plus an additional US\$20,000 which payment amount equals the cost of COBRA continuation coverage premiums for group health plan coverage for the employee and its family for one year after the termination date. As specifically addressed in the employment contract, employee is entitled to severance or the change in control sequence, never both events. The employee will be paid in a lump sum, less withholding taxes, on the next regularly occurring payroll period after the last calendar day of the release period.

“Change in Control” means the occurrence of any of the following: (a) one person (or more than one person acting as a group) acquires ownership of stock of the Company that, together with the stock held by such person or group, constitutes more than 50% of the total fair market value or total voting power of the stock of the Company; provided that, a Change in Control shall not occur if any person (or more than one person acting as a group) owns more than 50% of the total fair market value or total voting power of the Company’s stock and acquires additional stock; or (b) the sale of all or substantially all of the Company’s assets (including those assets held by the Company’s subsidiaries); provided that such transaction constitutes a change in the ownership of the Company or a change in the ownership of a substantial portion of the Company’s assets under Section 409A of the Internal Revenue Code of 1986, as amended.

Termination Payment Calculation

The following table presents the incremental payments the Company would have to make to currently employed NEOs if a triggering event occurred as of December 31, 2019:

Name	Termination Payment on a Without Cause Termination (US\$)	Termination Payment on a Change in Control (US\$)
John Gorst	\$300,000	\$500,000
Dan Devlin	\$180,000	\$200,000
Christian Struzan	\$205,000	\$240,000
Bryen Salas	\$200,000	\$220,000
Austin Gorst	\$160,000	\$220,000

Oversight and Description of Director and Named Executive Officer Compensation

Compensation of Directors

Compensation of directors is determined by a recommendation of the Compensation Committee and approval of the Board. Non-executive directors may receive quarterly retainers for meeting specific goals of the Board. Long term incentives (stock options) as granted are based on an existing complement of long-term incentives and corporate performance, as well as to be competitive with other companies of similar size and scope, and industry.

Compensation of Named Executive Officers

The Company’s compensation philosophy for NEOs follows three underlying principles:

- (a) to provide compensation packages that encourage and motivate performance.
- (b) to be competitive with other companies of similar industry, size, and scope of operations so as to attract and retain talented executives; and
- (c) to align the interests of its executive officers with the long-term interests of the Company and its shareholders through stock related programs.

When determining compensation policies and individual compensation levels for the Company’s NEOs, the Compensation Committee takes into consideration a variety of factors including: understanding of the amount of compensation generally paid in similar industry and relative companies to their executives with like roles and responsibilities; and in consideration of each executive officer’s individual performance during the financial year;

each executive officer's experience, skills and level of responsibility; the executive's historical compensation and performance within the Company; and existing market standards and technology within the industry. Management presents its recommendations to the Compensation Committee and the Board following the release of the annual financial statements. The Compensation Committee meets annually and on an as-needed basis to finalize NEO compensation matters, with input from management.

In keeping with the Company's philosophy to link executive compensation to corporate performance and to motivate executives to achieve exceptional levels of performance, the Company has adopted a compensation model consisting primarily of base salary, bonus, and "at-risk" compensation comprised of participation in long term incentive plans (stock options), as described below. The Compensation Committee responsibly manages the allocation of compensation using market research on industry, relative HR/personnel data and in consideration of rigorous goals and performance expectations.

Elements of NEO Compensation

Base Salary: The Company's employee NEOs receive an annual base salary and contractor NEOs receive monthly contractual compensation. These compensation plans are reviewed annually to ensure they reflect each respective executive's performance and experience in fulfilling their role and to ensure executive retention. In determining the compensation plan for each NEO, the Compensation Committee and the Board have taken into consideration the Company's understanding of the range of salaries paid to executives, and in consideration of the more arduous and challenging matters relevant to the cannabis industry.

Long Term Incentives (Stock Options): Long term incentives are performance-based grants of stock options. The awards are intended to align executive interests with those of Shareholders by tying compensation to share performance and to assist in retention through vesting provisions. Grants of stock options are based on:

- (a) the executive's performance.
- (b) the executive's level of responsibility within the Company.
- (c) the number and exercise price of options previously issued to the executive; and
- (d) the overall aggregate total compensation package provided to the executive.

Management makes recommendations to the Compensation Committee and the Board concerning the long-term incentives based on the above criteria. Stock options are typically granted on an annual basis in connection with the review of executives' compensation packages. Stock options may also be granted, at the discretion of the Board, throughout the year, as special recognition for extraordinary performance. The Board considers previous grants of options and the overall number of awards that are outstanding relative to the number of outstanding common shares in determining whether to make any new grants and the size and terms of any such grants, as well as the level of effort, time, responsibility, ability, experience, and level of commitment of the NEO.

Annual Bonus: Annual executive bonuses were not paid by the Company during the current fiscal year given the taxing constraints governing cash flow of the Company. The Company pays bonuses based upon the achievement of personal performance objectives established by management and the Company's Compensation Committee and a combination of operating milestones and profitability for the Company overall.

Pension Disclosure

No pension, retirement or deferred compensation plans, including defined contribution plans, have been instituted by the Company and none are proposed at this time.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION

Equity Compensation Plan Information

The following table discloses options to purchase Common Shares outstanding pursuant to the Company's Option Plan and Common Shares remaining available for grant of options pursuant to the stock option plan for the financial year ended December 31, 2019.

Plan	Number of securities to be issued upon exercise of outstanding options (a)	Weighted-average exercise price of outstanding options (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 securityholders	8,218,000	\$0.53	11,659,694
Equity Compensation plans not approved by securityholders.	-	N/A	-
Total:	8,218,000	\$0.53	11,659,694

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the current or former directors, executive officers or employees of the Company or any of its subsidiaries, no proposed nominee for election as a director of the Company, and no associate or affiliate of any of them is or has been indebted to the Company or any of its subsidiaries at any time since the beginning of the Company's most recently completed financial year nor has any such person been indebted to any other entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by the Company.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

To the knowledge of management of the Company, no informed person (a director, officer or holder of 10% or more of the Common Shares) or nominee for election as a director of the Company or any associate or affiliate of any informed person or proposed director had any interest in any transaction which has materially affected or would materially affect the Company or any of its subsidiaries during the financial year ended December 31, 2019, or has any interest in any material transaction during fiscal 2019 other than as disclosed in Note 13 - Related Party Transactions in the annual financial statements for the financial year ended December 31, 2019.

MANAGEMENT CONTRACTS

Other than as set out herein, 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.

PARTICULARS OF MATTERS TO BE ACTED UPON

- A. **Set Number of Directors** - see “*Election of Directors*” above (page 4).
- B. **Election of Directors** – see “*Election of Directors*” above (page 5).
- C. **Appointment of Auditor** – see “*Appointment of Auditor*” above (page 6).
- D. **Continuation of Stock Option Plan** – see “*Continuation of Stock Option Plan*” below.

Continuation of Stock Option Plan

At the Meeting, Shareholders will be asked to approve the following ordinary resolution, with or without variation:

“BE IT RESOLVED THAT:

- (a) the Company's Option Plan dated May 27, 2016, be and is hereby ratified, confirmed and approved with such additional provisions and amendments, provided that such are not inconsistent with the Policies of the Canadian Securities Exchange, as the directors of the Company may deem necessary or advisable.
- (b) the Company be authorized to grant stock options pursuant and subject to the terms and conditions of the Company's Option Plan, entitling the option holders to purchase up to that number of common shares that is equal to 10% of the issued and outstanding shares of the Company as at the time of the grant; and
- (c) the directors and officers of the Company be authorized and directed to perform all such acts and deeds and things and execute, under the seal of the Company or otherwise, all such documents, agreements and other writings as may be required to give effect to the true intent of these resolutions.”

The persons named in the enclosed Proxy intend to vote for such resolution. **Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR the approval of the Option Plan.**

ADDITIONAL INFORMATION

Financial information is provided in the Company’s audited financial statements for the year ended December 31, 2019 (the “**Financial Statements**”). The Financial Statements will be placed before the Meeting.

Additional information relating the Company and a copy of the Financial Statements may be obtained under the Company’s SEDAR profile at www.sedar.com or upon request from the Company at Suite 300, 1142 Broadway, Tacoma, Washington 98402, Telephone No. 253-248-7920. The Company may require payment of a reasonable charge from any person or company who is not a securityholder of the Company, who requests a copy of any such document.

OTHER MATTERS

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

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

DATED at Vancouver, British Columbia, as of this 2nd day of February, 2021.

BY ORDER OF THE BOARD

“John Phillip Gorst”

John Phillip Gorst
Chief Executive Officer