

**LEEF BRANDS INC.**

2500 Park Place, 666 Burrard Street, Vancouver, British Columbia Canada V6C 2X8  
Tel: +1(408)-307-9366 / Fax: +1(408)-617-7619

**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS**

NOTICE is hereby given that the annual general and special meeting (the "**Meeting**") of shareholders of LEEF Brands Inc. (the "**Company**") will be held at 3400 One First Canadian Place, P.O. Box 130, Toronto, Ontario M5X 1A4 on Friday, July 26, 2024, at 10:00 a.m. (Toronto time).

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

Online: <https://zoom.us/j/9568328473>

Dial-in (Canada): 1-778-907-2071  
Dial-in (US): 1-719-359-4580  
Or find your local <https://us02web.zoom.us/j/9568328473>  
number:

Meeting ID: 956 832 8473  
Passcode: 2020

**Shareholders who intend to attend the meeting via telephone conference must submit votes by Proxy (as defined below) ahead of the proxy deadline of 10:00 a.m. (Toronto time) on Wednesday, July 24, 2024.**

Attendance by telephone conference allows shareholders to listen to, but not to vote at, the Meeting.

**Purpose of the Meeting**

The Meeting is to be held for the following purposes:

1. to receive the consolidated audited financial statements of the Company for the financial years ended December 31, 2023 and 2022, together with the report of the auditor thereon;
2. to fix the number of directors of the Company at five;
3. to elect the directors of the Company for the ensuing year;
4. to appoint M&K CPAS, PLLC as auditor of the Company for the ensuing year and to authorize the directors to fix the remuneration to be paid to the auditors for the upcoming year;
5. to consider and, if thought fit, to pass, with or without variation, an ordinary resolution to authorize, approve, ratify and confirm the Company's 10% "rolling" stock option plan and the unallocated entitlements issuable thereunder, as described in the accompanying management information circular (the "**Information Circular**") under the heading "Approval of Stock Option Plan"; and
6. to transact such other business as may properly come before the Meeting or any adjournment or adjournments thereof.

Particulars of the foregoing matters are set forth in the Information Circular. Please review the Information Circular carefully and in full prior to voting in relation to the matters set out above as the Information Circular has been prepared to help you make an informed decision on such matters.

The board of directors of the Company (the "**Board**") has fixed the close of business on June 11, 2024, as the record date (the "**Record Date**") for the determination of shareholders entitled to receive notice of, and to vote at the Meeting. Only registered shareholders whose names have been entered in the register of shareholders at the close of business on June 11, 2024 will be entitled to vote at the Meeting.

**Whether or not you are able to attend the Meeting, shareholders who wish to ensure that their common shares in the capital of the Company ("Common Shares") will be voted at the Meeting are requested to complete, date and sign the enclosed form of proxy (the "Proxy") and deliver it in accordance with the instructions set out in the form of Proxy and in the Information Circular.**

Due to issues related to the verification of shareholder identity via teleconference, in-person voting will not be permitted at the Meeting. Registered shareholders electing to submit a proxy may do so by completing, dating and signing the Proxy and returning it to the Company's transfer agent, Olympia Trust Company (the "**Transfer Agent**"), in accordance with the instructions on the Proxy.

Alternatively, registered shareholders may vote their Common Shares via the internet or by telephone as per the instructions provided on the Proxy. In all cases you should ensure that the Proxy is received by the Transfer Agent at least 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or the adjournment thereof at which the Proxy is to be used.

Registered shareholders electing to submit a Proxy may do so by:

- (a) by mail to the Transfer Agent at Olympia Trust Company, PO Box 128, STN M, Calgary, Alberta T2P 2H6, Attn: Proxy Dept.;
- (b) by facsimile to the Transfer Agent at 403-668-8307;
- (c) by email to the Transfer Agent at [proxy@olympiustrust.com](mailto:proxy@olympiustrust.com); or
- (d) online at <https://css.olympiustrust.com/pxlogin> and enter the 12-digit control number shown on the reverse of the Proxy, or as otherwise indicated in the instructions contained in the Proxy.

**Non-registered shareholders who plan to attend the Meeting must follow the instructions set out in the form of Proxy and in the Information Circular to ensure that such shareholder's Common Shares will be voted at the Meeting. If you hold your Common Shares in a brokerage account you are not a registered shareholder.**

The Company has adopted the notice and access model ("**Notice and Access**") provided for under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* for the delivery of this notice of meeting, the Information Circular, consolidated audited financial statements for the financial years ended December 31, 2023 and 2022 and the related management's discussion and analysis (collectively, the "**Meeting Materials**") to shareholders for the Meeting. Under Notice and Access, instead of receiving printed copies of the Meeting Materials, shareholders receive a Notice and Access notification containing details of the Meeting date, location and purpose, as well as information on how they can access the Meeting Materials electronically. Electronic copies of the Meeting Materials may be found on the Company's profile on the System for Electronic Document Analysis and Retrieval+

("SEDAR+") at [www.sedarplus.ca](http://www.sedarplus.ca). Shareholders with existing instructions on their account to receive printed materials will receive a printed copy of the Meeting Materials.

As a shareholder, it is very important that you read the Information Circular and other Meeting Materials carefully. They contain important information with respect to voting your Common Shares and attending and participating at the Meeting.

The Company will not use procedures known as "stratification" in relation to the use of Notice and Access. Stratification occurs when an issuer using Notice and Access sends a paper copy of the Information Circular to some shareholders with a Notice and Access notification.

Shareholders who receive a Notice and Access notification can request that printed copies of the Meeting Materials be sent to them by postal delivery at no cost to them up to one year from the date of the filing of the Information Circular on SEDAR+. Shareholders with questions about the Notice and Access system, or who would like to request printed copies of the Meeting Materials, should contact the Transfer Agent by email to [cssnoticeandaccess@olympitrust.com](mailto:cssnoticeandaccess@olympitrust.com) or by calling +1-866-668-8379. A request for printed copies which are required in advance of the Meeting should be made no later than July 17, 2024 in order to allow sufficient time for mailing.

**DATED** at Vancouver, British Columbia, June 11, 2024.

**ON BEHALF OF THE BOARD**

**Micah Anderson**  
**Chief Executive Officer**

**LEEF BRANDS INC.**

2500 Park Place, 666 Burrard Street, Vancouver, British Columbia Canada V6C 2X8  
Tel: +1(408)-307-9366 / Fax: +1(408)-617-7619

**MANAGEMENT INFORMATION CIRCULAR**

as at June 11, 2024

**(except as otherwise indicated)**

**This management information circular (this "Information Circular") is furnished in connection with the solicitation of proxies by the management of LEEF Brands Inc. (the "Company") for use at the annual general and special meeting (the "Meeting") of the holders of its Common shares (the "Common Shares") to be held on Friday, July 26, 2024, at the time and place and for the purposes set forth in the accompanying notice of meeting (the "Notice of Meeting").**

In this Information Circular, references to "the Company", "we" and "our" refer to LEEF Brands Inc. "\$" means U.S. (as defined below) dollars. "C\$" means Canadian dollars.

**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 brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders (as defined below) (collectively, "**intermediaries**") to forward the Meeting Materials (as defined below) 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.

**Notice and Access**

The Company has adopted the notice and access model ("**Notice and Access**") provided for under National Instrument 51-102 – *Continuous Disclosure Obligations* ("**NI 51-102**") and National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**") for the delivery of the Notice of Meeting, this Information Circular, consolidated audited financial statements for the financial years ended December 31, 2023 and 2022 and the related management's discussion and analysis (collectively, the "**Meeting Materials**") to shareholders for the Meeting. The Company has adopted this alternative means of delivery in order to further its commitment to environmental sustainability and to reduce its printing and mailing costs.

Under Notice and Access, instead of receiving printed copies of the Meeting Materials, shareholders receive a Notice and Access notification containing the Meeting date, location and purpose, as well as information on how they can access the Meeting Materials electronically. Shareholders with existing instructions on their account to receive printed materials will receive a printed copy of the Meeting Materials. Electronic copies of the Meeting Materials may be found on the Company's profile on the System for Electronic Document Analysis and Retrieval+ ("**SEDAR+**") at [www.sedarplus.ca](http://www.sedarplus.ca).

Shareholders who receive a Notice and Access notification can request that printed copies of the Meeting Materials be sent to them by postal delivery at no cost to them up to one year from the date of the filing of this Information Circular on SEDAR+. Shareholders with questions about the Notice and Access system, or who would like to request printed copies of the Meeting Materials, should contact the Company's transfer

agent, Olympia Trust Company (the "**Transfer Agent**") by email to [cssnoticeandaccess@olympiitrust.com](mailto:cssnoticeandaccess@olympiitrust.com) or by calling +1-866-668-8379. A request for printed copies which are required in advance of the Meeting should be made no later than July 17, 2024 in order to allow sufficient time for mailing.

### **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**

If you are a registered shareholder and wish to have your Common Shares voted at the Meeting, you will be required to submit your vote by proxy. Due to issues related to the verification of shareholder identity via teleconference, in-person voting will not be permitted via teleconference. Registered shareholders electing to submit a proxy may do so by completing, dating and signing the Proxy and returning it to the Transfer Agent in accordance with the instructions on the Proxy.

Alternatively, registered shareholders may vote their Common Shares via the internet or by telephone as per the instructions provided on the Proxy. In all cases you should ensure that the Proxy is received at least 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or the adjournment thereof at which the Proxy is to be used.

Registered shareholders electing to submit a Proxy may do so by:

- (a) by mail to the Transfer Agent at Olympia Trust Company, PO Box 128, STN M, Calgary, Alberta T2P 2H6, Attn: Proxy Dept.;
- (b) by facsimile to the Transfer Agent at 403-668-8307;
- (c) by email to the Transfer Agent at [proxy@olympiitrust.com](mailto:proxy@olympiitrust.com); or

- (d) online at <https://css.olympiatrust.com/pxlogin> and enter the 12-digit control number shown on the reverse of the Proxy, or as otherwise indicated in the instructions contained in the Proxy.

### **Beneficial Shareholders**

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

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

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

You should carefully follow the instructions of your broker or intermediary in order to ensure that your 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 your Common Shares 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 (a "**VIF**") in lieu of a Proxy provided by the Company. The VIF will name the same persons as the Company's Proxy to represent your Common Shares at the Meeting. You have the right to appoint a person (who need not be a Beneficial Shareholder of the Company), other than any of the persons designated in the VIF to represent your Common Shares at the Meeting and that person may be you. To exercise this right, insert the name of the desired representative (which may be you), in the blank space provided in the VIF. The completed VIF must then be returned to Broadridge by mail or facsimile or given to Broadridge by phone or over the internet, in accordance with Broadridge's instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting voting of Common Shares to be represented at the Meeting. **If you receive a VIF from Broadridge, the VIF must be completed and returned to Broadridge, in accordance with Broadridge's instructions, well in advance of the Meeting in order to have the Common Shares voted at the Meeting, or to have an alternate representative duly appointed to attend the Meeting and vote your Common Shares.**

Management of the Company does not intend to pay for intermediaries to forward to objecting beneficial owners ("**OBOs**") under NI 54-101 the proxy-related materials and Form 54-101F7 – *Request for Voting Instructions Made by Intermediary*, and, in the case of an OBO, the OBO will not receive the materials unless the OBO's intermediary assumes the cost of delivery.

## **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 *Business Corporations Act* (British Columbia) (the "**BCBCA**") and Canadian securities laws. 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 Information Circular has been prepared in accordance with the disclosure requirements of applicable Canadian securities laws which differ from the disclosure requirements of United States securities laws. The enforcement by shareholders of civil liabilities under United States securities laws may be affected adversely by the fact that the Company is incorporated under the BCBCA, 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 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 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 the Transfer Agent at Olympia Trust Company, PO Box 128, STN M, Calgary, Alberta T2P 2H6, Attn: Proxy Dept., 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.

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**

Except as otherwise disclosed herein, management of the Company is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any director or executive officer of the Company, or any person who has held such a position since the beginning of the last 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, in any matter to be acted on at the Meeting other than the election of directors and the appointment of the auditor, as set out herein.

## **VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES**

The board of directors (the "**Board**") of the Company has fixed June 11, 2024 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 a form of proxy in the manner and subject to the provisions described above will be entitled to vote or to have their Common Shares voted at the Meeting.

The Company is authorized to issue an unlimited number of Common Shares without par value. There are special rights and restrictions attached to the Common Shares of the Company. Each Common Share entitles the holder thereof to one vote at all meetings of shareholders other than meetings at which only holders of another class or series of shares are entitled to vote. Each Common Share entitles the holder thereof, subject to the prior rights of the holders of shares of any class ranking senior to the Common Shares,

if any, to receive any dividends declared by the directors of the Company and the remaining property or assets of the Company upon liquidation, dissolution or winding-up. 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. The Company has no other classes of voting securities. As of June 11, 2024, there were 1,422,768,784 Common Shares issued and outstanding, each carrying the right to one vote.

The Company is also authorized to issue an unlimited number of non-voting preferred shares ("**Preferred Shares**") without par value. The Preferred Shares may be issued in one or more series, and the Board may: (i) determine the maximum number of Preferred Shares of a series that the Company is authorized to issue, determine that there is no such maximum number, or alter any such determination; (ii) create an identifying name for each series of Preferred Shares; and (iii) attach or alter special rights or restrictions to attach to each series of Preferred Shares. At the date of this Information Circular, there were no issued and outstanding Preferred Shares.

The Company's Common Shares are listed on the Canadian Securities Exchange (the "**CSE**") under stock symbol "LEEF". And the Company is also listed on the OTCQB under symbol "LEEEF".

### **Principal Holders of Common Shares of the Company**

To the knowledge of the directors and executive officers of the Company, no person beneficially owns, or controls or directly or indirectly holds Common Shares carrying more than 10% of the voting rights attached to all outstanding Common Shares of Company as at June 11, 2024.

## **FINANCIAL STATEMENTS**

The consolidated audited financial statements of the Company for the financial years ended December 31, 2023 and 2022, the reports of the auditor thereon and the related management's discussion and analysis are filed under the Company's SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca). These financial statements will be tabled at the meeting and will be available at the Meeting.

## **ELECTION OF DIRECTORS**

### **Number of Directors**

There are currently four directors of the Company. The Board proposes to nominate for election at the Meeting five directors.

At the Meeting, shareholders will be asked to consider, and if thought fit, to approve an ordinary resolution to fix the number of directors to be elected to the Board at five, in substantially the following form:

**"BE IT RESOLVED**, as an ordinary resolution of the shareholders of LEEF Brands Inc. (the "**Company**"), that the number of directors for election at the annual general and special meeting of the Company held on July 26, 2024 be fixed at five."

**Management recommends the shareholders approve the resolution to fix the number of directors of the Company at five. 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 fix the number of directors of the Company at five.**



## Election of Directors

At the Meeting, shareholders will be asked to elect five directors for the ensuing year. The term of office of each of the current directors will end at the conclusion of the Meeting. Unless a director's office is vacated earlier in accordance with the provisions of the BCBCA, each director elected will hold office until the conclusion of the next annual general meeting of the Company, or if no director is then elected, until a successor is elected.

The following disclosure sets out certain information regarding each person nominated for election as a director of the Company, including their names, positions with the Company, the principal occupation, business or employment, the period of time during which each nominee has been a director of the Company and the number of Common Shares of the Company beneficially owned by each, directly or indirectly, or over which each exercised control or direction:

Name of Nominee; Current Position with the Company and Province or State and Country of Residence	Principal Occupation, Business or Employment <sup>(1)</sup>	Period as a Director of the Company	Number of Common Shares Beneficially Owned or Controlled <sup>(2)</sup>
<b>Micah Anderson</b> <sup>(3)</sup> Chief Executive Officer and Director California, USA	Mr. Anderson is currently serving as the Chief Executive Officer and Director of the Company (since 2022). Mr. Anderson previously served as the Chief Executive Officer and Director of LEEF Holdings, Inc. from 2017 to 2022.	Director Since June 21, 2022	127,808,454
<b>Emily Heitman</b> Chief Revenue Officer and Director California, USA	Ms. Heitman is currently serving as the Chief Revenue Officer and Director of the Company (since 2022). Ms. Heitman previously served as the Chief Operating Officer and Director of LEEF Holdings, Inc. from 2017 to 2022.	Director Since June 21, 2022	61,956,826
<b>Andrew Glashow</b> <sup>(3)</sup> Director Rhode Island, USA	Mr. Glashow is the Chief Executive Officer of CLS Holdings USA, Inc., a diversified cannabis company in Nevada (since August 2016).	Director Since August 4, 2023	Nil
<b>Ben Slome</b> <sup>(3)</sup> Director New York, USA	Mr. Slome is the Founder of New Vintage Partners, a leading venture capital and growth equity firm. Formerly the Head of Strategy and International Expansion at Cookies, a global retail brand that licenses its brand into the	Director Since May 31, 2023	Nil

Name of Nominee; Current Position with the Company and Province or State and Country of Residence	Principal Occupation, Business or Employment <sup>(1)</sup>	Period as a Director of the Company	Number of Common Shares Beneficially Owned or Controlled <sup>(2)</sup>
	cannabis and fashion industry. Mr. Slome previously served as the Director of Strategic Operations of Rose Capital/Bell Rock Brands from November 2018 to February 2021.		
<b>Kevin Wilson</b> Chief Financial Officer, Director Nominee Ontario, Canada	Mr. Wilson is currently serving as the Chief Financial Officer of the Company (since 2022). Mr. Wilson previously served as the Vice President, Finance of the Company from 2018 to 2022.	N/A	550,095

(1) The information as to principal occupation, business or employment and Common Shares beneficially owned or controlled is not within the knowledge of management of the Company and has been furnished by the respective nominees.

(2) The information as to the number of Common Shares beneficially owned, controlled or directed has been furnished by the respective nominee as of June 11, 2024.

(3) Member of the audit committee of the Company (the "Audit Committee").

## Director Nominee Biographies

### *Micah Anderson, Chief Executive Officer and Director*

Micah Anderson is a successful entrepreneur and the Chief Executive Officer of LEEF Holdings, Inc. Mr. Anderson is responsible for setting and delivering on the overall strategy of the Company. Mr. Anderson has extensive experience in all aspects of the cannabis industry and currently holds every cannabis license type. Under his leadership, the Company has recruited a world-class team of executives and board members, developed distribution relationships with leading retailers in the U.S., and has built the most sophisticated extraction facility in North America. Mr. Anderson has raised private equity and institutional debt to capitalize the Company and has negotiated a wide range of complex sourcing and operating agreements. Recognized at the U.S. federal and state level as a key opinion leader, Mr. Anderson speaks regularly at conferences and advises government officials on public policy matters.

### *Emily Heitman, Chief Revenue Officer and Director*

Emily Heitman has successfully led the marketing and creative strategies for multimillion-dollar brands and played pivotal roles in several start-up companies, handling diverse responsibilities from operations to sales and brand image. In her previous roles, Ms. Heitman managed all day-to-day operations, strategic accounts, marketing initiatives, and product merchandising and launches. As the Chief Revenue Officer of LEEF Holdings, Inc., she integrates operations, production, and sales, ensuring a cohesive sales strategy for the company's multi-channel revenue. Ms. Heitman has leveraged her pharmaceutical background in the cannabis industry, frequently speaking at industry conferences and working to change the social stigma through education.

***Andrew Glashow, Director***

Andrew Glashow is a graduate of the University of New Hampshire's Whittemore School of Business and Economics, has 25 years of experience in capital markets and is seasoned in all phases of business start-up, growth, and development.

Mr. Glashow is the Chief Executive Officer of CLS Holdings USA, Inc., a diversified cannabis company in Nevada that consists of two operating businesses, Oasis Cannabis Dispensary and City Trees. Oasis Cannabis Dispensary is a retail cannabis dispensary in Las Vegas, Nevada. City Trees is a cannabis production and manufacturing wholesaler located in North Las Vegas.

***Ben Slome, Director***

Ben Slome has been investing and operating in the cannabis space for the last seven years. His most recent position as the Head of Strategy and International Expansion at Cookies, a global retail brand that licenses its brand into the cannabis and fashion industry. At Cookies, Mr. Slome expanded the brand into four new states (New Jersey, Arizona, Missouri, and Maryland), as well as six new countries (Australia, The U.K., Austria, Israel, Germany, and Malta). Prior to Cookies, Mr. Slome was the Director of Strategic Operations at Rose Capital/Bell Rock Brands, focusing on initiatives including strategy, hiring and group procurement across both BR Brands holding company and portfolio companies. While at BR Brands, Mr. Slome led the operational integration of the merger between BR Brands and Dixie Brands which created a ten-state brand presence with a combined revenue of over \$50,000,000. In addition to his operating experiences, Mr. Slome co-manages the private direct investment portfolio across technology and cannabis at Slome Capital, a global family office with offices in New York, Los Angeles, Toronto, and South Africa. Mr. Slome started his career in business development at Slice, an ecommerce and delivery platform helping independent pizzerias combat large, technology driven pizza chains by adopting ordering, inventory management and marketing technology.

Mr. Slome graduated from the Wharton School of the University of Pennsylvania, where he received a Bachelor of Science in Economics and centered his studies around finance, management and engineering entrepreneurship.

***Kevin Wilson, Chief Financial Officer***

Kevin Wilson is a seasoned CPA with extensive executive experience across various sectors, including public companies and large non-profit organizations. He has a proven track record of leading finance teams with a strong focus on optimizing bottom-line results. With a deep understanding of the cannabis industry's complexities, Mr. Wilson has played a pivotal role in steering the financial strategies of a vertically integrated cannabis company.

Mr. Wilson has successfully managed numerous finance projects and has been actively involved in M&A and IPO transactions. His attention to detail has been instrumental in guiding several organizations through complex financial challenges. Currently, Mr. Wilson serves as the Chief Financial Officer for the Company as well as a director for a Toronto-based non-profit organization.

**Cease Trade Orders and Bankruptcy**

Within the last 10 years before the date of this Information Circular, no proposed nominee for election as a director of the Company was a director or executive officer of any company (including the Company in respect of which this Information Circular is prepared) acted in that capacity for a company that:

- (a) was subject to a cease trade or similar order or an order denying the relevant company access to any exemptions under securities legislation, for more than 30 consecutive days;
- (b) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under the securities legislation, for a period of more than 30 consecutive days;
- (c) 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; or has 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 its assets;

No proposed nominee for election as a director of the Company has:

- (a) within the 10 years before the date of this Information Circular, 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
- (b) 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
- (c) been subject to any other penalties or sanctions imposed by a court or a regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

### **Penalties or Sanctions**

No director, executive officer or promoter of the Company, and no shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

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.

A shareholder can vote for all of the above nominees, vote for some of the above nominees and withhold for other of the above nominees, or withhold for all of the above nominees.

Management of the Company does not contemplate that any of the nominees will be unable to serve as a director of the Company for the ensuing year, however, if that should occur for any reason at or prior to the Meeting or any adjournment thereof, the persons named in the form of proxy accompanying this Information Circular have the right to vote for the election of the remaining nominees and may vote for the election of a substitute nominee in their discretion.

**Management recommends that you vote in favour of the election of the nominees named herein as directors of the Company. Unless otherwise indicated on the form of Proxy received by the Company, the persons designated as proxyholders in the accompanying form of proxy intend to vote FOR the election of the nominees named herein as directors of the Company.**

### APPOINTMENT OF AUDITOR

The Board resolved not to nominate Macias Gini & O'Connell LLP, Certified Public Accountants ("MGO LLP") for appointment as auditor of the Company and, effective December 31, 2023 the Board appointed M&K CPAS, PLLC ("M&K CPAS") of 24955 Interstate Highway 45, Suite 400, The Woodlands, TX 77380, to be auditor of the Company. Copies of the notice of change of auditor, the letter from MGO LLP, as former auditor, and the letter from M&K CPAS, as successor auditor (collectively, the "**Change of Auditor Reporting Package**"), were filed under the Company's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). A copy of the Change of Auditor Reporting Package is attached as Schedule A to this Information Circular.

At the Meeting, shareholders will be asked to approve the appointment of M&K CPAS as the auditor for the Company to hold office as such until the next annual general meeting of the Company and a resolution authorizing the Board to fix the remuneration to be paid to the auditors for the upcoming year.

**Management recommends that you vote in favour of appointment of M&K CPAS. Unless otherwise indicated on the form of Proxy received by the Company, the persons designated as proxyholders in the accompanying form of proxy intend to vote FOR the appointment of M&K CPAS as the Company's auditor until the close of the next annual meeting of the shareholders or until its successor is appointed and the authorization of the directors of the Company to fix the remuneration of M&K CPAS.**

### AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR

#### Audit Committee

The Audit Committee meets at least quarterly to review quarterly financial statements and management's discussion and analysis and meets at least once annually with the Company's external auditor. The Audit Committee discusses, among other things, the annual audit, the adequacy and effectiveness of the Company's internal control and management information systems and management's discussion and analysis and reviews the annual financial statements with the external auditor.

The Audit Committee has a charter. A copy of the charter of the Audit Committee is attached as Schedule B to this Information Circular.

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 the Audit Committee and its relationship with its independent auditor.

A member of the Audit Committee is independent if the member has no direct or indirect material relationship with the Company. A material relationship means a relationship which could, in the view of the Company's Board, reasonably interfere with the exercise of a member's independent judgment.

The current members of the Audit Committee are Ben Slome (Chair), Micah Anderson and Andrew Glashow. Each of Ben Slome and Andrew Glashow can be considered an "independent" director of the Company for the purposes of NI 52-110. Micah Anderson is a non-independent director of the Company for the purposes of NI 52-110 on the basis that he has a material relationship with the Company as Chief Executive Officer.

All members of the Audit Committee are considered to be financially literate. A member of the Audit Committee is considered financially literate if they have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company.

### ***Relevant Education and Experience***

Each member of the Audit Committee has adequate education and experience that is relevant to their performance as an Audit Committee member and, in particular, the requisite education and experience that have provided the member with:

- an understanding of the accounting principles used by the Company to prepare its financial statements and the ability to assess the general application of such principles in connection with the accounting for estimates, accruals and provisions;
- 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
- an understanding of internal controls and procedures for financial reporting.

Refer to "Election of Directors – Director Biographies" above for biographical information regarding the members of the Audit Committee.

### ***Audit Committee Oversight***

The Audit Committee has not made any recommendations to the Board to nominate or compensate any external auditor that was not adopted by the Board.

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

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

### ***External Auditor Service Fees***

The Board resolved not to nominate MGO LLP for appointment as auditor of the Company and, effective December 31, 2023, the Board appointed M&K CPAS to be auditor of the Company. M&K CPAS audited the Company's consolidated audited financial statements for the financial years ended December 31, 2023 and 2022, which were filed on April 17, 2024 and are available under the Company's SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca).

Fees incurred with auditors of the Company for audit and non-audit services in each of the two most recently completed financial years ended December 31, 2023 and 2022 are outlined in the following table:

Nature of Services	Fees Billed for the Financial Year Ended December 31, 2023	Fees Billed for the Financial Year Ended December 31, 2022
Audit Fees <sup>(1)</sup>	\$109,135	\$321,102
Audit-Related Fees <sup>(2)</sup>	Nil	Nil
Tax Fees <sup>(3)</sup>	Nil	Nil
All Other Fees <sup>(4)</sup>	Nil	Nil
Total	\$109,135	\$321,102

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

### ***Reliance on Certain Exemptions***

The Company is relying on the exemption in section 6.1 of NI 52-110, which exempts venture issuers, as defined in NI 52-110, from certain composition requirements of the Audit Committee and certain reporting obligations under NI 52-110.

### **APPROVAL OF STOCK OPTION PLAN**

The Company has a 10% "rolling" stock option plan (the "**Stock Option Plan**"). Pursuant to the policies of the CSE, the Stock Option Plan and the unallocated entitlements available thereunder are required to be approved by shareholders within three years of institution, and within every three years thereafter, failing which no further stock options ("**Options**") may be granted under the Stock Option Plan. The Stock Option Plan was last approved by shareholders at the annual general and special meeting of the Company held on June 21, 2022. Accordingly, at the Meeting, shareholders will be asked to consider, and if thought fit, to pass an ordinary resolution (the "**Stock Option Plan Resolution**"), as set out below, to authorize, approve, ratify and confirm the Stock Option Plan and the unallocated entitlements available under the Stock Option Plan.

The maximum aggregate number of Common Shares issuable under the Stock Option Plan may not exceed 10% of the issued and outstanding Common Shares from time to time. The Stock Option Plan automatically makes exercised Options under the Stock Option Plan available for subsequent grants thereunder.

As of the date of this Information Circular, Options to purchase 122,927,408 Common Shares, representing approximately 8.64% of the issued and outstanding Common Shares, have been granted and are currently outstanding under the Stock Option Plan. As such, 19,349,470 Common Shares, representing approximately 1.36% of the issued and outstanding Common Shares are available for future grants under the Stock Option Plan.

A summary of the Stock Option Plan is provided in this Information Circular under the heading "Statement of Executive Compensation – Stock Options and Other Compensation Securities – Stock Option Plan" and a copy of the Stock Option Plan is attached as Schedule C to this Information Circular.

At the Meeting, shareholders will be asked to consider, and if thought fit, to approve the Stock Option Plan Resolution, in substantially the following form:

**"BE IT RESOLVED**, as an ordinary resolution of the shareholders of LEEF Brands Inc. (the "**Company**"), that:

1. the stock option plan (the "**Stock Option Plan**") of the Company in the form of the Stock Option Plan attached as Schedule C to the management information circular of the Company dated June 11, 2024, be and is hereby authorized, approved, ratified and confirmed and that in connection therewith a maximum of 10% of the issued and outstanding common shares of the Company (each, a "**Common Share**") at the time of each grant be approved for granting as options;
2. all unallocated stock options which may be granted pursuant to the Stock Option Plan are hereby authorized, approved, ratified and confirmed;
3. the board of directors of the Company (the "**Board**"), or a committee of the Board, be and is hereby authorized, in its absolute discretion, to administer the Stock Option Plan and amend or modify the Stock Option Plan in accordance with its terms and conditions and with the policies of the Canadian Securities Exchange (the "**CSE**");
4. the reservation by the Board of a sufficient number of Common Share to satisfy the requirements of the Stock Option Plan is hereby authorized, approved, ratified and confirmed and, upon the proper exercise of stock options pursuant to the terms of the Stock Option Plan, the issuance of Common Share to participants in the Stock Option Plan is hereby authorized, approved, ratified and confirmed;
5. the Board, or a committee of the Board, be and is hereby authorized to grant stock options under the Stock Option Plan until July 26, 2027, being the date that is three years from the date of the shareholder meeting at which the Stock Option Plan was authorized, approved, ratified and confirmed by shareholders; and
6. any one director or officer of the Company be and is hereby authorized and directed to do all such acts and things and to execute and deliver, under the corporate seal of the Company or otherwise, all such deeds, documents, instruments and assurances as in his opinion may be necessary or desirable to give effect to the foregoing resolutions, including, without limitation, making any changes to the Stock Option Plan required by the CSE or applicable securities regulatory authorities and to complete all transactions in connection with the administration of the Stock Option Plan."

To be effective, the Stock Option Plan Resolution must be approved by a majority of the votes cast by the shareholders present in person or represented by proxy at the Meeting. The form of the ordinary resolution set forth above is subject to such amendments as management may propose at the Meeting, but which do not materially affect the substance of the ordinary resolution. If the Stock Option Plan Resolution is not passed by the requisite number of shareholder votes cast at the Meeting, all unallocated Options thereunder will be cancelled, and the Board, or a committee of the Board, will not be permitted to grant further Options under the Stock Option Plan until shareholder approval is obtained for the Stock Option Plan. All outstanding Options under the Stock Option Plan will continue, unaffected.



**Management recommends the shareholders approve the Stock Option Plan Resolution. 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 Stock Option Plan Resolution.**

## **CORPORATE GOVERNANCE**

Corporate governance refers to the activities of the Board, whose members are elected by and are accountable to the shareholders of the Company and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day-to-day management of the Company. Corporate governance encourages the establishment of 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 believes that good corporate governance improves corporate performance and benefits all shareholders. The Canadian Securities Administrators (the "CSA") have adopted National Policy 58-201 – *Corporate Governance Guidelines*, which provides guidelines on corporate governance practices for reporting issuers such as the Company. These guidelines are not intended to be prescriptive but to be used by issuers in developing their own corporate governance practices. The Board is committed to sound corporate governance practices, which are both in the interest of its shareholders and contribute to effective and efficient decision making.

In addition, the CSA have implemented National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("NI 58-101"), which prescribes certain disclosure that the Company is required to disclose its corporate governance practices. This section sets out the Company's approach to corporate governance.

### **Board of Directors**

As of the date of this Information Circular, the Board consists of four members: Micah Anderson, Emily Heitman, Ben Slome and Andrew Glashow.

NI 58-101 provides that the board of directors of every listed company should be constituted with a majority of individuals who qualify as "unrelated", or "independent", directors. An "unrelated" director is a director who is independent of management and is free from any interest and any business or other relationship which could or could reasonably be perceived to materially interfere with the director's ability to act with a view to the best interests of the Company, other than interests and relationships arising from shareholding. In addition, where a company has a significant shareholder, NI 58-101 suggests that the board of directors should include a number of directors who do not have interests in either the company or the significant shareholder.

As of the date of this Information Circular, each of Ben Slome and Andrew Glashow can be considered an "independent" director of the Company for the purposes of NI 58-101. Each of Micah Anderson and Emily Heitman are non-independent directors of the Company for the purposes of NI 58-101 on the basis that each has a material relationship with the Company as Chief Executive Officer and Chief Revenue Officer, respectively.

### **Directorships**

The below named directors of the Company participate as a director for other reporting issuers as follows:

Name	Name of Reporting Company	Name of Exchange or Market
Andrew Glashow	CLS Holdings USA, Inc.	OTC: CLSH

### **Orientation and Continuing Education**

When new directors are appointed they receive orientation, commensurate with their previous experience, on the Company's business, assets, overall strategic plans, short, medium and long term corporate objectives, financials status, the industry, general business risks and mitigation strategies, and existing company policies. There is no formal orientation for new members of the Board. This is considered to be appropriate, given the Company's size and current level of operations. However, if the growth of the Company's operations warrants it, it is possible that a formal orientation process would be implemented.

The skills and knowledge of the Board as a whole is such that no formal continuing education process is currently deemed required. The Board is comprised of individuals with varying backgrounds, who have, both collectively and individually, extensive experience in running and managing public companies. 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. Board members have full access to the Company's records. Reference is made to the table under the heading "Election of Directors" for a description of the current principal occupations of the Board nominees.

### **Ethical Business Conduct**

The Board has not adopted a written Code of Ethical Conduct for its directors, officers and employees at this time. The Board expects that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law, as well as 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, will be sufficient to ensure that the Board operates independently of management and in the best interests of the Company and its shareholders.

The Board encourages ethical business conduct as a matter of sound business practice and by following the rules and regulations of the various regulating bodies governing reporting issuers. The Company requires the highest standards of professional and ethical conduct from its directors and officers.

In addition, as some of the directors of the Company also serve as directors and officers of other companies engaged in similar business activities, the Board must comply with the conflict of interest provisions of the BCBCA, as well as the relevant securities regulatory instruments, in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or officer has a material interest. Any interested director would be required to declare the nature and extent of their interest and would not be entitled to vote at meetings of directors which evoke any such conflict.

### **Nomination of Directors**

The Board determines new nominees to the Board, although a formal process has not been adopted and the Company has not appointed a nomination committee. The nominees are generally the result of recruitment efforts by the Board members, including both formal and informal discussions among Board members.

The Company conducts the due diligence, reference and background checks on any suitable candidate. The Board will also consider its size each year when it considers the number of directors to recommend to the

shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board duties effectively and to maintain a diversity of views and experience. New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the time required and a willingness to serve.

### **Compensation**

The Board is responsible for reviewing and making recommendations regarding all forms of compensation to be granted to the Chief Executive Officer of the Company and other senior management and executive officers of the Company. The Board also reviews the adequacy and form of compensation and benefits of the directors in their capacity as directors of the Company to ensure that such compensation realistically reflects the responsibilities and risks involved in being an effective director.

### **Other Board Committees**

The Board has established only one committee, the Audit Committee.

### **Assessments**

The Board monitors but does not formally assess the performance of individual Board members or committee members or their contributions. The Board regularly monitors the adequacy of information given to directors, communications between the Board and management and the strategic direction and processes of the Board and Audit Committee.

## **STATEMENT OF EXECUTIVE COMPENSATION**

For the purposes of the below disclosure:

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

**"external management company"** includes a subsidiary, affiliate or associate of the external management company;

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

- (a) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief executive officer ("**CEO**"), including an individual performing functions similar to a CEO;
- (b) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief financial officer ("**CFO**"), including an individual performing functions similar to a CFO;
- (c) in respect of the company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than C\$150,000, as determined in accordance with subsection 1.3(5) of Form 51-102F6V *Statement of Executive Compensation - Venture Issuers*, for that financial year; and

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

### Director and NEO Compensation, Excluding Options and Compensation Securities

The following table of compensation provides a summary of all compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, by the Company, or a subsidiary of the Company, to each NEO and director, in any capacity, other than Options, RSUs (as defined below) and other compensation securities, for each of the two most recently completed financial years ended December 31, 2023 and 2022. Options and other compensation securities are disclosed under the heading "Stock Options and Other Compensation Securities" of this Information Circular.

#### Table of compensation excluding compensation securities

Table of compensation excluding compensation securities							
Name and Position	Year	Salary, consulting fee, retainer or commission	Bonus	Committee or meeting fees	Value of perquisites	Value of all other compensation	Total compensation
<b>Micah Anderson<sup>(1)</sup></b> Chief Executive Officer and Director	2023	\$200,000	Nil	Nil	Nil	Nil	\$200,000
	2022	\$209,615	Nil	Nil	Nil	Nil	\$209,615
<b>Emily Heitman<sup>(2)</sup></b> Chief Revenue Officer and Director	2023	\$148,200	Nil	Nil	Nil	Nil	\$148,200
	2022	\$173,077	Nil	Nil	Nil	Nil	\$173,077
<b>Kevin Wilson<sup>(3)</sup></b> Chief Financial Officer	2023	\$144,231	Nil	Nil	Nil	Nil	\$144,231
	2022	\$154,540	Nil	Nil	Nil	Nil	\$154,540
<b>Andrew Glashow<sup>(4)</sup></b> Director	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	N/A	N/A	N/A	N/A	N/A	N/A
<b>Ben Slome<sup>(5)</sup></b> Director	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	N/A	N/A	N/A	N/A	N/A	N/A
<b>Mark Smith<sup>(6)</sup></b> Former Executive Chairman and former Director	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	N/A	N/A	N/A	N/A	N/A	N/A
<b>Brandon Kou<sup>(7)</sup></b> Former Chief Executive Officer and former Director	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	\$152,500	Nil	Nil	Nil	Nil	\$152,500
<b>Christopher Cherry<sup>(8)</sup></b> Former Interim Chief Financial Officer and former Director	2023	N/A	N/A	N/A	N/A	N/A	N/A
	2022	Nil	Nil	Nil	Nil	Nil	Nil
<b>Eugene Beukman<sup>(9)</sup></b> Former Chief Financial Officer and former Director	2023	N/A	N/A	N/A	N/A	N/A	N/A
	2022	Nil	Nil	Nil	Nil	Nil	Nil
<b>Nishal R. Kumar<sup>(10)</sup></b> Former Director	2023	N/A	N/A	N/A	N/A	N/A	N/A
	2022	Nil	Nil	Nil	Nil	Nil	Nil

Table of compensation excluding compensation securities							
Name and Position	Year	Salary, consulting fee, retainer or commission	Bonus	Committee or meeting fees	Value of perquisites	Value of all other compensation	Total compensation
Ripal Patel <sup>(11)</sup> Former Director	2023	N/A	N/A	N/A	N/A	N/A	N/A
	2022	Nil	Nil	Nil	Nil	Nil	Nil
Suhas Patel <sup>(12)</sup> Former Director	2023	N/A	N/A	N/A	N/A	N/A	N/A
	2022	Nil	Nil	Nil	Nil	Nil	Nil

- (1) Micah Anderson was first elected as a director effective June 21, 2022. Effective March 2, 2023, Micah Anderson was appointed as Chief Executive Officer. In the most recently completed financial year ended December 31, 2023, Micah Anderson earned \$200,000 in connection with his role as Chief Executive Officer and nil in connection with his role as a director. In the financial year ended December 31, 2022, Micah Anderson earned \$209,615 in connection with his role as Chief Executive Officer and nil in connection with his role as a director.
- (2) Emily Heitman was first elected as a director effective June 21, 2022. Effective August 4, 2023, Emily Heitman, was appointed as Chief Revenue Officer. In the most recently completed financial year ended December 31, 2023, Emily Heitman earned \$148,200 in connection with her role as Chief Revenue Officer and nil in connection with her role as a director. In the financial year ended December 31, 2022, Emily Heitman earned \$173,077 in connection with her role as Chief Revenue Officer and nil in connection with her role as a director.
- (3) Kevin Wilson was appointed as Chief Financial Officer effective December 1, 2022.
- (4) Andrew Glashow was first elected as a director effective August 4, 2023. Andrew Glashow's resignation from the Board will be effective as of July 26, 2024.
- (5) Ben Slome was first elected as a director effective May 31, 2023.
- (6) Mark Smith resigned from the Board effective May 31, 2023.
- (7) Brandon Kou resigned as Chief Executive Officer effective August 31, 2022 and from the Board effective March 2, 2023. In the financial year ended December 31, 2022, Brandon Koe earned \$152,500 in connection with his role as Chief Executive Officer and nil in connection with his role as a director.
- (8) Christopher Cherry resigned from the Board effective June 21, 2022.
- (9) Eugene Beukman resigned from the Board effective April 1, 2022.
- (10) Nishal R. Kumar resigned from the Board effective June 21, 2022.
- (11) Ripal Patel resigned from the Board effective June 21, 2022.
- (12) Suhas Patel resigned from the Board effective June 21, 2022.

### Stock Options and Other Compensation Securities

No compensation securities were granted or issued to any director or NEO by the Company or one of its subsidiaries in the most recently completed financial year ended December 31, 2023 for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries.

### *Exercise of Compensation Securities by Directors and NEOs*

During the most recently completed financial year ended December 31, 2023 no incentive compensation securities were exercised by any director or NEO, other than the 597,985 RSUs held by Brandon Kou which vested upon his resignation from the Board effective March 2, 2023 and were settled through the issuance of Common Shares.

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

The Company currently has the following equity compensation plans: the Stock Option Plan and a 10% "rolling" restricted share unit plan (the "**RSU Plan**").

### ***Stock Option Plan***

At the Company's annual shareholder meeting held on June 21, 2022, shareholders approved the adoption of the Stock Option Plan. Pursuant to the Stock Option Plan, the Board may from time to time, at its discretion, and in accordance with CSE requirements grant Options to directors, officers, employees or consultants of the Company or a subsidiary of the Company. Pursuant to the policies of the CSE, the Stock Option Plan is next required to be approved by shareholders on or before June 21, 2025. Accordingly, the Board is asking shareholders to authorize, approve, ratify and confirm the Stock Option Plan and the unallocated entitlements issuable thereunder. More information, as well as the ordinary resolutions to be approved by shareholders in connection with the Stock Option Plan, are set out in this Information Circular under the heading "Approval of Stock Option Plan".

The Stock Option Plan was established to provide incentives to eligible participants to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company.

The Board (or such other committee the Board may appoint) is responsible for administering the Stock Option Plan. The Stock Option Plan provides that Options may be issued to directors, officers, employees or consultants of the Company or a subsidiary of the Company.

The Stock Option Plan provides that the number of Common Shares issuable under the Stock Option Plan may not exceed 10% of the total number of the Company's issued and outstanding Common Shares from time to time. As at the end of the Company's most recently completed financial year ended December 31, 2023, there were a total 134,798,737 Options outstanding.

All of the outstanding stock options of the Company issued under the Company's prior stock option plan (the "**Prior Stock Option Plan**") were amended such that they are governed by the terms of the Stock Option Plan and no longer governed by the terms of the Prior Stock Option Plan.

The following summary of the Stock Option Plan is qualified in its entirety by the full text of the Stock Option Plan, a copy of which is attached as Schedule C to this Information Circular. Capitalized terms used in the following summary but not defined therein have the meanings given to them in the Stock Option Plan.

#### **Material Terms of the Stock Option Plan**

- (1) *Participants.* Directors, officers, employees and consultants of the Company and its affiliates, or who are providing services to the Company or its affiliates.
- (2) *Non-Transferability.* Options granted under the Stock Option Plan are non-assignable, and non-transferable.
- (3) *Ceasing to be Employed.* Options will expire within 30 days after the date the Option Holder ceases to be employed by or provide services to the Company unless the Option Holder ceases to hold such position as a result of (i) termination for cause; (ii) resigning their position; or (iii) an order made by any regulatory authority having jurisdiction to so order, in which case the expiry date shall be the date the Option Holder ceases to hold such position.
- (4) *Death of an Option Holder.* If an Option Holder dies, any Options held by such Option Holder shall pass to the personal representative of the Option Holder and shall be exercisable by the personal representative on or before the date which is the earlier of one year following the date of death and the applicable Expiry Date.

- (5) *Exercise Price.* The exercise price of each Option will be set by the Board on the effective date of the Option and will not be less than the Market Value.
- (6) *Vesting.* The vesting schedule for an Option, if any, shall be determined by the Board and shall be set out in the Option Certificate issued in respect of the Option.
- (7) *Termination.* The Board reserves the right in its absolute discretion to terminate or suspend the Stock Option Plan with respect to all Common Shares in respect of Options which have not yet been granted.

### ***RSU Plan***

The Board approved and adopted the RSU Plan effective as of September 30, 2022. Pursuant to the RSU Plan, the Board may from time to time, at its discretion, and in accordance with CSE requirements grant to directors, officers, employees or consultants of the Company or a subsidiary of the Company restricted share units (each, an "RSU"). In accordance with the policies of the CSE, the Company intends to seek shareholder approval of the RSU Plan on or before September 30, 2025.

The RSU Plan is designed to promote and advance the interests of the Company by (i) providing directors, officers, employees and consultants of the Company or any of its subsidiaries or any personal holding company of any of the foregoing with additional incentive through an opportunity to receive discretionary bonuses in the form of Common Shares, (ii) encouraging share ownership by such participants, (iii) increasing the proprietary interest of participants in the success of the Company, and (iv) increasing the ability to attract, retain and motivate participants.

The Board (or such other committee the Board may appoint) is responsible for administering the RSU Plan. The RSU Plan provides that RSUs may be issued to directors, officers, employees or consultants of the Company or a subsidiary of the Company.

The RSU Plan provides that the number of Common Shares issuable under the RSU Plan may not exceed 10% of the total number of the Company's issued and outstanding Common Shares from time to time. As at the end of the Company's most recently completed financial year ended December 31, 2023, 9,260,280 RSUs were vested, 652,015 RSUs were forfeited and 6,074,932 RSUs were settled through the issuance of Common Shares.

The following summary of the RSU Plan is qualified in its entirety by the full text of the RSU Plan, a copy of which can be requested from the Company free of charge by email to [kevin@leefca.com](mailto:kevin@leefca.com) or by calling +1(416)-797-6455. Capitalized terms used in the following summary but not defined therein have the meanings given to them in the RSU Plan.

### ***Material Terms of the RSU Plan***

- (1) *Participants.* Directors, officers, employees and consultants of the Company or any of its subsidiaries or any personal holding company of any of the foregoing.
- (2) *Compliance with Legislation.* The RSU Plan, the terms of the issue or grant and the settlement of RSUs shall be subject to all applicable federal, provincial and foreign laws, rules and regulations, the rules and regulations of the CSE and to such approvals by any regulatory or governmental agency as may, in the opinion of counsel to the Company, be required. If Common Shares cannot be issued to a participant upon the settlement of an RSU due to legal or regulatory restrictions, the

obligation of the Company to issue such Common Shares under the RSU Plan shall terminate, at no cost to the Company nor obligation to otherwise compensate a participant in any way.

- (3) *Settlement of RSUs.* An RSU may be settled by a participant during the Settlement Period by delivery of a notice to the Company of such settlement. Upon such notice, the Company, at its election, will issue such participant the number of Common Shares equal to the number of RSUs then being settled, or pay such participant an amount in cash, net of applicable taxes and contributions to government sponsored plans, equal to the market price of one Common Share for each RSU then being settled. Where, prior to the Expiry Date, a participant fails to elect to settle an RSU, the participant shall be deemed to have elected to settle such RSUs on the day immediately preceding the Expiry Date.
- (4) *Dividend RSUs.* Unless the Board determines otherwise, additional RSUs ("**Dividend RSUs**") will be credited to a participant's account where the Company declares and pays a dividend on Common Shares. The number of Dividend RSUs credited to a participant's account in connection with the payment of dividends on Common Shares will be based on the actual amount of cash dividends that would have been paid to such participant had they been holding such number of Common Shares equal to the number of RSUs on the date on which cash dividends are paid on the Common Shares and the market price of the Common Shares on the payment date.
- (5) *Vesting.* Pursuant to the RSU Plan, there are no mandatory vesting provisions. RSUs granted under the RSU Plan may contain vesting conditions, determined at the discretion of the Board (or a committee thereof).
- (6) *Non-Transferability.* RSUs shall not be transferable or assignable by the participant otherwise than by will or the laws of descent and distribution.
- (7) *Termination of Service.* All RSUs held by the participant shall terminate automatically upon the termination of the participant's service with the Company, other than in the case of: (A) termination for cause or in the event of the participant's death, in which case, unvested RSU shall vest automatically and the participant's RSUs may be settled during the subsequent 90 day period; or (B) voluntary resignation, in which case, unvested RSU shall terminate automatically and the participant's vested RSUs may be settled during the subsequent 90 day period.
- (8) *Termination and Amendments.* The Board may amend, suspend or terminate the RSU Plan or any portion thereof at any time in accordance with applicable law, and subject to any required regulatory approval. No such amendment, suspension or termination shall alter or impair any RSUs or any rights pursuant thereto granted previously to any participant without the consent of such participant. With the consent of the affected participant, the Board may amend or modify any outstanding RSU, including without limitation, to change the date or dates as of which the RSU becomes exercisable, subject to the prior approval of the CSE where necessary.
- (9) *Change of Control.* Upon an actual or potential change of control, the Board may (i) accelerate the vesting date of any RSU; (ii) permit the conditional settlement of any RSU; (iii) otherwise amend or modify the terms of the RSU, including for greater certainty permitting participants to settle any RSU, to assist the participants to tender the underlying Common Shares to, or participate in, the actual or potential event triggering the change of control; and (iv) terminate, following the successful completion of such change of control, the RSUs not settled prior to the successful completion of such change of control, including, for no payment or other compensation.



- (10) *Share Adjustments.* The RSU Plan contains provisions for adjustment in the number of Common Shares issuable on redemption of RSUs in the event of any stock dividend or split, recapitalization, amalgamation, consolidation, combination or exchange of shares, or other corporate change.

### **External Management Companies**

The Company has not executed any employment, consulting or management agreements with any external management companies.

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

Other than as set out herein, the Company has no agreements or arrangements under which compensation was provided during the most recently completed financial year or is payable in respect of services provided to the Company or any of its subsidiaries that were: (a) performed by a director or NEO, or (b) performed by any other party but are services typically provided by a director or a NEO.

#### ***Micah Anderson***

The Company entered into an employment agreement with Micah Anderson pursuant to which Mr. Anderson agreed to act as Chief Executive Officer of the Company and entitling him to receive (i) payment of an annual base salary of \$250,000 per year; (ii) annual incentive bonus up to 100% of Mr. Anderson's base salary; (iii) annual grant of Options and/or RSUs as part of the Company's annual compensation review; and (iv) extended health benefits. Additionally, in accordance with Mr. Anderson's employment agreement, upon closing of the acquisition of all of the common stock of LEEF Holdings, Inc. pursuant to the terms of a merger agreement among the Company, its wholly-owned subsidiary, Icanic Merger Sub, Inc., LEEF Holdings, Inc. and Mr. Anderson dated January 21, 2022, the Company granted Mr. Anderson 7,508,259 Options, whereby each Option entitles the holder thereof to acquire one Common Share at price of C\$0.185 per Common Share for a period of five years from the date of issuance, vesting in 36 equal monthly installments over three years.

Mr. Anderson's employment agreement can be terminated: (i) immediately for cause (subject to notice and cure period with respect to a material breach of Mr. Anderson's employment obligations); (ii) without cause (or if Mr. Anderson resigns in the event of constructive dismissal) by paying a termination fee equivalent to 24 months salary, a prorated incentive bonus, payment of any outstanding expenses and any other amounts required by law; or (iii) on death or disability.

In the event of a change of control of the Company, or if Mr. Anderson either is terminated (other than for cause, death or disability) or resigns in the event of constructive dismissal, any then unvested Options or RSUs will become fully vested.

### **Estimated Incremental Payments**

Under the terms of the agreement with Mr. Anderson, the estimated incremental payments that would be payable to Mr. Anderson in the event Mr. Anderson is terminated by the Company without cause (or if Mr. Anderson resigns in the event of constructive dismissal), assuming such event occurred as at the end of the most recently completed financial year ended December 31, 2023, would be approximately \$500,000.

## **Oversight and Description of Director and Named Executive Officer Compensation**

### ***Compensation Review Process***

During the Company's most recently completed financial year ended December 31, 2023, all tasks related to developing and monitoring the Company's approach to the compensation of its NEOs and directors were performed by the Board as a whole. In determining compensation, the Board considers industry standards and financial situation. The compensation of the NEOs, directors and the Company's employees or consultants was reviewed, recommended and approved by the Board without reference to any formal objectives or any specific formula or criteria. The performance of each executive officer is informally monitored by the Board having in mind the business strengths of the individual and the purpose of originally appointing the individual as an officer.

The Company does not have a compensation committee.

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

The Company's compensation program is intended to attract, motivate, reward and retain the management talent needed to achieve the Company's business objectives of improving overall corporate performance and creating long-term value for the shareholders. The compensation program is intended to reward executive officers on the basis of individual performance and achievement of corporate objectives, including the advancement of the Company's goals. The Company's current compensation program is comprised of short-term compensation in the form of a base salary and long-term ownership through the Stock Option Plan and the RSU Plan.

The Board believes that the granting of Options and other share-based awards is an effective way to support the achievement of the Company's long-term performance objectives, ensure executive, employee and consultant commitment to the longer term interests of the Company and its shareholders and provide compensation opportunities to attract, retain and motivate employees critical to the success to the Company.

The Board as a whole is responsible for reviewing and approving corporate goals and objectives relevant to an executive officer's compensation, evaluating the executive officer's performance in light of those goals and objectives and making recommendations with respect to the executive officer's future compensation, based on the evaluation. In making compensation decisions, the Board strives to find a balance between short-term and long-term compensation and cash versus equity incentive compensation. Base salaries and discretionary cash bonuses primarily reward recent performance and Options encourage NEOs and directors to continue to deliver results over a longer period of time and serve as a retention tool. The annual salary for each NEO, as applicable, is determined by the Board based on the level of responsibility and experience of the individual, the relative importance of the position to the Company, the professional qualifications of the individual and the performance of the individual over time. The NEOs' performances and salaries are reviewed periodically. Increases in salary are evaluated on an individual basis and are performance-based. The amount and award of cash bonuses to key executives and senior management is discretionary, depending on, among other factors, the financial performance of the Company and the position of a participant. The Board reviews the compensation of NEOs and will make adjustments, if appropriate, to ensure that the compensation of the NEOs is commensurate with the services they provide.

### ***Risks Associated with the Company's Compensation Practices***

The Board has considered the implications of the risks associated with the Company's compensation policies and practices. The Board is responsible for setting and overseeing the Company's compensation

policies and practices. The Board does not provide specific monitoring and oversight of compensation policies and practices, but does review, consider and adjust these matters annually. The Company does not use any specific practices to identify and mitigate compensation policies that could encourage a NEO or individual at a principal business unit or division to take inappropriate or excessive risks. These matters are dealt with on a case-by-case basis. The Company has not identified any risks arising from its compensation practices that are reasonably likely to have a material adverse effect on the Company.

### ***Philosophy and Objectives***

The compensation program for senior management of the Company is designed to ensure that the level and form of compensation achieves certain objectives, including:

- (a) attracting and retaining talented, qualified and effective executives;
- (b) motivating the short and long-term performance of these executives; and
- (c) better aligning their interests with those of the Company's shareholders.

The Company relies solely on the discussions of the Board, without any formal objectives, criteria and analysis, for determining executive compensation.

Compensation paid to the NEOs is based on the size and stage of development of the Company and reflects the need to provide incentive and compensation for the time and effort expended by the NEOs, while taking into account the financial and other resources of the Company, as well as increasing shareholder value.

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

### ***Elements of Executive Compensation Program***

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

- (a) base salary or consulting fees;
- (b) bonus payments; and
- (c) equity participation through the Stock Option Plan.

#### **Base Salary or Consulting Fees**

Base salary is the principal component of executive compensation. The base salary for each executive is established by the Board based upon the position held by such executive, competitive market conditions, such executive's related responsibilities, experience and skill base, the functions performed by such executive and the salary ranges for similar positions in comparable companies. Individual and corporate performance are also taken into account in determining base salary levels for executives. The Company's view is that a competitive base salary is a necessary element for retaining qualified executive officers.

#### **Bonus Payments**

Other than as set out in this Information Circular, each of the NEOs, as well as all employees, are eligible for an annual bonus, payable in cash or through option-based compensation. The amount paid is based on

the Board's assessment of the Company's performance for the year. Factors considered in determining bonus amounts include individual performance, financial criteria (such as cash management and share price performance), operational criteria and the attainment of corporate milestones.

Other than as set out in this Information Circular, the Company did not award any bonuses to executives for the two most recently completed financial years ended December 31, 2023 and 2022.

#### Equity Participation

The Company believes that encouraging its executives and employees to become shareholders is the best way of aligning their interests with those of its shareholders. Equity participation is accomplished through the Stock Option Plan and the RSU Plan. Options and/or RSUs are granted to executives and employees taking into account a number of factors, including the amount and term of Options and/or RSUs previously granted, base salary and bonuses and competitive factors. The amounts and terms of Options and RSUs granted are determined by the Board.

#### Benefits and Perquisites

In general, the Company will provide a specific benefit or perquisite only when it provides competitive value and promotes retention of executives, or when the perquisite provides shareholder value, such as ensuring the health of executives. Limited perquisites the Company provides its executives may include a parking allowance or a fee for each Board or Audit Committee meeting attended, to assist with their out-of-pocket expenses. The amounts of benefits or perquisites are determined by the Board.

#### Hedging by Directors or NEOs

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

As of the date of this Information Circular, entitlement to grants of Options under the Stock Option Plan under and the RSU Plan are the only equity security elements awarded by the Company to its executive officers and directors.

#### **Peer Group**

The Company does not use a peer group to determine compensation.

#### **Pension Plan Benefits**

The Company has no pension plan arrangements or benefits with respect to any of its NEOs, directors or employees.

#### **SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

The Company currently has the following equity compensation plans: the Stock Option Plan and the RSU Plan. See "Stock Option Plans and Other Incentive Plans" above.

The following table sets out its equity compensation plan information as at the end of the Company's most recently completed financial year ended December 31, 2023.

### Equity Compensation Plan Information

Plan Category	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 <sup>(1)</sup>	122,927,408 Options	C\$0.072	19,358,057
Equity compensation plans not approved by securityholders <sup>(2)</sup>	2,533,334 RSUs	C\$0.075	133,677,200
<b>Total</b>	<b>125,460,742</b>		

**Notes:**

- (1) The Stock Option Plan was last approved by shareholders at the annual general and special meeting of the Company held on June 21, 2022. Accordingly, at the Meeting, shareholders will be asked to consider, and if thought fit, to pass the Stock Option Plan Resolution to authorize, approve, ratify and confirm the Stock Option Plan and the unallocated entitlements available under the Stock Option Plan. For a summary of the material features of the Stock Option Plan, see "Material Terms of the Stock Option Plan".
- (2) The Board approved and adopted the RSU Plan effective as of September 30, 2022. In accordance with the policies of the CSE, the Company intends to seek shareholder approval of the RSU Plan on or before September 30, 2025. For a summary of the material features of the RSU Plan, see "Material Terms of the RSU Plan".

### INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Other than as set out in this Information Circular, no directors, proposed nominees for election as directors, executive officers or their respective associates or affiliates, or other management of the Company were indebted to the Company as of the end of the most recently completed financial year or as at the date hereof.

### INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as otherwise disclosed below and herein, to the knowledge of management of the Company, no informed person (as that term is defined in NI 51-102) of the Company, no proposed director of the Company, nor any associate or affiliate of any informed person or proposed director of the Company has or had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries.

The term "informed person" as defined in NI 51-102 means: (a) a director or executive officer of the Company; (b) a director or executive officer of a person or company that is itself an informed person or subsidiary of the Company; (c) any person or company who beneficially owns, or controls or directs, directly or indirectly, voting securities of the Company or a combination of both carrying more than 10% of the voting rights attached to all outstanding voting securities of the Company other than voting securities

held by the person or company as underwriter in the course of a distribution; and (d) the Company if it has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

Pursuant to a convertible debenture indenture between the Company and Odyssey Trust Company, as trustee and collateral agent, dated as of September 9, 2022, as amended and supplemented by a supplemental indenture dated as of April 19, 2024, the Company issued convertible debentures with an interest rate of 11% per annum and a maturity date of September 9, 2027 (the “**Debentures**”), convertible into units (each, a “**Unit**”) of the Company at a conversion price of C\$0.10 per Unit, each Unit being comprised of one Common Share and one Common Share purchase warrant exercisable (a “**Warrant**”) at a price of C\$0.15 for a period of 24 months from the date of issuance, to Micah Anderson, in the aggregate principal amount of \$250,565, convertible into up to 3,401,173 Units comprised of 3,401,173 Common Shares and 3,401,173 Warrants exercisable into 3,401,173 Common Shares.

### **MANAGEMENT CONTRACTS**

Other than as set out in this Information Circular, there are no management functions of the Company, which are to any substantial degree performed by a person or company other than the directors or executive officers of the Company.

### **ADDITIONAL INFORMATION**

Financial information is provided in the Company's audited consolidated financial statements for the two most recently completed financial years ended December 31, 2023 and 2022 and the related management's discussion and analysis. The Company's audited consolidated financial statements for the financial years ended December 31, 2023 and 2022 and the auditors' reports thereon and the related management discussion and analysis are filed under the Company's SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca).

Additional information relating to the Company is filed on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and can be requested from the Company by email to [kevin@leefca.com](mailto:kevin@leefca.com) or by calling +1(416)-797-6455. Copies of documents will be provided free of charge to securityholders of the Company. The Company may require the 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**

Management is not aware of any other matters which it anticipates will come before the Meeting as of the date of mailing of this Information Circular other than those referred to in the Notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the form of proxy to vote the Common Shares represented thereby in accordance with their best judgment on such matter.

**BOARD APPROVAL**

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

**DATED** at Vancouver, British Columbia, June 11, 2024.

**ON BEHALF OF THE BOARD**

**Micah Anderson**  
**Chief Executive Officer**

**SCHEDULE A**  
**CHANGE OF AUDITOR REPORTING PACKAGE**

Please see attached.



**LEEF BRANDS INC.**  
(the "Company")

**NOTICE OF CHANGE OF AUDITOR**

TO: M&K CPAS, PLLC ("M&K CPAS")

AND TO: Macias Gini & O'Connell LLP, Certified Public Accountants ("MGO")

DATE: June 17, 2024

---

1. The board of directors (the "**Board**") of the Company does not propose to re-appoint MGO as auditors for the Company; and
2. The Board proposes to appoint M&K CPAS as auditors of the Company, effective as of December 31, 2023 (the "**Effective Date**"), to hold office until the next annual meeting of the Company.

In accordance with National Instrument 51-102 – *Continuous Disclosure Obligations* ("**NI 51-102**"), the Company confirms that:

1. MGO was asked to resign as auditor of the Company, effective as of the Effective Date to facilitate the appointment of M&K CPAS at 24955 Interstate Highway 45, Suite 400, The Woodlands, TX 77380 as auditor of the Company;
2. MGO has not expressed any reservation in its audit reports in respect of the Company for the years ended December 31, 2022 and 2021 and the years ended July 31, 2021 and 2020 (together, the "**Relevant Reports**"), being the two most recently completed fiscal years of the Company for which MGO issued audit reports, nor for the period from the most recently completed period for which MGO issued an audit report in respect of the Company and the Effective Date (the "**Relevant Period**");
3. in the opinion of the Board, no "reportable event" (as defined in NI 51-102) has occurred in connection with the Relevant Reports nor for the Relevant Period; and
4. this notice of change of auditor and the letters from MGO, as former auditor, and M&K CPAS, as successor auditor, have been reviewed by the Board and the audit committee of the Board.

*[Signature page follows]*

**DATED** as of the date first written above.

**LEEF BRANDS INC.**

Per: /s/Kevin Wilson  
Name: Kevin Wilson  
Title: Authorized Signatory



Certified  
Public  
Accountants

June 17, 2024

British Columbia Securities Commission  
Alberta Securities Commission  
Ontario Securities Commission

RE: LEEF Brands Inc. (the “**Company**”) – Notice of Change of Auditor (the “**Notice**”) dated June 17, 2024 pursuant to National Instrument 51-102 – *Continuous Disclosure Obligations* (“**NI 51-102**”)

Dear Sirs/Mesdames,

As required by NI 51-102, we have reviewed the information contained in the Notice given by the Company to ourselves, as former auditor of the Company, and M&K CPAS, PLLC, as successor auditor of the Company.

Based on our knowledge of such information at this date, we agree with the statements set out in the Notice.

Respectfully,

**/s/ MACIAS GINI & O'CONNELL LLP**



June 17, 2024

British Columbia Securities Commission  
Alberta Securities Commission  
Ontario Securities Commission

RE: LEEF Brands Inc. (the “**Company**”) – Notice of Change of Auditor (the “**Notice**”) dated June 17, 2024 pursuant to National Instrument 51-102 – *Continuous Disclosure Obligations* (“**NI 51-102**”)

Dear Sirs/Mesdames,

As required by NI 51-102, we have reviewed the information contained in the Notice given by the Company to ourselves, as successor auditor of the Company, and Macias Gini & O'Connell LLP, Certified Public Accountants, as former auditor of the Company.

Based on our knowledge of such information at this date, we agree with the statements set out in the Notice.

Respectfully,

/s/**M&K CPAS, PLLC**

**SCHEDULE B**  
**AUDIT COMMITTEE CHARTER**

**Mandate**

The primary function of the Audit Committee is to assist the Board of Directors in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company's systems of internal controls regarding finance and accounting, and the Company's auditing, accounting and financial reporting processes. Consistent with this function, the Audit Committee will encourage continuous improvement of, and should foster adherence to, the Company's policies, procedures and practices at all levels. The Audit Committee's primary duties and responsibilities are to:

- serve as an independent and objective party to monitor the Company's financial reporting and internal control systems and review the Company's financial statements;
- review and appraise the performance of the Company's external auditors; and
- provide an open avenue of communication among the Company's auditors, financial and senior management and the Board.

**Composition**

The Audit Committee shall be comprised of three directors as determined by the Board of Directors, the majority of whom shall be free from any relationship that, in the opinion of the Board of Directors, would reasonably interfere with the exercise of his or her independent judgment as a member of the Audit Committee. At least one member of the Audit Committee shall have accounting or related financial management expertise. All members of the Audit Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Audit Committee's Charter, the definition of "financially literate" is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Company's financial statements. The members of the Audit Committee shall be elected by the Board of Directors at its first meeting following the annual shareholders' meeting.

**Meetings**

The Audit Committee shall meet frequently as circumstances dictate. As part of its job to foster open communication, the Audit Committee will meet at least annually with the external auditors.

**Responsibilities and Duties**

To fulfill its responsibilities and duties, the Audit Committee shall:

**Documents/Reports Review**

1. Review and update this Charter annually.
2. Review the Corporation's financial statements, MD&A and any annual and interim earnings, press releases before the Corporation publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any

governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.

3. Confirm that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements.

### **External Auditors**

1. Review annually, the performance of the external auditors who shall be ultimately accountable to the Board of Directors and the Audit Committee as representatives of the shareholders of the Corporation.
2. Obtain annually, a formal written statement of the external auditors setting forth all relationships between the external auditors and the Corporation, consistent with the Independence Standards Board Standard 1.
3. Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors.
4. Take, or recommend that the full Board of Directors, take appropriate action to oversee the independence of the external auditors.
5. Recommend to the Board of Directors the selection and compensation and, where applicable, the replacement of the external auditors nominated annually for shareholder approval.
6. At each meeting, consult with the external auditors, without the presence of management, about the quality of the Corporation's accounting principles, internal controls and the completeness and accuracy of the Corporation's financial statements.
7. Review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Corporation.
8. Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.
9. Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Corporation's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:
  - (a) the aggregate amount of all such non-audit services provided to the Corporation constitutes not more than five percent of the total amount of fees paid by the Corporation to its external auditors during the fiscal year in which the non-audit services are provided;
  - (b) such services were not recognized by the Corporation at the time of the engagement to be non-audit services; and
  - (c) such services are promptly brought to the attention of the Audit Committee by the Corporation and approved prior to the completion of the audit by the Audit Committee or by one or more members of the Audit Committee who are members of the Board of Directors to whom authority to grant such approvals has been delegated by the Audit Committee. Provided the pre-approval of the non-audit services is presented to the Audit

Committee's first scheduled meeting following such approval, such authority may be delegated by the Audit Committee to one or more independent members of the Audit Committee.

**Financial Reporting Processes**

1. In consultation with the external auditors, review with management the integrity of the Corporation's financial reporting process, both internal and external.
2. Consider the external auditors' judgments about the quality and appropriateness of the Corporation's accounting principles as applied in its financial reporting.
3. Consider and approve, if appropriate, changes to the Corporation's auditing and accounting principles and practices as suggested by the external auditors and management.
4. Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments.
5. Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
6. Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.
7. Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.
8. Review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters.
9. Review certification process.
10. Establish a procedure for the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

**Other**

Review any related-party transactions.

**SCHEDULE C**  
**STOCK OPTION PLAN**

Please see attached.



**ICANIC BRANDS COMPANY INC.**

**STOCK OPTION PLAN**

**DATED FOR REFERENCE MAY 9, 2022**

Approved by the board of directors effective on May 9, 2022

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## STOCK OPTION PLAN

### SECTION 1 DEFINITIONS AND INTERPRETATION

#### 1.1 Definitions

As used herein, unless there is something in the subject matter or context inconsistent therewith, the following terms shall have the meanings set forth below:

- (a) “**Administrator**” means such Executive or Employee of the Company as may be designated as Administrator by the Committee from time to time, or, if no such person is appointed, the Committee itself.
- (b) “**Associate**” means, where used to indicate a relationship with any person:
  - (i) any relative, including the spouse of that person or a relative of that person's spouse, where the relative has the same home as the person;
  - (ii) any partner, other than a limited partner, of that person;
  - (iii) any trust or estate in which such person has a substantial beneficial interest or as to which such person serves as trustee or in a similar capacity; and
  - (iv) any corporation of which such person beneficially owns or controls, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all outstanding voting securities of the corporation.
- (c) “**Black-Out**” means a restriction imposed by the Company on all or any of its directors, officers, employees, insiders or persons in a special relationship whereby they are to refrain from trading in the Company's securities until the restriction has been lifted by the Company.
- (d) “**Board**” means the board of directors of the Company.
- (e) “**CSE**” means the Canadian Securities Exchange.
- (f) “**Change of Control**” means an occurrence when either:
  - (i) a Person or Entity, other than the current “control person” of the Company (as that term is defined in the *Securities Act*), becomes a “control person” of the Company; or
  - (ii) a majority of the directors elected at any annual or extraordinary general meeting of shareholders of the Company are not individuals nominated by the Company's then-incumbent Board.
- (g) “**Code**” means the United States *Internal Revenue Code of 1986*, as amended.

- (h) “**Committee**” means a committee of the Board to which the responsibility of approving the grant of stock options has been delegated, or if no such committee is appointed, the Board itself.
- (i) “**Company**” means Icanic Brands Company Inc.
- (j) “**Consultant**” means an individual who:
  - (i) is engaged to provide, on an ongoing bona fide basis, consulting, technical, management or other services to the Company or any Subsidiary other than services provided in relation to a “distribution” (as that term is described in the *Securities Act*);
  - (ii) provides the services under a written contract between the Company or any Subsidiary and the individual or a Consultant Entity (as defined in clause (h)(v) below);
  - (iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or any Subsidiary; and
  - (iv) has a relationship with the Company or any Subsidiary that enables the individual to be knowledgeable about the business and affairs of the Company or is otherwise permitted by applicable Regulatory Rules to be granted Options as a Consultant or as an equivalent thereof,and includes:
  - (i) a corporation of which the individual is an employee or shareholder or a partnership of which the individual is an employee or partner (a “**Consultant Entity**”); or
  - (ii) an RRSP or RRIF established by or for the individual under which he or she is the beneficiary.
- (k) “**Disability**” means a medically determinable physical or mental impairment expected to result in death or to last for a continuous period of not less than 12 months, and which causes an individual to be unable to engage in any substantial gainful activity, or any other condition of impairment which cannot be accommodated under applicable human rights laws without imposing undue hardship on the Company or any Subsidiary employing or engaging the Person, that the Committee, acting reasonably, determines constitutes a disability.
- (l) “**Employee**” means:
  - (i) an individual who works full-time or part-time for the Company or any Subsidiary and such other individual as may, from time to time, be

permitted by applicable Regulatory Rules to be granted Options as an employee or as an equivalent thereto; or

- (ii) an individual who works for the Company or any Subsidiary either full-time or on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Company or any Subsidiary over the details and methods of work as an employee of the Company or any Subsidiary, but for whom income tax deductions are not made at source,

and includes:

- (i) a corporation wholly-owned by such individual; and
  - (ii) any RRSP or RRIF established by or for such individual under which he or she is the beneficiary.
- (m) **“Exchange”** means the stock exchange upon which the Company’s shares principally trade.
- (n) **“Executive”** means an individual who is a director or officer of the Company or a Subsidiary, and includes:
- (i) a corporation wholly-owned by such individual; and
  - (ii) any RRSP or RRIF established by or for such individual under which he or she is the beneficiary.
- (o) **“Exercise Notice”** means the written notice of the exercise of an Option, in the form set out as Schedule B hereto, or by written notice in the case of uncertificated Shares, duly executed by the Option Holder.
- (p) **“Exercise Period”** means the period during which a particular Option may be exercised and is the period from and including the Grant Date through to and including the Expiry Time on the Expiry Date provided, however, that the Option has Vested pursuant to the terms and conditions of this Plan and any additional terms and conditions imposed by the Committee, and that no Option can be exercised unless and until all necessary Regulatory Approvals have been obtained.
- (q) **“Exercise Price”** means the price at which an Option is exercisable as determined in accordance with section 5.3.
- (r) **“Expiry Date”** means the date the Option expires as set out in the Option Certificate or as otherwise determined in accordance with sections 5.4, 6.2, 6.3, 6.4 or 11.4.
- (s) **“Expiry Time”** means the time the Option expires on the Expiry Date, which is 4:00 p.m. local time in Vancouver, British Columbia on the Expiry Date.

- (t) **“Grant Date”** means the date on which the Committee grants a particular Option, which is the date the Option comes into effect provided however that no Option can be exercised unless and until all necessary Regulatory Approvals have been obtained.
- (u) **“Incentive Stock Option”** means an Option which is intended to qualify as an incentive stock option under Section 422 of the Code;
- (v) **“Insider”** means an insider as that term is defined in the *Securities Act*.
- (w) **“Investor Relations Activities”** means any activities, by or on behalf of the Company or shareholder of the Company, that promote or reasonably could be expected to promote the purchase or sale of securities of the Company, but does not include:
  - (i) the dissemination of information provided, or records prepared, in the ordinary course of business of the Company
    - (A) to promote the sale of products or services of the Company, or
    - (B) to raise public awareness of the Company,that cannot reasonably be considered to promote the purchase or sale of securities of the Company;
  - (ii) activities or communications necessary to comply with the requirements of:
    - (A) applicable securities laws;
    - (B) Exchange requirements or the by-laws, rules or other regulatory instruments of any other self-regulatory body or exchange having jurisdiction over the Company;
  - (iii) communications by a publisher of, or writer for, a newspaper, magazine or business or financial publication, that is of general and regular paid circulation, distributed only to subscribers to it for value or to purchasers of it, if:
    - (A) the communication is only through the newspaper, magazine or publication, and
    - (B) the publisher or writer receives no commission or other consideration other than for acting in the capacity of publisher or writer; or
  - (iv) activities or communications that may be otherwise specified by the Exchange.
- (x) **“Market Value”** means the market value of the Shares as determined in accordance with section 5.3.

- (y) “**NI 45-106**” means National Instrument 45-106—*Prospectus Exemptions*.
- (z) “**Option**” means an incentive share purchase option granted pursuant to this Plan entitling the Option Holder to purchase Shares of the Company.
- (aa) “**Option Certificate**” means the certificate, in substantially the form set out as Schedule A hereto, evidencing the Option.
- (bb) “**Option Holder**” means a Person or Entity who holds an unexercised and unexpired Option or, where applicable, the Personal Representative of such person.
- (cc) “**Outstanding Issue**” means the number of Shares that are outstanding (on a non-diluted basis) immediately prior to the Share issuance or grant of Option in question.
- (dd) “**Person or Entity**” means an individual, natural person, corporation, government or political subdivision or agency of a government, and where two or more persons act as a partnership, limited partnership, syndicate or other group for the purpose of acquiring, holding or disposing of securities of an issuer, such partnership, limited partnership, syndicate or group shall be deemed to be a Person or Entity.
- (ee) “**Personal Representative**” means:
  - (i) in the case of a deceased Option Holder, the executor or administrator of the deceased duly appointed by a court or public authority having jurisdiction to do so; and
  - (ii) in the case of an Option Holder who for any reason is unable to manage his or her affairs, the person entitled by law to act on behalf of such Option Holder.
- (ff) “**Plan**” means this stock option plan as from time to time amended.
- (gg) “**Regulatory Approvals**” means any necessary approvals of the Regulatory Authorities as may be required from time to time for the implementation, operation or amendment of this Plan or for the Options granted from time to time hereunder.
- (hh) “**Regulatory Authorities**” means all organized trading facilities on which the Shares are listed, and all securities commissions or similar securities regulatory bodies having jurisdiction over the Company, this Plan or the Options granted from time to time hereunder.
- (ii) “**Regulatory Rules**” means all corporate and securities laws, regulations, rules, policies, notices, instruments and other orders of any kind whatsoever which may, from time to time, apply to the implementation, operation or amendment of this Plan or the Options granted from time to time hereunder including, without limitation, those of the applicable Regulatory Authorities.



- (jj) “**Related Entity**” means a Person that is controlled by the Company. For the purposes of this Plan, a Person (first person) is considered to control another Person (second person) if the first Person, directly or indirectly, has the power to direct the management and policies of the second person by virtue of
- (i) ownership of or direction over voting securities in the second Person,
  - (ii) a written agreement or indenture,
  - (iii) being the general partner or controlling the general partner of the second Person, or
  - (iv) being a trustee of the second Person.
- (kk) “**Related Person**” means:
- (i) a Related Entity of the Company;
  - (ii) a partner, director or officer of the Company or Related Entity;
  - (iii) a promoter of or Person who performs Investor Relations Activities for the Company or Related Entity; and
  - (iv) any Person that beneficially owns, either directly or indirectly, or exercises voting control or direction over at least 10% of the total voting rights attached to all voting securities of the Company or Related Entity.
- (ll) “**Securities Act**” means the *Securities Act* (British Columbia), RSBC 1996, c.418 as from time to time amended.
- (mm) “**Share**” or “**Shares**” means, as the case may be, one or more common shares without par value in the capital stock of the Company.
- (nn) “**Subsidiary**” means a wholly-owned or controlled subsidiary corporation of the Company.
- (oo) “**Triggering Event**” means:
- (i) the proposed dissolution, liquidation or wind-up of the Company;
  - (ii) a proposed merger, amalgamation, arrangement or reorganization of the Company with one or more corporations as a result of which, immediately following such event, the shareholders of the Company as a group, as they were immediately prior to such event, are expected to hold less than a majority of the outstanding capital stock of the surviving corporation;
  - (iii) the proposed acquisition of all or substantially all of the issued and outstanding shares of the Company by one or more Persons or Entities;

- (iv) a proposed Change of Control of the Company;
  - (v) the proposed sale or other disposition of all or substantially all of the assets of the Company; or
  - (vi) a proposed material alteration of the capital structure of the Company which, in the opinion of the Committee, is of such a nature that it is not practical or feasible to make adjustments to this Plan or to the Options granted hereunder to permit the Plan and Options granted hereunder to stay in effect.
- (pp) “Vest”, “Vesting” or “Vested” means that a portion of the Option granted to the Option Holder which is available to be exercised by the Option Holder at any time and from time to time.

## 1.2 **Choice of Law**

The Plan is established under, and the provisions of the Plan shall be subject to and interpreted and construed solely in accordance with, the laws of the Province of British Columbia and the laws of Canada applicable therein without giving effect to the conflicts of laws principles thereof and without reference to the laws of any other jurisdiction. The Company and each Option Holder hereby attorn to the jurisdiction of the Courts of British Columbia.

## 1.3 **Headings**

The headings used herein are for convenience only and are not to affect the interpretation of the Plan.

# SECTION 2 GRANT OF OPTIONS

## 2.1 **Grant of Options**

The Committee shall, from time to time in its sole discretion, grant Options to such Persons or Entities and on such terms and conditions as are permitted under this Plan.

## 2.2 **Record of Option Grants**

The Committee shall be responsible to maintain a record of all Options granted under this Plan and such record shall contain, in respect of each Option:

- (a) the name and address of the Option Holder;
- (b) the category (Executive, Employee or Consultant) under which the Option was granted to him, her or it;
- (c) the Grant Date and Expiry Date of the Option;
- (d) the number of Shares which may be acquired on the exercise of the Option and the Exercise Price of the Option;

- (e) the vesting and other additional terms, if any, attached to the Option; and
- (f) the particulars of each and every time the Option is exercised.

### 2.3 **Effect of Plan**

All Options granted pursuant to the Plan shall be subject to the terms and conditions of the Plan notwithstanding the fact that the Option Certificates issued in respect thereof do not expressly contain such terms and conditions but instead incorporate them by reference to the Plan. The Option Certificates will be issued for convenience only and in the case of a dispute with regard to any matter in respect thereof, the provisions of the Plan and the records of the Company shall prevail over the terms and conditions in the Option Certificate, save and except as noted below. Each Option will also be subject to, in addition to the provisions of the Plan, the terms and conditions contained in the schedules, if any, attached to the Option Certificate for such Option. Should the terms and conditions contained in such schedules be inconsistent with the provisions of the Plan, such terms and conditions will supersede the provisions of the Plan.

### 2.4 **Hold Period**

Pursuant to Exchange Policies, where a hold period is applicable, the Option Certificate will include a legend stipulating that the Option is and the Shares upon the exercise of the Option are subject to a four-month hold period commencing on the date of distribution of the Option.

## **SECTION 3 PURPOSE AND PARTICIPATION**

### 3.1 **Purpose of Plan**

The purpose of the Plan is to provide the Company with a share-related mechanism to attract, retain and motivate qualified Executives, Employees and Consultants to contribute toward the long term goals of the Company, and to encourage such individuals to acquire Shares of the Company as long term investments.

### 3.2 **Participation in Plan**

The Committee shall, from time to time and in its sole discretion, determine those Executives, Employees and Consultants to whom Options are to be granted.

### 3.3 **Limits on Option Grants**

The Company shall only grant Options under this Plan in accordance with Section 10 hereof and, for greater certainty, may not grant any Options under this Plan unless a prospectus exemption under NI 45-106 is available. Section 2.24 of NI 45-106 shall not apply to the Plan and all Options granted thereunder to any Employees or Consultants who are engaged in Investor Relations Activities for the Company, any associated Consultant, any executive officer of the Company, any director of the Company or any permitted assign of those Persons if, after the grant:

- (a) the number of securities, calculated on a fully diluted basis, reserved for issuance under options granted to
  - (i) Related Persons, exceeds 10% of the outstanding securities of the Company, or
  - (ii) a Related Person, exceeds 5% of the outstanding securities of the Company, or
- (b) the number of securities, calculated on a fully diluted basis, issued within 12 months to
  - (i) Related Persons, exceeds 10% of the outstanding securities of the Company, or
  - (ii) a Related Person and the associates of the Related Person, exceeds 5% of the outstanding securities of the Company;

unless the Company obtains security holder approval and otherwise satisfies all other requirements of Section 2.25(3) of NI 45-106 in accordance with the Regulatory Rules.

### 3.4 **Limits on Option Grants for Investor Relations Activities**

The maximum number of Options which may be granted within an 12 month period to Employees or Consultants engaged in Investor Relations Activities must not exceed 1% of the Outstanding Issue.

### 3.5 **Notification of Grant**

Following the granting of an Option, the Administrator shall, within a reasonable period of time, notify the Option Holder in writing of the grant and shall enclose with such notice the Option Certificate representing the Option so granted. In no case will the Company be required to deliver an Option Certificate to an Option Holder until such time as the Company has obtained all necessary Regulatory Approvals for the grant of the Option.

### 3.6 **Copy of Plan**

Each Option Holder, concurrently with the notice of the grant of the Option, shall be provided with a copy of the Plan. A copy of any amendment to the Plan shall be promptly provided by the Administrator to each Option Holder.

### 3.7 **Limitation on Service**

The Plan does not give any Option Holder that is an Executive the right to serve or continue to serve as an Executive of the Company or any Subsidiary, nor does it give any Option Holder that is an Employee or Consultant the right to be or to continue to be employed or engaged by the Company or any Subsidiary.

### 3.8 **No Obligation to Exercise**

Option Holders shall be under no obligation to exercise Options.

### 3.9 **Agreement**

The Company and every Option Holder granted an Option hereunder shall be bound by and subject to the terms and conditions of this Plan. By accepting an Option granted hereunder, the Option Holder has expressly agreed with the Company to be bound by the terms and conditions of this Plan. In the event that the Option Holder receives his, her or its Options pursuant to an oral or written agreement with the Company or a Subsidiary, whether such agreement is an employment agreement, consulting agreement or any other kind of agreement of any kind whatsoever, the Option Holder acknowledges that in the event of any inconsistency between the terms relating to the grant of such Options in that agreement and the terms attaching to the Options as provided for in this Plan, the terms provided for in this Plan shall prevail and the other agreement shall be deemed to have been amended accordingly.

### 3.10 **Notice**

Any notice, delivery or other correspondence of any kind whatsoever to be provided by the Company to an Option Holder will be deemed to have been provided if provided to the last home address, fax number or email address of the Option Holder in the records of the Company and the Company shall be under no obligation to confirm receipt or delivery.

### 3.11 **Representation**

As a condition precedent to the issuance of an Option, the Company must be able to represent to the Exchange as of the Grant Date that the Option Holder is a *bona fide* Executive, Employee or Consultant of the Company or any Subsidiary.

### 3.12 **Savings Clause**

This Plan is intended to comply in all respects with applicable law and regulations, including Section 409A of the Code. In case any one or more provisions of this Plan shall be held invalid, illegal, or unenforceable in any respect under applicable law and regulation (including Section 409A of the Code), the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby and the invalid, illegal, or unenforceable provision shall be deemed null and void; however, to the extent permitted by law, any provision that could be deemed null and void shall first be construed, interpreted, or revised retroactively to permit this Plan to be construed in compliance with all applicable law (including Section 409A of the Code) so as to foster the intent of this Plan.

## SECTION 4 NUMBER OF SHARES UNDER PLAN

### 4.1 Committee to Approve Issuance of Shares

The Committee shall approve by resolution the issuance of all Shares to be issued to Option Holders upon the exercise of Options, such authorization to be deemed effective as of the Grant Date of such Options regardless of when it is actually done. The Committee shall be entitled to approve the issuance of Shares in advance of the Grant Date, retroactively after the Grant Date, or by a general approval of this Plan.

### 4.2 Number of Shares

Subject to adjustment as provided for herein, the number of Shares which will be available for purchase pursuant to Options granted pursuant to this Plan will not exceed ten percent (10%) of the Outstanding Issue. If any Option expires or otherwise terminates for any reason without having been exercised in full, the number of Shares in respect of such expired or terminated Option shall again be available for the purposes of granting Options pursuant to this Plan.

### 4.3 Fractional Shares

No fractional shares shall be issued upon the exercise of any Option and, if as a result of any adjustment, an Option Holder would become entitled to a fractional share, such Option Holder shall have the right to purchase only the next lowest whole number of Shares and no payment or other adjustment will be made for the fractional interest.

## SECTION 5 TERMS AND CONDITIONS OF OPTIONS

### 5.1 Exercise Period of Option

Subject to sections 5.4, 6.2, 6.3, 6.4 and 11.4, the Grant Date and the Expiry Date of an Option shall be the dates fixed by the Committee at the time the Option is granted and shall be set out in the Option Certificate issued in respect of such Option.

### 5.2 Number of Shares Under Option

The number of Shares which may be purchased pursuant to an Option shall be determined by the Committee and shall be set out in the Option Certificate issued in respect of the Option.

### 5.3 Exercise Price of Option

The Exercise Price at which an Option Holder may purchase a Share upon the exercise of an Option shall be determined by the Committee and shall be set out in the Option Certificate issued in respect of the Option. Notwithstanding the foregoing, the Exercise Price shall not be less than the Market Value of the Shares as of the Grant Date. The Market Value of the Shares for a particular Grant Date shall be determined as follows:

- (a) if the Company's Shares are listed on the CSE, and the Committee determines the CSE to be the Company's primary Exchange, Market Value will be the greater of the closing trading price of the Shares on (i) the trading day prior to the Grant Date and (ii) the Grant Date;
- (b) subject to subparagraph (a) above, for each organized trading facility on which the Shares are listed, Market Value will be the closing trading price of the Shares on the day immediately preceding the Grant Date, and may be less than this price if it is within the discounts permitted by the applicable Regulatory Authorities;
- (c) if the Company's Shares are listed on more than one organized trading facility, the Market Value shall be the Market Value as determined in accordance with subparagraphs (a) or (b) above for the primary organized trading facility on which the Shares are listed, as determined by the Committee, subject to any adjustments as may be required to secure all necessary Regulatory Approvals;
- (d) subject to subparagraph (a), if the Company's Shares are listed on one or more organized trading facilities but have not traded during the ten trading days immediately preceding the Grant Date, then the Market Value will be, subject to any adjustments as may be required to secure all necessary Regulatory Approvals, such value as is determined by the Committee; and
- (e) if the Company's Shares are not listed on any organized trading facility, then the Market Value will be, subject to any adjustments as may be required to secure all necessary Regulatory Approvals, such value as is determined by the Committee to be the fair value of the Shares, taking into consideration all factors that the Committee deems appropriate, including, without limitation, recent sale and offer prices of the Shares in private transactions negotiated at arms' length. Notwithstanding anything else contained herein, in no case will the Market Value be less than the minimum prescribed by each of the organized trading facilities that would apply to the Company on the Grant Date in question.

#### 5.4 **Incentive Stock Options**

The Committee may, in its discretion, designate an Option to be issued as an Incentive Stock Option, provided that:

- (a) the Option Certificate of any Option which is intended to qualify as an Incentive Stock Option shall contain such limitations and restrictions upon the exercise of the Option as shall be necessary in order that such Option qualifies as an "incentive stock option" within the meaning of Section 422 of the Code;
- (b) the Option Certificate authorized under the Plan shall be subject to such other terms and conditions including, without limitation, restrictions upon the exercise of the Option, as the Board shall deem advisable and which are not inconsistent with the requirements of Section 422 of the Code;

- (c) no Option which is intended to qualify as an Incentive Stock Option shall be granted after the expiration of ten (10) years from the earlier of the date of the adoption of the Plan by the Company or the approval of the Plan by the shareholders of the Company;
- (d) the Market Value of the Shares (determined at the time the Option is granted) as to which Options designated as Incentive Stock Options are exercisable for the first time by any Option Holder during any single calendar year (under the Plan and under any other incentive stock option plan of the Company or an Affiliate) shall not exceed US\$100,000; and
- (e) the sole class of Option Holders eligible to receive Incentive Stock Options under this Plan are executive officers of the Company.

### 5.5 **Termination of Option**

Subject to such other terms or conditions that may be attached to Options granted hereunder, an Option Holder may exercise an Option in whole or in part at any time and from time to time during the Exercise Period. Any Option or part thereof not exercised within the Exercise Period shall terminate and become null, void and of no effect as of the Expiry Time on the Expiry Date. The Expiry Date of an Option shall be the earlier of the date so fixed by the Committee at the time the Option is granted as set out in the Option Certificate and the date established, if applicable, in paragraphs (a) or (b) below or sections 6.2, 6.3, 6.4, or 11.4 of this Plan:

- (a) *Ceasing to Hold Office* - In the event that the Option Holder holds his or her Option as an Executive and such Option Holder ceases to hold such position other than by reason of death or Disability, the Expiry Date of the Option shall be, unless otherwise determined by the Committee, the 30th day following the date the Option Holder ceases to hold such position unless the Option Holder ceases to hold such position as a result of:
  - (i) ceasing to meet the qualifications set forth in the corporate legislation applicable to the Company;
  - (ii) a special resolution having been passed by the shareholders of the Company removing the Option Holder as a director of the Company or any Subsidiary; or
  - (iii) an order made by any Regulatory Authority having jurisdiction to so order,

in which case the Expiry Date shall be the date the Option Holder ceases to hold such position; OR

- (b) *Ceasing to be Employed or Engaged* - In the event that the Option Holder holds his or her Option as an Employee or Consultant and such Option Holder ceases to hold such position other than by reason of death or Disability, the Expiry Date of the Option shall be, unless otherwise determined by the Committee, the 30th day



following the date the Option Holder ceases to hold such position, unless the Option Holder ceases to hold such position as a result of:

- (i) termination for cause;
- (ii) resigning his or her position; or
- (iii) an order made by any Regulatory Authority having jurisdiction to so order,

in which case the Expiry Date shall be the date the Option Holder ceases to hold such position.

In the event that the Option Holder ceases to hold the position of Executive, Employee or Consultant for which the Option was originally granted, but comes to hold a different position as an Executive, Employee or Consultant prior to the expiry of the Option, the Committee may, in its sole discretion, choose to permit the Option to stay in place for that Option Holder with such Option then to be treated as being held by that Option Holder in his or her new position and such will not be considered to be an amendment to the Option in question requiring the consent of the Option Holder under section 9.2 of this Plan. Notwithstanding anything else contained herein, in no case will an Option be exercisable later than the Expiry Date of the Option.

#### 5.6 **Vesting of Option and Acceleration**

The vesting schedule for an Option, if any, shall be determined by the Committee and shall be set out in the Option Certificate issued in respect of the Option. The Committee may elect, at any time, to accelerate the vesting schedule of one or more Options including, without limitation, on a Triggering Event, and such acceleration will not be considered an amendment to the Option in question requiring the consent of the Option Holder under section 9.2 of this Plan.

#### 5.7 **Additional Terms**

Subject to all applicable Regulatory Rules and all necessary Regulatory Approvals, the Committee may attach additional terms and conditions to the grant of a particular Option, such terms and conditions to be set out in a schedule attached to the Option Certificate. The Option Certificates will be issued for convenience only, and in the case of a dispute with regard to any matter in respect thereof, the provisions of this Plan and the records of the Company shall prevail over the terms and conditions in the Option Certificate, save and except as noted below. Each Option will also be subject to, in addition to the provisions of the Plan, the terms and conditions contained in the schedules, if any, attached to the Option Certificate for such Option. Should the terms and conditions contained in such schedules be inconsistent with the provisions of the Plan, such terms and conditions will supersede the provisions of the Plan.

## SECTION 6 TRANSFERABILITY OF OPTIONS

### 6.1 **Non-transferable**

Except as provided otherwise in this section 6, Options are non-assignable and non-transferable.

### 6.2 **Death of Option Holder**

In the event of the Option Holder's death, any Options held by such Option Holder shall pass to the Personal Representative of the Option Holder and shall be exercisable by the Personal Representative on or before the date which is the earlier of one year following the date of death and the applicable Expiry Date.

### 6.3 **Disability of Option Holder**

If the employment or engagement of an Option Holder as an Employee or Consultant or the position of an Option Holder as a director or officer of the Company or a Subsidiary is terminated by the Company by reason of such Option Holder's Disability, any Options held by such Option Holder shall be exercisable by such Option Holder or by the Personal Representative on or before the date which is the earlier of one year following the termination of employment, engagement or appointment as a director or officer and the applicable Expiry Date.

### 6.4 **Disability and Death of Option Holder**

If an Option Holder has ceased to be employed, engaged or appointed as a director or officer of the Company or a Subsidiary by reason of such Option Holder's Disability and such Option Holder dies within one year after the termination of such engagement, any Options held by such Option Holder that could have been exercised immediately prior to his or her death shall pass to the Personal Representative of such Option Holder and shall be exercisable by the Personal Representative on or before the date which is the earlier of one year following the death of such Option Holder and the applicable Expiry Date.

### 6.5 **Vesting**

Unless the Committee determines otherwise, Options held by or exercisable by a Personal Representative shall, during the period prior to their termination, continue to vest in accordance with any vesting schedule to which such Options are subject.

### 6.6 **Deemed Non-Interruption of Engagement**

Employment or engagement by the Company shall be deemed to continue intact during any military or sick leave or other *bona fide* leave of absence if the period of such leave does not exceed 90 days or, if longer, for so long as the Option Holder's right to re-employment or re-engagement by the Company is guaranteed either by statute or by contract. If the period of such leave exceeds 90 days and the Option Holder's re-employment or re-engagement is not so guaranteed, then his or her employment or engagement shall be deemed to have terminated on the ninety-first day of such leave.

## SECTION 7 EXERCISE OF OPTION

### 7.1 **Exercise of Option**

An Option may be exercised only by the Option Holder or the Personal Representative of any Option Holder. An Option Holder or the Personal Representative of any Option Holder may exercise an Option in whole or in part at any time and from time to time during the Exercise Period up to the Expiry Time on the Expiry Date by delivering to the Administrator the required Exercise Notice, or by written notice in the case of uncertificated Shares, the applicable Option Certificate and a certified cheque or bank draft or wire transfer payable to the Company or its legal counsel in an amount equal to the aggregate Exercise Price of the Shares then being purchased pursuant to the exercise of the Option. Notwithstanding anything else contained herein, Options may not be exercised during a Black-Out unless the Committee determines otherwise.

### 7.2 **Black Out Period**

If an Option expires, terminates or is cancelled (other than an expiry, termination or cancellation pursuant to section 5.4(a)(i), (ii) or (iii) or section 5.4(b)(i), (ii) or (iii) above) within or immediately after a Black-Out, the Option Holder may elect for the term of such Option to be extended to the date which is ten (10) business days after the last day of the Black-Out; provided, that, the expiration date as extended by this section 7.2 will not in any event be beyond the later of: (i) December 31 of the calendar year in which the Option was otherwise due to expire; and (ii) the 15th day of the third month following the month in which the Option was otherwise due to expire.

### 7.3 **Issue of Share Certificates**

As soon as reasonably practicable following the receipt of the notice of exercise as described in section 7.1 and payment in full for the Shares being acquired, the Administrator will direct its transfer agent to issue to the Option Holder the appropriate number of Shares in either certificate form or at the election of the Option Holder, on an uncertificated basis pursuant to the instructions given by the Option Holder to the Administrator. If the number of Shares so purchased is less than the number of Shares subject to the Option Certificate surrendered, the Administrator shall also provide a new Option Certificate for the balance of Shares available under the Option to the Option Holder concurrent with delivery of the Shares.

### 7.4 **No Rights as Shareholder**

Until the date of the issuance of the certificate for the Shares purchased pursuant to the exercise of an Option, no right to vote or receive dividends or any other rights as a shareholder shall exist with respect to such Shares, notwithstanding the exercise of the Option, unless the Committee determines otherwise. In the event of any dispute over the date of the issuance of the Shares, the decision of the Committee shall be final, conclusive and binding.

### 7.5 **Tax Withholding and Procedures**

Notwithstanding anything else contained in this Plan, the Company may, from time to time, implement such procedures and conditions as it determines appropriate with respect to the withholding and remittance of taxes imposed under applicable law, or the funding of related amounts for which liability may arise under such applicable law. Without limiting the generality of the foregoing, an Option Holder who wishes to exercise an Option must, in addition to following the procedures set out in section 7.1 and elsewhere in this Plan, and as a condition of exercise:

- (a) deliver a certified cheque, wire transfer or bank draft payable to the Company for the amount determined by the Company to be the appropriate amount on account of such taxes or related amounts; or
- (b) otherwise ensure, in a manner acceptable to the Company (if at all) in its sole and unfettered discretion, that the amount will be securely funded;
- (c) and must in all other respects follow any related procedures and conditions imposed by the Company.

## **SECTION 8 ADMINISTRATION**

### 8.1 **Board or Committee**

The Plan shall be administered by the Administrator with oversight by the Committee.

### 8.2 **Powers of Committee**

The Committee shall have the authority to do the following:

- (a) oversee the administration of the Plan in accordance with its terms;
- (b) appoint or replace the Administrator from time to time;
- (c) determine all questions arising in connection with the administration, interpretation and application of the Plan, including all questions relating to the Market Value;
- (d) correct any defect, supply any information or reconcile any inconsistency in the Plan in such manner and to such extent as shall be deemed necessary or advisable to carry out the purposes of the Plan;
- (e) prescribe, amend, and rescind rules and regulations relating to the administration of the Plan;
- (f) determine the duration and purposes of leaves of absence from employment or engagement by the Company which may be granted to Option Holders without constituting a termination of employment or engagement for purposes of the Plan;

- (g) do the following with respect to the granting of Options:
  - (i) determine the Executives, Employees or Consultants to whom Options shall be granted, based on the eligibility criteria set out in this Plan;
  - (ii) determine the terms of the Option to be granted to an Option Holder including, without limitation, the Grant Date, Expiry Date, Exercise Price and vesting schedule (which need not be identical with the terms of any other Option);
  - (iii) subject to any necessary Regulatory Approvals and section 9.2, amend the terms of any Options;
  - (iv) determine when Options shall be granted; and
  - (v) determine the number of Shares subject to each Option;
- (h) accelerate the vesting schedule of any Option previously granted; and
- (i) make all other determinations necessary or advisable, in its sole discretion, for the administration of the Plan.

### 8.3 **Administration by Committee**

All determinations made by the Committee in good faith shall be final, conclusive and binding upon all persons. The Committee shall have all powers necessary or appropriate to accomplish its duties under this Plan.

### 8.4 **Interpretation**

The interpretation by the Committee of any of the provisions of the Plan and any determination by it pursuant thereto shall be final, conclusive and binding and shall not be subject to dispute by any Option Holder. No member of the Committee or any person acting pursuant to authority delegated by it hereunder shall be personally liable for any action or determination in connection with the Plan made or taken in good faith and each member of the Committee and each such person shall be entitled to indemnification with respect to any such action or determination in the manner provided for by the Company.

## **SECTION 9 APPROVALS AND AMENDMENT**

### 9.1 **Shareholder Approval of Plan**

If required by a Regulatory Authority or by the Committee, this Plan may be made subject to the approval of the shareholders of the Company as prescribed by the Regulatory Authority. If shareholder approval is required, any Options granted under this Plan prior to such time will not be exercisable or binding on the Company unless and until such shareholder approval is obtained.

## 9.2 **Amendment of Option or Plan**

Subject to any required Regulatory Approvals, the Committee may from time to time amend any existing Option or the Plan or the terms and conditions of any Option thereafter to be granted provided that where such amendment relates to an existing Option and it would:

- (a) materially decrease the rights or benefits accruing to an Option Holder; or
- (b) materially increase the obligations of an Option Holder; then, unless otherwise excepted out by a provision of this Plan, the Committee must also obtain the written consent of the Option Holder in question to such amendment. If at the time the Exercise Price of an Option is reduced the Option Holder is an Insider of the Company, the Insider must not exercise the option at the reduced Exercise Price until the reduction in Exercise Price has been approved by the disinterested shareholders of the Company, if required by the Exchange.

## **SECTION 10 CONDITIONS PRECEDENT TO ISSUANCE OF OPTIONS AND SHARES**

### 10.1 **Compliance with Laws**

An Option shall not be granted or exercised, and Shares shall not be issued pursuant to the exercise of any Option, unless the grant and exercise of such Option and the issuance and delivery of such Shares comply with all applicable Regulatory Rules, and such Options and Shares will be subject to all applicable trading restrictions in effect pursuant to such Regulatory Rules and the Company shall be entitled to legend the Option Certificates and the certificates for the Shares or the written notice in the case of uncertificated Shares representing such Shares accordingly.

### 10.2 **Regulatory Approvals**

In administering this Plan, the Committee will seek any Regulatory Approvals which may be required. The Committee will not permit any Options to be granted without first obtaining the necessary Regulatory Approvals unless such Options are granted conditional upon such Regulatory Approvals being obtained. The Committee will make all filings required with the Regulatory Authorities in respect of the Plan and each grant of Options hereunder. No Option granted will be exercisable or binding on the Company unless and until all necessary Regulatory Approvals have been obtained. The Committee shall be entitled to amend this Plan and the Options granted hereunder in order to secure any necessary Regulatory Approvals and such amendments will not require the consent of the Option Holders under section 9.2 of this Plan.

### 10.3 **Inability to Obtain Regulatory Approvals**

The Company's inability to obtain Regulatory Approval from any applicable Regulatory Authority, which Regulatory Approval is deemed by the Committee to be necessary to complete the grant of Options hereunder, the exercise of those Options or the lawful issuance and sale of any Shares pursuant to such Options, shall relieve the Company of any liability with respect to the failure to complete such transaction.

**SECTION 11**  
**ADJUSTMENTS AND TERMINATION**

**11.1 Termination of Plan**

Subject to any necessary Regulatory Approvals, the Committee may terminate or suspend the Plan. Unless earlier terminated as provided in this section 11, the Plan shall terminate on, and no more Options shall be granted under the Plan after, the tenth anniversary of the date of the Exchange's acceptance of the Plan.

**11.2 No Grant During Suspension of Plan**

No Option may be granted during any suspension, or after termination, of the Plan. Suspension or termination of the Plan shall not, without the consent of the Option Holder, alter or impair any rights or obligations under any Option previously granted.

**11.3 Alteration in Capital Structure**

If there is a material alteration in the capital structure of the Company and the Shares are consolidated, subdivided, converted, exchanged, reclassified or in any way substituted for, the Committee shall make such adjustments to this Plan and to the Options then outstanding under this Plan as the Committee determines to be appropriate and equitable under the circumstances, so that the proportionate interest of each Option Holder shall, to the extent practicable, be maintained as before the occurrence of such event. Such adjustments may include, without limitation:

- (a) a change in the number or kind of shares of the Company covered by such Options; and
- (b) a change in the Exercise Price payable per Share provided, however, that the aggregate Exercise Price applicable to the unexercised portion of existing Options shall not be altered, it being intended that any adjustments made with respect to such Options shall apply only to the Exercise Price per Share and the number of Shares subject thereto.

For purposes of this section 11.3, and without limitation, neither:

- (c) the issuance of additional securities of the Company in exchange for adequate consideration (including services); nor
- (d) the conversion of outstanding securities of the Company into Shares shall be deemed to be material alterations of the capital structure of the Company. Any adjustment made to any Options pursuant to this section 11.3 shall not be considered an amendment requiring the Option Holder's consent for the purposes of section 9.2 of this Plan.

#### 11.4 **Triggering Events**

Subject to the Company complying with section 11.5 and any necessary Regulatory Approvals and notwithstanding any other provisions of this Plan or any Option Certificate, the Committee may, without the consent of the Option Holder or Holders in question:

- (a) cause all or a portion of any of the Options granted under the Plan to terminate upon the occurrence of a Triggering Event; or
- (b) cause all or a portion of any of the Options granted under the Plan to be exchanged for incentive stock options of another corporation upon the occurrence of a Triggering Event in such ratio and at such exercise price as the Committee deems appropriate, acting reasonably.

Such termination or exchange shall not be considered an amendment requiring the Option Holder's consent for the purpose of section 9.2 of the Plan.

#### 11.5 **Notice of Termination by Triggering Event**

In the event that the Committee wishes to cause all or a portion of any of the Options granted under this Plan to terminate on the occurrence of a Triggering Event, it must give written notice to the Option Holders in question not less than 10 days prior to the consummation of a Triggering Event so as to permit the Option Holder the opportunity to exercise the vested portion of the Options prior to such termination. Upon the giving of such notice and subject to any necessary Regulatory Approvals, all Options or portions thereof granted under the Plan which the Company proposes to terminate shall become immediately exercisable notwithstanding any contingent vesting provision to which such Options may have otherwise been subject. Furthermore, if any of the Options granted under this Plan are cancelled prior to their Expiry Date, the Company shall not grant new Options to the same Persons or Entities until thirty (30) days have lapsed from the date of cancellation.

#### 11.6 **Determinations to be Made By Committee**

Adjustments and determinations under this section 11 shall be made by the Committee, whose decisions as to what adjustments or determination shall be made, and the extent thereof, shall be final, binding, and conclusive.



## SCHEDULE A

**[Insert the following U.S. legend if the Option is being issued to an Option Holder who is in the United States or who is a U.S. person (as defined in Rule 902(k) of Regulation S under the United States Securities Act of 1933, as amended):**

THE OPTION REPRESENTED BY THIS CERTIFICATE AND THE COMMON SHARES ISSUABLE UPON EXERCISE THEREOF HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY ACQUIRING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE CORPORATION THAT SUCH SECURITIES MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED ONLY (A) TO THE CORPORATION, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS, (C) PURSUANT TO THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS, OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE LAWS AND REGULATIONS GOVERNING THE OFFER AND SALE OF SECURITIES, AND IT HAS, IN THE CASE OF EACH OF (C) AND (D), PRIOR TO SUCH TRANSFER FURNISHED TO THE CORPORATION AN OPINION OF COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE SATISFACTORY TO THE CORPORATION TO SUCH EFFECT.]

**[Include any other legends prescribed by Regulatory Authorities, if required.]**

### ICANIC BRANDS COMPANY INC.

#### STOCK OPTION PLAN - OPTION CERTIFICATE

This Option Certificate Certificate is issued pursuant to the provisions of the Icanic Brands Company Inc. (the "**Company**") share option plan (the "**Plan**") and evidences that \_\_\_\_\_ is the holder (the "**Option Holder**") of an option (the "**Option**") to purchase up to \_\_\_\_\_ common shares (the "**Shares**") in the capital stock of the Company at a purchase price of CAD\$\_\_\_\_\_ per Share (the "**Exercise Price**").

The Plan provides for the granting of stock options that either (i) are intended to qualify as "Incentive Stock Options" within the meaning of Section 422 of the United States Internal Revenue Code of 1986, as amended (the "**Code**"), or (ii) do not qualify as Incentive Stock Options under Section 422 of the Code ("**Non-Qualified Stock Options**"). This Option will only be treated as (select one):

an Incentive Stock Option; or

a Non-Qualified Stock Option.

Subject to the provisions of the Plan:

- (a) the effective date of the grant of the Option is \_\_\_\_\_, 20\_\_;
- (b) the Option expires at 4:00 p.m. (Vancouver Time) on \_\_\_\_\_, 20\_\_;
- (c) the Options shall vest as follows:

Date	Percent of Stock Options Vested	Number of Stock Options Vested	Aggregate Number of Stock Options Vested

The vested portion or portions of the Option may be exercised at any time and from time to time from and including the date of the grant of the Option through to 5:00 p.m. (Vancouver time) on the expiration date of the Option Period by delivering to the Company an Exercise Notice, in the form attached as Appendix “I” hereto, together with this Certificate and a certified cheque or bank draft payable to the Company in an amount equal to the aggregate of the Exercise Price of the Shares in respect of which the Option is being exercised.

**All Options and any Shares issued on the exercise of Options may be subject to resale restrictions, which, if applicable, will be evidenced by a restrictive legend imprinted on the certificate or other instrument representing same.** The Options hereby granted are subject to the approval of the Exchange.

This Certificate and the Option evidenced hereby is not assignable, transferable or negotiable and is subject to the detailed terms and conditions contained in the Plan, the terms and conditions of which the Option Holder hereby expressly agrees with the Company to be bound by. This Certificate is issued for convenience only and in the case of any dispute with regard to any matter in respect hereof, the provisions of the Plan and the records of the Company shall prevail.

If the Option Holder is a U.S. person or is located in the United States, the Option Holder acknowledges and agrees as follows:

- (a) The Option and the Shares (collectively, the “**Securities**”) have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”), or the securities laws of any state of the United States, and the Option is being granted to the Option Holder in reliance on an exemption from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws.

- (b) The Securities will be “restricted securities”, as defined in Rule 144 under the U.S. Securities Act, and the rules of the United States Securities and Exchange Commission provide in substance that the Option Holder may dispose of the Securities only pursuant to an effective registration statement under the U.S. Securities Act or an exemption therefrom, and the Company has no obligation to register any of the Securities or to take action so as to permit sales pursuant to the U.S. Securities Act (including Rule 144 thereunder, if available).
- (c) The Option Holder understands that (i) if the Company is deemed to be an issuer that is, or that has been at any time previously, an issuer with no or nominal operations and no or nominal assets other than cash and cash equivalents (a “**Shell Company**”), Rule 144 under the U.S. Securities Act may not be available for resales of the Securities and (ii) the Company is not obligated to make Rule 144 under the U.S. Securities Act available for resales of the Securities;
- (d) If the Option Holder decides to offer, sell or otherwise transfer any of the Shares, the Option Holder will not offer, sell or otherwise transfer any of the Shares directly or indirectly, unless:
  - (i) the sale is to the Company;
  - (ii) the sale is made outside the United States in a transaction meeting the requirements of Rule 904 of Regulation S under the U.S. Securities Act (“**Regulation S**”) and in compliance with applicable local laws and regulations;
  - (iii) the sale is made pursuant to the exemption from the registration requirements under the U.S. Securities Act provided by Rule 144 thereunder, if available, and in accordance with any applicable state securities or “blue sky” laws; or
  - (iv) the Shares are sold in a transaction that does not require registration under the U.S. Securities Act or any applicable state laws and regulations governing the offer and sale of securities;

and, in the case of each of (iii) and (iv) it has prior to such sale furnished to the Company an opinion of counsel reasonably satisfactory to the Company stating that such transaction is exempt from registration under applicable securities laws.

The Option may not be exercised by or for the account or benefit of a person in the United States or a U.S. person unless registered under the U.S. Securities Act and any applicable U.S. state securities laws, unless an exemption from such registration requirements is available.

The certificate(s) representing the Shares will be endorsed with the following or a similar legend until such time as it is no longer required under the applicable requirements of the U.S. Securities Act or applicable U.S. state securities laws:

“THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, (THE “U.S. SECURITIES ACT”), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE CORPORATION, THAT SUCH SECURITIES MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED ONLY (A) TO THE CORPORATION, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, (C) IN ACCORDANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS, OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS, AND, IN THE CASE OF CLAUSE (C) OR (D), THE SELLER FURNISHES TO THE CORPORATION AN OPINION OF COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE SATISFACTORY TO THE CORPORATION TO SUCH EFFECT. THE PRESENCE OF THIS LEGEND MAY IMPAIR THE ABILITY OF THE HOLDER HEREOF TO EFFECT “GOOD DELIVERY” OF THE SECURITIES REPRESENTED HEREBY ON A CANADIAN STOCK EXCHANGE.”

provided, that if the Shares are being sold outside the United States in compliance with the requirements of Rule 904 of Regulation S and such Shares were acquired at a time when the Company is a “foreign issuer” as defined in Regulation S, the legend set forth above may be removed by providing an executed declaration to the registrar and transfer agent of the Company, in substantially the form set forth as Appendix “II” hereto (or in such other form as the Company may prescribe from time to time) and, if requested by the Company or the transfer agent, an opinion of counsel of recognized standing in form and substance satisfactory to the Company and the transfer agent to the effect that such sale is being made in compliance with Rule 904 of Regulation S; and provided, further, that, if any Shares are being sold otherwise than in accordance with Regulation S and other than to the Company, the legend may be removed by delivery to the registrar and transfer agent and the Company of an opinion of counsel, of recognized standing reasonably satisfactory to the Company, that such legend is no longer required under applicable requirements of the U.S. Securities Act or U.S. state securities laws.

- (e) Rule 905 of Regulation S provides in substance that any “restricted securities” that are equity securities of a “domestic issuer” (including an issuer that no longer qualifies as a “foreign issuer”) will continue to be deemed to be restricted securities notwithstanding that they were acquired in a resale transaction pursuant to Rule 901 or 904 of Regulation S; that Rule 905 of Regulation S will apply in respect of Shares if the Company is not a “foreign issuer” at the time of exercise of the related Options; and that the Company is not obligated to remain a “foreign issuer”.
- (f) “Domestic issuer”, “foreign issuer”, “United States” and “U.S. person” are as defined in Regulation S.
- (g) If the Option Holder is resident in the State of California on the effective date of the grant of the Option, then, in addition to the terms and conditions contained in the Plan and in this Option Certificate, the Option Holder acknowledges that the Company, as a reporting issuer under the securities legislation in the Provinces of British Columbia, Alberta and Ontario, is required to publicly file with the securities regulators in those jurisdictions continuous disclosure documents, including audited annual financial statements and unaudited quarterly financial statements (collectively, the “Financial Statements”). Such filings are available on the System for Electronic Document Analysis and Retrieval (SEDAR), and documents filed on SEDAR may be viewed under the Company’s profile at the following website address: [www.sedar.com](http://www.sedar.com). Copies of Financial Statements will be made available to the Option Holder by the Company upon the Option Holder’s request.

All terms not otherwise defined in this Certificate shall have the meanings given to them under the Plan.

Dated this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

**ICANIC BRANDS COMPANY INC.**

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Authorized Signatory

**APPENDIX "I"**  
**ICANIC BRANDS COMPANY INC.**

**STOCK OPTION PLAN**

**EXERCISE NOTICE**

**TO: ICANIC BRANDS COMPANY INC. (the "Company")**

1. The undersigned (the "**Option Holder**"), being the holder of options to purchase \_\_\_\_\_ common shares of the Company at the exercise price of \_\_\_\_\_ per share, hereby irrevocably gives notice, pursuant to the stock option plan of the Company (the "**Plan**"), of the exercise of the Option to acquire and hereby subscribes for \_\_\_\_\_ of such common shares of the Company.

2. The Option Holder tenders herewith a certified cheque or bank draft payable to the Company in an amount equal to the aggregate Exercise Price of the aforesaid common shares exercised and directs the Company to issue a share certificate evidencing said common shares in the name of the Option Holder to be mailed to the Option Holder at the following address:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

3. By executing this Exercise Notice, the Option Holder hereby confirms that the undersigned has read the Plan and agrees to be bound by the provisions of the Plan. All terms not otherwise defined in this Exercise Notice shall have the meanings given to them under the Plan or the attached Option Certificate.

4. The Option Holder is resident in \_\_\_\_\_ [name of state/province].

5. The Option Holder represents, warrants and certifies as follows (please check all of the categories that apply):

- (a)  the Option Holder at the time of exercise of the Option is not in the United States, is not a "U.S. person" as defined in Regulation S under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") and is not exercising the Option on behalf of, or for the account or benefit of a U.S. person or a person in the United States and did not execute or deliver this exercise form in the United States;

- (b)  the undersigned holder is resident in the United States or is a U.S. person who is a resident of the jurisdiction referred to in the address appearing above, and is a U.S. Accredited Investor **and has completed the U.S. Accredited Investor Status Certificate in the form attached to this Exercise Notice;**
- (c)  the undersigned holder is resident in the United States or is a U.S. person who is a resident of the jurisdiction referred to in the address appearing above, and is a natural person who is either: (i) a director, officer or employee of the Company or of a majority-owned subsidiary of the Company (each, an “**Eligible Company Option Holder**”), (ii) a consultant who is providing bona fide services to the Company or a majority-owned subsidiary of the Company that are not in connection with the offer or sale of securities in a capital-raising transaction, and do not directly or indirectly promote or maintain a market for the Company's securities (an “**Eligible Consultant**”), or (iii) a former Eligible Company Option Holder or Eligible Consultant; and/or
- (d)  if the undersigned holder is resident in the United States or is a U.S. person, the undersigned holder has delivered to the Company and the Company’s transfer agent an opinion of counsel (which will not be sufficient unless it is in form and substance satisfactory to the Company) or such other evidence satisfactory to the Company to the effect that with respect to the securities to be delivered upon exercise of the Option, the issuance of such securities has been registered under the U.S. Securities Act and applicable state securities laws or an exemption from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws is available;

6. “**United States**” and “**U.S. person**” are as defined in Regulation S under the U.S. Securities Act.

**Note: Certificates representing Shares will not be registered or delivered to an address in the United States unless Box 5(b), (c) or (d) above is checked.**

7. If the undersigned Option Holder has marked Box 5(b), (c) or (d) above, the undersigned Option Holder hereby represents, warrants, acknowledges and agrees that:

- (a) funds representing the subscription price for the Shares which will be advanced by the undersigned to the Company upon exercise of the Options will not represent proceeds of crime for the purposes of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (the “**PATRIOT Act**”), and the undersigned acknowledges that the Company may in the future be required by law to disclose the undersigned's name and other information relating to this exercise form and the undersigned's subscription hereunder, on a confidential basis, pursuant to the PATRIOT Act. No portion of the subscription price to be provided by the undersigned (i) has been or will be derived from or related to any activity that is deemed criminal under the laws of the United States of America, or any other jurisdiction, or (ii) is being tendered on

behalf of a person or entity who has not been identified to or by the undersigned, and it shall promptly notify the Company if the undersigned discovers that any of such representations ceases to be true and provide the Company with appropriate information in connection therewith;

- (b) the financial statements of the Company have been prepared in accordance with Canadian generally accepted accounting principles or International Financial Reporting Standards, which differ in some respects from United States generally accepted accounting principles, and thus may not be comparable to financial statements of United States companies;
- (c) there may be material tax consequences to the Option Holder of an acquisition or disposition of any of the Shares. The Company gives no opinion and makes no representation with respect to the tax consequences to the Option Holder under United States, state, local or foreign tax law of the undersigned's acquisition or disposition of such securities. In particular, no determination has been made whether the Company will be a "passive foreign investment company" within the meaning of Section 1297 of the United States Internal Revenue Code of 1986, as amended; and
- (d) if the undersigned has marked Box 5(c) above, the Company may rely on the registration exemption in Rule 701 under the U.S. Securities Act and a state registration exemption, but only if such exemptions are available; in the event such exemptions are determined by the Company to be unavailable, the undersigned may be required to provide additional evidence of an available exemption, including, without limitation, the legal opinion contemplated by Box 5(d).

8. If the undersigned Option Holder has marked Box 5(b) above, the undersigned represents and warrants to the Company that:

- (a) the Option Holder has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of an investment in the Shares, and the undersigned is able to bear the economic risk of loss of his or her entire investment;
- (b) the Company has provided to the undersigned the opportunity to ask questions and receive answers concerning the terms and conditions of the offering, and the undersigned has had access to such information concerning the Company as he or she has considered necessary or appropriate in connection with his or her investment decision to acquire the Shares;



- (c) the undersigned is: (i) purchasing the Shares for his or her own account or for the account of one or more U.S. Accredited Investors with respect to which the undersigned is exercising sole investment discretion, and not on behalf of any other person; and (ii) is purchasing the Shares for investment purposes only and not with a view to resale, distribution or other disposition in violation of United States federal or state securities laws; and
  - (d) the undersigned has not exercised the Option as a result of any form of general solicitation or general advertising, including advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or on the Internet, or broadcast over radio, television or other form of telecommunications or the Internet, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising.
9. If the undersigned has indicated that the undersigned is a U.S. Accredited Investor by marking Box 5(b) above, or if the undersigned has marked Box 5(c) above on the basis that the exercise of the Option is subject to the registration exemption in Rule 701 under the U.S. Securities Act and an available state registration exemption, the undersigned also acknowledges and agrees that:
- (a) the Shares have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States, and the Shares will be issued as “restricted securities” (as such term is defined in Rule 144(a)(3) under the U.S. Securities Act) and may not be offered, sold, pledged, or otherwise transferred, directly or indirectly, without prior registration under the U.S. Securities Act and applicable state securities laws absent an exemption from such registration requirements; and
  - (b) the certificate(s) representing the Shares will be endorsed with a U.S. restrictive legend substantially in the form set forth in the Option Certificate until such time as it is no longer required under the applicable requirements of the U.S. Securities Act or applicable state securities laws.

10 The undersigned Option Holder hereby represents, warrants, acknowledges and agrees that the certificate(s) representing the Shares may be subject to and legended with a four month hold period commencing on the date the Options were granted pursuant to the rules of the Exchange and applicable securities laws.

DATED the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

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**Signature of Option Holder**

## U.S. ACCREDITED INVESTOR STATUS CERTIFICATE

In connection with the exercise of an option to purchase common shares of **ICANIC BRANDS COMPANY INC.** (the “**Company**”) by the Option Holder, the Option Holder hereby represents and warrants to the Company that the Option Holder satisfies one or more of the following categories of Accredited Investor (**please initial each category that applies**):

- \_\_\_\_\_ (1) Any director or executive officer of the Company; or
- \_\_\_\_\_ (2) A natural person whose individual net worth, or joint net worth with that person’s spouse or spousal equivalent (being a cohabitant occupying a relationship generally equivalent to that of a spouse), at the time of purchase exceeds US\$1,000,000; provided, however, that (i) the person’s primary residence shall not be included as an asset; (ii) indebtedness that is secured by the person’s primary residence, up to the estimated fair market value of the primary residence at the time of the purchase of Shares contemplated by the accompanying Exercise Notice, shall not be included as a liability (except that if the amount of such indebtedness outstanding at the time of the sale of such securities exceeds the amount outstanding 60 days before such time, other than as a result of the acquisition of the primary residence, the amount of such excess shall be included as a liability); (iii) indebtedness that is secured by the person’s primary residence in excess of the estimated fair market value of the primary residence at the time of the purchase of Shares contemplated by the accompanying Exercise Notice shall be included as a liability; (iv) for the purposes of calculating joint net worth of the person and that person’s spouse or spousal equivalent, (A) joint net worth can be the aggregate net worth of the person and spouse or spousal equivalent, and (B) assets need not be held jointly to be included in the calculation; and (v) reliance by the person and that person’s spouse or spousal equivalent on the joint net worth standard does not require that the securities be purchased jointly; or
- \_\_\_\_\_ (3) A natural person who had an individual income in excess of US\$200,000 in each of the two most recent years or joint income with that person’s spouse or spousal equivalent in excess of US\$300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year.

**APPENDIX "II"**

**FORM OF DECLARATION FOR REMOVAL OF LEGEND**

TO: Icanic Brands Company Inc. (the "Company")

AND TO: Registrar and transfer agent for the common shares of the Company

The undersigned (a) acknowledges that the sale of \_\_\_\_\_ common shares (the "Securities") of the Company, represented by certificate number \_\_\_\_\_ or held in Direct Registration System (DRS) account number \_\_\_\_\_, to which this declaration relates is being made in reliance on Rule 904 of Regulation S ("Regulation S") under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), and (b) certifies that (1) the undersigned is not (A) an "affiliate" of the Company (as that term is defined in Rule 405 under the U.S. Securities Act), (B) a "distributor" as defined in Regulation S or (C) an affiliate of a distributor; (2) the offer of such securities was not made to a person in the United States and either (A) at the time the buy order was originated, the buyer was outside the United States, or the seller and any person acting on its behalf reasonably believed that the buyer was outside the United States, or (B) the transaction was executed on or through the facilities of the Toronto Stock Exchange, the TSX Venture Exchange, the Canadian Securities Exchange, the NEO Exchange or another "designated offshore securities market", and neither the seller nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States; (3) neither the seller nor any affiliate of the seller nor any person acting on any of their behalf has engaged or will engage in any "directed selling efforts" in the United States in connection with the offer and sale of such securities; (4) the sale is bona fide and not for the purpose of "washing off" the resale restrictions imposed because the securities are "restricted securities" (as such term is defined in Rule 144(a)(3) under the U. S. Securities Act); (5) the seller does not intend to replace the securities sold in reliance on Rule 904 of Regulation S with fungible unrestricted securities; and (6) the contemplated sale is not a transaction, or part of a series of transactions, which, although in technical compliance with Regulation S, is part of a plan or scheme to evade the registration provisions of the U. S. Securities Act. Terms used herein have the meanings given to them by Regulation S.

Dated \_\_\_\_\_ 20\_\_\_\_.

**X** \_\_\_\_\_  
Signature of individual (if Seller is an individual)

**X** \_\_\_\_\_  
Authorized signatory (if Seller is **not** an individual)

\_\_\_\_\_  
Name of Seller (**please print**)

\_\_\_\_\_  
Name of authorized signatory (**please print**)

\_\_\_\_\_  
Official capacity of authorized signatory (**please print**)

**Affirmation by Seller's Broker-Dealer**  
**(Required for sales pursuant to Section (b)(2)(B) above)**

We have read the foregoing representations of our customer, \_\_\_\_\_ (the "Seller") dated \_\_\_\_\_, 20\_\_\_\_, with regard to the sale, for such Seller's account, of \_\_\_\_\_ common shares (the "**Securities**") of the Company represented by certificate number \_\_\_\_\_ or held in Direct Registration System (DRS) account number \_\_\_\_\_. We have executed sales of the Securities pursuant to Rule 904 of Regulation S under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), on behalf of the Seller. In that connection, we hereby represent to you as follows:

- (1) no offer to sell Securities was made to a person in the United States;
- (2) the sale of the Securities was executed in, on or through the facilities of the Toronto Stock Exchange, the TSX Venture Exchange, the Canadian Securities Exchange, the NEO Exchange or another designated offshore securities market (as defined in Rule 902(b) of Regulation S under the U.S. Securities Act), and, to the best of our knowledge, the sale was not pre-arranged with a buyer in the United States;
- (3) no "directed selling efforts" were made in the United States by the undersigned, any affiliate of the undersigned, or any person acting on behalf of the undersigned; and
- (4) we have done no more than execute the order or orders to sell the Securities as agent for the Seller and will receive no more than the usual and customary broker's commission that would be received by a person executing such transaction as agent.

For purposes of these representations: "**affiliate**" means a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the undersigned; "**directed selling efforts**" means any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for the Securities (including, but not be limited to, the solicitation of offers to purchase the Securities from persons in the United States); and "**United States**" means the United States of America, its territories or possessions, any State of the United States, and the District of Columbia.

Legal counsel to the Company shall be entitled to rely upon the representations, warranties and covenants contained herein to the same extent as if this affirmation had been addressed to them.

Dated: \_\_\_\_\_ 20\_\_\_\_.

\_\_\_\_\_  
Name of Firm

By: \_\_\_\_\_  
Authorized Officer