

# EXEBLOCK TECHNOLOGY CORPORATION

## NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

**NOTICE IS HEREBY GIVEN** that an annual and special meeting (the "**Meeting**") of the holders of common shares of eXeBlock Technology Corporation (the "**Company**") will be held at 1969 Upper Water Street, Suite 2001, Purdy's Wharf Tower II, Halifax, Nova Scotia B3J 3R7 on April 2, 2019 at 2:00 p.m. (Halifax Time) for the following purposes:

1. To receive the audited financial statements of the Company for the financial year ended August 31, 2018, the auditor's report thereon;
2. To elect three directors of the Company for the ensuing year;
3. To reappoint Deloitte LLP, Chartered Accountants, as auditor of the Company for the ensuing year and to authorize the directors to fix the auditor's remuneration;
4. To consider and, if deemed advisable, to pass, with or without amendment, a resolution (the "**Transaction Resolution**"), the full text of which is set forth in Schedule "A" to the accompanying management information circular (the "**Circular**"), to approve and authorize the Transactions (as such term is defined in the Circular);
5. To consider and, if deemed advisable, to pass, with or without amendment, an ordinary resolution of disinterested shareholders to ratify, confirm and approve the Company's incentive stock option plan, as described in the accompanying Circular; and
6. To transact any other business that may properly come before the Meeting and any adjournment(s) or postponement(s) thereof.

Accompanying this notice of Meeting ("**Notice**") is the Circular which provides additional information relating to the matters to be addressed at the Meeting, including the Transactions and is deemed to form part of this Notice.

**Registered Shareholders:** Every registered shareholder of common shares at the close of business on the record date is entitled to receive notice of and to attend and vote such common shares at the Meeting. Registered shareholders who are unable to attend the Meeting in person and who wish to ensure that their common shares will be voted at the Meeting are requested to complete, sign and deliver the enclosed form of proxy c/o Proxy Dept., National Issuer Services Ltd., Suite 760, 777 Hornby Street, Vancouver, British Columbia, V6Z 1S4. In order to be valid and acted upon at the Meeting, forms of proxy must be returned to the aforesaid address not later than Friday, March 29, 2019 at 2:00 p.m. (Halifax Time), or in the case of any adjournment(s) or postponement(s) of the Meeting, not less than 48 hours, Saturdays, Sundays and holidays excepted, prior to the time of the adjournment or postponement. Further instructions with respect to the voting by proxy are provided in the form of proxy and in the Information Circular accompanying this Notice. Please advise the Company of any change in your mailing address.

**Non-Registered Shareholders:** Shareholders may beneficially own common shares that are registered in the name of a broker, another intermediary or an agent of that broker or intermediary ("**Non-Registered Shareholders**"). **If you are a Non-Registered Shareholder, it is vital that the voting instruction form provided to you by your broker, intermediary or its agent is returned according to their instructions, sufficiently in advance of the deadline specified by the broker, intermediary or agent, to ensure that they are able to carry out your voting instructions on your behalf.**

The board of directors of the Company has fixed the close of business on March 1, 2019 as the record date for the determination of the shareholders entitled to receive notice of, and to vote at, the Meeting.

Dated at Halifax, Nova Scotia this 1<sup>st</sup> day of March, 2019.

**EXEBLOCK TECHNOLOGY CORPORATION**

"Jamie Davison"  
Jamie Davison  
President and CEO

# EXEBLOCK TECHNOLOGY CORPORATION

## MANAGEMENT INFORMATION CIRCULAR

(Containing information as at March 1, 2019 unless indicated otherwise)

This Management Information Circular (the "**Circular**") furnished in connection with the solicitation of proxies by the management of eXeBlock Technology Corporation (the "**Company**") for use at the annual and special meeting (the "**Meeting**") of its Shareholders to be held on April 2, 2019 at the time and place and for the purposes set forth in the accompanying notice of the Meeting.

In this Circular, references to "**the Company**", "**we**" and "**our**" refer to eXeBlock Technology Corporation and "**common shares**" means common shares without par value in the capital of the Company. "**Beneficial Shareholders**" means shareholders who do not hold common shares in their own name and "**intermediaries**" refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders.

All amounts in this Circular are in Canadian dollars, unless otherwise indicated.

No person has been authorized to give any information or to make any representation in connection with the matters being considered herein other than those contained in this Circular and, if given or made, such information or representation should be considered as not having been authorized and should not be relied upon.

### CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS AND RISKS

This Circular contained forward-looking information based on the best estimates of the Company of the current operating environment. These forward-looking statements are related to, but not limited to, the completion and potential benefits of the Transactions, the Company's operations, anticipated financial performance, business prospects and strategies and the Company seeking and subsequently obtaining the necessary Regulatory Approvals to allow for the purchase of the Maximum Purchased Shares. Forward-looking information typically contains statements with words such as "anticipate", "believe", "expect", "plan", "estimate", "intend", "will", "may", "should" or similar words suggesting future outcomes. There is significant risk that the Company's predictions and other forward-looking statements will not prove to be accurate. Such forward-looking statements are subject to risks, uncertainties and other factors which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Such factors include, but are not limited to, economic, competitive and industry conditions. A detailed description of these factors can be found in the Company's management discussion and analysis dated as of January 28, 2019 filed under the Company's profile on SEDAR ([www.sedar.com](http://www.sedar.com)) and on the CSE's website. Reader's are cautioned not to place undue reliance on forward-looking information because it is possible that predictions, forecasts, projections and other forms of forward-looking information will not be achieved by the Company. By its nature the Company's forward-looking information involves numerous assumptions, inherent risks and uncertainties.

In addition to other factors and matters contained or incorporated in this Circular, the Company believes the following factors could cause actual results to differ materially from those discussed in the forward-looking statements: failure to satisfy the conditions to complete the Transactions, including the receipt of shareholder or Regulatory Approvals; the occurrence of any event, change or other circumstances that could give rise to the termination of the Purchase Agreement; and the failure of the Transactions to close for any other reason. The Company disclaims any intention or obligation to update or revise any such forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable Law.

## GLOSSARY OF TERMS

In this Circular and accompanying Notice of Meeting (as defined herein), unless there is something in the subject matter inconsistent therewith, the following terms will have the respective meanings set out below, words importing the singular number will include the plural and vice versa and words importing any gender will include all genders.

"**10353027**" means 10353027 Canada Corporation;

"**Additional Purchased Shares**" means up to all of the Maximum Purchased Shares not included in the Initial Purchased Shares;

"**Asset Purchase Price**" means \$250,000 exclusive of all applicable sales taxes;

"**Baha'i**" means Jonathan Baha'i, an individual resident in Debert, Nova Scotia;

"**Board**" means the board of directors of the Company, as the same is constituted from time to time;

"**Blockchain Developer Agreement**" means the blockchain developer agreement between the Company and PixelPlex Inc.;

"**Bunker Lease**" means the commercial lease agreement by and between the Company (as tenant) and Fallout (as landlord) for the 64,000 square foot underground bunker located in Debert, Nova Scotia;

"**Business Day**" means any day, other than a Saturday, Sunday or statutory or civic holiday in Halifax, Nova Scotia;

"**Data Security**" means Data Security Node Inc.;

"**Escrow Agent**" means National Issuer Services Ltd. or any successor thereto;

"**Escrow Agreement**" means the escrow agreement made as of October 4, 2017 between the Company, the Escrow Agent and certain security holders of the Company, including 10353027;

"**Escrowed Shares**" means the 6,000,000 common shares of 10353027 currently registered in the name of 10353027 and subject to the terms and conditions of the Escrow Agreement;

"**Fallout**" means Fallout Complex Inc.;

"**Governmental Authority**" means any (a) multinational, federal, provincial, territorial, state, municipal, local or other governmental or public department, central bank, court, commission, board, arbitrator, adjudicator, tribunal, bureau or agency, domestic or foreign having or purporting to have jurisdiction in the relevant circumstance, (b) any subdivision or authority of any of the above, or (c) any quasi-governmental or private body exercising any regulatory, expropriation or tax authority under or for the account of any of the above;

"**Initial Purchased Shares**" means the largest number of Maximum Purchased Shares permitted by applicable Laws and Regulatory Approvals to be purchased by the Company at Closing;

"**Law**" or "**Laws**" means any and all (a) laws, constitutions, treaties, statutes, codes, ordinances, orders, decrees, rules, regulations and municipal by-laws, (b) judicial, arbitral, administrative, ministerial, departmental or regulatory judgments, orders, decisions, rulings or awards of any Governmental Authority, and (c) policies, guidelines and protocols having the force of law;

"**Maximum Purchased Shares**" means the aggregate of the Escrowed Shares and the Non-Escrowed Shares;

"**MI 61-101**" means Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*;

"**NI 62-104**" means National Instrument 62-104 – *Take-Over and Issuer Bids*;

"**Non-Escrowed Shares**" means the 3,965,000 common shares of 10353027 currently registered in the name of 10343027 and not subject to the terms and conditions of the Escrow Agreement;

"**Notice of Meeting**" means the notice of meeting to Shareholders which accompanies this Circular;

"**Outside Date**" means May 1, 2019, or such later date as may be agreed to in writing by the Parties;

"**PBSA**" means the Peerplays Blockchain Standards Association;

"**Parties**" means, collectively, the Company, PBSA, Fallout, Data Security, 10353027 and Jonathan Baha'i and any other Person who may become a party to the Purchase Agreement;

"**Person**" means a natural person, partnership, limited partnership, limited liability partnership, syndicate, sole proprietorship, corporation or company (with or without share capital), limited liability company, stock company, trust, unincorporated association, joint venture or other entity or Governmental Authority

"**Purchase Agreement**" means the purchase agreement dated February 14, 2019 between the Company, PBSA, Fallout, Data Security, 10353027 and Baha'i, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms;

"**Purchased Assets**" means (a) the Software, (b) the rights of the Company, if any, to use the marks "50/50 Labs", "Side Chain" and "eXeChain" in association with the Software; (c) all of the IP Rights (as defined in the Purchase Agreement), if any, owned by the Company in connection with assets referenced in (a) and (b); and (d) the rights of the Company under the Blockchain Developer Agreement;

"**Recommendation Change**" means the withdrawal, modification, change or qualification (or publicly propose to withdraw, modify or qualify), in a manner adverse to PBSA or 10353027, the approval or recommendation of the Transactions by the Company;

"**Record Date**" means March 1, 2019;

"**Regulatory Approvals**" means those sanctions, rulings, consents, orders, exemptions, permits and other approvals (including the lapse, without objection, of a prescribed time under a statute, rule or regulation that states that a transaction may be implemented if a prescribed time lapses following the giving of notice without an objection being made) of Governmental Authorities, regulatory agencies, securities commissions, stock exchanges or self-regulatory organizations.

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval as outlined in National Instrument 13-101 – *System for Electronic Document Analysis and Retrieval (SEDAR)*, which can be accessed online at [www.sedar.com](http://www.sedar.com);

"**Shareholder**" means the holders of common shares;

"**Share Consideration**" means the lesser of an amount equal to the "market price" of the Seller's common shares as determined in accordance with Section 1.11 of NI 62-104 at the time of closing multiplied by the Initial Purchased Shares or Additional Purchased Shares, as applicable, and (b) \$1.00 in aggregate

"**Share Purchase Expiry Date**" means November 30, 2020;

"**Software**" means, collectively, the following software programs and any in-progress development versions thereof: (a) 50/50 Labs, a decentralized blockchain application intended to enable eligible organizations to set up and execute fundraiser campaigns; (b) Sidechain, a decentralized blockchain application intended to enable transfers of value between the Bitcoin blockchain and the PeerPlays blockchain; and (c) eXeChain, a blockchain platform intended to support and run Solidity (Ethereum) Smart contracts and WASM (EOS) smart contracts;

"**Software Development Agreement**" means the software development agreement dated December 18, 2017 between the Company and PBSA;

"**Transaction Shareholder Approval**" means approval of a majority of the votes cast on the Transaction Resolution by the Shareholders, present in person or represented by proxy at the Meeting;

"**Transaction Resolution**" means the resolution of the Shareholders approving the Transactions to be considered at the Meeting, substantially on the terms and in the form and content of Schedule "A" hereto;

"**Transactions**" mean, collectively, the transactions contemplated by the Purchase Agreement.

## **GENERAL PROXY INFORMATION**

### **Solicitation of Proxies**

This Circular is furnished in connection with the solicitation of proxies by management of the Company for use at the Meeting, to be held on April 2, 2019, at the time and place and for the purposes set forth in the accompanying Notice of Meeting. 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 at nominal cost. The Company will bear all costs of this solicitation.

### **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.** If your common shares are held in physical form (i.e. paper form) and are registered in your name, then you are a registered shareholder ("**Registered Shareholder**"). However, if, like most shareholders, you keep your common shares in a brokerage account, then you are a Beneficial Shareholder. The manner for voting is different for Registered Shareholders and Beneficial Shareholders. The instructions below should be read carefully by all shareholders.

### **Voting by Proxyholder**

The persons named in the Proxy will vote or, in the case of the election of directors and the re-appointment of auditors, 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.

**IN THE ABSENCE OF ANY DIRECTION, IT IS INTENDED THAT THE COMMON SHARES REPRESENTED BY THE PROXIES RECEIVED BY MANAGEMENT WILL ON ANY VOTE BE:**

- a. VOTED "FOR" THE ELECTION OF THE DIRECTORS REFERRED TO IN THIS CIRCULAR;**
- b. VOTED "FOR" THE RE-APPOINTMENT OF AUDITORS REFERRED TO IN THIS CIRCULAR AND THE AUTHORIZATION OF THE DIRECTORS TO FIX THE REMUNERATION OF THE AUDITORS;**
- c. VOTED "FOR" THE TRANSACTION RESOLUTION; AND**
- d. VOTED "FOR" THE RATIFICATION, CONFIRMATION AND APPROVAL OF THE STOCK OPTION PLAN.**

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to matters not specifically mentioned in the Notice of Meeting, but which may properly come before the Meeting and with respect to amendments to or variations of matters identified in the Notice of Meeting.

At the time of printing this Circular, management of the Company is not aware of any other matter to be presented for action at the Meeting. If, however, other matters do properly come before the Meeting, the persons named on the enclosed forms of proxy will vote on them in accordance with their best judgment, pursuant to the discretionary authority conferred by the form of proxy with respect to such matters.

### **Registered Shareholders**

If you were a Registered Shareholder as of the close of business on the Record Date, you are entitled to attend the Meeting and cast one vote for each common share registered in your name on all resolutions but before the Meeting. If common shares are registered in the name of a corporation, a duly authorized officer of the corporation may attend on its behalf, but documentation indicating such officer's authority should be presented at the Meeting. Registered Shareholders may wish to vote by Proxy whether or not they are able to attend the Meeting in person. Registered Shareholders electing to submit a Proxy may do so by completing, dating and signing the enclosed form of Proxy and returning it to the Company's transfer agent, National Issuer Services Ltd. ("**National Issuer Services**"), by:

- (a) mail or by hand to Suite 760, 777 Hornby Street, Vancouver, British Columbia, V6Z 1S4;
- (b) facsimile to 604.559.8908; or
- (c) email to [proxy@transferagent.ca](mailto:proxy@transferagent.ca)

In all cases, the Proxy must be received by National Issuer Services or the Secretary of the Company not later than Friday, March 29, 2019 at 2:00 p.m. (Halifax Time), or in the case of any adjournment(s) or postponement(s) of the Meeting, not less than 48 hours, Saturdays, Sundays and holidays excepted, prior to the time of the adjournment or postponement.

It is important that your common shares be represented at the Meeting regardless of the number of common shares you hold. If you will not be attending the Meeting in person we invite you to complete, date, sign and return your form of proxy as soon as possible so that your common shares will be represented.

### **Beneficial Shareholders**

The following information is of significant importance to shareholders who do not hold common shares in their own name. Beneficial Shareholders should note 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).

These securityholder materials are being sent to both registered and non-registered owners of the securities of the Company. If you are a non-registered owner, and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf. By choosing to send these materials to you directly, the Company (and not the intermediary holding on your behalf) has assumed responsibility for (a) delivering these materials to you, and (b) executing your proper voting instructions. Please return your voting instructions as specified in your request for voting instructions.

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 the United States, the cast majority of such common shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks), and in Canada, 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).

There are two kinds of beneficial owners - those who object to their name being made known to the issuers of securities which they own (called "OBOs" for "Objecting Beneficial Owners") and those who do not object to the issuers of the securities they own knowing who they are (called "NOBOs" for "Non-Objecting Beneficial Owners").

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

Every intermediary that mails proxy-related materials to Beneficial Shareholders has its own mailing procedures and provides its own return instructions to clients. Beneficial Shareholders should follow the instructions of their intermediary carefully to ensure that their common shares are voted at the Meeting.

Most brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**") in the United States and in Canada. Broadridge mails a VIF which will be similar to the Proxy provided to Registered Shareholders by the Company. However, its purpose is limited to instructing the intermediary on how to vote on your behalf. The VIF will appoint the same persons as the Company's Proxy to represent you at the Meeting. You have the right to appoint a person (who need not be a shareholder of the Company), other than the persons designated in the VIF, to represent you at the Meeting. To exercise this right, you should insert the name of the desired representative 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 the voting of Common Shares to be represented at the Meeting. If you receive a VIF, you cannot use it to vote Common Shares directly at the Meeting – the VIF must be completed and returned to Broadridge, in accordance with its instructions, well in advance of the Meeting in order to have the common shares voted.

Although as a Beneficial Shareholder you may not be recognized directly at the Meeting for the purposes of voting common shares registered in the name of your broker, you, or a person designated by you, may attend at the Meeting as proxyholder for your broker and vote your common shares in that capacity. **If you wish to attend at the Meeting and indirectly vote your common shares as proxyholder for your broker, or have a person designated by you do so, you should enter your own name, or the name of the person you wish to designate, in the blank space on the voting instruction form provided to you and return the same to your broker in accordance with the instructions provided by such broker, well in advance of the Meeting.**

Alternatively, you can request in writing that your broker send you a legal Proxy which would enable you, or a person designated by you, to attend at the Meeting and vote your common shares.

### **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 National Issuer Services at Suite 760, 777 Hornby Street, Vancouver, British Columbia, V6Z 1S4, or to the address of the registered and records office of the Company at Suite 280 – 1090 West Georgia Street, Vancouver,

British Columbia V6E 3V7, at any time up to and including the last Business Day that precedes the day of the Meeting or, if the Meeting is postponed or 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**

No director or executive officer of the Company, or any person who has held such a position since the beginning of the last completed financial year end of the Company, nor any nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than (a) the election of directors and as may be set out herein, and (b) as directors and officers they are eligible to receive grants of options under the Stock Option Plan.

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

The Board has fixed 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.

As at the Record Date, there were 61,441,531 common shares issued and outstanding, each carrying the right to one vote.

On a show of hands, every individual who is present and is entitled to vote as a Shareholder or as a representative of one or more corporate Shareholders will have one vote, and on a poll every Shareholder present in person or represented by a Proxy and every person who is a representative of one or more corporate Shareholders, will have one vote for each Common Share registered in that Shareholder's name on the list of Shareholders as at the Record Date, which is available for inspection during normal business hours at National Issuer Services and will be available at the Meeting.

To the best knowledge of the Company's directors or executive officers, only the following persons or companies beneficially own, directly or indirectly, or exercise control or direction over, common shares carrying more than 10% of the voting rights attached to all outstanding common shares of the Company:

<b>Name of Shareholder</b>	<b>Number of Shares beneficially owned, or controlled or directed, directly or indirectly</b>	<b>Percentage of Issued and Outstanding Shares<sup>(1)</sup></b>
Jonathan Baha'i	9,965,000	16.22%

(1) Based on 61,441,531 common shares issued and outstanding as at the Record Date.

In accordance with the terms of an undertaking dated November 9, 2017 to the British Columbia Securities Commission, Baha'i will not vote his common shares at the Meeting.

### **BUSINESS TO BE TRANSACTED AT THE MEETING**

#### **Presentation of Financial Statements**

The financial statements of the Company, the auditor's report thereon and management's discussion and analysis for the fiscal year ended August 31, 2018, are filed on SEDAR under the Company's profile and



will be presented to the Shareholders at the Meeting. Shareholder approval is not required in relation to the financial statements.

### **Election of Directors**

The term of office of each of the current directors expires at the conclusion of the Meeting. Unless the director's office is earlier vacated in accordance with the provisions of the *Business Corporations Act* (British Columbia) (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 Board must consist of the greater of three (3) or the number of directors set by ordinary resolution. The size of the Board was set at three (3) by an ordinary resolution of the Shareholders approved on July 6, 2018 and the number of directors proposed to be elected at the Meeting is three.

The following table sets out the names of management's nominees for election as a director (a "**proposed director**"), the province and country in which he is ordinarily resident, all major offices and positions with the Company and any of its significant affiliates each now holds, each nominee's principal occupation, business or employment for the five preceding years for new director nominees, the period of time during which each 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, as at the Record Date. **The persons names in the enclosed form of proxy intend to vote FOR the election of the director nominees set forth below.** All of the nominees are current members of the Board. Management does not contemplate that any of the nominees will be unable to serve as a director but, if that should occur for any reason prior to the Meeting, the persons named in the enclosed form of proxy reserve the right to vote for another nominee in their discretion.

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

<b>Name of Nominee, Province and Country of Ordinary Residence and Positions Held with the Company</b>	<b>Occupation, Business or Employment</b>	<b>Director Since</b>	<b>Common Shares Beneficially Owned or Controlled</b>
<b>Ian Klassen</b> <sup>(1)</sup> Vancouver, British Columbia, Canada, Director	See bio description below	September 13, 2017	Nil
<b>Paul Thomson</b> <sup>(1)</sup> Bedford, Nova Scotia, Canada, Director	See bio description below	September 13, 2017	500,002 <sup>(2)</sup>
<b>Carl Sheppard</b> <sup>(1)</sup> St. John's, Newfoundland, Canada, Director	See bio description below	November 3, 2017	1,800,000 <sup>(3)</sup>

(1) Denotes member of Audit Committee.

(2) Of these common shares, 300,002 are subject to escrow.

(3) Of these common shares, 500,000 are held through Strategic Concepts, Inc., a company 50% owned by Mr. Sheppard. Of the 1,800,000 total common shares held, 1,080,000 are subject to escrow.

None of the proposed directors of the Company is to be elected under any arrangement or understanding between the proposed director and any other person or company, except the directors and officers of the Company acting solely in such capacity.

**Ian Klassen – Director**

Mr. Klassen has 25 years of experience in public company management, public relations, government affairs and entrepreneurialism. He has extensive experience in public company administration, finance, government/legislative policy, media relationship strategies and project management.

Mr. Klassen is the President of a North American mineral exploration company and sits on the board of directors of several private and public companies. Previous to his management activities within private and public companies, Mr. Klassen held a variety of positions within federal Canadian politics including; Senior Political Advisor to the Minister of State (Transportation); and Chief of Staff, Office of the Speaker of the Canadian House of Commons.

Mr. Klassen graduated with an undergraduate Honours Degree from the University of Western Ontario in 1989. In 1992, Mr. Klassen received the Commemorative Medal for the 125th Anniversary of the Confederation of Canada in recognition of his significant contribution to his community and country.

**Paul Thomson – Director**

Mr. Thomson is the Chief Compliance Officer and Dealing Representative at Numus Capital Corp., an Exempt Market Dealer focused on investments in the private capital markets. He also serves as Corporate Secretary of the resource company Antler Gold Inc., which is listed on the TSX Venture Exchange. Mr. Thomson has also served as the Manager of Investor Relations at Numus Financial Inc., a venture capital firm focused on early-stage, high-growth companies since the firm's inception in 2014.

Mr. Thomson serves on the Board of Governors of the University of King's College, where he is on the Executive Committee, Finance, Audit and Risk Committee and Advancement Committee. He also serves on the University of King's College Alumni Association Board and sits on the Finance Committee.

**Carl Sheppard – Director**

Mr. Sheppard is the founder and President of Strategic Concepts, Inc. and its subsidiary SCI Resource Software Inc., which provides a range of business advisory, consulting and software services to companies throughout Canada. The company has developed proprietary resource management software and other analytical tools to model economic impacts, labour capacity, project commitments, skills availability, employment and industrial benefits. Strategic Concepts, Inc. has been monitoring procurement activities and industrial benefits on various large resource projects throughout Canada since 2002. The company's monitoring activities have included both construction and operations. The company's software is web-based, easily accessible to project owners, operators, contractors and consultants from anywhere with an internet connection. The software is currently being used by some of the largest oil, utility and mining companies operating in Canada.

As a consultant, Mr. Sheppard has participated in numerous start-ups and has provided guidance on strategic plans, cost/benefit reports and business plans targeted at the identification and analysis of business opportunities.

Mr. Sheppard has served as an officer, director, and committee chair for a number of private and public companies including, Stockport Exploration Inc., Duckworth Capital Corp. and NWest Energy Inc.

Mr. Sheppard has a Masters of Development Economics from Dalhousie University, where his area of concentration was regional development from a Canadian perspective. He also has a Bachelor of Arts

Honours degree from York University's Glendon College and a Bachelor of Arts degree from Memorial University.

### *Cease Trade Orders*

To the best of the Company's knowledge, no proposed directors of the Company is, or within the 10 years before the date of this Circular has been, a director, CEO or CFO of any company (including the Company) that:

- (a) was subject to a cease trade order or an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities laws that was in effect for a period of more than 30 consecutive days (in each case, an "**Order**"), which was issued while the proposed director was acting in the capacity as director, CEO or CFO; or
- (b) was subject to an Order that was issued after the proposed director ceased to be a director, CEO or CFO and which resulted from an event that occurred while that person was acting in the capacity as director, CEO or CFO.

### *Bankruptcies*

To the best of the Company's knowledge, no proposed director of the Company:

- (a) is, as at the date of this Circular, or has been, within the 10 years before the date of this Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency 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
- (b) has, within the 10 years before the date of this 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.

### *Penalties or Sanctions*

To the best of the Company's knowledge, no proposed director of the Company has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with 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 shareholder in deciding whether to vote for a proposed director.

### **Re-Appointment of Auditors**

Management proposes that Deloitte LLP, Chartered Accountants, be reappointed as auditors of the Company and that the directors be authorized to fix the remuneration of the auditors. Deloitte LLP was first appointed as the Company's auditor on September 6, 2017.

**The persons named in the enclosed form of proxy intent to vote FOR the resolution to reappoint Deloitte LLP as auditors of the Company until the next annual meeting of shareholders and authorize the directors to fix the remuneration of the auditors.**

## **The Purchase Agreement**

At the Meeting, Shareholders will be asked to consider and, if thought advisable, to pass, the Transaction Resolution to approve and authorize the Transactions pursuant to the terms of the Purchase Agreement. The Purchase Agreement and the Transactions are summarized below. This summary does not purport to be complete and is qualified in its entirety by reference to the Purchase Agreement which has been filed by the Company under its profile on SEDAR at [www.sedar.com](http://www.sedar.com).

In order to implement the Transactions, the Transaction Resolution must be approved by a majority of votes cast by the Shareholders present in person or by proxy at the Meeting. A copy of the Transaction Resolution is set out in Schedule "A" to this Circular.

**Unless otherwise directed, it is management's intention to vote FOR the Transaction Resolution.** If you do not specify how you want your common shares voted, the persons named as proxyholders will cast the votes represented by your proxy at the Meeting **FOR** the Transaction Resolution.

### ***General***

Pursuant to the terms of the Purchase Agreement the Parties agreed to, among other things, the following transactions:

1. the sale of the Purchased Assets from the Company to PBSA for the payment to the Company of the Asset Purchase Price in cash plus applicable taxes;
2. the assumption by PBSA of (a) amounts owing by the Company to a third party developer in the development of the Software totaling approximately \$463,419 USD, and (b) the Blockchain Developer Agreement;
3. the purchase by the Company of up to the Maximum Purchased Shares held by 10353027, an entity wholly-owned by Baha'i (which represents approximately 16.2% of the Company's common shares outstanding as of the date of this Circular) for cancellation by the Company (the "**Share Reduction**") for the Share Consideration;
4. the termination of the Software Development Agreement and release by the Company in any interest in any consideration, including any PPY tokens, if any, which were to be transferred as payment for software development the Software Development Agreement;
5. the forgiveness of amounts owing by the Company to each of Data Security, Fallout, and Baha'i for certain equipment, furniture, fixtures and Company expenses totaling approximately \$74,912.35; and
6. the termination of the Bunker Lease.

The Transactions may constitute a "related party transaction" for the purposes of MI 61-101 as each of PBSA, 10353027, Fallout, and Data Security currently appear to be controlled by Baha'i. See "*The Purchase Agreement – MI 61-101*".

### ***The Share Reduction***

At the closing of the Transactions, 10353027 has agreed to sell and the Company has agreed to purchase the largest number of Maximum Purchased Shares permitted by applicable Laws and Regulatory Approvals (provided that the Company shall not be required to make a formal issuer bid under applicable securities law rules) for the Share Consideration. Prior to the closing of the Transactions the Company

intends to seek the necessary Regulatory Approvals to allow for the purchase of the Maximum Purchased Shares. If the Company does not obtain such Regulatory Approvals prior to the closing of the Transactions the Company will purchase the Initial Purchased Shares at the closing and intends to continue to seek all required Regulatory Approvals necessary to acquire the Additional Purchased Shares prior to the Share Purchase Expiry Date. 10353027 has agreed to sell and the Company has agreed to purchase upon receipt of all required Regulatory Approvals prior to the Share Purchase Expiry Date the largest number of Additional Purchased Shares permitted by applicable Laws for the Share Consideration.

In the previous six-month period prior to the date of this Circular the price range of common shares was as follows \$0.03 and \$0.085, respectively. At the close of business on date immediately prior to the Company announcing the Purchase Agreement the market price for common shares was \$0.04 per common share. In the twelve months preceding the date of this Circular the Company had not purchased or sold any securities of the Company, excluding securities purchased or sold pursuant to the exercise of employee stock options, warrants and conversion rights, if any.

### ***The Bunker Lease***

The Bunker Lease has a termination date of December 31, 2022 with a base rent of \$2000 per month. Upon closing of the Transactions the Bunker Lease will be terminated effective as of October 31, 2018 and any amounts owing to Fallout under the Bunker Lease will be released.

### ***Background to the Purchase Agreement***

The terms of the Purchase Agreement are the result of arm's length negotiations between the Parties and their respective advisors.

The Board undertook a strategic review of the Company's present business, assets and prospects along with the options available to it outside of its present focus. After an extensive review of the Software along with a considerable effort to sell or partner with others, it was decided that the direction of the Company would be better served if the Software was sold and the capital remaining was protected and other opportunities explored. The decentralized blockchain business, while perhaps a viable opportunity for certain groups, seems less attractive for the Company especially given the time and costs to produce the assets and the long-term return on investment. The open nature of decentralized blockchain and its reliance on large scale adoption of the tokenomics structure would likely work better for a consortium group that may also bring traction to bear. The Company is currently looking at other opportunities within the private blockchain space.

On February 13, 2019 the Board held a meeting to discuss the final terms and conditions of the Purchase Agreement. In determining whether to recommend the Transactions to the Shareholders the Board considered, among other things, the factors set forth herein and the reasons for the Transactions as set forth under "*The Purchase Agreement – Reasons for the Purchase Agreement*". Following the discussion the Board resolved unanimously to approve the Purchase Agreement and authorized management of the Company to finalize, execute and deliver the Purchase Agreement.

Following the meeting, the Parties and their respective legal counsel worked towards finalizing the terms of the Purchase Agreement. On February 14, 2019, the Parties entered into the Purchase Agreement and the Company issued a press release announcing that a definitive Purchase Agreement had been signed on February 15, 2019.

### ***Recommendation of the Board***

**The Board, having taken into account such matters as it considered relevant, including the factors set out below under the heading "*The Purchase Agreement – Reasons for the Purchase Agreement*",**

**and after consultation with its legal advisors, has unanimously determined that the Transactions are in the best interests of the Company. Accordingly, the Board unanimously recommends that Shareholders vote FOR the Transaction Resolution. All of the directors and executive officers of the Company intend to vote their common shares FOR the Transaction Resolution.**

***Reasons for the Purchase Agreement***

The Board reviewed and considered a significant amount of information and considered a number of factors relating to the Transactions with the benefit of advice from the Company's senior management and the Company's legal advisors. The following is a summary of the principal reasons for the unanimous conclusion of the Board that the Transactions are in the best interests of the Company, the unanimous determination of the Board to approve the Transactions and authorize its submission to the Shareholders, and the unanimous recommendation of the Board that Shareholders vote FOR the Transaction Resolution:

(a) *Economics of Decentralized Blockchains:* Given (i) the time and costs to produce decentralized blockchains, including the Software, (ii) the uncertain long-term investment and returns associations with decentralized blockchains, and (iii) the open nature of decentralized blockchains and their reliance on large scale adoption of the tokenomics structures, the Board believes that focusing the Company's attention on the private blockchain space going forward is a better use of the Company's remaining capital.

(b) *Approval Threshold.* The Board considered the fact that the Transaction Resolution must be approved by a majority of the votes cast by Shareholders in person or by proxy at the Meeting to be protective of the rights of Shareholders.

(c) *Likelihood of the Transactions Being Completed.* The likelihood of the Transactions being completed is considered by the Board to be high, in light of the absence of significant closing conditions outside of the control of the Company and that the Asset Purchase Price and applicable sales taxes are currently being held in escrow. Other than Shareholder approval there are no additional material third party conditions to closing.

(d) *Recommendation Change.* Nothing in the Purchase Agreement prohibit the Board from making a Recommendation Change or from making any disclosure to any Shareholders prior to the date of the Meeting, if, in the good faith judgment of the Board, after consultation with outside legal counsel, failure to take such action or make such disclosure would be inconsistent with the Board's exercise of its fiduciary duties or such action or disclosure is otherwise required under applicable Law.

(e) *Reasonable Terms of the Purchase Agreement.* The terms and conditions of the Purchase Agreement, including the Party's representations, warranties and covenants, and the conditions to their respective obligations are, in the judgment of the Board, reasonable.

(f) *No Brokerage Fees.* There are no brokerage fees payable by the Company upon closing of the Transactions.

See "*Cautionary Note Regarding Forward-Looking Statements and Risks*".

***Approval of the Transaction Resolution***

At the Meeting, the Shareholders will be asked to approve the Transaction Resolution, the full text of which is set out in Schedule "A" to this Circular. In order for the Transactions to become effective the Transaction Resolution must be approved by a majority of the votes cast on the Transaction Resolution by Shareholders present in person or represented by proxy at the Meeting. Should Shareholders fail to approve the Transaction Resolution by the requisite majority, the Transactions will not be completed.

**The Board has approved the terms of the Purchase Agreement and recommends that the Shareholders FOR the Transaction Resolution. All of the directors and executive officers of the**

**Company intend to vote their common shares FOR the Transaction Resolution. See "*The Purchase Agreement – Recommendation of the Board*".**

### ***Completion of the Transactions***

Subject to the provisions of the Purchase Agreement, completion of the Transactions is expected to occur before the end of April, 2019; however, it is possible that completion may be delayed beyond this date if the conditions to completion of the Transactions cannot be met on a timely basis, but in no event will completion of the Transactions (other than the purchase of up to all of the Maximum Purchased Shares) occur later than the Outside Date unless extended by mutual agreement between the Parties in accordance with the terms of the Purchase Agreement.

At the closing the Company will acquire the Initial Purchased Shares. If the Initial Purchased Shares is less than the Maximum Purchased Shares then the Company may continue to seek all required Regulatory Approvals necessary to acquire the Additional Purchased Shares until the Share Purchase Expiry Date.

### ***MI 61-101***

The Company is a reporting issuer under securities legislation in the provinces of British Columbia, Alberta and Ontario and is, among other things, subject to MI 61-101. MI 61-101 is intended to regulate insider bids, issuer bids, business combinations and related party transactions to ensure that all securityholders are treated in a manner that is fair and perceived to be fair by requiring, among other things, enhanced disclosure, review and approval processes.

In light of Baha'i's shareholdings in the Company he may be considered a "related party" of the Company. In addition, the fact that Baha'i appears to currently control each of PSBA, 10343027, Data Security and Fallout, may mean that the Transactions are "related party transactions" under MI 61-101. Under MI 61-101, related party transactions are, with certain limited exceptions, subject to formal valuation and "minority approval" requirements unless exemptions from those requirements are available.

Pursuant to MI 61-101, in determining whether minority approval for the Transactions has been obtained, the Company is required to exclude the votes attaching to the common shares beneficially owned or controlled "interested parties" and their "related parties" and "joint actors", all as defined in MI 61-101. Accordingly, the Transaction Resolution must be passed by a simple majority of the votes cast thereon by Shareholders. Common shares beneficially owned or over which control or direction is exercised by Baha'i and his respective related parties or joint actors will not be voted. Baha'i holds, directly or indirectly, or exercises control or direction over, 9,965,000 common shares, representing approximately 16.2% of the Company's common shares outstanding as of the date of this Circular.

The Transactions are exempt from the formal valuation requirements under MI 61-101 as the securities of the Company are not listed or quoted on any of the markets specified in Section 5.5(b) of MI 61-101.

### **Approval of Stock Option Plan**

The Board is seeking disinterested shareholder approval of the Stock Option Plan. Although shareholder approval of the Stock Option Plan is not required pursuant to the policies of the Canadian Securities Exchange (the "**Exchange**"), the Board wishes to obtain maximum flexibility with respect to the granting of stock options under the Stock Option Plan.

National Instrument 45-106 Prospectus Exemptions ("**NI 45-106**") provides exemptions from the requirement to prepare and file a prospectus in connection with a distribution of securities. As the Company is listed on the Exchange, the policies of the Exchange deem the Company to be an "unlisted reporting issuer" for purposes of NI 45-106 with respect to distributions of securities to employees, executive officers, directors and consultants of the Company. Unless the Company obtains disinterested shareholder approval of its stock option plan, the Company is restricted in its ability to distribute securities under its Stock Option Plan. Specifically, the restriction in NI 45-106 provides that the exemption noted in section 2.24 of NI 45-106 (distributions to employees, executive officers, directors

and consultants of the Company) does not apply to a distribution to an employee or consultant of the "unlisted reporting issuer" who is an investor relations person of the issuer, an associated consultant of the issuer, an executive officer of the issuer, a director of the issuer, or a permitted assign of those persons if, after the distribution,

- (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 issuer, or
  - ii. a related person, exceeds 5% of the outstanding securities of the issuer, 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 issuer, or
  - ii. a related person and the associates of the related person, exceeds 5% of the outstanding securities of the issuer.

The term "related person" is defined in NI 45-106 and generally refers to a director or executive officer of the issuer or of a related entity of the issuer, an associate of a director or executive officer of the issuer or of a related entity of the issuer, or a permitted assign of a director or executive officer of the issuer or of a related entity of the issuer. The term "permitted assign" includes a spouse of the person.

In accordance with the requirements of NI 45-106, the Board wishes to provide certain information with respect to the Stock Option Plan so that the disinterested Shareholders may form a reasoned judgment concerning the Stock Option Plan. For details regarding the Stock Option Plan, see "*Statement of Executive Compensation - Securities Authorized for Issuance under Equity Compensation Plans*" and "*Statement of Executive Compensation – Stock Option Plan*".

As of the date of Circular, to the Company's knowledge, a total of 2,650,002 common shares are held by officers and directors of the Company and will not be included for the purpose of determining whether disinterested Shareholder approval of the Stock Option Plan has been obtained.

Disinterested shareholders will be asked to consider and if thought fit, approve the following ordinary resolution approving, adopting and ratifying the Stock Option Plan, which must be approved by at least a simple majority of the votes cast by disinterested Shareholders represented in person or by proxy at the Meeting who vote in respect of the resolution:

**BE IT RESOLVED** as an ordinary resolution of the disinterested Shareholders of the Company that:

1. the Stock Option Plan, in the form attached as Schedule "B" to the Company's management information circular dated March 1, 2019, is hereby ratified, confirmed and approved;
2. 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 any regulatory authorities without requiring further approval of the Shareholders;
3. the Board be, and is hereby, authorized in its absolute discretion to grant stock options under the Stock Option Plan in reliance on the prospectus exemption provided in Section 2.24 [*Employee, executive officer, director and consultant*] of National Instrument 45-106 Prospectus Exemptions ("**NI 45-106**"), notwithstanding the limitations imposed by Section 2.25 [*Unlisted reporting issuer exception*] of NI 45-106;



4. any one of the directors or officers of the Company is hereby authorized to take all such actions and execute and deliver all such documents as are necessary or desirable for the implementation of this resolution.

The directors of the Company believe the Stock Option Plan, is in the Company's best interests and recommend that the Shareholders approve the Stock Option Plan. **The persons names in the enclosed form of proxy intend to vote FOR the ratification, confirmation and approval of the Stock Option Plan, unless a proxy contains instructions to vote against. Greater than 50% of the votes of disinterested Shareholders present in person or by proxy are required to approve the Stock Option Plan.** Whether or not the resolution is approved, all stock options currently outstanding under the Stock Option Plan will remain in effect in accordance with their terms. If the resolution is not approved, any currently unallocated options, rights or entitlements under the Stock Option Plan will no longer be available for grant, and previously granted options will not be available for reallocation if they are cancelled prior to exercise.

#### **AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR**

National Instrument 52-110 *Audit Committees* ("**NI 52-110**") requires the Company, as a venture issuer, to disclose annually in its Circular certain information concerning the constitution of its Audit Committee and its relationship with its independent auditor, as set forth in the following:

##### **The Audit Committee's Charter**

The Audit Committee has a charter. A copy of the Audit Committee Charter is attached hereto as Schedule "C".

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

The members of the Audit Committee are Ian Klassen (Chair), Paul Thomson and Carl Sheppard. Ian Klassen is an executive officer of the Company and is not considered to be independent. Paul Thomson and Carl Sheppard are not executive officers of the Company and, therefore, are independent members of the Audit Committee. All members are considered to be financially literate.

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 Board, reasonably interfere with the exercise of a member's independent judgment.

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

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

###### **Paul Thomson**

Mr. Thomson has experience reading and understanding financial statements both as a senior officer with publicly listed company Antler Gold Inc. and as a member of senior finance committees with a public University board and non-profit Association. Mr. Thomson currently serves on the Finance, Audit and Risk Committee of the University of King's College Board of Governors. The Finance, Audit and Risk Committee supports the University's Board of Governors in the fulfilment of its stewardship responsibilities in the following areas:

- financial and oversight reporting
- risk oversight and monitoring the integrity of internal controls and
- management information systems.

Mr. Thomson also serves on the Finance Committee of the University of King's College Alumni Association Board. The Finance Committee assists the Treasurer with budgeting and monitors the income statement and balance sheet for the Association. Mr. Thomson also serves as Corporate Secretary of publicly listed Antler Gold Inc..

### **Ian Klassen**

Mr. Klassen has served as the President and CEO of Grande Portage Resources Ltd. since 2007 to present. He also currently serves as the President and CEO of GMV Minerals Inc. and as a director of Sixty North Gold Mining Ltd. He was also previously a director of Canabo Medical Inc. from March 2014 to March 2018 and the President and Chief Operating Officer of Graphene 3D Lab Inc. from August 2015 to May 2016. Mr. Klassen has a B.A. (Honours) from the University of Western Ontario (1989), and has been actively involved in financing and management of both private and public companies since 1996.

### **Carl Sheppard**

Mr. Sheppard is President and Managing Partner of Strategic Concepts, Inc. and provides public company advisory consulting services to many of the Canada's leading resource companies and organizations. As a consultant, he has participated in numerous strategic plans, cost/benefit reports and business plans targeted at the identification and analysis of development opportunities. Mr. Sheppard is Chairman of Stockport Exploration Inc.'s board of directors and has been a member of its Audit Committee for the past five years. Mr. Sheppard has a Masters of Development Economics from Dalhousie University.

Each member of the Audit Committee has adequate education and experience that would provide 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 those principles in connection with estimates, accruals and reserves;
- 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.

### **Audit Committee Oversight**

At no time since the commencement of the Company's most recently completed financial year has the Audit Committee made any recommendations to the Board to nominate or compensate its auditor which were not adopted by the Board.

### **Reliance on Certain Exemptions**

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in: (a) Section 2.4 of NI 52-110 (*De Minimis Non-audit Services*); (b) subsection 6.1.1(4) (*Circumstances Affecting the Business or Operations of the Venture Issuer*); (c) subsection 6.1.1(5) (*Events Outside Control of Members*); (d) subsection 6.1.1(6) (*Death, Incapacity or*

*Resignation*); or (e) an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110. Part 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

### Pre-Approval Policies and Procedures

All services to be performed by the independent auditor of the Company must be approved in advance by the Audit Committee. The Audit Committee has considered whether the provisions of services other than audit services is compatible with maintaining the auditor's independence and has adopted a policy governing the provision of these services. This policy requires that pre-approval by the Audit Committee of all audit and non-audit services provide by any external auditor, other than any *de minimus* non-audit services allowed by applicable law or regulation.

### External Auditor Service Fees

The Audit Committee has reviewed the nature and amount of the non-audited services provided by Deloitte LLP, Chartered Professional Accountants, for the financial year ended August 31, 2018, to the Company to ensure auditor independence. The Audit Committee has reviewed the nature and amount of the non-audited services provided by Adam Sung Kim Ltd., Chartered Accountant, for the financial year ended July 31, 2017, to the Company to ensure auditor independence. The aggregate fees incurred with the Company's auditors for audit and non-audit services in the financial years ended July 31, 2017 and August 31, 2018 are outlined in the following table:

Nature of Services	Fees Billed by Auditor for the Financial Year Ended August 31, 2018 <sup>(1)</sup>	Fees Billed by Auditor for the Financial Year Ended July 31, 2017 <sup>(1)</sup>
Audit Fees <sup>(2)</sup>	\$20,000	\$2,000
Audit-Related Fees <sup>(3)</sup>	Nil	Nil
Tax Fees <sup>(4)</sup>	\$27,700	Nil
All Other Fees <sup>(5)</sup>	Nil	Nil
<b>TOTAL:</b>	<b>\$47,700</b>	<b>\$2,000</b>

- (1) On September 6, 2017, at the request of the Company, Adam Sung Kim Ltd., resigned as the Company's auditors and Deloitte LLP was appointed as the Company's auditors.
- (2) "Audit Fees" include fees necessary to perform the annual audit 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.
- (3) "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.
- (4) "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.
- (5) "All Other Fees" include all other non-audit services.

### Exemption

The Company is relying upon the exemption in section 6.1 of NI 52-110 in respect of the composition of its Audit Committee and in respect of its reporting obligations under NI 52-110 for the financial year ended August 31, 2018. This exemption exempts a "venture issuer" from the requirements of Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) of that instrument, as would otherwise be required by NI 52-110.

## CORPORATE GOVERNANCE

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the shareholders, 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 establishing a reasonable degree of independence of the Board from executive management and the adoption of policies to ensure the Board recognizes the principles of good management. The Board is committed to sound corporate governance practices, which are in the interest of its shareholders and contribute to effective and efficient decision making.

NI 58-201 *Corporate Governance Guidelines* establishes corporate governance guidelines which apply to all public companies. The Company has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Company's practices comply with the guidelines, however, the Board considers that some of the guidelines are not suitable for the Company at its current stage of development and therefore these guidelines have not been adopted. The Company will continue to review and implement corporate governance guidelines as the business of the Company progresses and becomes more active in operations. NI 58-101 *Disclosure of Corporate Governance Practices* mandates disclosure of corporate governance practices in Form 58-101F2, which disclosure is set out below.

### Board of Directors

The mandate of the Board is to supervise the management of the Company and to act in the best interests of the Company. The Board acts in accordance with:

- (a) the BCBCA;
- (b) the Company's articles of incorporation; and
- (c) other applicable laws and Company policies.

The Board approves all significant decisions that affect the Company before they are implemented. The Board supervises their implementation and reviews the results.

The Board is actively involved in the Company's strategic planning process. The Board discusses and reviews all materials relating to the strategic plan with management. The Board is responsible for reviewing and approving the strategic plan. At least one Board meeting each year is devoted to discussing and considering the strategic plan, which takes into account the risks and opportunities of the business. Management must seek the Board's approval for any transaction that would have a significant impact on the strategic plan.

The Board periodically reviews the Company's business and implementation of appropriate systems to manage any associated risks, communications with investors and the financial community and the integrity of the Company's internal control and management information systems. The Board also monitors the Company's compliance with its timely disclosure obligations and reviews material disclosure documents prior to distribution. The Board periodically discusses the systems of internal control with the Company's external auditor.

The Board is responsible for choosing the CEO, CFO and appointing senior management and for monitoring their performance and developing descriptions of the positions for the Board, including the limits on management's responsibilities and the corporate objectives to be met by the management.

The Board approves all the Company's major communications, including annual and quarterly reports, financing documents and press releases. The Board approves the Company's communication policy that covers the accurate and timely communication of all important information. It is reviewed annually. This policy includes procedures for communicating with analysts by conference calls.

The Board, through its Audit Committee, examines the effectiveness of the Company's internal control processes and management information systems. The Board consults with the internal auditor and management of the Company to ensure the integrity of these systems. The internal auditor submits a report to the Audit Committee each year on the quality of the Company's internal control processes and management information systems.

The Board is responsible for determining whether or not each director is an independent director. Directors who also act as officers of the Company are not considered independent. Directors who do not also act as officers of the Company, do not work in the day-to-day operations of the Company, are not party to any material contracts with the Company, or receive any fees from the Company except as disclosed in this Circular.

The Board consists of three directors, two of whom are independent based upon the tests for independence set forth in NI 52-110. Paul Thomson and Carl Sheppard are independent directors. Ian Klassen is not independent as he previously served as the Company's CEO and President. Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A "material relationship" is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director's independent judgment.

### **Directorships**

Mr. Klassen is currently also a director of GMV Minerals Inc. (TSXV:GMV), Grande Portage Resources Ltd. (TSXV:GPG) and Sixty North Gold Mining Ltd. (CSE:SXTY). Mr. Sheppard and Mr. Thomson do not hold any directorships with any other reporting issuers as at the date of this Circular.

### **Orientation and Continuing Education**

When new directors are appointed, they receive an orientation, commensurate with their previous experience, on the Company's properties, business, technology and industry and on the responsibilities of directors.

The Board briefs all new directors with respect to the Board's policies and other relevant corporate and business information. New Board members are also provided with access to all of the Company's publicly filed documents, the Company's records, and the Company's management and professional advisors, including the Company's auditor and legal counsel.

The Board also ensures that each director is up-to-date with current information regarding the Company's business, the role the director is expected to fulfill, and basic procedures and operations of the Board. Board members are encouraged to communicate with management and the Company's auditor.

### **Ethical Business Conduct**

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

Under the applicable corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Company and to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, and to disclose to the Board the nature and extent of any interest of the director in any material contract or material transaction, whether made or proposed, if the director is a party to the contract or transaction, is a director or officer (or an individual acting in a similar capacity) of a party to the contract or transaction or has a material interest in a party to

the contract or transaction. The director must then abstain from voting on the contract or transaction unless the contract or transaction (i) relates primarily to their remuneration as a director, officer, employee or agent of the Company or an affiliate of the Company, (ii) is for indemnity or insurance for the benefit of the director in connection with the Company, or (iii) is with an affiliate of the Company. If the director abstains from voting after disclosure of their interest, the directors approve the contract or transaction and the contract or transaction was reasonable and fair to the Company at the time it was entered into, the contract or transaction is not invalid and the director is not accountable to the Company for any profit realized from the contract or transaction. Otherwise, the director must have acted honestly and in good faith, the contract or transaction must have been reasonable and fair to the Company and the contract or transaction be approved by the shareholders by a special resolution after receiving full disclosure of its terms in order for the director to avoid such liability or the contract or transaction being invalid.

### **Nomination of Directors**

The Board is responsible for identifying individuals qualified to become new Board members and recommending to the Board new director nominees for the next annual meeting of shareholders.

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

The Board considers 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's duties effectively and to maintain a diversity of views and experience.

### **Compensation**

The Board conducts reviews with regard to directors' compensation twice a year. To make its recommendation on directors' compensation, the Board takes into account the types of compensation and the amounts paid to directors of comparable publicly traded Canadian companies and aligns the interests of directors with the return to shareholders. Compensation packages, including benefits, for executives and key managers will be developed based on performance and the Company's cash flow.

The Board decides the compensation of the Company's officers, based on industry standards and the Company's financial situation.

### **Other Board Committees**

#### ***Risk and Disclosure Committee***

The Board has approved and adopted a Risk and Disclosure Committee and Charter. The Committee shall consist of a minimum of three members with the majority being independent as appointed from time to time by the Board. The members of the Committee are Carl Sheppard, director of the Company, Paul Thomson, director of the Company; and Robert Randall, CFO and Secretary. Mr. Randall is an executive officer of the Company and is not considered to be independent. Paul Thomson and Carl Sheppard are not executive officers of the Company and, therefore, are independent members of the Risk and Disclosure Committee.

The purpose of the Risk and Disclosure Committee is to properly assess the risks and disclosures associated with the regulatory compliance related to all business initiatives such as, but not limited to, the development of new applications using blockchain technology, the use of such new applications, the economics of such new applications, and all new work projects as they relate to crypto currencies, if any.

The primary responsibility of the Committee is to oversee and approve the company-wide risk management practices to assist the Board in:

- Overseeing that the executive team has identified, assessed and disclosed all the risks that the Company faces and has mitigated any potential risks to an acceptable level as determined by the Committee;
- Overseeing, in conjunction with the Board, risks such as strategic, financial, credit, market, liquidity, security, property, IT, legal, regulatory, reputational, and other risks; and
- In conjunction with the Board, approving the Company's overall business initiatives, business plans and disclosures as it relates to the development of new blockchain related applications.

The Committee has the authority to conduct investigations into any matters within its scope of responsibility and obtain advice and assistance from outside legal, accounting, or other advisors, as necessary, to perform its duties and responsibilities.

In carrying out its duties and responsibilities, the Committee also has the authority to meet with and seek any information it requires from employees, officers, directors, or external parties.

To fulfil its responsibilities and duties, the Committee will:

- Provide input to management regarding the risk appetite and tolerance and, ultimately, approve all new development projects and applications for the Company as a whole;
- Monitor the Company's risk profile - its on-going and potential exposure to risks of various types including but not limited to the development of applications, blockchain technology developments, regulatory changes, crypto currency uses and the legality and disclosure of the Company's operations;
- Enforce the tone and culture regarding risk and risk management as it relates to the Company's goals and compensation structure by creating a corporate culture such that individuals at all levels manage risks rather than automatically avoiding or thoughtlessly taking them;
- Continually obtain reasonable assurance from management that all known and emerging risks have been identified and mitigated or managed, disclosed as required and in compliance with regulations;
- Communicate formally and informally with the executive team and external legal counsel regarding the risks associated with the Company's operations and development plan;
- Read and provide input to the Board and Audit Committee regarding risk disclosures in financial statements and other public statements regarding risk and the operations of the Company; and
- Keep risk on both the Board's and management's agenda on a regular basis

The Committee will perform a review and evaluation, at least annually, of the performance of the Committee and its members, including the compliance of the Committee with its Charter. In addition, the Committee will review and reassess, at least annually, the adequacy of its Charter and recommend to the Board any improvements to the Charter that the Committee considers necessary or valuable. The Committee will conduct such evaluations and reviews in such manner as it deems appropriate. The Committee will also have such other responsibilities as the Board may assign to it from time to time.

The Board has no other committees other than the Audit Committee and the Risk and Disclosure Committee.

## Assessments

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

### STATEMENT OF EXECUTIVE COMPENSATION

The Company is a venture issuer and is disclosing its executive compensation in accordance with Form 51-102F6V, *Statement of Executive Compensation – Venture Issuers* ("**Form 51-102F6V**").

The following persons are considered the "**Named Executive Officers**" or "**NEOs**" for the purposes of this disclosure:

- (a) the Company's chief executive officer ("**CEO**");
- (b) the Company's chief financial officer ("**CFO**");
- (c) each of the Company's most highly compensated executive officers, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually more than \$150,000, as determined in accordance with subsection 1.3(5) of Form 51-102F6V, for the year ended August 31, 2018; and
- (d) each individual who would be a Named Executive Officer under paragraph (c) but for the fact the individual was neither an executive officer, nor acting in a similar capacity at August 31, 2018.

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

The following table provides a summary of compensation paid or accrued, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company to each Named Executive Office and director of the Company during the Company's two most recent financial years ended August 31, 2018 and July 31, 2017.

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 <sup>(10)</sup> (\$)	Total compensation (\$)
<b>Jamie Davison</b> President & CEO <sup>(1)</sup>	2018	23,826	Nil	Nil	Nil	28,467	52,293
	2017	N/A	N/A	N/A	N/A	N/A	N/A
<b>Robert Randall</b> CFO & Corporate Secretary <sup>(2)</sup>	2018	114,788	Nil	Nil	Nil	55,669	170,457
	2017	N/A	N/A	N/A	N/A	N/A	N/A
<b>Ian Klassen</b> <i>Former President &amp; CEO and director</i> <sup>(3)</sup>	2018	72,500	Nil	Nil	Nil	55,669	128,168
	2017	N/A	N/A	N/A	N/A	N/A	N/A
<b>Carl Sheppard</b> Director <sup>(4)</sup>	2018	65,000	Nil	Nil	Nil	44,535	109,535
	2017	Nil	Nil	Nil	Nil	Nil	Nil
<b>Paul Thomson</b> Director <sup>(5)</sup>	2018	Nil	Nil	Nil	Nil	44,535	44,535
	2017	N/A	N/A	N/A	N/A	N/A	N/A
<b>Christopher P. Cherry</b> <i>Former President,</i>	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	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 <sup>(10)</sup> (\$)	Total compensation (\$)
<i>CEO, CFO and director<sup>(6)</sup></i>							
<b>Eugene Beukman</b> <i>Former President, CEO, Secretary and director<sup>(7)</sup></i>	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	5,705	Nil	Nil	Nil	Nil	5,705
<b>Johannes (Theo) van der Linde</b> <i>Former CFO and director<sup>(8)</sup></i>	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil
<b>Robert M. Dzisiak</b> <i>Former director<sup>(9)</sup></i>	2018	N/A	N/A	N/A	N/A	N/A	N/A
	2017	Nil	Nil	Nil	Nil	Nil	Nil

**Notes:**

- (1) Mr. Davison was appointed President & CEO of the Company on June 25, 2018;
- (2) Mr. Randall was named Chief Financial Officer on September 1, 2017 with any fees paid to Randall Consulting Inc., a company controlled by Mr. Randall;
- (3) Mr. Klassen has been a director of the Company since September 13, 2017 and served as President & CEO of the Company from December 1, 2017 to July 15, 2018 with any fees paid to IMK Management Services Inc, a company controlled by Mr. Klassen;
- (4) Mr. Sheppard has served as a director of the Company since November 3, 2017 with any fees paid to Strategic Concepts, Inc., a company controlled by Mr. Sheppard;
- (5) Mr. Thomson has served as a director of the Company since September 13, 2017;
- (6) Mr. Cherry served as President and a director of the Company from June 19, 2015 to June 21, 2017; and as CEO and CFO from October 29, 2015 to June 21, 2017;
- (7) Mr. Beukman served as President, CEO and Corporate Secretary of the Company from June 21, 2017 to September 13, 2017, and as a director from June 19, 2017 to September 14, 2017. Fees paid to Pender Street Corporate Consulting Ltd. ("**Pender Street**"), a private company wholly-owned by Mr. Beukman;
- (8) Mr. van der Linde served as a director of the Company from June 19, 2017 to September 12, 2017, and CFO from June 21, 2017 to September 1, 2017;
- (9) Mr. Dzisiak served as a director of the Company from October 29, 2015 to June 19, 2017; and
- (10) Other compensation includes amortized value of issued stock options. The Black-Scholes Option Pricing Module resulted in a weighted-average fair value of \$0.236 per option based on the following assumptions: a 5 year expected term, 140% volatility, risk-free interest rate of 1.0% and a dividend rate of 0%.

**Stock Options and Other Compensation Securities**

The Company has a stock option plan (the "**Stock Option Plan**") for directors, officers, employees and consultants of the Company. A copy of the Stock Option Plan is attached hereto as Schedule "B". The Board has the authority to issue up to 10% of the issued and outstanding common shares of the Company. The options can have up to a ten-year life and the vesting period is set by the Board. Options are granted at a price no lower than the greater of the closing market prices of the common shares on (a) the trading day prior to the date of grant of the stock options; and (b) the date of grant of the stock options

On March 1, 2018, the Company granted 1,400,000 stock options to directors, officers, employees and consultants. The options are exercisable at a price of \$0.45 per share and expire on February 28, 2023. The options vest at a rate of 25% of the total every three months after the grant date.

On June 21, 2018, the Company granted 500,000 stock options to the Company's Chief Executive Officer. These options are exercisable at a price of \$0.15 per share and expire on June 20, 2023. The

options vest at a rate of 25% of the total every three months after the grant date.

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

The only equity compensation plan which the Company has in place is the Stock Option Plan which was previously approved by the Board and accepted by the Exchange on listing. The Stock Option Plan was established to provide incentive to directors, officers and employees and consultants to increase their proprietary interest in the Company and thereby encourage them to advance the interests of the Company and continue their association with the Company. The Stock Option Plan is administered by the Board and options are granted at the discretion of the Board to eligible directors, officers, employees and consultants of the Company and its subsidiaries (an "**Optionee**").

The Stock Option Plan is a 10% maximum rolling plan. As a 10% rolling plan the aggregate number of common shares issuable as options under the Stock Option Plan may be up to 10% of the Company's issued and outstanding common shares on the date on which an option is granted, less common shares reserved for issuance on exercise of options then outstanding under the Stock Option Plan.

To be eligible to receive a grant of options under the Stock Option Plan, an Optionee must be either a director, officer, employee, consultant of the Company or a subsidiary at the time the option is granted.

The Stock Option Plan is subject to the following restrictions:

- (a) The Company must not grant an option to purchase common shares pursuant to the Stock Option Plan (an "**Option**") to an Optionee in any 12-month period that exceeds 5% of the outstanding common shares of the Company, unless the Company has obtained approval by a majority of the Disinterested Shareholders (defined below);
- (b) The total number of options granted to an Optionee conducting investor relations activities in any 12 month period must not exceed 1% of the outstanding shares calculated at the date of the grant, without prior regulatory approval;
- (c) The Company must not grant an option to a consultant in any 12 month period that exceeds 1% of the outstanding shares calculated at the date of the grant of the option;
- (d) The total number of common shares reserved for issuance under options granted to Insiders (defined below) must not exceed 10% of the outstanding shares (if the Stock Option Plan is amended to reserve for issuance more than 10% of the outstanding shares) unless the Company has obtained Disinterested Shareholder Approval;
- (e) The number of optioned shares issued to Insiders in any 12 month period must not exceed 10% of the outstanding shares (if the Stock Option Plan is amended to reserve for issuance more than 10% of the outstanding shares) unless the Company has obtained Disinterested Shareholder Approval;
- (f) The issuance to any one Optionee within a 12 month period of a number of common shares must not exceed 5% of outstanding shares unless the Company has obtained Disinterested Shareholder Approval; and
- (g) The exercise price of an option previously granted to an Insider must not be reduced, unless the Company has obtained Disinterested Shareholder Approval.

**"Disinterested Shareholder Approval"** means the approval by a majority of the votes cast by all shareholders of the Company at a meeting excluding votes attached to listed common shares beneficially owned by Insiders (defined below) of the Company and Associates (as defined in the British Columbia *Securities Act*) of Insiders.

An **"Insider"** is a director, or senior officer of the Company, a director or senior officer of a company that is an Insider or subsidiary of the Company, or a person that beneficially owns or controls, directly or indirectly, voting common shares carrying more than 10% of the outstanding common shares of the Company.

The following is a summary of the material terms of the Stock Option Plan. This summary does not purport to be complete and is qualified in its entirety by reference to the Stock Option Plan which is attached as Schedule "B" to this Circular. The material terms of the Stock Option Plan are:

- (a) Optionees are eligible to receive grants of Options under the Stock Option Plan;
- (b) Options shall not be assignable (or transferable) by the Optionee;
- (c) all Options granted under the Stock Option Plan expire on a date not later than 10 years after the grant date of such Options; however, should the expiry date for an Option fall within a Blackout Period (as defined in the Stock Option Plan), the expiry date will be extended to the 10<sup>th</sup> business day following the expiry date;
- (d) an option will expire within 90 days (or such other time, not to exceed one year, as shall be determined by the Board as at the date of grant or agreed to by the Board and the Optionee at any time prior to expiry of the option), after the date the Optionee ceases to be employed by or provide services to the Company, but only to the extent that such Option was vested at the date the Optionee ceased to be so employed by or to provide services to the Company;
- (e) if an Optionee dies, any vested option held by him or her at the date of death will become exercisable by the Optionee's lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such Optionee and the date of expiration of the term otherwise applicable to such Option;
- (f) in the case of an Optionee being dismissed from employment or service for cause, such Optionee's options, whether or not vested at the date of dismissal, will immediately terminate without right to exercise same;
- (g) the exercise price of each option will be set by the Board at the time the Option is granted; however, the Option Price shall not be lower than the greater of the closing market prices of the Shares on (a) the trading day prior to the date of grant of the stock options; and (b) the date of grant of the stock options;
- (h) vesting of options are at the discretion of the Board, and will generally be subject to: (i) the Optionee remaining employed by or continuing to provide services to the Company or its affiliates, as well as, at the discretion of the Board, achieving certain milestones which may be defined by the Board from time to time or receiving a satisfactory performance review by the Company or its affiliates during the vesting period; or (ii) the Optionee remaining as a Director of the Company or its affiliates during the vesting period.

### Incentive Plan Awards – Outstanding Stock Option-Based Awards

The following table sets forth all awards outstanding for each of the directors of the Company as of August 31, 2018:

Name	Stock Option-Based Awards			
	Number of securities underlying unexercised options	Option exercise price	Option expiration date	Value of unexercised in-the-money options <sup>(1)</sup>
	(#)	(\$)	(mm/dd/yyyy)	(\$)
Ian Klassen	250,000	0.45	02/28/2023	Nil
Paul Thomson	200,000	0.45	02/28/2023	Nil
Carl Sheppard	200,000	0.45	02/28/2023	Nil

**Notes<sup>(1)</sup>** The "value of unexercised in-the-money options" is calculated based on the difference between the closing price for the common shares on the Exchange on August 31, 2018 and the exercise price of the options, multiplied by the number of unexercised options.

As at the date of this Circular, there are stock options outstanding to purchase up to a total 1,000,000 common shares at an exercise price of \$0.45 per share exercisable on or before February 28, 2023 and stock options outstanding to purchase up to a total 500,000 common shares at an exercise price of \$0.15 per share exercisable on or before June 20, 2023

### Exercise of Compensation Securities by Directors and NEOs

During the financial year ending August 31, 2018, none of the Named Executive Officers or directors exercised any stock options.

### Employment, Consulting and Management Agreements

There are no unique employment contracts, consulting and/or management agreements with the current Named Executive Officers or directors of the Company.

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

The Board is responsible for determining, by way of discussions at board meetings, the compensation to be paid to the NEOs and directors of the Company.

#### *Director compensation*

The Board determines director compensation from time to time. Directors may also be granted incentive stock options to purchase common shares of the Company pursuant to the terms of the Stock Option Plan and in accordance with the policies of the CSE.

### ***Named Executive Officer Compensation***

The Company at this time does not have a formal compensation program with specific performance goals; however, the performance of each NEO is considered along with the Company's ability to pay compensation and its results of operation for the period.

Compensation is designed to achieve the following key objectives:

- to support our overall business strategy and objectives;
- to provide market competitive compensation that is substantially performance-based;
- to provide incentives that encourage superior corporate performance and retention of highly skilled and talented NEOs; and
- to align executive compensation with corporate performance and therefore shareholders' interests.

The Company's compensation package is comprised of a base salary or service fees and option-based awards.

The Company does not have a formal compensation program with set benchmarks; however, the Company does have a compensation program which seeks to reward a NEO's current and future expected performance. Individual performance in connection with the achievement of corporate milestones and objectives is also reviewed for all NEOs.

The Board has not directly considered the implications of the risks associated with the Company's compensation policies and practices.

The Company does not have a set policy preventing an NEO or director from purchasing financing instruments such as prepaid variable forward contracts, equity swaps, collars or units of exchange funds designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by such person.

### **Pension Disclosure**

The Company does not have any form of pension plan that provides for payments or benefits to the NEO at, following, or in connection with retirement. The Company does not have any form of deferred compensation plan.

### **Termination and Change of Control Benefits**

The Company does not have any plan contract, agreement or plan or arrangement that provides for payments to an NEO at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, a change in control of the Company or a change in the NEO's responsibilities.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out equity compensation plan information required to be disclosed by Form 51-102F5 – "Information Circular" as at the end of the Company's financial year ended August 31, 2018.

	Number of securities to be issued upon exercise of outstanding options, warrants and rights as at August 31, 2018	Weighted-average exercise price of outstanding options, warrants and rights as at August 31, 2018 (\$)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Plan Category	(a)	(b)	(c)
Equity compensation plans approved by security holders	1,900,000	0.37	4,244,153
Equity compensation plans not approved by security holders	Nil	N/A	Nil
Total	1,900,000	0.37	4,244,153

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

At no time during the Company's last completed financial year or as of the Record Date, was any director, executive officer, employee, proposed management nominee for election as a director of the Company nor any associate of any such director, executive officer, or proposed management nominee of the Company or any former director, executive officer or employee of the Company or any of its subsidiaries indebted to the Company or any of its subsidiaries or indebted to another entity where such indebtedness was the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as described below and the Purchase Agreement, to the knowledge of management of the Company, no informed person (a director, officer or holder of 10% or more of the common shares) or nominee for election as a director of the Company or any associate or affiliate of any informed person or proposed director had any interest in any transaction which has materially affected or would materially affect the Company or any of its subsidiaries since September 1, 2017 (being the commencement of the Company's last completed financial year), or has any interest in any material transaction in the current year.

Effective September 6, 2017, the Company acquired 100% of the issued and outstanding shares of eXeBlock Technology Inc. ("**eXeBlock**"), which was then a private company based in Halifax, Nova Scotia, in exchange for the issuance of 38,100,002 common shares of the Company to the shareholders of eXeBlock (the "**Acquisition**") on the basis of two (2) common shares of the Company for every one eXeBlock share held. As a result of the Acquisition, eXeBlock became the wholly-owned subsidiary of the Company and the business of eXeBlock became the business of the Company. On closing of the Acquisition, the former eXeBlock shareholders became owners of more than 50% of the Company's issued and outstanding common shares.

The following informed persons were shareholders of eXeBlock and received common shares pursuant to the Acquisition as follows:

Name	Type of Ownership	Number of Common Shares Presently Owned	Percentage of Common Shares Outstanding <sup>(1)</sup>
Carl Sheppard	Direct & Indirect	1,800,000 <sup>(1)</sup>	2.93%
Paul Thomson	Direct	500,002	0.81%
Robert Randall	Direct	350,000	0.06%
Jonathan Baha'i	Indirect	10,000,000 <sup>(2)</sup>	16.28%

**Notes:**

- (1) Of these common shares, 500,000 are held through Strategic Concepts, Inc., a company 50% owned by Mr. Sheppard.  
(2) Mr. Baha'i is an informed person because he was a director and officer of the Company until November 9, 2017 and currently owns more than 10% of the total outstanding common shares of the Company.

Eugene Beukman, former President, CEO, Secretary and director and Theo van der Linde, former CFO and director of the Company, participated in a private placement of a total 17,707,428 subscription receipts of the Company at a price of \$0.35 per subscription receipt, which raised total gross proceeds of \$6,197,600. On November 14, 2017, upon fulfillment of certain conditions, the subscription receipts were exchanged for a total 17,707,428 common shares. Mr. Beukman received 85,715 common shares on the exchange of his subscription receipts. Mr. van der Linde received 100,000 common shares on the exchange of his subscription receipts.

### MANAGEMENT CONTRACTS

Except as set out herein, 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 senior officers of the Company.

### ADDITIONAL INFORMATION

Financial information is provided in the audited financial statements of the Company for the financial year ended August 31, 2018 and in the related management discussion and analysis (together, the "**Financial Statements**"). The Financial Statements were filed on SEDAR on December 21, 2018 at [www.sedar.com](http://www.sedar.com) and will be placed before the Meeting.

Additional information relating to the Company and a copy of the Financial Statements may be obtained at [www.sedar.com](http://www.sedar.com), and upon request from the Company's registered and records office at Suite 280 – 1090 West Georgia Street, Vancouver, British Columbia V6E 3V7, telephone: (604) 899-0106 or fax: (604) 684-5973. Copies of the above documents will be provided, upon request, free of charge to security holders of the Company. The Company may require the payment of a reasonable charge from any person or company who is not a security holder of the Company, who requests a copy of any such document.

### OTHER MATTERS

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

**SCHEDULE "A" –  
TRANSACTION RESOLUTION**

1. The transactions contemplated by the Purchase Agreement, including for greater certainty the Transactions, be and are hereby approved and authorized;
2. The Company be, and hereby is, authorized and empowered to perform all of its obligations under the Purchase Agreement, including but not limited to, the transactions contemplated by the Purchase Agreement;
3. That the President, Vice President, Treasurer, Secretary and any other officer of the Company (each such person, an "**Authorized Officer**") be, and each of them hereby is, authorized and empowered to: (a) take all such further action and to execute and deliver all such further agreements, certificates, instruments and documents, in the name and on behalf of the Company, and if requested or required, under its corporate seal duly affixed by the Secretary or Assistant Secretary; (b) pay or cause to be paid all expenses; and (c) take all such other actions as they or any one of them shall deem necessary, desirable, advisable or appropriate to consummate, effectuate, carry out or further the transactions contemplated by and the intent and purposes of the foregoing resolutions;
4. The Purchase Agreement and all transactions contemplated therein, and the actions of the directors of the Company in approving the transactions and the Purchase Agreement and the actions of the directors and officers of the Company in executing and delivering the Purchase Agreement and causing the performance by the Company of its obligations thereunder, are approved, ratified and confirmed;
5. Notwithstanding that this resolution has been passed by the shareholders of the Company, the directors of the Company are hereby authorized and empowered, at their discretion, without any further notice to or approval of the shareholders of the Company, to amend the Purchase Agreement or any agreement ancillary thereto to the extent permitted by the terms thereof or, subject to the terms of the Purchase Agreement, not to proceed with any or all of the transactions contemplated thereby; and
6. That the omission from these resolutions of any agreement or other arrangement contemplated by any of the agreements or instruments described in the foregoing resolutions or any action to be taken in accordance with any requirements of any of the agreements or instruments described in the foregoing resolutions shall in no manner derogate from the authority of the Authorized Officers to take all actions necessary, desirable, advisable or appropriate to consummate, effectuate, carry out or further the transactions contemplated by and the intent and purposes of the foregoing resolution.



**SCHEDULE "B" –  
STOCK OPTION PLAN**

See attached.

**EXEBLOCK TECHNOLOGY CORPORATION**  
**(the "Company")**

**STOCK OPTION PLAN**

**1. PURPOSE OF THE PLAN**

The Company hereby establishes a stock option plan for Directors, officers, employees, and Consultants, (as such terms are defined below) of the Company and its subsidiaries (collectively, "**Eligible Persons**"), to be known as the "Stock Option Plan" (the "**Plan**"). The purpose of the Plan is to give to Eligible Persons, as additional compensation, the opportunity to participate in the success of the Company by granting to such individuals options.

**2. DEFINITIONS**

In this Plan, the following terms shall have the following meanings:

- 2.1. "**Associate**" has the meaning ascribed thereto in the Securities Act.
- 2.2. "**Board**" means the Board of Directors of the Company.
- 2.3. "**Change of Control**" means the acquisition by any person or by any person and all Joint Actors, whether directly or indirectly, of voting securities (as defined in the Securities Act) of the Company, which, when added to all other voting securities of the Company at the time held by such person or by such person and a Joint Actor, totals for the first time not less than fifty percent (50%) of the outstanding voting securities of the Company or the votes attached to those securities are sufficient, if exercised, to elect a majority of the Board of the Company.
- 2.4. "**Company**" means eXeBlock Technology Corp. and its successors.
- 2.5. "**Consultant**" means a person providing consulting services to the Company or any of its subsidiaries.
- 2.6. "**Consultant Corporation**" means for an individual Consultant, a corporation or partnership of which the individual is an employee, shareholder or partner.
- 2.7. "**CSE Policies**" means the policies included in the Canadian Securities Exchange Listing Policies and Forms and "CSE Policy" means any one of them.
- 2.8. "**Director**" means a director of the Company or any of its subsidiaries.
- 2.9. "**Disability**" means any disability with respect to an Optionee which the Board, in its sole and unfettered discretion, considers likely to prevent permanently the Optionee from:
  - i. being employed or engaged by the Company, its subsidiaries or another employer, in a position the same as or similar to that in which he was last employed or engaged by the Company or its subsidiaries; or
  - ii. acting as a director or officer of the Company or its subsidiaries.
- 2.10. "**Eligible Persons**" has the meaning given to that term in section 1 hereof.
- 2.11. "**Exchange**" means the Canadian Securities Exchange and, if applicable, any other stock exchange on which the Shares are listed.

- 2.12. "**Expiry Date**" means the date set by the Board under subsection 3.1 of the Plan, as the last date on which an Option may be exercised.
- 2.13. "**Grant Date**" means the date specified in the Option Agreement as the date on which an Option is granted.
- 2.14. "**Insider**" means an "**Insider**" as defined in the British Columbia Securities Act.
- 2.15. "**Joint Actor**" has the meaning defined in National Instrument 62-103, The Early Warning System and Related Take-Over Bid and insider Reporting Issues.
- 2.16. "**Management Company Employee**" means an individual employed by a Person providing management services to the Issuer, which are required for the ongoing successful operation of the business enterprise of the Issuer.
- 2.17. "**Option**" means an option to purchase Shares granted pursuant to this Plan.
- 2.18. "**Option Agreement**" means an agreement, in the form attached hereto as Exhibit "A", whereby the Company grants to an Optionee an Option.
- 2.19. "**Optionee**" means each of Eligible Persons granted an Option pursuant to this Plan and their heirs, executors and administrators.
- 2.20. "**Option Price**" means the price per Share specified in an Option Agreement, adjusted from time to time in accordance with the provisions of section 5.
- 2.21. "**Option Shares**" means the aggregate number of Shares which an Optionee may purchase under an Option.
- 2.22. "**Shares**" means the common shares in the capital of the Company as constituted on the Grant Date provided that, in the event of any adjustment pursuant to section 5, "Shares" shall thereafter mean the shares or other property resulting from the events giving rise to the adjustment.
- 2.23. "**Securities Act**" means the Securities Act, R.S.B.C. 1996, c.418, as amended, as at the date hereof.
- 2.24. "**Unissued Option Shares**" means the number of Shares which have, at a particular time, been reserved for issuance upon the exercise of an Option, but which have not been issued, as adjusted from time to time in accordance with the provisions of section 5, such adjustments to be cumulative.
- 2.25. "**Vested**" means that an Option has become exercisable in respect of a number of Option Shares by the Optionee pursuant to the terms of the Option Agreement.

### 3. GRANT OF OPTIONS

#### 3.1. Option Terms

The Board may from time to time authorize the allocation and issue of Options to specific Eligible Persons of the Company and its subsidiaries. The Option Price under each Option shall be determined by the Board at the time the Option is granted, but, in the event the Shares are traded on the Exchange, the Option Price shall not be lower than the greater of the closing market prices of the Shares on (a) the trading day prior to the date of grant of the stock options; and (b) the date of grant of the stock options. The Expiry Date for each Option shall be set by the Board at the time of issue of the Option and shall not be more than ten years after the Grant Date. Options shall not be assignable (or transferable) by the Optionee. Both the Company and the Optionee are responsible for ensuring and confirming that the Optionee is a *bona fide* Eligible Person.

### 3.2. Limits on Shares Issuable on Exercise of Options

The Plan is a 10% rolling plan and the total number of Shares issuable upon exercise of Options under the Plan cannot exceed 10% of the Company's issued and outstanding Shares on the date on which an Option is granted, less Shares reserved for issuance on exercise of Options then outstanding under the Plan.

The Plan is also subject to the following restrictions:

- (a) The Company must not grant an Option to a director, employee, consultant, or consultant company (the "**Service Provider**") in any 12-month period that exceeds 5% of the outstanding Shares of the Company, unless the Company has obtained approval by a majority of the votes cast by all shareholders of the Company at the shareholders' meeting excluding votes attached to Shares beneficially owned by Insiders of the Company and their Associates ("**Disinterested Shareholder Approval**").
- (b) The aggregate number of Options granted to a Service Provider conducting investor relations activities in any 12 month period must not exceed 1% of the outstanding Shares calculated at the date of the grant, without prior regulatory approval.
- (c) The Company must not grant an Option to a Consultant in any 12 month period that exceeds 1% of the outstanding Shares calculated at the date of the grant of the Option.
- (d) The aggregate number of Shares reserved for issuance under Options granted to Insiders must not exceed 10% of the outstanding Shares (if the Plan is amended to reserve for issuance more than 10% of the outstanding Shares) unless the Company has obtained Disinterested Shareholder Approval to do so.
- (e) The number of Shares issued to Insiders upon exercise of Options in any 12 month period must not exceed 10% of the outstanding Shares (if the Plan is amended to reserve for issuance more than 10% of the outstanding Shares) unless the Company has obtained Disinterested Shareholder Approval to do so.
- (f) The issuance to any one Optionee within a 12 month period of a number of Shares must not exceed 5% of outstanding Shares unless the Company has obtained Disinterested Shareholder Approval to do so.
- (g) The exercise price of an Option previously granted to an Insider must not be reduced, unless the Company has obtained Disinterested Shareholder Approval to do so.
- (h) The Company may implement such procedures and conditions as the Board deems appropriate with respect to withholding and remitting taxes imposed under applicable law, or the funding of related amounts for which liability may arise under such applicable law.

### 3.3. Material Terms of the Plan

3.3.1. The following is a summary of the material terms of the Plan:

- (a) persons who are Service Providers to the Company or its Affiliates, or who are providing services to the Company or its Affiliates, are eligible to receive grants of Options under the Plan;

- (b) all Options granted under the Plan expire on a date not later than 10 years after the issuance of such Options. However, should the expiry date for an Option fall within a trading Blackout Period the expiry date will be extended as provided in Section 4.10;
- (c) for Options granted to Service Providers, the Company must ensure that the proposed Optionee is a bona fide Service Provider of the Company or its Affiliates;
- (d) an Option granted to any Service Provider will expire within 90 days (or such other time, not to exceed one year, as shall be determined by the Board as at the date of grant or agreed to by the Board and the Optionee at any time prior to expiry of the Option), after the date the Optionee ceases to be employed by or provide services to the Company, but only to the extent that such Option was vested at the date the Optionee ceased to be so employed by or to provide services to the Company;
- (e) if an Optionee dies, any vested Option held by him or her at the date of death will become exercisable by the Optionee's lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such Optionee and the date of expiration of the term otherwise applicable to such Option;
- (f) in the case of an Optionee being dismissed from employment or service for cause, such Optionee's Options, whether or not vested at the date of dismissal, will immediately terminate without right to exercise same;
- (g) the exercise price of each Option will be set by the Board at the time the Option is granted; however, the Option Price shall not be lower than the greater of the closing market prices of the Shares on (a) the trading day prior to the date of grant of the stock options; and (b) the date of grant of the stock options;
- (h) vesting of Options shall be at the discretion of the Board, and will generally be subject to: (i) the Service Provider remaining employed by or continuing to provide services to the Company or its Affiliates, as well as, at the discretion of the Board, achieving certain milestones which may be defined by the Board from time to time or receiving a satisfactory performance review by the Company or its Affiliates during the vesting period; or (ii) the Service Provider remaining as a director of the Company or its Affiliates during the vesting period;
- (i) in the event of a take-over bid being made to the shareholders generally, immediately upon receipt of the notice of the take-over bid, the Company shall notify each Optionee currently holding any Options, of the full particulars of the take-over bid, and all outstanding Options may, notwithstanding the vesting terms contained in the Plan or any vesting requirements subject to regulatory approval; and
- (j) the Board reserves the right in its absolute discretion to amend, suspend, terminate or discontinue the Plan with respect to all Shares reserved under the Plan in respect of Options which have not yet been granted.

3.3.2. Under the Plan, the Board may do the following, without obtaining shareholder approval:

- (a) amend the Plan to correct typographical, grammatical or clerical errors;
- (b) if permitted by the CSE Policies, change the vesting provisions of an Option granted under the Plan, if applicable;
- (c) if permitted by the CSE Policies, change the termination provision of an Option granted under the Plan if it does not entail an extension beyond the original expiry date of such Option;
- (d) make such amendments to the Plan as are necessary or desirable to reflect changes to securities laws applicable to the Company;
- (e) make such amendments as may otherwise be permitted by regulatory authorities;
- (f) if the Company becomes listed or quoted on a stock exchange or stock market senior to the Exchange, make such amendments as may be required by the policies of such senior stock exchange or stock market; and
- (g) amend the Plan to reduce the benefits that may be granted to Service Providers.

### **3.4. Option Agreements**

Each Option shall be confirmed by the execution of an Option Agreement. Each Optionee shall have the option to purchase from the Company the Option Shares at the time and in the manner set out in the Plan and in the Option Agreement applicable to that Optionee. For stock options to Employees, Consultants, Consultant Company or Management Company Employees, each of the Company and the Optionee is representing herein and in the applicable Option Agreement that the Optionee is a bona fide Employee, Consultant, Consultant Company or Management Company Employee, as the case may be, of the Company or its subsidiary. The execution of an Option Agreement shall constitute conclusive evidence that it has been completed in compliance with this Plan.

## **4. EXERCISE OF OPTION**

### **4.1. When Options May be Exercised**

Subject to subsections 4.3 and 4.4, an Option shall be granted as fully Vested on the Grant Date, and may be exercised to purchase any number of Shares up to the number of Unissued Option Shares at any time after the Grant Date, provided that this Plan has been previously approved by the shareholders of the Company, where such prior approval is required by the CSE Policies, up to 4:00 p.m. local time on the Expiry Date and shall not be exercisable thereafter.

### **4.2. Manner of Exercise**

The Option shall be exercisable by delivering to the Company a notice specifying the number of Shares in respect of which the Option is exercised together with payment in full of the Option Price for each such Share and full payment of applicable income taxes. Upon notice and payment there will be binding contract for the issue of the Shares in respect of which the Option is exercised, upon and subject to the provisions of the Plan. Delivery of the Optionee's certified cheque or bank draft payable to the Company in the amount of the Option Price shall constitute payment of the Option Price unless the certified cheque is not honoured upon presentation for any reason, in which case the Option shall not have been validly exercised.

### **4.3. Vesting of Option Shares**

An Option shall be granted hereunder as fully Vested, unless a vesting schedule is imposed by the Board as a condition of the grant on the Grant Date.

#### **4.4. Termination of Employment**

An Optionee ceases to be an Eligible Person, and his or her Option shall be exercisable as follows:

##### **4.4.1. Death or Disability**

Upon an Optionee's death or Disability or, in the case of an Optionee that is a company, the death or Disability of the person who provides management or consulting services to the Company or to any entity controlled by the Company, the Optionee shall cease to be an Eligible Person and the Option then held by the Optionee shall be exercisable to acquire Vested Unissued Option Shares at any time up to but not after the earlier of:

- (i) 365 days after the date of death or Disability; and
- (ii) the Expiry Date.

##### **4.4.2. Termination For Cause**

If the employment of an Optionee, or in the case of a Management Company Employee or a Consultant Company, the contract of the Optionee's employer, is terminated by the Company for cause, as that term is interpreted by the courts of the jurisdiction in which the Optionee, or, in the case of a Management Company Employee or a Consultant Company, of the Optionee's employer, is employed or engaged; the Optionee shall cease to be an Eligible Person and any outstanding Option held by such Optionee on the date of such termination shall be cancelled as of that date.

##### **4.4.3. Early Retirement, Voluntary Resignation or Termination Other than For Cause**

4.4.3.1. If the Optionee resigns or retires from his or her employment with the Company or, in the case of a Management Company Employee or a Consultant Company, the Optionee's employer voluntarily terminates its contract with the Company, the Optionee shall cease to be an Eligible Person and the Option then held by the Optionee shall be exercisable to acquire Vested Unissued Option Shares at any time up to but not after the earlier of the Expiry Date and the date which is 30 days after the effective date of the termination, resignation or retirements of the Optionee or, in the case of a Management Company Employee or a Consultant Company, as applicable.

4.4.3.2. If the Optionee's employment or, in the case of a Management Company Employee or a Consultant Company, the Optionee's employer's contract, is terminated by the Company other than for cause, the Optionee shall cease to be an Eligible Person and the Option then held by the Optionee shall be exercisable to acquire Vested Unissued Option Shares at any time up to the Expiry Date or, if earlier, the later of (i) the date which is 30 days after the date notice of termination is given to the Optionee or, in the case of a Management Company Employee or a Consultant Company, the Optionee's employer, or (ii) the end of the minimum notice period required by statute, if applicable.

#### **4.5. Effect of a Take-Over Bid**

If a *bona fide* offer (an "Offer") for Shares is made to the Optionee or to shareholders of the Company generally or to a class of shareholders which includes the Optionee, which Offer, if accepted in whole or in part, would result in the offeror becoming a control person of the Company, within the meaning of subsection 1(1) of the *Securities Act*, the Company shall, immediately upon receipt of notice of the Offer, notify each Optionee of full

particulars of the Offer, whereupon the Option Shares subject to such Option may be exercised in whole or in part by the Optionee so as to permit the Optionee to tender the Option Shares received upon such exercise, pursuant to the Offer. However, if:

- (a) the Offer is not completed within the time specified therein; or
- (b) all of the Option Shares tendered by the Optionee pursuant to the Offer are not taken up or paid for by the offeror in respect thereof,

then the Option Shares received upon such exercise, or in the case of clause (b) above, the Option Shares that are not taken up and paid for, may be returned by the Optionee to the Company and reinstated as authorized but unissued Shares and with respect to such returned Option Shares, the Option shall be reinstated as if it had not been exercised. If any Option Shares are returned to the Company under this subsection 4.5, the Company shall immediately refund the exercise price to the Optionee for such Option Shares.

#### **4.6. Acceleration of Expiry Date**

If at any time when an Option granted under the Plan remains unexercised with respect to any Unissued Option Shares, an Offer is made by an offeror, the Directors may, upon notifying each Optionee of full particulars of the Offer, declare all Option Shares issuable upon the exercise of Options granted under the Plan, are Vested (subject to the proviso below), and declare that the Expiry Date for the exercise of all unexercised Options granted under the Plan is accelerated so that all Options will either be exercised or will expire prior to the date upon which Shares must be tendered pursuant to the Offer. The Directors shall give each Optionee as much notice as possible of the acceleration of the Options under this section, except that not less than 5 business days and not more than 35 days notice is required.

#### **4.7. Effect of a Change of Control**

If a Change of Control occurs, all Option Shares subject to each outstanding Option may be exercised in whole or in part by the Optionee.

#### **4.8. Exclusion From Severance Allowance, Retirement Allowance or Termination Settlement**

The provisions of this Plan provide the complete entitlement of the Optionee upon termination of his or her employment or, in the case of a Management Company Employee or a Consultant Company Employee, the termination of the Optionee's employer's contract, with the Company or any subsidiary of the Company, for any reason, including without or without cause, whether under contract, statute or common law. Except as expressly provided for herein, the Optionee shall have no right or entitlement to Option Shares, or damages in lieu thereof regardless of any notice, severance or termination period or package the Optionee or, in the case of a Management Company Employee or a Consultant Company Employee, the Optionee's employer, may be otherwise entitled.

#### **4.9. Shares Not Acquired or Exercised**

Any Unissued Option Shares not acquired by an Optionee under an Option which has expired, and any Option Shares acquired by an Optionee under an Option when exercised, may be made the subject of a further Option granted pursuant to the provisions of the Plan.

#### **4.10. Extension of Term During Trading Black Out**

In the event the Expiry Date of an Option falls on a date during a trading black out period that has been self imposed by the Company (the "**Blackout Period**"), the Expiry Date of the Option will be extended to the 10<sup>th</sup> business day following the date that the self imposed trading black out period is lifted by the Company. For greater certainty, the Expiry Date of an Option will not be extended in the event a cease trade order is issued by a securities regulatory authority against the Company or an Optionee.



## 5. ADJUSTMENT OF OPTION PRICE AND NUMBER OF OPTION SHARES

### 5.1. Share Reorganization

Whenever the Company issues Shares to all or substantially all holders of Shares by way of a stock dividend or other distribution, or subdivides all outstanding Shares into a greater number of Shares, or combines or consolidates all outstanding Shares into a lesser number of Shares (each of such events being herein called a "**Share Reorganization**") then effective immediately after the record date for such dividend or other distribution or the effective date of such subdivision, combination or consolidation, for each Option:

- (a) the Option Price will be adjusted to a price per Share which is the product of:
  - (i) the Option Price in effect immediately before that effective date or record date; and
  - (ii) a fraction, the numerator of which is the total number of Shares outstanding on that effective date or record date before giving effect to the Share Reorganization, and the denominator of which is the total number of Shares that are or would be outstanding immediately after such effective date or record date after giving effect to the Share Reorganization; and
- (b) the number of Unissued Option Shares will be adjusted by multiplying (i) the number of Unissued Option Shares immediately before such effective date or record date by (ii) a fraction which is the reciprocal of the fraction described in subparagraph (a)(ii).

### 5.2. Special Distribution

Subject to the prior approval of the Exchange, whenever the Company issues by way of a dividend or otherwise distributes to all or substantially all holders of Shares:

- (a) shares of the Company, other than the Shares;
- (b) evidences of indebtedness;
- (c) any cash or other assets, excluding cash dividends (other than cash dividends which the Board of Directors of the Company has determined to be outside the normal course); or
- (d) rights, options or warrants,

then to the extent that such dividend or distribution does not constitute a Share Reorganization (any of such non-excluded events being herein called a "**Special Distribution**"), and effective immediately after the record date at which holders of Shares are determined for purposes of the Special Distribution, for each Option the Option Price will be reduced, and the number of Unissued Option Shares will be correspondingly increased, by such amount, if any, as is determined by the Board in its sole and unfettered discretion to be appropriate in order to properly reflect any diminution in value of the Option Shares as a result of such Special Distribution.

### 5.3. Corporate Organization

Whenever there is:

- (a) a reclassification of outstanding Shares, a change of Shares into other shares or securities, or any other capital reorganization of the Company, other than as described in subsections 5.1 or 5.2;

- (b) a consolidation, merger or amalgamation of the Company with or into another corporation resulting in a reclassification of outstanding Shares into other shares or securities or a change of Shares into other shares or securities; or
- (c) a transaction whereby all or substantially all of the Company's undertaking and assets become the property of another corporation,

(any such event being herein called a "**Corporate Reorganization**") the Optionee will have an option to purchase (at the times, for the consideration, and subject to the terms and conditions set out in the Plan) and will accept on the exercise of such option, in lieu of the Unissued Option Shares which he would otherwise have been entitled to purchase, the kind and amount of shares or other securities or property that he would have been entitled to receive as a result of the Corporate Reorganization if, on the effective date thereof, he had been the holder of all Unissued Option Shares or if appropriate, as otherwise determined by the Directors.

#### **5.4. Determination of Option Price and Number of Unissued Option Shares**

If any questions arise at any time with respect to the Option Price or number of Unissued Option Shares deliverable upon exercise of an Option following a Share Reorganization, Special Distribution or Corporate Reorganization, such questions shall be conclusively determined by the Company's auditor, or, if they decline to so act, any other firm of Chartered Professional Accountants in Vancouver, British Columbia, that the Directors may designate and who will have access to all appropriate records and such determination will be binding upon the Company and all Optionees.

#### **5.5. Regulatory Approval**

Any adjustment to the Option Price or the number of Unissued Option Shares purchasable under the Plan pursuant to the operation of any one of subsection 5.1, 5.2 or 5.3 is subject to the approval of the Exchange where required pursuant to their policies, and compliance with the applicable securities rules or regulations of any other governmental authority having jurisdiction.

### **6. MISCELLANEOUS**

#### **6.1. Right to Employment**

Neither this Plan nor any of the provisions hereof shall confer upon any Optionee any right with respect to employment or continued employment with the Company or any subsidiary of the Company or interfere in any way with the right of the Company or any subsidiary of the Company to terminate such employment.

#### **6.2. Necessary Approvals**

The Plan shall be effective immediately upon the approval of the Board of Directors of the Company, where the Company is a non-reporting issuer. If the Company is a reporting issuer whose Shares are listed on any Exchange, then the Plan shall be effective only upon the approval of the shareholders of the Company given by way of an ordinary resolution of the disinterested shareholders in the case of a new Plan, and the written acceptance of the Plan by the Exchange where such prior approval is required by the policies of the Exchange. Any Options granted under this Plan before such approval shall only be exercised upon the receipt of such approval, where it is required by the policies of the Exchange. Each year thereafter, the Plan must also be adopted or ratified annually by way of an ordinary resolution of the disinterested shareholders, where such annual adoption is required by the policies of the Exchange. The obligation of the Company to sell and deliver Shares in accordance with the Plan is subject to compliance with the policies of the Exchange and applicable securities rules or regulations of any governmental authority having jurisdiction. If any Shares cannot be issued to any Optionee for any reason, including, without limitation, the failure to comply with such policies, rules or regulations, then the obligation of the Company to issue such Shares shall terminate and any Option Price paid by an Optionee to the Company shall be immediately refunded to the Optionee by the Company.

### **6.3. Administration of the Plan**

The Directors shall, without limitation, have full and final authority in their discretion, but subject to the express provisions of the Plan, to interpret the Plan, to prescribe, amend and rescind rules and regulations relating to the Plan and to make all other determinations deemed necessary or advisable in respect of the Plan. Except as set forth in subsection 5.4, the interpretation and construction of any provision of the Plan by the Directors shall be final and conclusive. Administration of the Plan shall be the responsibility of the appropriate officers of the Company and all costs in respect thereof shall be paid by the Company.

### **6.4. Income Taxes**

As a condition of participation in the Plan, any Optionee shall on request authorize the Company in writing to withhold from any remuneration otherwise payable to him or her any amounts required by any taxing authority to be withheld for taxes and contributions of any kind as a consequence of his or her participation in the Plan.

### **6.5. Amendments to the Plan**

The Directors may from time to time, subject to applicable law and to the prior approval, if required, of the Exchange or any other regulatory body having authority over the Company or the Plan, suspend, terminate or discontinue the Plan at any time, or amend or revise the terms of the Plan or of any Option granted under the Plan (if permitted by the CSE Policies) and the Option Agreement relating thereto, provided that no such amendment, revision, suspension, termination or discontinuance shall in any manner adversely affect any option previously granted to an Optionee under the Plan without the consent of that Optionee. Any amendments to the Plan or options granted to Insiders (if permitted by the CSE Policies) thereunder will be subject to the approval of the shareholders, where such approval is required by the policies of the Exchange.

### **6.6. Form of Notice**

A notice given to the Company shall be in writing, signed by the Optionee and delivered to the head business office of the Company.

### **6.7. No Representation or Warranty**

The Company makes no representation or warranty as to the future market value of any Shares issued in accordance with the provisions of the Plan.

### **6.8. Compliance with Applicable Law**

If any provision of the Plan or any Option Agreement contravenes any law or any order, policy, by-law or regulation of any regulatory body or Exchange having authority over the Company or the Plan, then such provision shall be deemed to be amended to the extent required to bring such provision into compliance therewith.

### **6.9. No Assignment**

No Optionee may assign any of his or her rights under the Plan or any Option granted thereunder.

#### **6.10.6.10 Rights of Optionees**

An Optionee shall have no rights whatsoever as a shareholder of the Company in respect of any of the Unissued Option Shares (including, without limitation, voting rights or any right to receive dividends, warrants or rights under any rights offering).

### **6.11. Conflict**

In the event of any conflict between the provisions of this Plan and an Option Agreement, the provisions of this Plan shall govern.

#### **6.12. Governing Law**

The Plan and each Option Agreement issued pursuant to the Plan shall be governed by the laws of the Province of British Columbia.

#### **6.13. Time of Essence**

Time is of the essence of this Plan and of each Option Agreement. No extension of time will be deemed to be or to operate as a waiver of the essentiality of time.

#### **6.14. Entire Agreement**

This Plan and the Option Agreement sets out the entire agreement between the Company and the Optionees relative to the subject matter hereof and supersedes all prior agreements, undertakings and understandings, whether oral or written.

**EXHIBIT "A"**

**EXEBLOCK TECHNOLOGY CORPORATION**

**STOCK OPTION PLAN**

**OPTION AGREEMENT**

This Option Agreement is entered into between eXeBlock Technology Corporation (the "**Company**") and the Optionee named below pursuant to the Company's Plan (the "**Plan**"), a copy of which is attached hereto, and confirms that:

1. On ■, 20■ (the "**Grant Date**"), ■, (the "**Optionee**") was granted the option (the "**Option**") to purchase ■ common shares (the "**Option Shares**") of the Company, for the price (the "**Option Price**") of \$■ per Option Share.
2. The Option terminates on ■, 20■ (the "**Expiry Date**").
3. The Option shall vest as follows: ■.
4. To exercise the Option, the Optionee must deliver a written notice, signed by the Optionee, specifying the number of Option Shares the Optionee wishes to acquire, together with a certified cheque or bank draft payable to the Company for the aggregate Option Price, to the Company.
5. When exercised, the Company will forthwith calculate all applicable Canadian government withholding taxes of the Optionee, and Canada or Quebec (if applicable) Pension Plan contributions, and the Optionee agrees to remit to the Company such taxes and contributions to the Company, which will be remitted by the Company to Canada Revenue Agency and reflected on any annual statement of remuneration issued by the Company.
6. By signing this Option Agreement, the Optionee acknowledges and consents to the disclosure of Personal Information<sup>1</sup> by the Company to the Canadian Securities Exchange (the "**Exchange**") pursuant to the Exchange Form 11 – *Notice of Proposed Stock Option Grant or Amendment*, which the Company is required to file in connection with this Option grant.

By signing this Option Agreement, the Optionee acknowledges that the Optionee has read and understands the Plan and agrees to the terms and conditions of the Plan and this Option Agreement.

IN WITNESS WHEREOF the parties hereto have executed this Option Agreement as of the ■ day of ■, 20■.

**EXEBLOCK TECHNOLOGY CORPORATION**

Per:

\_\_\_\_\_  
OPTIONEE

\_\_\_\_\_  
Authorized Signatory

\_\_\_\_\_  
<sup>1</sup> Where "Personal Information" means any information about the Optionee, and includes the information contained in the tables, as applicable, found in Form 11 – *Notice of Proposed Stock Option Grant or Amendment*.

## **SCHEDULE "C" – AUDIT COMMITTEE CHARTER**

### **Purpose of the Committee**

The purpose of the audit committee (the "**Audit Committee**") of the directors of the Company (the "**Board**") is to provide an open avenue of communication between management, the Company's independent auditor and the Board and to assist the Board in its oversight of:

- the integrity, adequacy and timeliness of the Company's financial reporting and disclosure practices;
- the Company's compliance with legal and regulatory requirements related to financial reporting; and
- the independence and performance of the Company's independent auditor.

The Audit Committee shall also perform any other activities consistent with this Charter, the Company's articles and governing laws as the Audit Committee or Board deems necessary or appropriate.

The Audit Committee shall consist of at least three directors. Members of the Audit Committee shall be appointed by the Board and may be removed by the Board in its discretion. The members of the Audit Committee shall elect a Chairman from among their number. A majority of the members of the Audit Committee must not be officers or employees of the Company or of an affiliate of the Company. The quorum for a meeting of the Audit Committee is a majority of the members who are not officers or employees of the Company or of an affiliate of the Company. With the exception of the foregoing quorum requirement, the Audit Committee may determine its own procedures.

The Audit Committee's role is one of oversight. Management is responsible for preparing the Company's financial statements and other financial information and for the fair presentation of the information set forth in the financial statements in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board. Management is also responsible for establishing internal controls and procedures and for maintaining the appropriate accounting and financial reporting principles and policies designed to assure compliance with accounting standards and all applicable laws and regulations.

The independent auditor's responsibility is to audit the Company's financial statements and provide its opinion, based on its audit conducted in accordance with IFRS, that the financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of the Company in accordance with IFRS.

The Audit Committee is responsible for recommending to the Board the independent auditor to be nominated for the purpose of auditing the Company's financial statements, preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, and for reviewing and recommending the compensation of the independent auditor. The Audit Committee is also directly responsible for the evaluation of and oversight of the work of the independent auditor. The independent auditor shall report directly to the Audit Committee.

### **Authority and Responsibilities**

In addition to the foregoing, in performing its oversight responsibilities the Audit Committee shall:

1. Monitor the adequacy of this Charter and recommend any proposed changes to the Board.
2. Review the appointments of the Company's CFO and CEO and any other key financial executives involved in the financial reporting process.

3. Review with management and the independent auditor the adequacy and effectiveness of the Company's accounting and financial controls and the adequacy and timeliness of its financial reporting processes.
4. Review with management and the independent auditor the annual financial statements and related documents and review with management the unaudited quarterly financial statements and related documents, prior to filing or distribution, including matters required to be reviewed under applicable legal or regulatory requirements.
5. Where appropriate and prior to release, review with management any news releases that disclose annual or interim financial results or contain other significant financial information that has not previously been released to the public.
6. Review the Company's financial reporting and accounting standards and principles and significant changes in such standards or principles or in their application, including key accounting decisions affecting the financial statements, alternatives thereto and the rationale for decisions made.
7. Review the quality and appropriateness of the accounting policies and the clarity of financial information and disclosure practices adopted by the Company, including consideration of the independent auditor's judgment about the quality and appropriateness of the Company's accounting policies. This review may include discussions with the independent auditor without the presence of management.
8. Review with management and the independent auditor significant related party transactions and potential conflicts of interest.
9. Pre-approve all non-audit services to be provided to the Company by the independent auditor.
10. Monitor the independence of the independent auditor by reviewing all relationships between the independent auditor and the Company and all non-audit work performed for the Company by the independent auditor.
11. Establish and review the Company's procedures for the:
  - receipt, retention and treatment of complaints regarding accounting, financial disclosure,
  - internal controls or auditing matters; and
  - confidential, anonymous submission by employees regarding questionable accounting, auditing and financial reporting and disclosure matters.
12. Conduct or authorize investigations into any matters that the Audit Committee believes is within the scope of its responsibilities. The Audit Committee has the authority to retain independent counsel, accountants or other advisors to assist it, as it considers necessary, to carry out its duties, and to set and pay the compensation of such advisors at the expense of the Company.
13. Perform such other functions and exercise such other powers as are prescribed from time to time for the audit committee of a reporting company in Parts 2 and 4 of National Instrument 52-110 of the Canadian Securities Administrators, the *Business Corporations Act* (British Columbia) and the articles of the Company.