

**NOTICE OF MEETING AND
MANAGEMENT INFORMATION CIRCULAR**

IN RESPECT OF

**THE ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS OF
GRAPHITE ENERGY CORP. TO BE HELD ON OCTOBER 15, 2019**

September 16, 2019

Neither the Canadian Securities Exchange nor any securities commission has in any way reviewed this circular or passed upon the merits of the transaction described herein and any representation to the contrary is an offence.

GRAPHITE ENERGY CORP.

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF THE SHAREHOLDERS

TAKE NOTICE THAT an annual general and special meeting (the "**Meeting**") of the shareholders of Graphite Energy Corp. (the "**Corporation**") will be held at Suite 1510 – 789 West Pender Street, Vancouver, B.C., V6C 1H2, on Tuesday, October 15, 2019, at 11:00 a.m. (Vancouver time) for the following purposes:

1. to receive and consider the financial statements of the Corporation as at and for the years ended June 30, 2019 and 2018 together with the report of the auditors thereon;
2. to fix the number of directors of the Corporation for the ensuing year, or until the Change of Board Time (as defined in the accompanying management information circular (the "**Circular**"), as the case may be, at five (5);
3. to elect the directors of the Corporation for the ensuing year, or until the Change of Board Time, as the case may be;
4. to fix the number of directors of the Corporation from the Change of Board Time until the close of the next annual meeting of shareholders of the Corporation at three (3);
5. to elect new directors to serve from Change of Board Time until the close of the next annual meeting of shareholders of the Corporation or until their successors are elected or appointed, as more fully described in the accompanying Circular;
6. to appoint the auditors of the Corporation for the ensuing year and to authorize the directors of the Corporation to determine the remuneration to be paid to the auditors;
7. to consider and, if deemed advisable, to pass an ordinary resolution, the full text of which is set forth in the accompanying Circular and proxy statement, ratifying, adopting and approving the stock option plan of the Corporation and authorizing the Corporation's board of directors to make any amendments thereto that may be required for the purpose of obtaining the approval of applicable securities regulatory authorities or stock exchanges;
8. to consider and, if deemed advisable, to pass an ordinary resolution, the full text of which is set forth in the accompanying Circular, to approve the Corporation's proposed transaction with World Farms Corp. ("**WFC**"), as more fully described therein; and
9. to transact such other business as may properly come before the Meeting.

The enclosed information circular discloses additional information on the matters to be acted upon at the Meeting.

This notice of Meeting is accompanied by: (a) the Circular; and (b) either a form of proxy for registered Shareholders or a voting instruction form for beneficial Shareholders. **The Circular accompanying this notice of Meeting is incorporated into and shall be deemed to form part of this notice of Meeting.**

The record date for the determination of Shareholders entitled to receive notice of, and to vote at, the Meeting or any adjournments or postponements thereof is September 10, 2019 (the "**Record Date**"). Shareholders whose names have been entered in the register of Shareholders at the close of business on the Record Date will be entitled to receive notice of, and to vote, at the Meeting or any adjournments or postponements thereof.

A Shareholder may attend the Meeting in person or may be represented by proxy. Shareholders who are unable to attend the Meeting or any adjournments or postponements thereof in person are requested to complete, date, sign and return the accompanying form of proxy for use at the Meeting or any adjournments or postponements thereof. As a shareholder, you can choose from three different ways to vote your shares by proxy: (a) by mail or delivery in the addressed envelope provided or deposited at the offices of Computershare Investor Services Inc. ("**Computershare**"), Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario, Canada M5J 2Y1, on behalf of the Corporation, so as to arrive not later than 11:00 a.m. (Vancouver time) on October 11, 2019, or if the Meeting is adjourned, at the latest 48 hours (excluding Saturdays, Sundays and holidays) before the time set for any reconvened meeting at which the proxy is to be used; (b) by telephone (toll free) at 1-866-732-VOTE (8683); or (c) on the internet at www.investorvote.com, unless the chair of the Meeting elects to exercise his or her discretion to accept proxies received subsequently.

The above time limit for deposit of proxies may be waived or extended by the chair of the Meeting at his or her discretion without notice.

SHAREHOLDERS ARE CAUTIONED THAT THE USE OF THE MAIL TO TRANSMIT PROXIES IS AT EACH SHAREHOLDER'S RISK.

DATED at Vancouver, British Columbia as of the **16th** day of **September, 2019**.

BY ORDER OF THE BOARD OF DIRECTORS

"Adrian Hobkirk"

Chief Executive Officer & Director

GRAPHITE ENERGY CORP.

Management Information Circular and Proxy Statement

(Unless otherwise stated, information contained herein is given as of **September 16, 2019**)

INFORMATION REGARDING PROXIES AND VOTING AT THE MEETING

No person has been authorized to give any information or to make any representation with respect to the matters to be considered at the Meeting other than those contained in this Circular and, if given or made, such information or representation should not be relied upon as having been authorized. This Circular does not constitute an offer to sell, or a solicitation of an offer to acquire, any securities, or the solicitation of a proxy, by any person in any jurisdiction in which such an offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such an offer or proxy solicitation.

Solicitation of Proxies

This management information circular and proxy statement (the "**Circular**") is furnished in connection with the solicitation of proxies by the management of Graphite Energy Corp. (the "**Corporation**") for use at the annual general and special meeting (the "**Meeting**") of the holders (the "**Shareholders**") of common shares ("**Common Shares**") of the Corporation to be held at Suite 1510 – 789 West Pender Street, Vancouver, BC, V6C 1H2 on Tuesday, October 15, 2019 at 11:00 a.m. (Vancouver time), for the purposes set forth in the notice of annual general and special meeting (the "**Notice**") accompanying this Circular.

Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally or by telephone, facsimile or other means of electronic communication. In accordance with National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**"), arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of the Common Shares held of record by such persons and the Corporation may reimburse such persons for reasonable fees and disbursements incurred by them in doing so. The costs thereof will be borne by the Corporation.

These securityholder materials are being sent to both registered and non-registered owners of Common Shares. If you are a non-registered owner of Common Shares, and the Corporation or its agent has sent these materials directly to you, your name and address and information about your holdings of Common Shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding Common Shares on your behalf.

Accompanying this Circular (and filed with applicable securities regulatory authorities) is a form of proxy for use at the Meeting (a "**Proxy**"). Each Shareholder who is entitled to attend at meetings of Shareholders is encouraged to participate in the Meeting and all Shareholders are urged to vote on matters to be considered in person or by proxy. All time references in this Circular are references to Vancouver, British Columbia, Canada time.

Quorum for the Transaction of Business

The Corporation's articles provide that the quorum at a meeting of the shareholders of the Corporation shall be constituted by the attendance of one or more shareholders, present in person or represented by proxy, holding not less than one voting share of the Corporation.

Rights of Revocation of Proxies and Appointment of Proxyholder

Appointment of a Proxy

Those Shareholders who wish to be represented at the Meeting by proxy must complete and deliver a proper Proxy to Computershare Investor Services Inc. (the "Transfer Agent"), at 100 University Avenue, 8th Floor, Toronto, ON, M5J 2Y1.

The persons named as proxyholders in the Proxy accompanying this Circular are directors or officers of the Corporation, or persons designated by management of the Corporation, and are representatives of the Corporation's management for the Meeting. A Shareholder who wishes to appoint some other person (who need not be a Shareholder) to attend and act for him, her or it and on his, her or its behalf at the Meeting other than the management nominee designated in the Proxy may do so by either: (i) crossing out the names of the management nominees AND legibly printing the other person's name in the blank space provided in the accompanying Proxy; or (ii) completing another valid form of proxy. In either case, the completed form of proxy must be delivered to the Transfer Agent, at the place and within the time specified herein for the deposit of proxies. A Shareholder who appoints a proxy who is someone other than the management representatives named in the Proxy should notify such alternative nominee of the appointment, obtain the nominee's consent to act as proxy, and provide instructions on how the Common Shares are to be voted. The nominee should bring personal identification to the Meeting. In any case, the Proxy should be dated and executed by the Shareholder or an attorney authorized in writing, with proof of such authorization attached (where an attorney executed the Proxy).

In order to validly appoint a proxy, Proxies must be received by the Transfer Agent, at 100 University Avenue, 8th Floor, Toronto, ON, M5J 2Y1, at least 48 hours, excluding Saturdays, Sundays and holidays, prior to the Meeting or any adjournment or postponement thereof. After such time, the chairman of the Meeting may accept or reject a Proxy delivered to him or her in his or her discretion but is under no obligation to accept or reject any particular late Proxy.

Revoking a Proxy

A Shareholder who has validly given a proxy may revoke it for any matter upon which a vote has not already been cast by the proxyholder appointed therein. In addition to revocation in any other manner permitted by law, a proxy may be revoked with an instrument in writing signed and delivered to either the registered office of the Corporation or the Transfer Agent at 100 University Avenue, 8th Floor, Toronto, ON, M5J 2Y1, at any time up to and including the last business day preceding the date of the Meeting, or any postponement or adjournment thereof at which the proxy is to be used, or deposited with the chairman of such Meeting on the day of the Meeting, or any postponement or adjournment thereof. The document used to revoke a proxy must be in writing and completed and signed by the Shareholder or his or her attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized.

Also, a Shareholder who has given a proxy may attend the Meeting in person (or where the Shareholder is a corporation, its authorized representative may attend), revoke the proxy (by indicating such intention to the chairman before the proxy is exercised) and vote in person (or withhold from voting).

Only registered Shareholders have the right to revoke a proxy. Non-registered Shareholders who wish to change their vote must arrange for their intermediary or nominee to revoke the proxy on their behalf.

Signature on Proxies

The Proxy must be executed by the Shareholder or his or her duly appointed attorney authorized in writing or, if the Shareholder is a corporation, by a duly authorized officer whose title must be indicated. A Proxy signed by a person acting as attorney or in some other representative capacity should indicate that person's capacity (following his or her signature) and should be accompanied by the appropriate instrument evidencing qualification and authority to act (unless such instrument has been previously filed with the Corporation).

Voting of Proxies

Each Shareholder may instruct his, her or its proxy how to vote his, her or its Common Shares by completing the blanks on the Proxy.

The Common Shares represented by the enclosed Proxy will be voted or withheld from voting on any motion, by ballot or otherwise, in accordance with any indicated instructions. If a Shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly. In the absence of such

direction, such Common Shares will be voted FOR THE RESOLUTIONS DESCRIBED IN THE PROXY AND BELOW. If any amendment or variation to the matters identified in the Notice is proposed at the Meeting or any adjournment or postponement thereof, or if any other matters properly come before the Meeting or any adjournment or postponement thereof, the accompanying Proxy confers discretionary authority to vote on such amendments or variations or such other matters according to the best judgment of the appointed proxyholder. Unless otherwise stated, the Common Shares represented by a valid Proxy will be voted in favour of the election of nominees set forth in this Circular except where a vacancy among such nominees occurs prior to the Meeting, in which case, such Common Shares may be voted in favour of another nominee in the proxyholder's discretion. As at the date of this Circular, management of the Corporation knows of no such amendments or variations or other matters to come before the Meeting.

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

Except as disclosed in this Circular or as below, none of the directors or senior officers of the Corporation at any time since the beginning of the Corporation's last financial year, nor any proposed nominee for election as a director of the Corporation, nor any associate or affiliate of any of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, other than the election of directors, the appointment of auditors and the approval of the Transaction (defined herein), the approval of which certain persons (noted herein) are excluded from voting on in accordance with the requirements of the CSE (defined herein).

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

Voting Shares, Record Date and Principal Shareholders

The authorized capital stock of the Corporation consists of an unlimited number of common shares without par value. Each common share entitles its holder to one vote. On the date hereof, there were 2,816,051 Common Shares of the Corporation issued and outstanding.

The board of directors of the Corporation (the "**Board**") fixed the close of business on September 10, 2019 as the record date (the "**Record Date**") for determining which shareholders shall be entitled to receive notice of the meeting and to vote in person or by proxy at the Meeting or any adjournment thereof.

To the knowledge of the Directors (as defined herein) and executive officers of the Corporation, as of the date of this Circular, no person or corporation beneficially owns, directly or indirectly, or exercises control or direction over, Common Shares carrying 10% or more of all voting rights attached to the outstanding Common Shares, except for Corsurex Resources Corp., owning 500,000 Common Shares, equal to 17.8% of the issued and outstanding Common Shares (Adrian Hobkirk and Chris Cherry are both directors of Corsurex Resources Corp., a reporting issuer).

As at the date of this Circular, the current Directors and senior officers of the Corporation own or control, directly or indirectly 3,000 Common Shares.

Common Shares

The holders of Common Shares are entitled to notice of and to vote at all annual general meetings of shareholders (except meetings at which only holders of a specified class or series of shares are entitled to vote) and are entitled to one vote per Common Share. The holders of Common Shares are entitled to receive such dividends as the board of directors of the Corporation (the "**Board of Directors**" or the "**Board**") declare and, upon liquidation, to receive such assets of the Corporation as are distributable to holders of Common Shares.

Voting of Common Shares – General

Only Shareholders whose names are entered in the Corporation's register of shareholders at the close of business on the Record Date will be entitled to receive notice of and to vote at the Meeting. Holders of the Corporation's Common Shares who acquire common shares of the Corporation after the Record Date will not be entitled to vote his or her Common Shares at the Meeting.

Advice to Beneficial Shareholders

The information set forth in this section is of significant importance to a substantial number of the Shareholders who do not hold their Common Shares in their own names. Shareholders who do not hold their Common Shares in their own names (referred to in this Circular as "**Beneficial Shareholders**") should note that only proxies deposited by Shareholders whose names appear on the records of the Corporation as the registered holders of Common Shares can be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those shares will not be registered in the Shareholder's name on the records of the Corporation. Such Common Shares will more likely be registered under the name of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of such Common Shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominees for many Canadian brokerage firms). Common Shares held by brokers or their nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. **Without specific instructions, the broker/nominees are prohibited from voting shares for their clients. The Corporation does not know for whose benefit the Common Shares registered in the name of CDS & Co. or other brokers/agents are held.** Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate person well in advance of the Meeting.

Non-registered holders who have not objected to their Intermediary disclosing certain ownership information about themselves to the Corporation are referred to as "non-objecting beneficial owners. Those non-registered holders who have objected to their Intermediary disclosing ownership information about themselves to the Corporation are referred to as "objecting beneficial owners" ("**OBOs**").

The Corporation does not intend to pay for Intermediaries to deliver the Meeting materials and Form 54-101F7 – Request for Voting Instructions Made by Intermediary to OBOs. As a result, OBOs will not receive the Meeting materials unless their Intermediary assumes the costs of delivery.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically provides a scannable voting instruction form in lieu of the Instrument of Proxy, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the voting instruction forms to Broadridge. Alternatively, Beneficial Shareholders sometimes are provided with a toll-free telephone number or website information to deliver the Beneficial Shareholder's voting 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. **A Beneficial Shareholder receiving a voting instruction form cannot use that voting instruction form to vote Common Shares directly at the Meeting as the voting instruction form must be returned as directed by Broadridge well in advance of the Meeting in order to have the Common Shares voted. Accordingly, it is strongly suggested that Beneficial Shareholders return their completed voting instruction form as directed by Broadridge well in advance of the Meeting.**

All references to Shareholders in this Circular, the Instrument of Proxy and the Notice are to Shareholders of record unless specifically stated otherwise. Where documents are stated to be available for review or inspection, such items will be made available upon request to registered Shareholders who produce proof of their identity.

Notice-and-Access

The Corporation is not sending the Meeting materials to Shareholders using "notice-and-access", as defined under NI 54-101.

All references to shareholders in this Circular, the enclosed form of proxy and the notice of meeting are to the registered shareholders unless specifically stated otherwise.

STATEMENT OF EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Executive Compensation is required to be disclosed for (i) each Chief Executive Officer (or individual who served in a similar capacity during the most recently completed financial year), (ii) each Chief Financial Officer (or individual who served in a similar capacity during the most recently completed financial year), (iii) each of the three most highly compensated executive officers (other than the Chief Executive Officer and the Chief Financial Officer) who were serving as executive officers at the end of the most recently completed fiscal year (or three most highly compensated individuals) and whose total compensation was, individually, more than \$150,000; and (iv) each individual who would meet the definition set forth in (iii) but for the fact that the individual was neither an executive officer of the company, nor acting in a similar capacity, at the end of that financial year (the "**Named Executive Officers**" or "**NEOs**").

The Named Executive Officers of the Corporation during the most recently completed financial year were Adrian Hobkirk, Chief Executive Officer (Mr. Hobkirk was appointed President, Chief Executive Officer and a director on April 4, 2018 and replaced Afzaal Pirzada who resigned as President, Chief Executive Officer and director), and Teresa Cherry, Chief Financial Officer (Ms. Cherry was appointed Chief Financial Officer and a director on March 5, 2018 and replaced Sheri Remple who resigned as Chief Financial Officer and a director). There were no other Named Executive Officers during the most recently completed financial year, as no other employees earned in excess of \$150,000 in the financial year ended June 30, 2019.

Philosophy and Objectives

As the Corporation does not have a compensation committee, the functions of a compensation committee are performed by the Board of Directors as a whole and the compensation of the Named Executive Officers is reviewed and approved annually by the Board of Directors.

The objective of the Board of Directors in setting compensation levels is to attract and retain individuals of high calibre to serve as officers of the Corporation, to motivate their performance in order to achieve the Corporation's strategic objectives and to align the interests of executive officers with the long-term interests of the Shareholders. These objectives are designed to ensure that the Corporation continues to grow on an absolute basis as well as to grow cash flow and earnings for Shareholders. The Board of Directors set the compensation received by Named Executive Officers so as to be generally competitive with the compensation received by persons with similar qualifications and responsibilities who are engaged by other companies of corresponding size, stage of development, having similar assets, number of employees, market capitalization and profit margin. In setting such levels, the Board of Directors relies primarily on their own experience and knowledge.

Compensation

The Corporation compensates its executive officers based on their skill and experience levels and the existing stage of development of the Corporation. Executive officers are rewarded on the basis of the skill and level of responsibility involved in their position, the individual's experience and qualifications, the Corporation's resources, industry practice, and regulatory guidelines regarding executive compensation levels.

The Board of Directors has implemented three levels of compensation to align the interests of the executive officers with those of the shareholders. First, executive officers are paid a monthly consulting fee or salary determined by the Board of Directors, if appropriate. Second, the Board of Directors awards executive officers long term incentives in the form of stock options. Finally, and only in special circumstances, the Board of Directors may award cash or share bonuses for exceptional performance that results in a significant increase in shareholder value. The Corporation does not provide pension or other benefits to the executive officers.

The base compensation of the executive officers is reviewed and set annually by the Board of Directors. The Chief Executive Officer has substantial input in setting annual compensation levels. The Chief Executive Officer is directly

responsible for the financial resources and operations of the Corporation. In addition, the Chief Executive Officer and Board of Directors from time to time determine the stock option grants to be made pursuant to the incentive plan of the Corporation (the "Plan"). Previous grants of stock options are taken into account when considering new grants. The Board of Directors awards bonuses at its sole discretion. The Board of Directors does not have pre-existing performance criteria or objectives.

The Board of Directors considers the implications of the risks associated with the Corporation's compensation policies and practices when determining rewards for its executive officers and ensures that those policies do not encourage management to take inappropriate or excessive risks. The Board of Directors does not believe that there are any risks arising from the compensation programs that would be reasonably likely to have a material adverse effect on the Corporation.

The Corporation's compensation program includes certain mechanisms to ensure risk taking behaviour falls within reasonable risk tolerance levels, including (i) the establishment of a compensation package that is competitive with the compensation received by persons with similar qualifications and responsibilities who are engaged by other companies of corresponding size, stage of development, having similar assets, number of employees, market capitalization and profit margin; and (ii) utilizing long term incentive plans (option based awards) for diversification and alignment.

Neither executive officers nor directors are permitted to take any derivative or speculative positions in the Corporation's securities. This is to prevent the purchase of financial instruments that are designed to hedge or offset any decrease in the market value of the Corporation's securities.

Compensation for the most recently completed financial year should not be considered an indicator of expected compensation levels in future periods. All compensation is subject to and dependant on the Corporation's financial resources and prospects.

The Corporation does not currently have any agreements in place setting the terms of the relevant Named Executive Officers compensation. Compensation of the Named Executive Officers is reviewed by the Corporation's Board of Directors on an annual basis.

Summary Compensation Table

The following table sets forth information concerning the total compensation paid during the years ended June 30, 2019, June 30, 2018, and June 30, 2017 to the Named Executive Officers.

Name of NEO and Principal Position	Year Ended June 30	Salary (\$)	Share-based Awards (\$)	Option-based Awards (\$)	Non-Equity Incentive Plan Compensation		Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plans (\$)	Long-term Incentive Plans (\$)			
Adrian Hobkirk CEO ⁽¹⁾	2019	Nil	Nil	Nil	Nil	Nil	Nil	67,687	67,687
	2018	Nil	Nil	Nil	Nil	Nil	Nil	32,313	32,313
Afzaal Pirzada, former CEO ⁽²⁾	2018	Nil	Nil	Nil	Nil	Nil	Nil	115,133	115,133
	2017	Nil	100,000	Nil	Nil	Nil	Nil	Nil	100,000
Teresa Cherry CFO & Corporate Secretary ⁽³⁾	2019	Nil	Nil	Nil	Nil	Nil	Nil	110,000	110,000
	2018	Nil	Nil	Nil	Nil	Nil	Nil	20,000	20,000

Sheri Rempel Former CFO ⁽⁴⁾	2018 2017	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	14,347 ⁽⁴⁾ 3,982 ⁽⁴⁾	14,347 3,982
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- (1) Mr. Hobkirk was appointed President, CEO and director on April 4, 2018.
- (2) Mr. Pirzada resigned as President, CEO and director on April 4, 2018. Fees paid by the Corporation to a company controlled by Mr. Pirzada for CEO and geological services.
- (3) Ms. Cherry was appointed CFO, and director on March 5, 2018. Fees paid or accrued by the Corporation to a company controlled by Ms. Cherry, CTC Consulting Ltd. for CFO and accounting services.
- (4) Ms. Rempel resigned as CFO and director on March 5, 2018. Fees paid by the Corporation to a company controlled by Ms. Rempel for CFO and accounting services.

Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards

The Plan was established to provide an incentive to the directors, officers, employees, consultants and other personnel of the Corporation to achieve the longer-term objectives of the Corporation, to give suitable recognition to the ability and industry of such persons who contribute materially to the success of the Corporation and to attract to and retain in the employ of the Corporation, persons of experience and ability, by providing them with the opportunity to acquire an increased proprietary interest in the Corporation.

The following is a summary of the material terms of the Plan and is qualified in its entirety by the full text of the Plan:

- The number of Common Shares to be reserved and authorized for issuance pursuant to options granted under the Plan shall not exceed 10% of the total number of issued and outstanding shares in the Corporation.
- Under the Plan, the aggregate number of optioned Common Shares granted to any one optionee in a 12-month period must not exceed 5% of the Corporation's issued and outstanding shares. The number of optioned Common Shares granted to any one consultant in a 12-month period must not exceed 2% of the Corporation's issued and outstanding shares. The aggregate number of optioned Common Shares granted to an optionee who is employed to provide investor relations services must not exceed 2% of the Corporation's issued and outstanding Common Shares in any 12-month period.
- Options will be exercisable for a term of up to ten (10) years, subject to earlier termination in the event of the optionee's death or the cessation of the optionee's services to the Corporation.
- Options granted under the Plan are non-assignable and non-transferable.

A copy of the Plan may be inspected at the head office of the Corporation during normal business hours and at the Meeting. In addition, a copy of the Plan will be mailed, free of charge, to any Shareholder who requests a copy, in writing, from the Chief Executive Officer of the Corporation.

As at June 30, 2019, there were no outstanding option-based awards or share-based awards for any of the NEOs, including awards granted before such date.

Incentive Plan Awards – Value Vested or Earned During the Year

No option-based awards or share-based awards vested during the year ended June 30, 2019 and there was no non-equity incentive plan compensation earned during the year ended June 30, 2019.

Pension Plan Benefits

The Corporation does not have any defined benefit or defined contribution pension plans in place which provide for payments or benefits at, following, or in connection with retirement.

Termination and Change of Control Benefits

Pursuant to the terms of the Plan, if an optionee holds his or her option as director, or officer of the Corporation and such optionee ceases to be a director, or officer of the Corporation, other than by reason of death, then the optionee

may exercise such part of the option as is exercisable immediately prior to the time of ceasing to be a director, or officer of the Corporation within a period which is the earlier of the normal expiry date of the option and 90 days following ceasing to be a director, or officer of the Corporation and all unexercised options of the optionee will immediately terminate forthwith without further notice.

If an optionee holds his or her options as an employee, consultants or is engaged in investor relations activities ceases to be engaged for such services, other than by reason of death, then the optionee may exercise such part of the option as is exercisable immediately prior to the time of ceasing to be engaged for such services within a period which is the earlier of the normal expiry date of the option and 30 days following ceasing to be engaged for such services and all unexercised options of the optionee will immediately terminate forthwith without further notice.

Other than the aforementioned agreements, there are no compensatory plans, contracts or arrangements with any Named Executive Officer (including payments to be received from the Corporation or any subsidiary), which result or will result from the resignation, retirement or any other termination of employment of such Named Executive Officer or from a change of control of the Corporation or any subsidiary thereof or any change in such Named Executive Officer's responsibilities, where the Named Executive Officer is entitled to payment or other benefits.

Management Contracts

No management functions of the Corporation or any subsidiary of the Corporation are to any substantial degree performed by a person or company other than the directors or executive officers of the Corporation.

Director Compensation

The Corporation has no standard arrangement pursuant to which directors are compensated by the Corporation for their services in their capacity as directors except for the granting from time to time of incentive stock options in accordance with the policies of the Market. The following table sets forth compensation that was paid to any director of the Corporation for the director's services as a director during the financial year ended June 30, 2019.

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Christopher Cherry ⁽¹⁾	Nil	Nil	Nil	Nil	Nil	75,000	75,000
Rodney Campbell ⁽⁴⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Robert Nigel Horsley ⁽⁵⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Bonnie Kagna ⁽⁶⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) Mr. Cherry was appointed as a director of the Corporation on April 4, 2018. Fees paid or accrued by the Corporation to a company controlled by Mr. Cherry, Cherry Consulting Ltd.
- (2) Mr. Campbell was appointed as a director of the Corporation on March 6, 2019.
- (3) Mr. Horsley was appointed as a director of the Corporation on March 27, 2019.
- (4) Bonnie Kagna resigned as a director of the Corporation on February 26, 2019.

Share-Based Awards, Option-Based Awards and Non-Equity Incentive Plan Compensation

Incentive plan awards – Outstanding share-based awards and option-based awards

As at June 30, 2019, there were no outstanding option-based awards or share-based awards for any of the directors, including awards granted before such date.

Incentive plan awards – value vested or earned during the year

No option-based awards or share-based awards vested during the year ended June 30, 2019 and there was no non-equity incentive plan compensation earned during the year ended June 30, 2019.

Securities Authorized for Issuance under Equity Compensation Plans

The following table sets out information as at the end of the Corporation's most recently completed financial year with respect to compensation plans under which equity securities of the Corporation are authorized for issuance.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders	Nil	Nil	281,605 ⁽¹⁾
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
Total	Nil	Nil	281,605

Note:

- (1) The Plan provides that the aggregate number of securities reserved for issuance under the Plan may not exceed 10% of the issued and outstanding shares of the Corporation at the time of granting of options. As at the Record Date, there were **281,605** Common Shares issued and outstanding and no outstanding options, with the result that **281,605** options were available to the Corporation to be granted.

CORPORATE GOVERNANCE

The British Columbia Securities Commission has issued guidelines on corporate governance disclosure for venture issuers as set out in Form 58-101F2 (the "**Disclosure**"). The Disclosure addresses matters relating to constitution and independence of directors, the functions to be performed by the directors of a Corporation and their committees and effectiveness and evaluation of proposed corporate governance guidelines and best practices specified by the Canadian securities regulators. The Corporation's approach to corporate governance in the context of the specific Disclosure issues outlined in Form 58-101F2 is set out in the attached Schedule "B".

AUDIT COMMITTEE

Audit Committee Charter

The Charter of the Corporation's Audit Committee is attached to this Circular as Schedule "C".

Composition of the Audit Committee

The following are the members of the Audit Committee:

Name	Independent ⁽¹⁾	Financially literate ⁽¹⁾
Teresa Cherry ⁽²⁾	No	Yes
Rodney Campbell	Yes	Yes
Christopher Cherry	Yes	Yes

Notes:

- (1) As defined by NI 52-110.
 (2) Ms. Cherry is the CFO of the Corporation and therefore not independent pursuant to the provisions of National Instrument 58-101 – *Disclosure of Corporate Governance Practices*.

Education and Experience

Each member of the Audit Committee brings unique education and experience relevant to the performance of their responsibilities and duties as an Audit Committee member. This includes, but is not limited to, an understanding of the accounting principles used by the Corporation to prepare its financial statements; the ability to assess the general application of accounting principles in connection with the accounting for estimates, accruals and provisions; experience preparing, auditing, analyzing or evaluating financial statements covering a breadth and level of

complexity relative to the Corporation or experience actively supervising one or more individuals engaged in such activities; and an understanding of internal controls and procedures for financial reporting.

Teresa Cherry – Ms. Cherry has over 10 years of corporate accounting experience assisting companies with financial reporting and management in the oil and gas, mineral, and coal industries both in exploration and production. She has been a member of the Chartered Professional Accountants of British Columbia (CPA, CGA) since September 2014.

Rodney Campbell – Mr. Campbell Rod Campbell brings over 30 years of business experience predominantly in the finance and oil and gas sectors. Prior to joining the Graphite Energy team, Mr. Campbell worked as a Stock Broker at BMO Nesbitt Burns for many years where he formed solid relationships and gained vast knowledge of the finance industry. In addition to his experience in the finance industry, Mr. Campbell also worked in the Oil and Gas sector for 17 years where he handled Procurement and development of the fuel business for many industry leaders such as Encana, Apache Corporation, Canadian Hunter Exploration, Elbow River Resources, ERS, and MP Energy. During his years in the Oil & Gas industry, Mr. Campbell achieved many milestones and continued to develop his relationships throughout Canada and the US. Most recently, Mr. Campbell built a wholesale business in Alberta and was successful in that venture.

Christopher Cherry – Mr. Cherry has over 15 years of corporate accounting and audit experience. Mr. Cherry has extensive corporate experience and has held senior level positions for several public mining companies including director, CFO, and Corporate Secretary. Mr. Cherry has been a Chartered Accountant since February 2009 and a Certified General Accountant since 2004. In his former experience as an auditor, he held positions with KPMG and Davidson and Co. LLP in Vancouver, where he gained experience as an auditor for junior public companies, and an IPO specialist.

Audit Committee Oversight

At no time since the commencement of the Corporation's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board of Directors.

Reliance on Certain Exemptions

At no time since the commencement of the Corporation's most recently completed financial year has the Corporation relied on:

- (a) an exemption in Section 2.4 of NI 52-110 (*De Minimis Non-audit Services*);
- (b) an exemption in Subsection 6.1.1(4) (*Circumstance Affecting the Business or Operations of the Venture Issuer*);
- (c) an exemption in Subsection 6.1.1(5) (*Events Outside Control of Member*);
- (d) an exemption in 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 (*Exemption*).

Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services as described below under the heading "External Auditors"; however, such engagement is within the mandate of the Audit Committee.

External Auditor Service Fees (By Category)

The aggregate fees billed by the Corporation's external auditors in each of the last two fiscal years for audit fees are as follows:

Financial Year Ending	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
2019	\$13,125	Nil	\$750	Nil
2018	\$11,730	Nil	\$750	Nil

Exemption

The Corporation is not required to comply with Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110 by virtue of the exemption contained in section 6.1 thereof.

PARTICULARS OF MATTERS TO BE ACTED UPON

1. Financial Statements

The audited financial statements of the Corporation for the years ended June 30, 2019 and June 30, 2018 and the auditors' report thereon accompanying this Circular will be placed before the Shareholders at the Meeting for their consideration. Shareholders who wish to receive interim financial statements are encouraged to send the enclosed notice, in the addressed envelope to Computershare Investor Services. No formal action will be taken at the Meeting to approve the financial statements, which have been approved by the Board of Directors of the Corporation in accordance with applicable corporate and securities legislation. Any questions regarding the financial statements may be brought forward at the Meeting.

2. Fixing the Number of Directors

At the Meeting, it is proposed that the number of directors to be elected at the Meeting to hold office until the next annual meeting of the Shareholders of the Corporation, or until the Change of Board Time (as defined herein) or until their successors are elected or appointed, as the case may be, subject to the notice of articles and articles of the Corporation, be set at five (5).

Unless otherwise directed, the management designees named in the accompanying instrument of proxy intend to vote FOR setting the number of directors to be elected at the Meeting, for the period as stated above, at five (5).

3. Election of Directors

Nominees

The persons named below are the nominees of management for election as directors. The term of office of each of the present directors expires at the Meeting, unless earlier vacated. The Board of Directors currently consists of five (5) members. Shareholder approval will be sought to nominate the persons listed below for election as directors. Management of the Corporation proposes to nominate the persons named below for election as directors of the Corporation at the Meeting to serve until the next annual meeting of the Shareholders of the Corporation, or until the Change of Board Time (hereinafter defined), as the case may be, unless his or her office is earlier vacated. **All of the nominees are currently members of the Board of Directors of the Corporation.**

Approval of the election of directors will require the affirmative votes of the holders of not less than half of the votes cast in respect thereof by Shareholders present in person or by proxy at the Meeting. **Unless otherwise directed, the management designees named in the accompanying instrument of proxy intend to vote FOR the election of the five (5) nominees as directors of the Corporation. Management of the Corporation has been informed that each of the proposed nominees is willing to serve as a director if elected.** In the event that prior to the Meeting, any vacancies occur on the slate of nominees submitted herewith, it is intended that discretionary authority will be granted to vote proxies solicited by or on behalf of management for the election of any other person or persons as directors.

The following information concerning the proposed nominees has been furnished by each of them:

Name, Residence and Present Office Held	Principal Occupation or Employment	Director Since	Number of Common Shares Beneficially Owned or Controlled and percentage of total issued and outstanding ⁽¹⁾
Adrian Hobkirk Washington, USA Director & Chief Executive Officer	Business Executive; President and CEO of the Company	April 4, 2018	3,000 Less than 1%
Teresa Cherry ⁽²⁾ British Columbia Director, Chief Financial Officer & Corporate Secretary	Chartered Professional Accountant, Chartered General Accountant: Accountant, Simco Services Inc., and self-employed management consultant providing management and accounting consulting services to public companies.	March 5, 2018	Nil Nil%
Robert Nigel Horsley British Columbia Director	Vice President, Social Responsibility Policy and Projects, Castor Products, Inc.	March 27, 2019	Nil Nil%
Christopher Cherry ⁽²⁾⁽³⁾ British Columbia Director	Chartered Accountant and Certified General Accountant, Cherry Consulting Ltd.; self-employed management consultant providing management and accounting consulting services to public companies.	April 4, 2018	Nil Nil%
Rodney Campbell ⁽²⁾⁽³⁾ Alberta Director	Business executive and entrepreneur.	March 6, 2019	Nil Nil%

Notes:

- (1) The information as to the number of Common Shares beneficially owned, not being within the knowledge of the Corporation, has been furnished by the respective nominees. These figures do not include any securities that are convertible into or exercisable for Common Shares. As of the date of this Circular there are 2,816,051 Common Shares issued and outstanding.
- (2) Member of the Audit Committee.
- (3) Mr. Cherry and Mr. Campbell are considered independent pursuant to the provisions of National Instrument 58-101 – *Disclosure of Corporate Governance Practices* and National Instrument 52-110 – *Audit Committees*.

Corporate Cease Trade Orders or Bankruptcies

Except as disclosed below, to the best of the Corporations’ knowledge, as at the date of this Circular, and within the last 10 years before the date of this Circular, no proposed director (or any of their personal holding companies) of the Corporation was a director, CEO or CFO of any company (including the Corporation) that:

- (i) was the subject of a cease trade order, an order similar to a cease trade order or an order that denied the Corporation access to any exemptions under securities legislation, and that was in effect for a period of more than 30 consecutive days; or
- (ii) was the subject of a cease trade order, an order similar to a cease trade order or an order that denied the Corporation access to any exemptions under securities legislation, that was issued after that individual ceased to be a director or chief executive officer or chief financial officer and which resulted from an event that occurred while such person was acting in a capacity as a director, chief executive officer or chief financial officer.

Cease Trade Order Details

Adrian Hobkirk, a director and officer of Corsurex Resources Corp. (“Corsurex”), was subject to a management cease trade order from May 5, 2009 to June 16, 2009 due to the late filing of the Company’s audited financial statements for the year ended December 31, 2008. The cease trade was rescinded on June 16, 2009 and is no longer in effect.

Christopher P. Cherry, was a former director and/or officer of Wolfeye Resource Corp. (now Lexagene Holdings Inc.) (“Lexagene”). On August 7, 2013, the BCSC and the Alberta Securities Commission (the “Commissions”) issued a

CTO against Lexagene, its directors, officers and insiders for failure of Lexagene to file its audited financial statements and management's discussion & analysis and related certifications for the year ended March 31, 2013 (collectively, the "Financial Materials"). On August 8, 2013, trading in Lexagene's common shares was suspended by the TSX Venture Exchange (the "TSXV") for failure to file the Financial Materials. Lexagene filed the Financial Materials with the Commissions and the CTO was lifted by the Commissions on September 26, 2013. Lexagene applied to the TSXV to lift the trading suspension and, after satisfying all of the conditions of the TSXV, the suspension was lifted and trading in Lexagene's common shares recommenced on October 30, 2013.

Mr. Cherry is currently the CFO of Mexivada Mining Corp. ("Mexivada"). On October 29, 2010, at the request of management of Mexivada, the BCSC issued a CTO against the insiders of Mexivada for not filing comparative financial statements for its financial year ended June 30, 2010 and the related management's discussion and analysis for the same period. The CTO was rescinded on November 30, 2010 and is no longer in effect. On October 31, 2011, at the request of management, the BCSC issued a CTO against the insiders of Mexivada for not filing comparative financial statements for its financial year ended June 30, 2011 and the related management's discussion and analysis for the same period. The CTO was rescinded on November 24, 2011 and is no longer in effect. On October 31, 2012, at the request of management, the BCSC issued a CTO against the insiders of Mexivada for not filing comparative financial statements for its financial year ended June 30, 2012 and the related management's discussion and analysis for the same period. The CTO is still in effect.

Mr. Cherry was a former director and officer of 1040426 BC Ltd., 1040433 BC Ltd., 1040440 BC Ltd., 1040442 BC Ltd. and Genix Pharmaceutical Corp., companies that are reporting issuers in the provinces of British Columbia and Alberta. On December 2, 2016, the BCSC issued a CTO against these companies, their directors, officers and insiders for failure to file audited financial statements and management's discussion & analysis and related certifications for the year ended July 31, 2016. The BCSC also issued deficiency notices to each of 1040440 BC Ltd. and Genix Pharmaceutical Corp. for failure to file first quarter financial statements and management's discussion & - 7 - analysis for the period ended October 31, 2016. On May 23, 2017, the BCSC issued revocation orders for each of 1040426 BC Ltd., 1040433 BC Ltd. and 1040442 BC Ltd. (now Zenith Exploration Inc.) and the CTOs were lifted. On September 20, 2017, the BCSC issued a revocation order for 1040440 BC Ltd. and the CTO was lifted. On April 13, 2018, the BCSC issued a revocation order for Genix Pharmaceutical Corp. and the CTO was lifted.

Mr. Cherry is the CFO of Block One Capital Inc. ("Block One"). On January 2, 2019, the BCSC issued a CTO against Block One and Mr. Cherry, as an insider of Block One, for failure to file its annual audited financial statements for the year ended August 31, 2018 and the related management's discussion for the same period. On January 31, 2019, the BCSC issued a revocation order for Block One and the CTO was lifted.

Mr. Cherry is the CFO of NetCents Technology Inc. ("NetCents"). On March 1, 2019, at the request of management of NetCents, the BCSC issued a CTO against the insiders of NetCents for not filing comparative financial statements for its financial year ended October 31, 2018 and the related management's discussion and analysis for the same period. On March 29, 2019, the BCSC issued a revocation order for NetCents and the CTO was lifted.

Mr. Cherry and Mr. Hobkirk are officers and directors of Corsurex Resources Corp. ("Corsurex"). On May 6, 2019, the BCSC issued a CTO against the Company, its directors, officers and insiders for failure to file audited financial statements and management's discussion & analysis and related certifications for the year ended December 31, 2018. On May 16, 2019, the BCSC issued a revocation order for the Company and the CTO was lifted.

Except as disclosed below, to the best of the Company's knowledge, as at the date of this circular, and within the last ten years before the date of the circular, no director or proposed director of the Corporation is, a director or executive officer of any other corporation that, while such person was acting in that capacity, or within a year of that individual 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.

Mr. Cherry was a former CFO and Director of Wellstar Energy Corp and on March 24, 2017, the Court of Queen's Bench of Alberta granted an application of the Wellstar Energy Corp lenders, to appoint Grant Thornton Limited (the

"Receiver") as receiver and manager over the assets, undertakings and property of WellStar and its wholly owned subsidiary Nexstep Resources Ltd ("Nexstep"). The Receiver is charged with managing the day to day affairs of the Company and Nexstep during the period of its appointment.

Mr. Cherry resigned as CFO effective March 24, 2017 and as a director in May 2017. He is presently not privy to any update on proceedings, to the best of his knowledge, the Company is still in the receivership with Grant Thornton subject to an asset sale of oil and gas assets.

Individual Bankruptcies

No director or proposed director of the Corporation is or has, within the ten years prior to the date hereof, 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 that individual.

Penalties or Sanctions

No director or proposed director of the Corporation has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority. No director or proposed director of the Corporation has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

Conflicts of Interest

The directors and officers of the Corporation may, from time to time, be involved with the business and operations of other issuers, in which case a conflict of interest may arise between their duties as officers and directors of the Corporation and as officer and directors of such other companies. Such conflicts must be disclosed in accordance with, and are subject to such procedures and remedies, as applicable, under the *Business Corporations Act* (British Columbia) (the "Act").

4. Fixing the Number of Directors to be Elected Following the Transaction with WFC

It is desirable, in connection with the Transaction (as defined herein), to elect three (3) directors to serve from the Change of Board Time (hereinafter defined) until the close of the next annual meeting of shareholders of the Corporation or until their successors are elected or appointed, subject to the notice of articles and articles of the Corporation. Shareholders will be asked to consider and, if thought appropriate, to pass, with or without variation, an ordinary resolution fixing the number of directors of the Corporation to be elected following the Change of Board Time at three (3).

Unless otherwise directed, the management designees named in the accompanying instrument of proxy intend to vote FOR setting the number of directors to be elected at the Meeting, for the period as stated above, at three (3).

5. Election of Directors to Serve Following the Transaction with WFC

It is desirable, in connection with the Transaction (as defined herein), to elect three (3) Directors to serve from the closing of the Transaction (the "**Change of Board Time**") until the close of the next annual meeting of Shareholders or until their successors are elected or appointed (the "**New Slate**").

Further, it is a condition to the completion of the Transaction, among others, that the New Slate, comprised of three (3) individuals, be elected to hold office, effective at the Change of Board Time, as Directors of the Corporation. Should the Transaction not be completed for any reason, the Directors elected at the Meeting will hold office until the next annual meeting of the Shareholders of the Corporation or until their successors are elected or appointed.

Approval of the election of the New Slate will require the affirmative votes of the holders of not less than half of the votes cast in respect thereof by Shareholders present in person or by proxy at the Meeting.

Shareholders will be asked at the Meeting to consider, and if thought appropriate, to pass an ordinary resolution, the text of which is as follows:

"BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:

1. the election of each of Arthur Griffiths, Rodney Campbell, and Robert Nigel Horsley, as Directors of the Corporation, to hold office from the Change of Board Time, as defined in the management information circular of the Corporation dated September 16, 2019, until the close of the next annual meeting of the Shareholders or until their successors are elected or appointed, is hereby approved."

Unless otherwise directed, the management designees named in the accompanying instrument of proxy intend to vote FOR the election of the New Slate, as directors of the Corporation to hold office from the Change of Board Time until the close of the next annual meeting of Shareholders or until their successors are elected or appointed. The Corporation does not contemplate that any of the nominees in respect of the New Slate will be unable to serve as Directors from and after the Change of Board Time; however, if for any reason any of the proposed nominees in respect of the New Slate do not stand for election or are unable to serve as such, proxies held by the persons designated as proxyholders in the accompanying proxy will be voted in favour of another nominee in their discretion unless the Shareholder has specified in his or her form of proxy that his or her Common Shares are to be withheld from voting in the election of the New Slate.

Each Director elected as a New Slate Director will hold office from the Change of Board Time until the close of the next annual meeting of Shareholders or until their successors are elected or appointed, as the case may be, unless his or her office is earlier vacated in accordance with the articles of the Resulting Issuer (as defined herein) or the provisions of the Act.

See Schedule "A" to this Circular for detailed information and disclosure concerning the directors for nomination to the New Slate and the Transaction.

6. Appointment of Auditors

At the Meeting, Shareholders will be asked to vote for the re-appointment of **Dale Matheson Carr-Labonte LLP, Chartered Professional Accountants** as the auditors of the Corporation, to hold office until the next annual general meeting of the Shareholders, or until their successors are duly appointed, and to authorize the Board to fix their remuneration. Dale Matheson Carr-Labonte, LLP, Chartered Professional Accountants have been the Corporation's auditors since May 10, 2017.

Unless otherwise directed, the management designees named in the accompanying instrument of proxy intend to vote FOR the re-appointment of Dale Matheson Carr-Labonte, LLP, Chartered Professional Accountants as the Corporation's auditors until the next annual general meeting of Shareholders at remuneration to be fixed by the Board.

7. Ratification and Approval of Stock Option Plan

For a summary of the Plan, please refer to the section herein entitled "*Incentive Plan Awards*".

The approval by Shareholders requires a favourable vote of a majority of the Common Shares voted in respect thereof at the Meeting. **Unless instructed otherwise, the management designees in the accompanying instrument of proxy intend to vote FOR the resolution to ratify, adopt and approve the Plan.**

The text of the ordinary resolution regarding this matter is as follows:

"BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:

1. the stock option plan (the "**Plan**") of the Corporation, as described in the management information circular of the Corporation dated September 16, 2019, as may be amended by the board of directors as required by applicable securities regulatory authorities or stock exchanges, is hereby ratified, adopted and approved;
2. the form of the Plan may be amended in order to satisfy the requirements or requests of any regulatory authorities without requiring further approval of the shareholders of the Corporation;
3. the shareholders of the Corporation hereby expressly authorize the board of directors to revoke this resolution before it is acted upon without requiring further approval of the shareholders in that regard; and
4. any one director or officer of the Corporation is authorized, on behalf of the Corporation, to execute and deliver all documents and do all things as such person may determine to be necessary or advisable to give effect to this resolution."

8. Transaction with WFC

On June 25, 2019, the Corporation entered into an arm's length amalgamation agreement (the "**Definitive Agreement**") with WFC and 1213615 B.C. Ltd. ("**Subco**"), a wholly-owned subsidiary of the Corporation, pursuant to which Subco will acquire all of the issued and outstanding securities of WFC by way of a three-cornered amalgamation transaction (the "**Transaction**"). In connection with the Transaction it is intended that the Corporation will be re-named "World Farms Corp." or such other name as the parties may reasonably agree upon and as is acceptable to the CSE (as defined herein) and the corporate registrar (the "**Resulting Issuer**").

Since its incorporation, WFC's focus has been on identifying CBD and THC projects to acquire, invest in, and/or joint-venture with.

Pursuant to the Definitive Agreement, the Corporation will indirectly acquire all of the issued and outstanding common shares in the capital of WFC ("**WFC Shares**") in exchange for Common Shares (the "**Payment Shares**") in the capital of the Corporation pursuant to an exchange ratio of one (1) Payment Share for each WFC common share of the Corporation (the "**Exchange Ratio**"). In addition, all of the outstanding common share purchase warrants of WFC will be exchanged for common share purchase warrants of the Corporation based on the Exchange Ratio.

Upon completion of the Transaction and issuance of the Payment Shares to WFC Shareholders in accordance with the Exchange Ratio, shareholders of WFC will own a controlling interest in the issued and outstanding shares in the capital of the Resulting Issuer.

The Transaction is conditional upon, among other things:

- (i) the parties will have received all necessary regulatory and third-party consents, approvals and authorizations as may be required in respect of the Transaction, including, but not limited to, acceptance of the Transaction by the CSE;
- (ii) completion of all matters, and the satisfaction of all conditions (unless waived in writing by the applicable party), under the Definitive Agreement and any applicable transactional agreements, required to be completed or satisfied on or before closing of the Transaction; and
- (iii) the shareholders of each of the Corporation and WFC will have approved the Transaction and any and all matters in connection therewith pursuant to applicable laws and the rules and policies of the CSE.

Upon completion of the Transaction the Resulting Issuer will carry on the business currently conducted by WFC and will cease to carry on the business currently being conducted by the Corporation. It is also intended that concurrent with the closing of the Transaction, the board of directors of the Corporation will be reconstituted.

The Transaction represents a change of business for the Corporation and constitutes a "Fundamental Change" under Policy 8 of the Canadian Securities Exchange (the "CSE") and is therefore subject to approval by a majority of the votes cast by Shareholders eligible to vote on the resolution at the Meeting and CSE approval. The Corporation has will submit a listing statement (Form 2A) in respect of the proposed Transaction to the CSE for review and completion of the Fundamental Change and the Transaction remains subject to receipt of CSE approval. Upon receipt of both CSE and Shareholder approval of the Transaction, the Corporation proposes to change its name to "World Farms Corp." or such other name as may be determined by WFC, subject to applicable regulatory approval, and to carry on the business of WFC.

For ease of reference, disclosure of the details of the Transaction are provided in Schedule "A" to this Circular.

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, to approve and authorize the following resolutions in respect of the Transaction (the "**Transaction Resolution**"):

"BE IT RESOLVED THAT:

1. the three-cornered amalgamation transaction (the "**Transaction**") among the Corporation, 1213615 B.C. Ltd. ("**Subco**") and World Farms Corp. ("**WFC**"), as described in the management information circular of the Corporation dated September 16, 2019 (the "**Circular**") (as the Transaction may be modified, supplemented or amended), is hereby authorized, approved and adopted;
2. the amalgamation agreement (the "**Amalgamation Agreement**") among the Corporation, Subco, and WFC dated June 25, 2019, the actions of the directors of the Corporation in approving the Transaction, and the actions of the officers of the Corporation in executing and delivering the Amalgamation Agreement and any amendments thereto, are hereby ratified and approved;
3. notwithstanding that this resolution has been passed (and the Transaction adopted) by the shareholders of the Corporation, the directors of the Corporation are hereby authorized and empowered, without further notice to, or approval of, the shareholders of the Corporation:
 - (a) to amend the Amalgamation Agreement or the Transaction to the extent permitted by the Amalgamation Agreement; or
 - (b) subject to the terms of the Amalgamation Agreement, not to proceed with the Amalgamation;
4. any one director or officer of the Corporation is hereby authorized and directed for and on behalf of the Corporation to execute, whether under corporate seal of the Corporation or otherwise, and to deliver such documents as are necessary or desirable to give effect to the Transaction; and
5. any one director or officer of the Corporation is hereby authorized, for and on behalf and in the name of the Corporation, to execute and deliver, whether under corporate seal of the Corporation or otherwise, all such agreements, forms, waivers, notices, certificates, confirmations and other documents and instruments and to do or cause to be done all such other acts and things as in the opinion of such director or officer may be necessary, desirable or useful for the purpose of giving effect to the foregoing resolutions and the Amalgamation Agreement, including:
 - (a) all actions required to be taken by or on behalf of the Corporation, and all necessary filings and obtaining the necessary approvals, consents and acceptances of appropriate regulatory authorities; and
 - (b) the signing of the certificates, consents and other documents or declarations required under the Amalgamation Agreement or otherwise to be entered into by the Corporation."

The Board of Directors unanimously determined that the Transaction is fair to Shareholders, is in the best interests of the Corporation and the Shareholders and authorized the submission of the Transaction to Shareholders for approval.

The Board of Directors has unanimously approved the Transaction and recommends that Shareholders vote FOR the Transaction Resolution. In order to be effective, the Transaction Resolution requires approval of a majority of the eligible votes cast in respect thereof in person or by proxy at the Meeting. The Named Proxyholders, if appointed as proxies, intend to vote FOR the Transaction Resolution. It is a condition to completion of the Transaction that the Transaction Resolution receives Shareholder approval.

9. Other Matters to Be Acted Upon

As of the date of this Circular, management knows of no matters to come before the Meeting other than the matters referred to in the Notice of Meeting. However, if any other matters properly come before the Meeting, the accompanying proxy will be voted on such matters in the best judgment of the person or persons voting the proxy.

OTHER INFORMATION

Registrar and Transfer Agent

The registrar and transfer agent of the Corporation is Computershare Investor Services Inc., 510 Burrard Street, 3rd Floor, Vancouver, British Columbia V6C 3B9.

Indebtedness of Directors and Executive Officers

None of the directors and officers of the Corporation, any proposed management nominee for election as a director of the Corporation or any associate of any director, officer or proposed management nominee is or has been indebted to the Corporation at any time during the last completed financial year.

Interest of Informed Persons in Material Transactions

Except as disclosed in this Circular or the Schedules hereto, none of the informed persons of the Corporation (as defined in National Instrument 51-102), nor any of the Corporation's principal holders of Common Shares, directors, senior officers, or any associate or affiliate of the foregoing persons, have any material interest, direct or indirect, in any transaction since the commencement of the Corporation's most recently completed financial year or in any proposed transaction which, in either case, has or will materially affect the Corporation.

Interests of Certain Persons in Matters to be Acted Upon

Except as disclosed in this Circular or the Schedules hereto, none of the Corporation's principal holders of Common Shares, directors, senior officers, or any associate or affiliate of the foregoing persons, have any 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 in their capacity as Shareholders or as described above or elsewhere in this Circular, none of the Corporation's principal holders of Common Shares, directors, senior officers, or any associate or affiliate of the foregoing are expected to benefit from the Transaction upon completion of the Transaction.

Additional Information

Additional information relating to the Corporation is available through the internet on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) which can be accessed at www.sedar.com. Financial information on the Corporation is provided in the comparative financial statements and management discussion and analysis of the Corporation for its most recently completed financial year which can also be accessed at www.sedar.com or which may be obtained upon request from the Corporation at Suite 1510 – 789 West Pender Street, Vancouver, BC, V6C 1H2.

BOARD APPROVAL

The contents and sending of this Information Circular to the Shareholders of the Corporation have been approved by the Board of Directors.

DATED at Vancouver, British Columbia as of the 16th day of September, 2019.

BY ORDER OF THE BOARD OF DIRECTORS

"Adrian Hobkirk"

Chief Executive Officer & Director

SCHEDULE "A"

**INFORMATION PERTAINING TO THE CORPORATION'S
PROPOSED TRANSACTION WITH WFC**

All capitalized terms used in this Schedule "A" and not defined in this Schedule "A" shall have the meaning given to them in the Management Information Circular to which this Schedule "A" is attached (the "Circular")

Unless otherwise stated, all information included herein is as at September 16, 2019. Such information is subject to change and such changes may be material. In particular, and without limitation, all information concerning the Resulting Issuer is forward-looking by its nature and undue reliance should not be placed on such information as such information may change and such changes may be material. See "Forward-Looking Statements" herein.

Neither the Canadian Securities Exchange nor any securities regulatory authority has in any way passed upon the merits of the Acquisition described herein.

All information contained herein with respect to GRE was supplied by GRE and not independently verified by WFC for inclusion herein.

All information contained herein with respect to WFC was supplied by WFC and not independently verified by GRE for inclusion herein.

GLOSSARY

The following is a glossary of certain general terms used herein, including the summary hereof. Terms and abbreviations used in the financial statements attached as appendices hereto are defined separately and the terms and abbreviations defined below are not used therein, except where otherwise indicated. Words importing the singular, where the context requires, include the plural and vice versa and words importing any gender include all genders. Unless otherwise indicated, all currency references are to Canadian dollars.

"Acquisition" means the reverse takeover of GRE by WFC by way of the Amalgamation;

"Affiliate" means a Company that is affiliated with another Company as described below:

A Company is an "Affiliate" of another Company if:

- (a) one of them is the subsidiary of the other; or
- (b) each of them is controlled by the same Person.

A Company is "controlled" by a Person if:

- (a) voting securities of the Company are held, other than by way of security only, by or for the benefit of that Person; and
- (b) the voting securities, if voted, entitle the Person to elect a majority of the directors of the Company.

A Person beneficially owns securities that are beneficially owned by:

- (a) a Company controlled by that Person; or
- (b) an Affiliate of that Person or an Affiliate of any Company controlled by that Person;

"Amalgamation" means the amalgamation of WFC and GRE Sub pursuant to the provisions of the BCBCA in accordance with the terms of the Amalgamation Agreement;

"Amalgamation Agreement" means the amalgamation agreement dated as of June 25, 2019 between WFC, GRE and GRE Sub, pursuant to which the Amalgamation will be effected;

"Articles of Amalgamation" means the articles of amalgamation of the corporation resulting from the Amalgamation and included behind Appendix B of the Amalgamation Agreement;

“**Associate**” when used to indicate a relationship with a person or Company, means

- (a) any Company of which the person or Company beneficially owns or controls, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all the voting securities of the Company for the time being outstanding;
- (b) any partner of the person or Company;
- (c) any trust or estate in which the person or Company has a substantial beneficial interest or as to which such person or Company serves as trustee or in a similar capacity;
- (d) in the case of a person, a relative of that person who resides in the same home as that person,
- (e) in the case of a person, any person who resides in the same home as that person and to whom that person is married or with whom that person is living in a conjugal relationship outside marriage, or
- (f) in the case of a person, any relative of a person mentioned in clause (e) who has the same home as that person;

“**Available Funds**” means the estimated working capital (total current assets less total current liabilities) which will be available to the Resulting Issuer (including the working capital of each of GRE and WFC), as at the most recent month end preceding the date of this circular, after giving effect to the Acquisition;

“**BCBCA**” means the *Business Corporations Act* (British Columbia), including the regulations promulgated thereunder, as amended;

“**Board**” means the board of directors of GRE or the Resulting Issuer, as the context requires;

“**CBD**” means cannabidiol, an active cannabinoid identified in cannabis which is considered to have therapeutic applications;

“**CEO**” has the meaning ascribed thereto in “*Part II – Information Concerning WFC – Executive Compensation*”;

“**Closing**” means the closing of the Acquisition;

“**Common Share**” means a common share in the capital of the Resulting Issuer;

“**Company**” unless specifically indicated otherwise, means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual;

“**Control Person**” means, any person or Company that holds or is one of a combination of persons or companies that holds a sufficient number of any of the securities of an issuer so as to affect materially the control of that issuer, or that holds more than 20% of the outstanding voting securities of an issuer, except where there is evidence showing that the holder of those securities does not materially affect the control of the issuer;

“**Croatia Facility**” has the meaning ascribed thereto in “*Part II – Information Concerning WFC – Narrative Description of Business*”;

“**CSE**” or “**Exchange**” means the Canadian Securities Exchange;

“Escrow Agent” means the escrow agent appointed by WFC to act as escrow agent for the Common Shares to be held in escrow pursuant to the policies of the Exchange;

“Escrow Agreement” means the escrow agreement to be entered into in connection with the closing of the Acquisition between the Resulting Issuer, the Escrow Agent and certain shareholders of the Resulting Issuer, as more particularly described in herein;

“Exchange Shares” has the meaning ascribed thereto in *“Part I – Information Concerning GRE – General Development of Business”*;

“Final Exchange Bulletin” means the CSE Bulletin which is issued following closing of the Acquisition and the submission of all required documentation and that evidences the final acceptance by the CSE of the Acquisition;

“GRE” means Graphite Energy Corp., a corporation existing under the laws of the Province of British Columbia prior to the completion of the Acquisition;

“GRE Financial Statements” means the audited financial statements of GRE for the years ended June 30, 2019, 2018 and 2017, which are available under GRE’s SEDAR profile at www.sedar.com;

“GRE Fundamental Change Resolution” means the resolution of GRE Shareholders in respect of the Amalgamation and the Amalgamation Agreement, to be considered by the GRE Shareholders at the GRE Meeting;

“GRE MD&A” means the Management’s Discussion and Analysis of the Financial Condition and Results of Operations of GRE for the year ended June 30, 2019, which are available under GRE’s SEDAR profile at www.sedar.com;

“GRE Meeting” means the annual and special meeting of GRE Shareholders to be held on or about October 15, 2019 to approve, among other things, the GRE Meeting Matters;

“GRE Meeting Matters” means the following matters to be considered by and if acceptable approved by shareholders of GRE at the GRE Meeting: (i) to fix the number and to elect the directors of GRE for the ensuing year; (ii) to appoint of the auditors of GRE for the ensuing year; (iii) to fix the number and to elect the proposed directors of the Resulting Issuer; (iv) to approve the stock option plan of GRE; (v) to approve the GRE Fundamental Change Resolution; and (vi) such other matters that may be reasonably required in order to give effect to the Acquisition as are deemed appropriate by the Board and acceptable to WFC, acting reasonably;

“GRE Shares” means common shares in the capital of GRE;

“GRE Shareholders” means the holders of GRE Shares;

“GRE Sub” means 1213615 B.C. Ltd. incorporated under the laws of the Province of British Columbia and a wholly owned subsidiary of GRE;

“IFRS” means International Financial Reporting Standards, the collection of financial reporting standards issued by the International Accounting Standards Board, as adopted by the Accounting Standards Board of Canada at the relevant time;

“Insider” if used in relation to an issuer, means:

- (a) a director or senior officer of the issuer;
- (b) a director or senior officer of the issuer that is an Insider or subsidiary of issuer;

- (c) a Person that beneficially owns or controls, directly or indirectly, voting shares carrying more than 10% of the voting rights attached to all outstanding voting shares of an issuer; or
- (d) the issuer itself if it holds any of its own securities;

“Italy Facility” has the meaning ascribed thereto in *“Part II – Information Concerning WFC – Narrative Description of Business”*;

“Jamaica Facility” has the meaning ascribed thereto in *“Part II – Information Concerning WFC – Narrative Description of Business”*;

“Letter of Intent” or **“LOI”** means the letter of intent between GRE and WFC dated May 5, 2019 as amended on June 6, 2019;

“Outside Date” means November 30, 2019, or such other date as may be agreed to by the parties;

“parties” means WFC, GRE, GRE Sub and the Resulting Issuer, as applicable and **“party”** means any one of them;

“person” means a Company or individual;

“Private Placement” has the meaning ascribed thereto in *“Part II – Information Concerning WFC – Description of the Securities”*;

“Pro Forma Financial Statements” means the unaudited pro forma statement of financial position for the Resulting Issuer as at June 30, 2019 to give effect to the Acquisition as if it had taken place as of June 30, 2019, which is attached as Appendix “II”;

“Purchase Shares” has the meaning ascribed thereto in *“Part I – Information Concerning GRE – General Development of Business”*;

“Resulting Issuer” means GRE (proposed to be named “World Farms Corp.”) following completion of the Acquisition and the issuance of the Final Exchange Bulletin;

“subsidiary” includes, with respect to any person, company, partnership, limited partnership, trust or other entity, any company, partnership, limited partnership, trust or other entity controlled, directly or indirectly, by such person, company, partnership, limited partnership, trust or other entity; and

“THC” means tetrahydrocannabinol;

“WFC” means World Farms Corp., a private corporation existing under the laws of the Province of British Columbia;

“WFC Amalgamation Resolution” means the resolution of WFC Shareholders in respect of the Amalgamation and the Amalgamation Agreement;

“WFC Common Shares” means the Class A common shares in the capital of WFC;

“WFC Financial Statements” means the audited financial statements of WFC for the year ended March 31, 2019 and for the interim financial statements for the period ended June 30, 2019, which are attached as Appendix “I”;

“WFC MD&A” means the Management’s Discussion and Analysis of the Financial Condition and Results of Operations of WFC for the year ended March 31, 2019 and for the interim period ended June 30, 2019, which is attached as Appendix “I”;

“WFC Named Executive Officers” has the meaning ascribed thereto in *“Part II – Information Concerning WFC – Executive Compensation”*;

“WFC Nominees” has the meaning ascribed thereto in *“Part III – Information Concerning the Resulting Issuer – Directors and Officers”*;

“WFC Shareholders” means the holders of WFC Shares;

“WFC Shares” means WFC Common Shares;

“WFC Warrants” means the common share purchase warrants of WFC entitling the holders thereof to purchase one WFC Common Share for each whole WFC Warrant.

FORWARD-LOOKING STATEMENTS

This Schedule “A” contains forward-looking statements that relate to GRE and WFC’s current expectations and views of future events. The forward-looking statements are contained principally in the section titled “Information Concerning the Resulting Issuer”.

In some cases, these forward-looking statements can be identified by words or phrases such as “may”, “believe”, “expects”, “will”, “intends”, “projects”, “anticipates”, “estimates”, “continues”, “plan”, “believe”, “aim”, “seek” or the negative of these terms, or other similar expressions intended to identify forward-looking statements. GRE and WFC have based these forward-looking statements on their current expectations and projections about future events and financial trends that they believe may affect GRE, WFC and the Resulting Issuer’s financial condition, results of operations, business strategy and financial needs, as the case may be.

Forward-looking statements relating to WFC and the Resulting Issuer include, among other things, statements relating to:

- expectations regarding its revenue, expenses and operations;
- anticipated cash needs and its needs for additional financing;
- build-out of the facilities and the respective costs and timing associated therewith;
- expectations regarding available funds upon completion of the Acquisition and principal purposes of such funds;
- market competition and agricultural advances of competitive products;
- expectations regarding the timing for availability of products and acceptance of products by the market;
- expectations regarding the progress and the successful and timely completion of the various stages of the licensing process;
- plans to market, sell and distribute its products;
- ability to attract and retain personnel;
- expected timing and completion of WFC’s near-term objectives;
- competitive position and its expectations regarding competition;
- anticipated trends and challenges in WFC’s business and the markets in which it operates;
- the completion of the Private Placement;
- listing of the Common Shares on the Exchange;
- the completion of the Acquisition; and
- the terms on which the Acquisition is intended to be completed.

Forward-looking statements relating to GRE include, among other things, statements relating to:

- the completion of the Acquisition; and
- the terms on which the Acquisition is intended to be completed.

Forward-looking statements are based on certain assumptions and analysis made by GRE and WFC in light of their experience and perception of historical trends, current conditions and expected future developments and other factors they believe are appropriate, and are subject to risks and uncertainties. Such assumptions include, among others, those relating to general economic conditions, the legislative and regulatory environment, the impact of increasing competition, the ability to obtain regulatory and shareholder approvals. Although GRE and WFC believe that the assumptions underlying the forward-looking statements are reasonable, they may prove to be incorrect. Given these risks, uncertainties and assumptions, shareholders should not place undue reliance on these forward-looking statements.

Whether actual results, performance or achievements will conform to GRE or WFC’s expectations and predictions is subject to a number of known and unknown risks, uncertainties, assumptions and other factors, including those listed under “Part IV – Risk Factors”, which include:

The risks listed under “*Part IV – Risk Factors*”, uncertainties, assumptions and other factors could cause GRE, WFC and the Resulting Issuer’s actual results, performance, achievements and experience to differ materially from GRE and WFC’s expectations, future results, performances or achievements expressed or implied by the forward-looking statements.

The forward-looking statements made herein relate only to events or information as of the date on which the statements are made. Except as required by law, GRE, WFC and the Resulting Issuer undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events.

An investor should read the Circular and all schedules attached thereto including this Schedule “A” with the understanding that GRE, WFC and the Resulting Issuer’s actual future results may be materially different from what is expected.

INFORMATION PERTAINING TO WFC

The information contained or referred to herein with respect to WFC and the industry in which it operates has been provided by the management of WFC and is the responsibility of WFC. Management of GRE has relied upon WFC for the accuracy of the information provided by WFC without independent verification.

NOTICE TO INVESTORS

Currency Presentation

Unless otherwise specified, all dollar amounts referenced herein and in the financial statements of GRE and WFC and the pro forma financial statements of the Resulting Issuer are in Canadian dollars and referred to as “\$”.

Financial Statement Information

The unaudited Pro Forma Financial Statements have been prepared on the basis of presentation as described in note 2 of the Pro Forma Financial Statements and are denominated in Canadian dollars.

The WFC Financial Statements have been prepared in accordance with IFRS and are denominated in Canadian dollars.

SUMMARY

Unless otherwise stated, all information included herein is as at September 16, 2019. Such information is subject to change and such changes may be material. In particular, and without limitation, all information concerning the Resulting Issuer is forward-looking by its nature and undue reliance should not be placed on such information as such information may change and such changes may be material. See "Forward-Looking Statements" herein.

The following is a summary of information relating to GRE, WFC and the Resulting Issuer (assuming completion of the Acquisition) and should be read together with the more detailed information and financial data and statements contained elsewhere herein.

THE COMPANIES

GRE

Graphite Energy Corp. was incorporated under the BCBCA on October 14, 2016. The head office of GRE is located at 1510 – 789 West Pender Street, Vancouver, BC, V6C 1H2.

On October 17, 2017 GRE filed its Form 2A – Listing Statement and subsequently commenced trading on the CSE under the trading symbol "GRE". GRE's principal activity is the acquisition and exploration of mineral properties in Canada.

GRE Sub

1213615 B.C. Ltd. was incorporated under the BCBCA on June 21, 2019. The registered office of GRE Sub is located at 1510 – 789 West Pender Street, Vancouver, BC, V6C 1H2.

WFC

On November 7, 2018, World Farms Corp. was incorporated under the BCBCA.

The head office of WFC is located at Suite 600 535 Howe Street, Vancouver, BC V6C 2Z4. WFC is not a "reporting issuer" under applicable securities legislation and its securities are not listed for trading on any stock exchange.

Since incorporation, WFC's focus has been on identifying CBD and THC projects to acquire, invest in, and/or joint-venture with.

THE ACQUISITION

The following section contains a summary of the Amalgamation Agreement. This summary is qualified in its entirety by the actual terms of the Amalgamation Agreement which is available on the System for Electronic Document Analysis and Retrieval (**SEDAR**) at www.sedar.com under GRE's profile.

GRE, GRE Sub and WFC entered into the Amalgamation Agreement dated as of June 25, 2019, pursuant to which GRE Sub will amalgamate with WFC and WFC and GRE Sub will form a new amalgamated corporation and the separate existence of WFC and GRE Sub will cease. The surviving amalgamated corporation will be a wholly-owned subsidiary of GRE and will be the operating subsidiary of GRE (or the Resulting Issuer) at the time of the completion of the Amalgamation. The Amalgamation will constitute a reverse take-over of GRE by WFC inasmuch as the former WFC Shareholders will own up to 96.1%¹ of the

¹ Percentage does not contemplate the Private Placement being completed.

outstanding Common Shares and all of the members of the board of directors of the Resulting Issuer will be designees of WFC.

Conditions to the Acquisition

General

The following is a description of certain material provisions of the Amalgamation Agreement. It is a summary only, is not comprehensive and is qualified in its entirety by reference to the full text of the Amalgamation Agreement, a copy of which is available under GRE's SEDAR profile at www.sedar.com.

Conditions to the Amalgamation

Mutual Conditions Precedent

The completion of the Amalgamation depends on the satisfaction of a number of conditions precedent of WFC, GRE and GRE Sub including, but not limited to:

- receipt of all regulatory, governmental or third-party approvals, waivers and consents as are required to be obtained by GRE, WFC or GRE Sub in connection with the Amalgamation, including the conditional acceptance by the Exchange and any other applicable regulatory authorities of the transaction contemplated by the Amalgamation Agreement;
- the approval by the GRE Shareholders of the GRE Fundamental Change Resolution at the GRE Meeting;
- the approval by the WFC Shareholders of the WFC Amalgamation Resolution;
- the approval by GRE, as the sole shareholder of GRE Sub, of the Amalgamation; and
- there being no material action or proceeding pending or threatened, and no action taken under any applicable law that makes illegal or otherwise restrains, enjoins or prohibits the Amalgamation or any other transactions contemplated in the Amalgamation Agreement, or results in a judgment or assessment of material damages relating to the transactions contemplated in the Amalgamation Agreement.

Except for the required shareholder approvals and regulatory approvals, each party has the right to waive, in whole or in part, the conditions to its obligations under the Amalgamation Agreement.

Covenants

Each of GRE, GRE Sub and WFC has agreed to certain covenants under the Amalgamation Agreement, including, but not limited to, customary negative and affirmative covenants requiring each party to operate its business and conduct itself in the ordinary course, provide notice of any material changes and use commercially reasonable efforts to satisfy the conditions precedent to their respective obligations under the Amalgamation Agreement.

Representation and Warranties

The Amalgamation Agreement contains customary representations and warranties, given by each of GRE and GRE Sub, on the one hand, and WFC, on the other hand, in respect of matters pertaining to, among other things, organization, standing and corporate power, due authorization of the transaction, subsidiaries, capitalization, assets, agreements, litigation, debts, liabilities, obligations, tax matters, employment matters, material contracts, disclosure and other matters relating to the business and operations of GRE, GRE Sub and WFC.

Termination

The Amalgamation Agreement may, prior to the filing of the Articles of Amalgamation, be terminated by mutual written agreement of GRE, GRE Sub and WFC without further action on the part of their respective securityholders. In addition, the Amalgamation Agreement contains other customary termination provisions that allow GRE or WFC to terminate the Amalgamation Agreement.

THE RESULTING ISSUER

Upon completion of the Acquisition and subject to the approval of the CSE, it is expected that the Resulting Issuer will be listed on the CSE. The Resulting Issuer will change its registered and head office to Suite 600 535 Howe Street, Vancouver, BC V6C 2Z4.

Upon completion of the Acquisition, and assuming the Private Placement is not completed:

- (a) an aggregate of 71,748,895 Common Shares will be issued and outstanding, consisting of:
 - (i) 68,932,844 Common Shares issued to existing holders of WFC Common Shares; and
 - (ii) 2,816,051 Common Shares currently held by GRE Shareholders.
- (b) an aggregate of 22,282,844 warrants to purchase 22,282,844 Common Shares will be outstanding, consisting of:
 - (i) 22,282,844 GRE Warrants issued to existing holders of WFC Warrants representing the right to acquire up to an aggregate of 22,282,844 Common Shares, subject to and upon satisfaction of the terms and conditions attaching to the GRE Warrants

ESTIMATED AVAILABLE FUNDS AND PRINCIPAL PURPOSES

Estimated Available Funds

Based on information available as at September 16, 2019, upon completion of the Acquisition, the Resulting Issuer is expected to have approximately \$1,921,332 in Available Funds (assumes the Private Placement is completed), which includes the following:

Estimated Funds Available	Amount (\$)
Pro forma consolidated working capital ⁽¹⁾	2,021,332
Estimated fees and expenses of the Acquisition	100,000
Total Estimated Available Funds	1,921,332

Note:

- (1) Consolidated working capital is derived from the Pro Forma Financial Statements attached as Appendix "II". This includes and assumes completion of the Private Placement totalling gross proceeds of \$3,000,000.

Principal Purposes of Funds

Based on information available as at September 16, 2019, the following table sets forth the principal purposes for which the estimated funds available to the Resulting Issuer upon completion of the Acquisition

(and completion of the Private Placement) and the current estimated amounts to be used for each such principal purpose:

Principal Use of Available Funds	Amount (\$)
Buildout of Exterra extraction facility and operations	150,000
Operations and licensing for Xhemplar facility	250,000
Licensing, clear land and build greenhouses at the Mountaineer project	250,000
Legal, audit, and accounting fees	100,000
General working capital	200,000
Unallocated capital	971,332
Total	1,921,332

In addition to commitments shown in the Principal Purposes of Funds table above, the Resulting Issuer may also use available funds for potential future acquisitions as these opportunities arise.

Notwithstanding the foregoing, there may be circumstances where, for sound business reasons, a reallocation of funds is necessary in order for the Resulting Issuer to achieve its objectives as set out herein.

SELECTED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

The following table sets out certain financial information for each of GRE and WFC as at June 30, 2019, as well as pro forma financial information, after giving effect to the Acquisition as if such events had occurred on June 30, 2019 for balance sheet purposes. Such information is derived from and should be read in conjunction with the GRE Financial Statements, the WFC Financial Statements, and the Pro Forma Financial Statements and the notes attached thereto. See Appendix "I" and Appendix "II", respectively.

	GRE as at June 30, 2019 (\$)	WFC as at June 30, 2019 (\$)	Pro Forma Adjustments ⁽¹⁾ (\$)	Pro Forma Consolidated (\$)
Net Sales	Nil	Nil	-	-
Income (Loss)	(911,398)	(1,349,778)	-	-
per share basis	(0.32)	(0.02)	-	-
diluted per share basis	(0.32)	(0.02)	-	-
Net Income (Loss)	(911,398)	(1,349,778)	-	-
per share basis	(0.32)	(0.02)	-	-
diluted per share basis	(0.32)	(0.02)	-	-
Total Assets	15,129	990,754	1,903,580	2909,463
Total Long Term Liabilities	Nil	Nil	-	-

Note:

(1) See the Pro Forma Financial Statements attached as Appendix "II". This assumes that the Private Placement is completed for total gross proceeds of \$3,000,000.

MARKET FOR SECURITIES AND MARKET PRICE

The GRE Shares are listed on the CSE under the trading symbol "GRE". The closing market price of the GRE Shares on the last day on which there was a trade of GRE Shares prior to the announcement of the Amalgamation Agreement on June 25, 2019 was \$0.465. It is anticipated that the Common Shares will resume trading on the CSE upon completion of the Acquisition under a symbol as may be approved by WFC and the CSE.

The GRE Shares are also listed for trading on the Frankfurt Stock Exchange and the OTCQB. The WFC Shares are not listed on any stock exchange and there is currently no public market for WFC Shares.

CONFLICTS OF INTEREST

Some of the individuals proposed for appointment as directors or officers of the Resulting Issuer upon the closing of the Acquisition are also directors, officers and/or promoters of other reporting and non-reporting issuers. To the knowledge of the directors and officers of GRE and WFC, there are no existing conflicts of interest between the Resulting Issuer and any of the individuals proposed for appointment as directors or officers upon completion of the Acquisition, as of the date hereof.

INTERESTS OF EXPERTS

No person or Company whose profession or business gives authority to a statement made by the person or Company and who is named as having prepared or certified a part of the Circular or prepared or certified a report or valuation described or included in the Circular currently holds, directly or indirectly, any GRE Shares or WFC Common Shares, or holds any property of GRE or WFC or of an Associate or Affiliate of GRE or WFC and no such person is expected to be elected, appointed or employed as director, senior officer or employee of GRE or WFC or of an Associate or Affiliate of the Resulting Issuer and no such person is a promoter of GRE or WFC or an Associate or Affiliate of GRE or WFC.

As of the date of hereof, the auditors of GRE (Dale Matheson Carr-Hilton Labonte, LLP) and WFC, Manning Elliott LLP, have reported that they are independent in accordance with the Rules of Professional Conduct of the Institute of Chartered Professional Accountants of British Columbia with respect to GRE and WFC.

CONDITIONAL LISTING APPROVAL

Conditional approval of the Acquisition from the Exchange is a condition precedent to the completion of the Acquisition. As of September 16, 2019, such approval has not been received. The parties continue to work with the CSE and fully expect to obtain such approval, however, such approval cannot be guaranteed.

GRE MEETING

At the GRE Meeting, the GRE Shareholders will be asked to consider and approve the GRE Meeting Matters. The current directors of GRE have no intention of acting upon the authority granted to them under the resolutions to be approved at the GRE Meeting relating to the Acquisition if the Acquisition is not completed.

SUMMARY RISK FACTORS

The following is a summary of certain risk factors applicable to GRE, WFC and the Resulting Issuer. The risks presented herein should not be considered to be exhaustive and may not be all of the risks that the Resulting Issuer and WFC may face. See “*Part IV – Risk Factors*”.

- regulatory and political risks
- risks inherent in an agricultural business
- changes in laws, regulations and guidelines
- limited operation history
- reliance on management and key personnel
- additional financing
- emerging market risks
- competition
- vulnerability to rising energy costs
- transportation disruptions
- product liability
- product recalls
- environmental and employee health and safety regulations
- lack of demand
- dependence on suppliers and skilled labour
- economic and political risks
- operations in different languages
- foreign sales
- reliance on key inputs
- operating risk and insurance coverage
- unfavourable publicity or consumer perception
- operation permits and authorizations
- risks associated with acquisitions
- risks associated with returns on money lent
- financial projections may prove materially inaccurate or incorrect
- the Resulting Issuer’s building or structures may be affected by natural disasters and other unforeseen events for which its insurance may not provide adequate coverage
- management of growth
- factors which may prevent realization of growth targets
- difficulty to forecast
- access to capital
- completion of the private placement
- estimates or judgments relating to critical accounting policies
- tax risks
- difficulty implementing business strategy
- costs of maintaining a public listing
- conflicts of interest
- litigation
- common share price fluctuations
- limited market for securities
- dividends
- environmental laws and regulations
- economic environment
- global economy risk
- going-concern risk
- financial risk exposures
- completion of the acquisition is subject is subject to conditions precedent

- termination of amalgamation agreement

PART I – INFORMATION CONCERNING GRE

CORPORATE STRUCTURE

GRE

Graphite Energy Corp. was incorporated under the BCBCA on October 14, 2016. The head office of GRE is located at suite 1510 – 789 West Pender Street, Vancouver, BC, V6C 1H2.

GRE Sub

1213615 B.C. Ltd. was incorporated under the BCBCA on June 21, 2019. GRE Sub is a wholly-owned subsidiary of GRE. The registered office of GRE Sub is located at suite 1510 – 789 West Pender Street, Vancouver, BC, V6C 1H2.

GENERAL DEVELOPMENT OF THE BUSINESS

CSE Listing

On October 17, 2017 GRE filed its Form 2A – Listing Statement and subsequently commenced trading on the CSE under the trading symbol “GRE”. GRE’s principal activity is the acquisition and exploration of mineral properties in Canada. During that year, GRE completed a four-for-one forward stock split and obtained listings for trading on three (3) markets: the CSE, Frankfurt Stock Exchange and OTCQB.

NARRATIVE DESCRIPTION OF THE BUSINESS

GRE was incorporated on October 14, 2016 under the laws of the Province of British Columbia, Canada, and its principal activity is the acquisition and exploration of mineral properties in Canada.

At listing in October 2017, GRE was a party to a purchase option agreement (“Agreement”) with Gold Port Resources Ltd., now Corsurex Resources Corp. (“Corsurex”) to earn a 100% interest in the Lac Aux Bouleaux Graphite Project (“LAB Project”). The LAB Project is a contiguous set of 14 claims located in the Province of Quebec. Pursuant to the Agreement, the following schedule of payments and share issuances was set forth: first payment to Corsurex \$60,000 (*paid*), a second payment of \$60,000 on closing date (date on which the shares of GRE trade on a stock exchange) (*paid*) and a final payment of \$60,000 sixteen months from the closing date (*settled*). Additionally, GRE issued 5,000,000 common shares (*issued*) to Corsurex upon signing of the Agreement.

In November 2017, GRE commenced Phase I of its exploration program. Phase I of the exploration program is being conducted in two stages, the first stage of which comprises compilation and interpretation of all historical geological, geophysical and exploratory drilling data available on the LAB Property. The second stage includes, but is not limited to, prospecting, trenching, and channel sampling, trench logging, limited geological mapping of the area of historical exploration work, and sample assays.

In April 2018, a four-hole, 385-meter program of drilling was completed on the Lab Property. Assay work is being conducted by ALS Group, (ISO Certified), of Val-d’Or, Quebec. The drill program is a follow up of the promising results from the GRE’s recently completed exploration work which indicates graphite carbon (Cg) with sampling up to 22.30% with an average of 10.50% Cg in surface samples (see January 15, 2018, press release).

In May of 2018, new management conducted an internal review of exploration procedures. After review, GRE retained InnovExplo of Quebec, to provide technical assistance. InnovExplo is an independent consulting firm in geology, mining engineering and sustainable development based in Val-d’Or and Longueuil, Quebec. Over the past 15 years, InnovExplo has been providing supporting services and teams

of professional geologist and engineers extending from mineral exploration to mining operations including international experiences.

InnovExplo provided on site, independent technical assistance for the completion of core cutting, core logging and sampling. Supervision at the project site is being provided by Lindsay Richan, P.Geo, M.Sc, a registered geologist in the Province of Quebec, and a Qualified Person as defined under National Instrument 43-101. As per NI 43-101 Exploration Best Practices Guidelines, procedures set in place by the Qualified Person regarding sample collection, preparation and security have been followed. Core from all four holes has been cut, samples bagged and prepared for ALS Geochemistry laboratory of Val d'Or Quebec, a certified laboratory for analysis.

During the period ended September 30, 2018, GRE provided an update with respect to the exploration developments at the L.A.B. Assay results from four drill holes completed were received and evaluated by InnovExplo, Interpretation of the results and the whole hole averages was completed and provided to the company.

Hole LAB 18-01 averaged 2.01 per cent carbon over 90 metres. Hole LAB 18-02 averaged 2.15 per cent C over 50 metres. Hole LAB 18-03 averaged 1.48 per cent over 91.2 metres. Hole LAB 18-03 averaged 7.73 per cent over 9.6 metres. Assay work was completed by ALS Global of British Columbia, Canada, an ISO 2000-certified laboratory.

While some high-grade graphite was encountered in the four drill holes, the entire hole averages fall well below expectations. The L.A.B. graphite property lies adjacent to the south of Imerys' Lac Des Iles graphite mine, a world-class deposit (which has been in production for over 20 years). The L.A.B. property is dominantly covered by the same geological sequence of marble, paragneiss, quartzite and amphibolites (in which the Lac Des Iles mine is found).

SELECTED CONSOLIDATED FINANCIAL INFORMATION

The following is a summary of selected financial information for GRE for the periods indicated which should be read in conjunction with the audited financial statements of GRE and the notes thereto for the years ended June 30, 2019, 2018 and 2017.

	Financial Year ended June 30, 2019	Financial Year ended June 30, 2018	Financial Year ended June 30, 2017
Net Sales	Nil	Nil	Nil
Income (Loss)			
per share basis	(0.32)	(0.35)	(0.01)
diluted per share basis	(0.32)	(0.35)	(0.01)
Net Income (Loss)	(911,398)	(832,367)	177,090
per share basis	(0.32)	(0.35)	(0.01)
diluted per share basis	(0.32)	(0.35)	(0.01)
Total Assets	15,129	169,073	368,710
Total Long Term Liabilities	Nil	Nil	Nil

Below is a summary of the quarterly results of GRE, for the periods noted.

	Period Ending June 30, 2019 (Year End)				Period Ending June 30, 2018 (Year End)			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Income (loss)								
per share basis	(0.22)	(0.05)	(0.02)	(0.03)	(0.04)	(0.14)	(0.12)	(0.03)
diluted per share basis	(0.22)	(0.05)	(0.02)	(0.03)	(0.04)	(0.14)	(0.12)	(0.03)
Net Income (loss)	(642,081)	(142,217)	(65,300)	(61,800)	(98,651)	(393,262)	(271,844)	(68,610)
per share basis	(0.22)	(0.05)	(0.02)	(0.03)	(0.04)	(0.14)	(0.12)	(0.03)
diluted per share basis	(0.22)	(0.05)	(0.02)	(0.03)	(0.04)	(0.14)	(0.12)	(0.03)

MANAGEMENT'S DISCUSSION AND ANALYSIS

The GRE MD&A should be read in conjunction with GRE's audited financial statements for the year ended June 30, 2019, where necessary, both of which are available under GRE's SEDAR profile at www.sedar.com.

MARKET FOR SECURITIES

The GRE Shares are listed on the CSE under the trading symbol "GRE". The closing market price of the GRE Shares on the last day on which there was a trade of GRE Shares prior to the announcement of the Amalgamation Agreement on June 25, 2019 was \$0.465. It is anticipated that the Common Shares will resume trading on the CSE upon completion of the Acquisition under a symbol as may be approved by WFC and the CSE.

The GRE Shares are also listed for trading on the Frankfurt Stock Exchange and the OTCQB.

CONSOLIDATED CAPITALIZATION

As at September 16, 2019 there have been no material changes to the share and loan capital of GRE since June 30, 2019.

<u>Designation of Security</u>	<u>Amounts Outstanding as at June 30, 2019</u>	<u>Amounts Outstanding as at September 16, 2019</u>
GRE Shares	2,816,050	2,816,050

OPTIONS TO PURCHASE SECURITIES

GRE Options

On May 3, 2017, GRE adopted a stock option plan authorizing GRE to grant GRE stock options to officers, directors, employees and consultants to acquire, in the aggregate, up to 10% of the issued and outstanding GRE Shares.

As at September 16, 2019, there are no GRE stock options outstanding.

GRE Warrants

As at September 16, 2019, there are no GRE share purchase warrants outstanding.

DESCRIPTION OF THE SECURITIES

GRE Shares

GRE is authorized to issue an unlimited number of GRE Shares without par value. As of September 16, 2019, 2,816,050 GRE Shares are issued and outstanding.

The holders of the GRE Shares are entitled to receive notice of and to attend all meetings of the GRE Shareholders and shall have, on any poll declared thereat, one vote for each GRE Share. The holders of GRE Shares are entitled to receive dividends as and when declared by the board of directors out of moneys properly applicable to the payment of dividends, in such amount and in such form as the board of directors may from time to time determine. In the event of the liquidation, dissolution or winding-up of GRE, whether voluntary or involuntary, or any other distribution of property of GRE among its shareholders for the purpose of winding up its affairs, the holders of GRE Shares shall be entitled to receive the remaining property of GRE. GRE Shares do not carry any pre-emptive rights, conversion or exchange rights, redemption, retraction, purchase for cancellation or surrender provisions, sinking or purchase fund provisions, provisions permitting or restricting the issuance of additional securities or provisions requiring a securityholder to contribute additional capital.

Prior Sales

The following table summarizes the issuances of GRE Shares or securities convertible into GRE Shares for the 12 month period immediately prior to the date of hereof.

GRE has not issued any shares issued for the last 12 months.

Stock Exchange Price

The following sets forth the monthly high and low closing trading prices and the volume of the trading of the GRE Shares on the CSE for the periods indicated.

Date	Price Range Per GRE Share			Volume
	Open	High	Close	
September 2019 ⁽¹⁾	-	-	0.465	Nil
August 31, 2019 ⁽¹⁾	-	-	0.465	Nil
July 31, 2019 ⁽¹⁾	-	-	0.465	Nil
June 30, 2019 ⁽¹⁾	-	-	0.465	Nil
May 31, 2019	-	-	0.51	Nil
April 30, 2019	-	-	0.045	Nil
Quarter Ended March 31, 2019	0.05	0.05	0.05	150
Quarter Ended December 31, 2018	0.025	0.025	0.025	1048
Quarter Ended September 30, 2018	0.08	0.08	0.08	80
Quarter Ended June 30, 2018	0.14	0.14	0.135	662
Quarter Ended	0.59	0.62	0.53	120,632

March 31, 2018				
Quarter Ended				
December 31, 2017	-	-	0.72	Nil
Quarter Ended				
September 30, 2017	-	-	-	Nil

Note: (1) GRE Shares were halted on June 25, 2019.

ESCROWED SECURITIES

To the knowledge of the directors and executive officers of GRE, there are 328,421 GRE Shares that are held in, or otherwise subject to escrow as at September 16, 2019.

PRINCIPAL SECURITYHOLDERS

To the knowledge of the directors and executive officers of GRE, no person, firm or corporation beneficially owns, directly or indirectly, or exercises control or direction over, voting securities carrying 10% or more of the voting rights attached to any class of voting securities of GRE other than Corsurex Resources Corp. which owns and controls 500,000 GRE Shares.

CAPITALIZATION

The following capitalization information is presented as at September 16, 2019.

	<u>Number of GRE Shares (non-diluted)⁽¹⁾</u>	<u>Number of GRE Shares (fully diluted)⁽¹⁾</u>	<u>% of Issued (non-diluted)⁽¹⁾</u>	<u>% of Issued (fully diluted)⁽¹⁾</u>
<u>Public Float</u>				
Total Outstanding (A)	2,816,050	2,816,050	100%	100%
Held by Related Persons or employees of the Issuer or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer upon exercise or conversion of other securities held) (B)	828,421	828,421	29%	29%
Total Public Float [(A)-(B)]	1,987,629	1,987,629	71%	71%
<u>Freely-Tradeable Float</u>				
Number of outstanding GRE Shares subject to resale restrictions, including restrictions imposed by polling or other arrangements or in a shareholder agreement and securities held by control block holders (C)	828,421	828,421	29%	71%
Total Tradeable Float (A-C)	1,987,629	1,987,629	71%	71%

Note:

(1) As of September 16, 2019.

Public Securityholders (Registered)⁽¹⁾

<u>Size of Holding</u>	<u>Number of Holders</u>	<u>Total Number of GRE Shares</u>
1 - 99 GRE Shares	-	-
100 - 499 GRE Shares	-	-
500 - 999 GRE Shares	16	800
1,000 -1,999 GRE Shares	13	1,400
2,000 - 2,999 GRE Shares	1	250
3,000 - 3,999 GRE Shares	-	-
4,000 - 4,999 GRE Shares	1	480
5,000 or more GRE Shares	17	1,628,442

Note:

(1) As of September 16, 2019.

Public Securityholders (Beneficial)⁽¹⁾

<u>Size of Holding</u>	<u>Number of Holders</u>	<u>Total Number of GRE Shares</u>
1 - 99 GRE Shares	1,366	37,467
100 - 499 GRE Shares	871	169,417
500 - 999 GRE Shares	207	133,204
1,000 -1,999 GRE Shares	149	186,713
2,000 - 2,999 GRE Shares	59	135,292
3,000 - 3,999 GRE Shares	21	71,523
4,000 - 4,999 GRE Shares	16	68,300
5,000 or more GRE Shares	40	382,762

Unable to confirm

Note:

(1) As of September 16, 2019.

Non-Public Security holders (Registered)⁽¹⁾

<u>Size of Holding</u>	<u>Number of Holders</u>	<u>Total Number of GRE Shares</u>
1 - 99 GRE Shares	-	-
100 - 499 GRE Shares	-	-
500 - 999 GRE Shares	-	-
1,000 -1,999 GRE Shares	-	-

2,000 - 2,999 GRE Shares	-	-
3,000 - 3,999 GRE Shares	-	-
4,000 - 4,999 GRE Shares	-	-
5,000 - or more GRE Shares	1	828,421

Note:

(1) As of September 16, 2019.

Convertible and Exchangeable Securities

GRE does not have any convertible or exchangeable securities outstanding as of September 16, 2019.

DIRECTORS AND OFFICERS AND EXECUTIVE COMPENSATION

For details of GRE's directors and officers and executive compensation please see *Statement of Executive Compensation* in the Circular.

INDEBTEDNESS OF DIRECTORS AND OFFICERS

No director, officer, promoter or member of management of GRE nor any of their Associates or Affiliates, is or has been indebted to GRE as at September 16, 2019.

PROMOTERS

Arthur Griffiths is considered a promoter of WFC and may be considered a promoter of the Resulting Issuer. Upon completion of the Acquisition, it is anticipated that Mr. Griffiths will own and control 2,500,000 Common Shares representing 3.5% of the issued and outstanding Common Shares on an undiluted basis (not including the Private Placement).

LEGAL PROCEEDINGS

There are no legal proceedings material to GRE to which GRE is a party to or of which any of its property is the subject matter, and there are no such proceedings known to GRE to be contemplated, other than as set forth below.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No person or company who is a director or executive officer of GRE, a person or company that is the direct or indirect owner of, or who exercises control or direction over, more than 10% of the outstanding GRE Shares, or an associate or affiliate of any of the aforementioned persons or companies, has had any material interest in any transaction with GRE within the three most recently completed financial years of GRE prior to the date hereof that has materially affected or will materially affect GRE, including the Acquisition.

AUDITOR, TRANSFER AGENT AND REGISTRAR

The auditors of GRE are Dale Matheson Carr-Hilton Labonte LLP, at its principal office located at 1500 – 1140 West Pender Street, Vancouver, BC, V6E 4G1. The transfer agent and registrar for the GRE Shares is Computershare Investor Services Inc., at its principal office located at 3rd Floor - 510 Burrard Street, Vancouver, British Columbia V6C 3B9.

MATERIAL CONTRACTS

Other than disclosed herein and the Amalgamation Agreement, GRE has not entered into any material contracts and will not enter into any material contracts prior to the closing of the Acquisition.

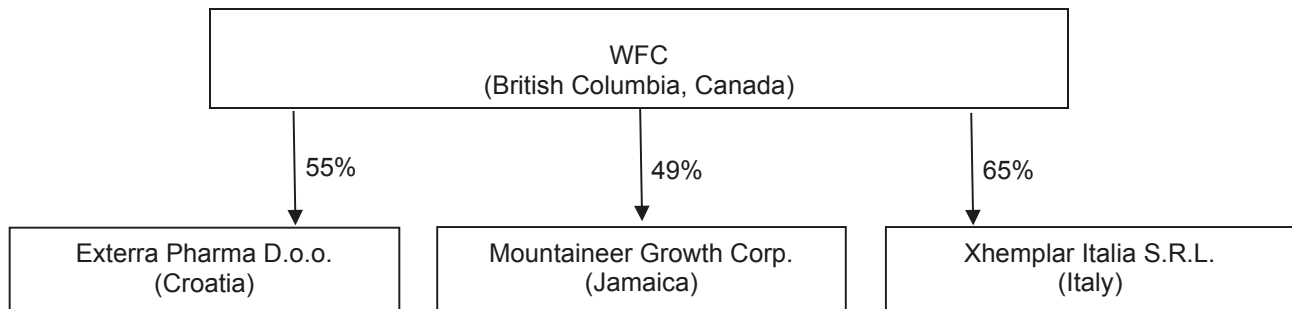
PART II – INFORMATION CONCERNING WFC

CORPORATE STRUCTURE

On November 7, 2018, WFC was incorporated under the provisions of the BCBCA.

WFC is not a “reporting issuer” under applicable securities legislation and to its knowledge its securities are not listed for trading on any stock exchange.

WFC does not have any wholly-owned subsidiaries but has ownership interests in three separate companies, as set out in the organizational chart below.



GENERAL DEVELOPMENT OF THE BUSINESS

Since incorporation, WFC’s focus has been on identifying CBD and THC projects to acquire, invest in, and/or joint-venture with. WFC’s primary focus is on the CBD project located in Croatia.

On February 25, 2019 WFC entered into a share purchase agreement (“**Crop Agreement**”) with Crop Infrastructure Corp. (“**Crop**”) to acquire projects from Crop. Pursuant to the Crop Agreement, WFC issued 2,000,000 WFC Common Shares at \$0.20 per WFC Common Share to Crop for the acquisition of Crop’s 49% interest in a cannabis project located in Jamaica and the acquisition of Crop’s a 30% interest in a cannabis project located in Italy.

On April 25, 2019, WFC acquired a 55% interest in Exterra Pharma D.o.o., a CBD company located in Croatia (the “**Croatia Agreement**”) by making a \$250,000 investment into Exterra Pharma D.o.o.

On May 5, 2019, as amended on June 6, 2019, WFC entered into the LOI with GRE for purposes of completing the Acquisition.

On June 25, 2019, WFC, GRE and GRE Sub entered into the Amalgamation Agreement.

See “Part III – Information Concerning the Resulting Issuer – Description of the Business” for changes in WFC’s business which are anticipated to occur during the current financial year.

NARRATIVE DESCRIPTION OF THE BUSINESS

Since incorporation, WFC's focus has been on identifying CBD and THC projects to acquire, invest in, and/or joint-venture with. WFC's primary focus is on the CBD project located in Croatia. WFC partners with local operators and provides financing and strategic advice for CBD and THC projects.

Croatia Facility

Pursuant to the Croatia Agreement, WFC acquired a 55% interest in Exterra Pharma D.o.o. ("**Exterra**"). Exterra is a private company incorporated under the laws of Croatia. The other 45% of Exterra is owned and controlled by Ecomed D.o.o. (35% ownership) (a company owned and controlled by Dr. Mario Zivkovic) and Stratto, LLC (10%). Exterra has two directors consisting of Arthur Griffiths, CEO of WFC and Dr. Mario Zivkovic, the local Croatian partner.

The principal objective of WFC is to finance and further develop the CBD hemp growing operation in Croatia.

Exterra is licensed and permitted to grow hemp for the purposes of extracting and selling CBD.

Exterra leases 150 acres of land. As of September 16, 2019, 170 acres of hemp CBD has been planted (approximately 600,000 plants) and it is expected to harvest in the fourth quarter of 2019. Exterra has also leased a facility from Ecomed D.o.o. which will be used as a 15 ton per day extraction facility for Exterra's internal product as well as other regional hemp growers' products to make CBD isolate.



*This is a picture of the facility that will be used as an extraction facility after necessary equipment and fixtures are installed.



Exterra also acquired an irrigation system and auto planters which automate the planting process for commercial hemp growing operations.

*This is a picture of the auto planters being used by Exterra.

*This is a picture of Exterra's irrigation system.



WFC's local partner on this project is Dr. Mario Zivkovic is a Croatian businessman and entrepreneur with over 20 years of managerial experience in pharmaceutical industry, IT, agriculture, tourism and construction. Mario is fluent in seven (7) languages, graduated from Medical school at Zagreb University in

1996, went through an executive MBA program in Vienna - Austria in 2002, and currently is a PhD candidate at School for Agriculture in Zagreb. With vast experience in clinical development and marketing of centrally acting analgesics, he developed a network of centers for clinical development in central and eastern Europe and developed sales and marketing teams in several SE European countries. He worked as consultant for pharmaceuticals in CEE and recently started his own pharmaceutical business.

Pursuant to the Croatia Agreement, WFC is required to fund 100% of the operational and development costs for Exterra. Currently, the fixed costs are the land lease (17,500 Euros per month), the extraction facility lease (1,000 Euros per month), and staff and personnel costs (10,000 Euros per month).

The Croatia Agreement provides that WFC will receive preferential pay back on capital invested or loaned to Exterra at a rate of 70% of the profits of Exterra until it has recouped the entirety of its investment/loans. Once WFC has recouped all its investment/loans it will be entitled to 55% of any potential profits from Exterra.

Italy Facility

Pursuant to the Crop Agreement, WFC acquired a 30% interest in Societa Agricola Xhemplar Italia S.R.L. ("**Xhemplar**"), a private company incorporated under the laws of Italy. WFC subsequently increased its ownership interest in Xhemplar to 65%. The other 35% of Xhemplar is owned and controlled by AN.CA.PA S.R.L. (controlled by the Castiglione family) (20% ownership), Alto Holdings (10% ownership), and AGRI.MU.BE S.R.L. (5% ownership).

Xhemplar has 6 directors consisting of Arthur Griffiths, Andrea Castiglione, Paolo Castiglione, David Baker, Hani John El Reyes, and Iginio Bendin.

Xhemplar is permitted to grow hemp for the purposes of extracting and selling CBD and produce seeds for future harvests. and is working through the process to obtain a license for THC (cannabis) cultivation and sales and is also in the process of obtaining a seed sales license.

Xhemplar's primary asset is a leased retrofitted 88,000 square foot greenhouse facility located in Veneto, Italy. The project has been cleaned and upgraded to include black out curtains for light deprivation year-round production, LED lighting systems, wet walls, enhanced security with a hemp-CBD production permit to both produce feminized seeds for internal purposes. The facility is currently in CBD production for feminized seeds.

WFC's local partner on this project is AN.CA.PA S.R.L., which is led by Andrea Castiglione. Mr. Castiglione brings a heavily quantitative background having developed financial trading algorithms from the age of sixteen for over a decade. With a broad experience in various sectors technology and service design, he has been a key advisor to several international family offices and investment funds. Mr. Castiglione is fluent in four languages and has successfully conducted business in several jurisdictions outside of North America. Mr. Castiglione's father is the former minister of agriculture, who had 35 years of public service in government.

WFC is required to fund 100% of the operational and development costs for Xhemplar. Currently, the fixed costs are the facility lease (3,500 Euros per month), and staff and personnel costs (5,000 Euros per month).

WFC will receive preferential pay back on capital invested or loaned to Xhemplar at a rate of 70% of the profits of Xhemplar until it has recouped the entirety of its investment/loans. Once WFC has recouped all its investment/loans it will be entitled to 65% of any potential profits from Xhemplar.

Jamaica Facility

Pursuant to the Crop Agreement, WFC acquired a 49% interest in Mountaineer Growth Corp. ("**Mountaineer**"), a private company incorporated under the laws of Jamaica. The other 51% of Mountaineer is owned and controlled by Norman Lynch (20%), Graham Jervis (15%), and Greg Douglas

(16%).

Mountaineer has five (5) directors consisting of Arthur Griffiths (CEO of WFC), Christine Mah (nominated by WFC), Norman Lynch, Graham Jervis and Greg Douglas.

Mountaineer applied for three licenses which are under review: (1) Tier 3 cultivation (which allows for cultivation over 5 acres), (2) Tier 1 processing (which allows for processing in a space up to 200 square meters), and (3) transport license (which allows for the transportation of cannabis between two licenses premises in an approved vehicle).

Mountaineer leases ten (10) acres of land in Jamaica with a ten (10) year lease period with the option to renew.

WFC is required to fund 100% of the development costs for Mountaineer. Currently, the costs are minimal until conditional approval is obtained from the government of Jamaica. The property is on agricultural land that has been previously used to grow vegetables commercially. The property will need to be cleared and tilled before constructing the greenhouses and surrounding infrastructure. Upon receiving conditional approval, Mountaineer will clear the land and begin construction of the greenhouses. The estimated cost to clear the ten (10) acres and build the greenhouses is \$250,000. A full and final license to permit cultivation and sale of cannabis may only occur after Mountaineer has completed the build-out of its facility. WFC will be entitled to 49% of any potential profits from Mountaineer. The local partners are experienced and knowledgeable with legal, regulatory, labour, staffing and operations of Cannabis projects in Jamaica.

Norman (Sunny) Lynch is the land owner of the property that Mountaineer is leasing. The property was previously used for farming. He works in the project management and construction industry and will assist Mountaineer with the buildout and source local staff and labour as necessary. Mr. Lynch is based out of Negril near the Westmorland area in Jamaica and he is a local expert and has knowledge about cannabis cultivation in this specific region.

Graham Jervis, based in Kingston, Jamaica, assists Mountaineer with the licensing applications process and with legal/accounting for the company and ensuring that Mountaineer is in compliance in all aspects of the project.

Greg Douglas formally entered the cannabis space in 2015 when he joined the Bureau of Standards (Jamaica) as Management Information Systems (MIS) Manager. Subsequently, he served as Project Coordinator for a proposed Medical Cannabis (Ganja) Track and Trace Pilot Project. From April to November 2017, Mr. Douglas was seconded to the Cannabis Licensing Authority (CLA) as their CEO. While there he became a part of local history by issuing the first commercial licenses in Jamaica. He was part of the CLA team that visited Canada meeting with both Canadian Government entities and officials. He resumed his duties at the Bureau of Standards in January 2018 and works on the creation of standards within the cannabis industry in Jamaica.

Competition

WFC will face intense competition from other companies, some of which can be expected to have longer operating histories and more financial resources and manufacturing and marketing experience than WFC. Increased competition by larger and better financed competitors could materially and adversely affect the proposed business, financial condition and results of operations of WFC.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

Selected consolidated financial information of WFC for the period from November 7, 2018 (date of incorporation) to the year ended March 31, 2019 and for the interim period ended June 30, 2019 is shown below. The WFC Financial Statements are attached as Appendix "I".

	Interim period ended June 30, 2019	Date of Incorporation to March 31, 2019
Net Sales	-	-
Income (Loss)	(1,349,778)	(2,229,935)
per share basis	(0.02)	(0.05)
diluted per share basis	(0.02)	(0.05)
Net Income (Loss)	(1,349,778)	(2,229,935)
per share basis	(0.02)	(0.05)
diluted per share basis	(0.02)	(0.05)
Total Assets	990,754-	1,462,219-
Total Long Term Liabilities		

During the year ended March 31, 2019, WFC incurred net loss of \$2,229,935. As at March 31, 2019 WFC had positive working capital of \$1,434,849 and an accumulated deficit of \$2,229,935

During the interim period ended June 30, 2019, WFC incurred net loss of \$1,349,778. As at June 30, 2019 WFC had positive working capital of \$421,218 and an accumulated deficit of \$3,579,713.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The WFC MD&A for the year ended March 31, 2019 and for the interim period ended June 30, 2019 are attached as Appendix "I".

CONSOLIDATED CAPITALIZATION

The following table sets forth the consolidated capitalization of WFC as at September 16, 2019 (and not including the Private Placement):

Authorized Capital	As at March 31, 2019 (audited)	As at September 16, 2019 (unaudited)
Long-term debt	nil	nil
WFC Common Shares (unlimited)	68,932,844	68,932,844
WFC Warrants	22,282,844	22,282,844

OPTIONS TO PURCHASE SECURITIES

WFC has not adopted a stock option plan. WFC has not granted any stock options.

DESCRIPTION OF THE SECURITIES

The authorized capital of WFC includes an unlimited number of WFC Common Shares without nominal or par value, and an unlimited number of WFC Class B Preferred Shares.

As at September 16, 2019, 68,932,844 WFC Common Shares, and zero (0) WFC Class B Preferred Shares are issued and outstanding as fully paid and non-assessable. In addition, as at September 16, 2019, 22,282,844 WFC Common Shares were reserved for issuance upon the due and proper exercise of WFC Warrants.

WFC Common Shares

The holders of WFC Common Shares are entitled to receive notice of and one vote per WFC Common Share at meetings of the shareholders of WFC and, upon liquidation, dissolution or winding-up, to share equally in such property or assets of WFC as are distributable to the holders of WFC Common Shares subject to the rights of holders of shares of any class ranking in priority to the WFC Common Shares.

Except as otherwise provided, the WFC Common Shares do not have any (i) pre-emptive, conversion or exchange rights, (ii) redemption, retraction, purchase for cancellation, surrender or sinking or purchase fund provisions, (iii) provisions permitting or restricting the issuance of additional securities or other material restrictions, or (iv) provisions requiring a security holder to contribute additional capital.

WFC Warrants

The holders of WFC Warrants are entitled, prior to the expiry date, to subscribe for and purchase that number of WFC Common Shares at an exercise price as set out in the WFC Warrant certificate issued to the holder of WFC Warrants.

The WFC Warrants do not have any (i) dividend rights, (ii) voting rights, (iii) rights upon dissolution or winding-up, (iv) pre-emptive rights, (v) redemption, retraction, purchase for cancellation, surrender or sinking or purchase fund provisions, (vi) provisions permitting or restricting the issuance of additional securities or other material restrictions, or (vii) provisions requiring a security holder to contribute additional capital.

For the terms specific to each issued and outstanding WFC Warrant, see "*Capitalization of WFC*".

Prior Sales

The following table sets forth the number and price at which securities of WFC have been sold within the 12 month period prior to the date hereof.

Date	Number of WFC Securities	Class	Issue Price Per Security / Deemed Price Per Security / Exercise Price of Security (\$)	Aggregate Issue Price / Deemed Aggregate Issue Price (\$)
November 8, 2018	18,550,000	WFC Common Shares	\$0.005 ⁽¹⁾	\$92,750 (for cash)
November 13, 2018	17,100,000	WFC Common Shares	\$0.02 ⁽²⁾	\$342,000 (for cash)
February 25, 2019	22,282,844	WFC Common Shares	\$0.10 ⁽³⁾	\$2,228,284.40 (for cash)
February 25, 2019	22,282,844	WFC Warrants	\$0.20 ⁽⁴⁾	Exercisable at \$0.20 (for cash)
February 28, 2019	11,000,000	WFC Common Shares	\$0.20 ⁽⁶⁾	\$2,000,000

				(issued pursuant to acquisitions) ⁽⁵⁾ and \$200,000 (issued pursuant to debt settlements)
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Note:

- (1) Upon completion of the Acquisition, each WFC Common Share is subject to a voluntary escrow over a three-year period pursuant to National Policy 46-201 – *Escrow for Initial Public Offerings* of the Canadian Securities Administrators (“**NP 46-201**”).
- (2) Upon completion of the Acquisition, each WFC Common Share is subject to a voluntary escrow over a three-year period pursuant to NP 46-201.
- (3) Each WFC Common Share is subject to a voluntary four (4) month hold period upon completion of the Acquisition.
- (4) Each WFC Warrant entitles the holder thereof to acquire one WFC Common Share at the corresponding exercise price for two years from the date of issuance. Each WFC Common Warrant is subject to a voluntary four (4) month hold period upon completion of the Acquisition.
- (5) WFC issued 2,000,000 WFC Common Shares to Crop Infrastructure Corp. pursuant to the Crop Agreement.
- (6) Each WFC Common Share is subject to a voluntary hold period with 10% released upon completion of the Acquisition, 40% released six (6) months after completion of the Acquisition, and the remaining 50% released twelve (12) months after completion of the Acquisition.

Private Placement

Prior to completion of the Acquisition, WFC intends to complete a private placement (the “**Private Placement**”) of up to 10,000,000 units (each, a “**Unit**”), at a price of \$0.30 per Unit, for gross proceeds of \$3,000,000. Each Unit issued in the placement will consist of one common share and one share purchase warrant (each, a “**Warrant**”) entitling the holder to purchase one additional share at a price of \$1.00 per a period of two (2) years from completion of the Acquisition. The Units are subject to a voluntary hold period with 50% released upon the completion of the Acquisition and the remaining 50% released 75 days after completion of the Acquisition.

ESCROWED SECURITIES

To the knowledge of the directors and executive officers of WFC, none of the securities of WFC are currently held in, or otherwise subject to escrow as at September 16, 2019. Upon completion of the Acquisition, Arthur Griffiths’ and Abbey Abdiye’s WFC Common Shares will be subject to an escrow over a three-year period pursuant to NP 46-201.

See “*Prior Sales*” above for further information on the restrictions of the WFC Common Shares upon completion of the Acquisition.

PRINCIPAL SECURITYHOLDERS

To the knowledge of management of WFC, no person or company owns, of record of beneficially, directly or indirectly, or exercises control or direction over 10% or more of any class of voting securities of WFC, except as disclosed below:

Name	Number of WFC Common Shares	Percentage of WFC Common Shares
Crop Infrastructure Corp. ⁽¹⁾	10,000,000 WFC Common Shares	14.5% ⁽²⁾

Notes:

- (1) Crop Infrastructure Corp. is a British Columbia company with its shares listed on the Exchange (CSE: CROP).

- (2) The percentage of WFC Common Shares that Crop Infrastructure Corp. legally and beneficially owns, directly or indirectly, or exercises control and direction over, on an un-diluted basis is 14.5% based on 68,932,844 WFC Common Shares issued and outstanding as of September 16, 2019 (not including the Private Placement).

DIRECTORS AND OFFICERS

The following table lists the names, municipalities of residence of the directors and officers of WFC, their positions and offices held with WFC, and their principal occupations or employment and the number of WFC Common Shares which are beneficially owned, directly or indirectly, or over which control or direction is exercised by each.

Name and Municipality of Residence	Principal Occupations for the Last Five Years	Period or periods during which each proposed director has served as a director or officer of WFC	Position with WFC	Number and Percent of WFC Common Shares
Arthur Griffiths Vancouver, BC	Mr. Griffiths has extensive experience in retail, real estate, civil design, construction, public relations, and international business transactions. He was the Managing Director of BOSCO UK and was Chairman for the Vancouver 2010 Olympic Bid Society. Locally Mr. Griffiths held positions as Chairman and CEO for Orca Bay Entertainment, which owned the Vancouver Canucks, Vancouver Grizzlies, and GM Place (now Rogers Arena).	March 21, 2019 to present	Director & Chief Executive Officer	2,500,000 (3.6%) ⁽¹⁾
Abbey Abdiye Vancouver, BC	Chartered Professional Accountant (CPA) and Accountant (CMA). Currently Chief Financial Officer of Biome Grow., a CSE-listed company, Ceylon Graphite Corp., a TSX-listed company, and Loop Insights Inc. a TSX listed company; Former Chief Financial Officer of Biomark Diagnostics Inc., a CSE-listed company and Tower One Wireless., a CSE-listed	November 7, 2018 to present	Chief Financial Officer	250,000 (0.36%) ⁽¹⁾

Note: (1) Based on 68,932,844 WFC Common Shares issued and outstanding as of September 16, 2019.

CAPITALIZATION OF WFC

	Number of WFC Common Shares (non-diluted)	Number of WFC Common Shares (fully diluted)	% of Issued (non-diluted)	% of Issued (fully diluted)
Public Float				
Total Outstanding (A)	68,932,844	91,215,688	100%	100%

	Number of WFC Common Shares (non- diluted)	Number of WFC Common Shares (fully diluted)	% of Issued (non-diluted)	% of Issued (fully diluted)
Held by Related Persons or employees of the Issuer or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer upon exercise or conversion of other securities held) (B)	2,750,000	2,750,000	4%	3%
Total Public Float [(A)-(B)]	66,182,844	88,465,688	96%	97%
<u>Freely-Tradeable Float</u>				
Number of outstanding WFC Common Shares subject to resale restrictions, including restrictions imposed by polling or other arrangements or in a shareholder agreement and securities held by control block holders (C)	65,542,844	87,525,688	95%	96%
Total Tradeable Float (A-C)	3,390,000	3,390,000	5%	4%

*In order to complete a listing on the Canadian Securities Exchange, all of the listing requirements must be met including sufficient public float.

Public Securityholders (Registered)

Size of Holding	Number of Holders	Total Number of WFC Common Shares
1 - 99 WFC Common Shares	-	-
100 - 499 WFC Common Shares	-	-
500 - 999 WFC Common Shares	-	-
1,000 -1,999 WFC Common Shares	-	-
2,000 - 2,999 WFC Common Shares	-	-
3,000 - 3,999 WFC Common Shares	-	-
4,000 - 4,999 WFC Common Shares	-	-
5,000 or more WFC Common Shares	153	68,932,844

Public Securityholders (Beneficial)

Size of Holding	Number of Holders	Total Number of WFC Common Shares
1 - 99 WFC Common Shares	-	-
100 - 499 WFC Common Shares	-	-
500 - 999 WFC Common Shares	-	-

Size of Holding	Number of Holders	Total Number of WFC Common Shares
1,000 -1,999 WFC Common Shares	-	-
2,000 - 2,999 WFC Common Shares	-	-
3,000 - 3,999 WFC Common Shares	-	-
4,000 - 4,999 WFC Common Shares	-	-
5,000 or more WFC Common Shares	-	-
Unable to confirm		

Non-Public Security holders (Registered)

Size of Holding	Number of Holders	Total Number of WFC Common Shares
1 - 99 WFC Common Shares	-	-
100 - 499 WFC Common Shares	-	-
500 - 999 WFC Common Shares	-	-
1,000 -1,999 WFC Common Shares	-	-
2,000 - 2,999 WFC Common Shares	-	-
3,000 - 3,999 WFC Common Shares	-	-
4,000 - 4,999 WFC Common Shares	-	-
5,000 - or more WFC Common Shares	2	2,750,000

Convertible and Exchangeable Securities

Description of Security (Including conversion/exercise/terms including exercise/conversion price)	Number of convertible/exchangeable securities outstanding	Number of listed securities issuable upon conversion/exercise
WFC Warrants (\$0.20) ⁽¹⁾	22,282,844	22,282,844
Total: ⁽²⁾	22,282,844	22,282,844

Notes:

- (1) Each WFC Warrant is exercisable for one WFC Common Share at a price of \$0.20 per WFC Common Share with an expiration date of February 25, 2021, provided that if the closing price of the shares on any stock exchange on which the shares are then listed is equal to or greater than \$0.60 for a period of five (5) consecutive trading days then the Resulting Issuer will have the right to accelerate the expiry time of the warrants by giving notice to the holders of the warrants by news release or other form of notice that the warrants will expire on a date that is not less than fifteen (15) days from the date notice is given.
- (2) Pursuant to the Private Placement up to 10,000,000 WFC Warrants may be issued at a price of \$1.00 for a period of two (2) years from the date that WFC Common Shares become listed on any stock exchange.

EXECUTIVE COMPENSATION

Summary Compensation Table

The following table sets out information concerning the compensation from November 7, 2018 to the year ended March 31, 2019 for WFC's senior executive officers:

Name and Principal Position	Year	Salary (\$)	Share-Based Awards (\$)	Option-Based Awards (\$)	Non-equity incentive plan compensation		All other Compensation (\$)	Total compensation (\$)
					Annual incentive plans (\$)	Long-term incentive plans (\$)		
Arthur Griffiths CEO & Director	2019	12,000	nil	nil	nil	nil	nil	12,000
Abbey Abdiye CFO	2019	nil	nil	nil	nil	nil	nil	nil

Directors Compensation

Compensation was not paid to any director of WFC during the year ended March 31, 2019.

INDEBTEDNESS OF DIRECTORS AND OFFICERS

No director, officer, promoter or member of management of WFC nor any of their Associates or Affiliates, is or has been indebted to WFC as at September 16, 2019.

PROMOTER

Arthur Griffiths is considered a promoter of WFC. Mr. Griffiths owns and controls 2,500,000 WFC Common Shares representing 3.6% of the issued and outstanding WFC Common Shares as of September 16, 2019.

As at September 16, 2019, WFC has 68,932,844 WFC Common Shares issued and outstanding.

LEGAL PROCEEDINGS

There are no legal proceedings material to WFC to which WFC is a party to or of which any of its property is the subject matter, and there are no such proceedings known to WFC to be contemplated.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No person or company who is a director or executive officer of WFC, a person or company that is the direct or indirect owner of, or who exercises control or direction over, 10% or more of the outstanding WFC Common Shares, or an associate or affiliate of any of the aforementioned persons or companies, has had any material interest in any transaction with WFC since incorporation that has materially affected or will materially affect WFC, other than the Acquisition.

See "Part III – Information Concerning the Resulting Issuer – Directors and Officers" and "Part III – Information Concerning the Resulting Issuer – Principal Securityholders" for the Common Shares issuable to Arthur Griffiths, WFC's chief executive officer and to Abbey Abdiye, WFC's chief financial officer.

AUDITOR

The auditors of WFC are Manning Elliott LLP, at their principal office located at 1050 W Pender St #1100, Vancouver, British Columbia V6E 3S7.

MATERIAL CONTRACTS

Except for contracts entered into by WFC in the ordinary course of business, the Amalgamation Agreement is a material contract to WFC. A copy of the Amalgamation Agreement may be inspected during regular business hours at WFC's offices and is also available under GRE's SEDAR profile at www.sedar.com.

PART III – INFORMATION CONCERNING THE RESULTING ISSUER

Information contained in this Part III assumes completion of the Acquisition and all required approvals including approval by the Exchange.

CORPORATE STRUCTURE

Name and Incorporation

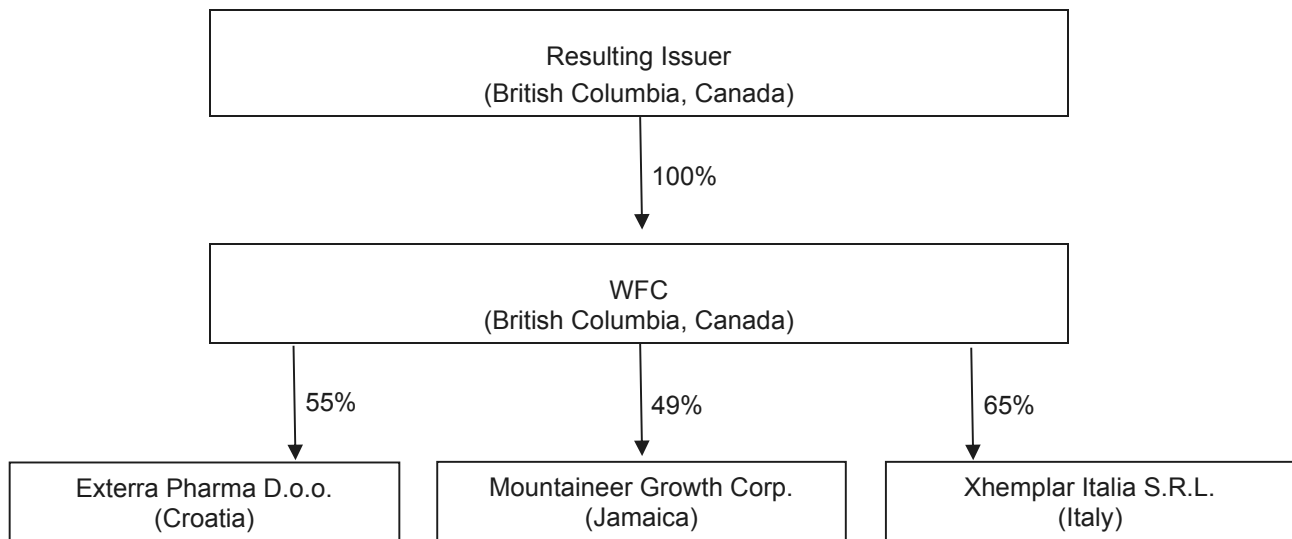
Following completion of the Acquisition, it is anticipated that the Resulting Issuer will file articles of amendment to change its name to "World Farms Corp." or such other name as may be determined in the sole discretion of the Board.

The Resulting Issuer's head and registered office will be located at Suite 600 535 Howe Street, Vancouver, BC V6C 2Z4.

In connection with the Closing, WFC will amalgamate with GRE Sub and the resulting amalgamated company will be a wholly-owned subsidiary of the Resulting Issuer. The Resulting Issuer will continue to be a company incorporated under the BCBCA.

Intercorporate Relationships

The following organizational chart reflects the proposed structure of the Resulting Issuer after completion of the Acquisition:



DESCRIPTION OF THE BUSINESS

Following the Closing, the Resulting Issuer will continue to carry on the business currently carried on by WFC. See “Part II – Information Concerning WFC – Narrative Description of the Business”.

Stated Business Objectives

In addition to having the same stated business objectives as WFC, the Resulting Issuer intends to utilize the funds over the next 18 months after completion of the Amalgamation as described in the “Estimated Available Funds and Principal Uses” section below.

Milestones

Within 12 months following the completion of the Acquisition, the Resulting Issuer anticipates working towards several milestones, including:

- buildout of Exterra's extraction facility;
- complete the harvest and processing of the hemp CBD from the Exterra project;
- complete the production of the feminized seeds at the Xhemplar facility;
- obtain license for THC cultivation and sales and seed sales license at the Xhemplar facility; and
- obtain licenses at the Mountaineer project and clear the land and begin construction of greenhouses.

SELECTED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

The following is a summary of selected financial information for the Resulting Issuer as at June 30, 2019 which should be read in conjunction with the Pro Forma Financial Statements attached as Appendix “II”.

	GRE as at June 30, 2019 (\$)	WFC as at June 30, 2019 (\$)	Pro Forma Adjustments ⁽¹⁾ (\$)	Pro Forma Consolidated (\$)
Net Sales	Nil	Nil	Nil	Nil
Income (Loss)	(911,398)	(1,349,778)		
per share basis	(0.32)	(0.02)	n/a	n/a
diluted per share basis	(0.32)	(0.02)	n/a	n/a
Net Income (Loss)	(911,398)	(1,349,778)	n/a	n/a
per share basis	(0.32)	(0.02)	n/a	n/a
diluted per share basis	(0.32)	(0.02)	n/a	n/a
Total Assets	15,129	990,754	1,903,5800	2,909,463
Total Long Term Liabilities	Nil	Nil	Nil	Nil

PRO FORMA CONSOLIDATED CAPITALIZATION

The following table sets forth the consolidated capitalization of the Resulting Issuer as at June 30, 2019, before and after giving effect to the Acquisition.

<u>Authorized Capital</u>	<u>GRE before giving effect to the Acquisition</u>	<u>WFC before giving effect to the Acquisition</u>	<u>Pro Forma Adjustments</u>	<u>Resulting Issuer after giving effect to the Acquisition</u>
Long-term debt	Nil	Nil	Nil	Nil
Common Shares (unlimited)	2,816,050	68,932,844	10,000,000	81,748,894
Warrants	Nil	22,282,844	10,000,000	32,282,844

OPTIONS TO PURCHASE SECURITIES

The Resulting Issuer's stock option plan will be the option plan of GRE. Upon the completion of the Acquisition, it is anticipated that no stock options of the Resulting Issuer will be outstanding.

Upon the completion of the Acquisition, 22,282,844 Common Share purchase warrants of the Resulting Issuer will be outstanding (not including any securities issued pursuant to the Private Placement), with each whole Common Share purchase warrant entitling the holder thereof to purchase one (1) Common Share.

DESCRIPTION OF THE SECURITIES

The share structure and the rights associated with the Common Shares will remain the same after the Acquisition.

PRO FORMA CAPITALIZATION

The following capitalization information is presented on a post-GRE Share Consolidation basis and assumes completion of the Acquisition (but does not include any securities issued pursuant to the Private Placement):

	<u>Number of Common Shares (non-diluted)⁽¹⁾</u>	<u>Number of Common Shares (fully diluted)⁽¹⁾</u>	<u>% of Issued (non-diluted)⁽¹⁾</u>	<u>% of Issued (fully diluted)⁽¹⁾</u>
Public Float				
Total Outstanding (A)	71,748,894	94,031,738	100%	100%
Held by Related Persons or employees of the Issuer or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer upon exercise or conversion of other securities held) (B)	3,578,421	3,578,421	5%	4%
Total Public Float [(A)-(B)]	68,170,473	90,453,317	95%	96%

	<u>Number of Common Shares (non-diluted)⁽¹⁾</u>	<u>Number of Common Shares (fully diluted)⁽¹⁾</u>	<u>% of Issued (non-diluted)⁽¹⁾</u>	<u>% of Issued (fully diluted)⁽¹⁾</u>
<u>Freely-Tradeable Float</u>				
Number of outstanding Common Shares subject to resale restrictions, including restrictions imposed by polling or other arrangements or in a shareholder agreement and securities held by control block holders (C)	66,371,265	88,654,109	93%	94%
Total Tradeable Float (A-C)	5,377,629	5,377,629	7%	6%

Note:

(1) As of September 16, 2019. Such numbers do not contemplate the Private Placement being completed.

Public Securityholders (Beneficial)⁽¹⁾

<u>Size of Holding</u>	<u>Number of Holders</u>	<u>Total Number of Common Shares</u>
1 - 99 Common Shares	-	-
100 - 499 Common Shares	-	-
500 - 999 Common Shares	16	800
1,000 -1,999 Common Shares	13	1,400
2,000 - 2,999 Common Shares	1	250
3,000 - 3,999 Common Shares	-	-
4,000 - 4,999 Common Shares	1	480
5,000 or more Common Shares	170	70,561,286

Unable to confirm

Note:

(1) As of September 16, 2019. Such numbers do not contemplate the Private Placement being completed.

Public Securityholders (Registered)⁽¹⁾

<u>Size of Holding</u>	<u>Number of Holders</u>	<u>Total Number of Common Shares</u>
1 - 99 Common Shares	1,366	37,467
100 - 499 Common Shares	871	169,417
500 - 999 Common Shares	207	133,204
1,000 -1,999 Common Shares	149	186,713
2,000 - 2,999 Common Shares	59	135,292
3,000 - 3,999 Common Shares	21	71,523
4,000 - 4,999 Common Shares	16	68,300
5,000 or more Common Shares	40	382,762

Note:

(1) As of September 16, 2019. Such numbers do not contemplate the Private Placement being completed.

Non-Public Security holders (Registered)⁽¹⁾

Size of Holding	Number of Holders	Total Number of Common Shares
1 - 99 Common Shares	-	-
100 - 499 Common Shares	-	-
500 - 999 Common Shares	-	-
1,000 - 1,999 Common Shares	-	-
2,000 - 2,999 Common Shares	-	-
3,000 - 3,999 Common Shares	-	-
4,000 - 4,999 Common Shares	-	-
5,000 - or more Common Shares	3	3,578,421

Note:

(1) As of September 16, 2019. Such numbers do not contemplate the Private Placement being completed.

Convertible and Exchangeable Securities

Description of Security (Including conversion/exercise/terms including exercise/conversion price)	Number of convertible/exchangeable securities outstanding	Number of listed securities issuable upon conversion/exercise
WFC Warrants (\$0.20) ⁽¹⁾	22,282,844	22,282,844
Total: ⁽²⁾	22,282,844	22,282,844

Notes:

- (1) Each WFC Warrant is exercisable for one WFC Common Share at a price of \$0.20 per WFC Common Share with an expiration date of February 25, 2021, provided that if the closing price of the shares on any stock exchange on which the shares are then listed is equal to or greater than \$0.60 for a period of five (5) consecutive trading days then the Resulting Issuer will have the right to accelerate the expiry time of the warrants by giving notice to the holders of the warrants by news release or other form of notice that the warrants will expire on a date that is not less than fifteen (15) days from the date notice is given.
- (2) Pursuant to the Private Placement up to 10,000,000 WFC Warrants may be issued at a price of \$1.00 for a period of two (2) years from the date that WFC Common Shares become listed on any stock exchange.

ESTIMATED AVAILABLE FUNDS AND PRINCIPAL PURPOSES

Estimated Available Funds

Based on information available as at September 16, 2019, upon completion of the Acquisition, the Resulting Issuer is expected to have approximately \$1,921,332 in Available Funds, which includes the following:

Estimated Funds Available	Amount (\$)
Pro Forma consolidated working capital ⁽¹⁾	2,021,332
Estimated fees and expenses of the Acquisition	100,000
Total Estimated Available Funds	1,921,332

Note:

- (1) Consolidated working capital is derived from the Pro Forma Financial Statements attached as Appendix "II". This includes and assumes completion of the Private Placement totalling gross proceeds of \$3,000,000.

Principal Purposes of Funds

Based on information available as at September 16, 2019, the following table sets forth the principal purposes for which the estimated funds available to the Resulting Issuer upon completion of the Acquisition and the current estimated amounts to be used for each such principal purpose:

Principal Use of Available Funds	Amount (\$)
Buildout of Exterra extraction facility and operations	150,000
Operations and licensing for Xhemplar facility	250,000
Licensing, clear land and build greenhouses at the Mountaineer project	250,000
Legal, audit, and accounting fees	100,000
General working capital	200,000
Unallocated capital	971,332
Total	1,921,332

In addition to commitments shown in the Principal Purposes of Funds table above, the Resulting Issuer may also use available funds for potential future acquisitions as these opportunities arise.

Notwithstanding the foregoing, there may be circumstances where, for sound business reasons, a reallocation of funds is necessary in order for the Resulting Issuer to achieve its objectives as set out herein.

DIVIDEND POLICY

As of September 16, 2019, it is not contemplated that any dividends will be declared and paid in the immediate or foreseeable future following completion of the Acquisition. The Resulting Issuer expects to retain earnings to finance further growth. The Board will determine if and when dividends should be declared and paid in the future and any such determination will be based in part on the financial position, business, environment, operating results, capital requirements, contractual restrictions on paying dividends, if any, and any other factors the Board may consider and deem relevant at the time.

PRINCIPAL SECURITYHOLDERS

To the knowledge of management of GRE, no person or company is anticipated to own beneficially, directly or indirectly, or exercise control or direction over 10% or more of any class of voting securities of the Resulting Issuer upon completion of the Acquisition other than as set out below.

Name	Number of Common Shares	Percentage of Common Shares
Crop Infrastructure Corp.	10,000,000 ⁽¹⁾	13.9% ⁽²⁾

Notes:

- (1) Crop Infrastructure Corp. is a British Columbia company with its shares listed on the Exchange (CSE: CROP).
- (2) Upon completion of the Acquisition, the percentage of Common Shares that Crop Infrastructure Corp. will legally and beneficially own, directly or indirectly, or exercises control and direction over, on an un-diluted basis is 13.9%. Upon completion of the Acquisition, there will be approximately 71,748,895 WFC Common Shares issued and outstanding (not including the Private Placement).

DIRECTORS AND OFFICERS

The following table lists the names, municipalities of residence of the proposed directors and officers of the Resulting Issuer upon completion of the Acquisition, their proposed positions and offices to be held with the Resulting Issuer, and their principal occupations or employment and the number of securities of the Resulting Issuer which will be beneficially owned, directly or indirectly, or over which control or direction will

be exercised by each upon completion of the Acquisition. Rodney Campbell and Nigel Horsley, current directors of GRE, and Arthur Griffiths, WFC's current director and Chief Executive Officer, are expected to serve as directors of the Resulting Issuer.

Name and Municipality of Residence	Principal Occupations for the Last Five Years	Period or periods during which each proposed director has served as a director or officer of WFC or GRE	Proposed Position With the Resulting Issuer	Number and Percent of Common Shares ⁽²⁾
Arthur Griffiths ⁽¹⁾ Vancouver, BC	Mr. Griffiths has extensive experience in retail, real estate, civil design, construction, public relations, and international business transactions. He was the Managing Director of BOSCO UK and was Chairman for the Vancouver 2010 Olympic Bid Society. Locally Mr. Griffiths held positions as Chairman and CEO for Orca Bay Entertainment, which owned the Vancouver Canucks, Vancouver Grizzlies, and GM Place (now Rogers Arena).	Director & CEO of WFC since March 21, 2019	Director & Chief Executive Officer	2,500,000 Common Shares (3.5% of Common Shares) ⁽³⁾
Rodney Campbell ⁽¹⁾ Calgary, AB	Mr. Campbell brings over 30 years of business experience predominantly in the finance and oil and gas sectors.	Director of GRE since March 6, 2019	Director	Nil
Nigel Horsley ⁽¹⁾ Vancouver, BC	Mr. Horsley has extensive public company experience as a director and senior manager with early-stage advanced technology companies	Director of GRE since March 27, 2019	Director	Nil
Abbey Abdiye Vancouver, BC	Chartered Professional Accountant (CPA) and Accountant (CMA). Currently Chief Financial Officer of Orca, Biome Grow., a CSE-listed company, Ceylon Graphite Corp., and a TSX-listed company. Former Chief Financial Officer of Biomark Diagnostics Inc., a CSE-listed company and Tower One Wireless., a CSE-listed	CFO of WFC since November 7, 2018	Chief Financial Officer & Corporate Secretary	250,000 Common Shares (0.3% of Common Shares) ⁽⁴⁾

Notes:

- (1) The Audit Committee of the Resulting Issuer is expected to be comprised of Arthur Griffiths (non-independent), Rodney Campbell (independent), and Nigel Horsley (independent). Any other committees of the Resulting Issuer and their composition will be determined by board of directors of the Resulting Issuer.
- (2) Upon closing of the Acquisition (not including the Private Placement), the Resulting Issuer will have approximately 71,748,895 Common Shares issued and outstanding.
- (3) Mr. Griffiths owns and controls 2,500,000 WFC Common Shares.
- (4) Mr. Abdiye owns and controls 250,000 WFC Common Shares.

The following is a brief description of each of the proposed directors and senior executive officers for the Resulting Issuer:

Arthur Griffiths is a proposed director and CEO of the Resulting Issuer and is currently the CEO and director of WFC. Mr. Griffiths has extensive experience in retail, real estate, civil design, construction, public relations, and international business transactions. He was the Managing Director of BOSCO UK and was Chairman for the Vancouver 2010 Olympic Bid Society. Locally Mr. Griffiths held positions as Chairman and CEO for Orca Bay Entertainment, which owned the Vancouver Canucks, Vancouver Grizzlies, and GM Place (now Rogers Arena). He also led the design and construction of the \$1.2 Billion Vancouver Skytrain System as Chairman and Chief Negotiator. Mr. Griffiths holds a Bachelor of Business Administration (BBA) focused on marketing and received his Honorary DR of Law in 2011.

It is expected that Mr. Griffiths will devote 75% of his time to the business of the Resulting Issuer. Mr. Griffiths is an independent contractor of the Resulting Issuer and it is not currently anticipated that Mr. Griffiths will enter into an employment, non-competition or non-disclosure agreement with the Resulting Issuer.

Abbey Abdiye is the proposed CFO and Corporate Secretary of the Resulting Issuer and is currently the CFO of WFC. Mr. Abdiye brings extensive experience in the financial sector with both public and private companies. He is a Chartered Professional Accountant (CPA), current CFO of Crop Infrastructure Corp. and other reporting issuers, where he manages the responsibility for all financial, fiscal management, regulatory compliance, and reporting aspects of corporate operations. Mr. Abdiye also provides strategic guidance and direction in capital structuring and is engaged with innovative financing programs that leverage sales and development opportunities.

It is expected that Mr. Abdiye will devote 25% of his time to the business of the Resulting Issuer. Mr. Abdiye is an independent contractor of the Resulting Issuer and it is not anticipated that Mr. Abdiye will enter into a non-competition or non-disclosure agreement with the Resulting Issuer.

Rodney Campbell is a proposed director of the Resulting Issuer and a current director of GRE.

Rod Campbell brings over 30 years of business experience predominantly in the finance and oil and gas sectors. He is primarily responsible for working with the team that oversees the strategic direction of the company and he will be collaborating with Senior Management to develop various strategies and policies for the company. Prior to joining the Graphite Energy team, Mr. Campbell worked as a Stock Broker at BMO Nesbitt Burns for many years where he formed solid relationships and gained vast knowledge of the finance industry. In addition to his experience in the finance industry, Mr. Campbell also worked in the Oil and Gas sector for 17 years where he handled Procurement and development of the fuel business for many industry leaders such as Encana, Apache Corporation, Canadian Hunter Exploration, Elbow River Resources, ERS, and MP Energy. During his years in the Oil & Gas industry, Mr. Campbell achieved many milestones and continued to develop his relationships throughout Canada and the US. Most recently, Mr. Campbell built a wholesale business in Alberta and was successful in that venture. It is expected that Mr. Campbell will devote 30% of his time to the business of the Resulting Issuer. Mr. Campbell is an independent contractor of the Resulting Issuer and it is not anticipated that Mr. Campbell will enter into a non-competition or non-disclosure agreement with the Resulting Issuer.

Nigel Horsley is a proposed director of the Resulting Issuer and a current director of GRE.

Robert Nigel Marcus Horsley has extensive public company experience as a director and senior manager with early-stage advanced technology companies, creating early market awareness, raising start-up finance and finding strategic partners and major potential customers, He also has extensive experience in international public relations and international investor relations, enlisting investment banker and analyst interest and support.

He was a co-founder and director of what became RailPower Technologies, a world leader in hybrid and multi-engine railway locomotives that was sold to R J Corman. He was a co-founder and vice president of

Isee3D Inc., a 3-D imaging company which had its single lens, single camera endoscopic imaging technology used in laparoscopic operations on humans. Horsley was also a member of the founding management of General Hydrogen Corporation which ultimately got sold to Plug Power. He was previously a co-founder of Intinergy Solar Inc. in High Concentration Photo Voltaic technology until shortly after the demise of his business partner in late 2009. He was a president, a director, and Chief Communications Officer of VeRail Technologies, Inc, a dual fuel locomotive start-up technology company between September, 2013, and May, 2017.. He is currently a co-founder and director of the veggie-plastic protective coatings firm Castagra Products, Inc. He is also currently a director of Graphite Energy Crp. (CSE:GRE) (OTC: GRXXF).

Earlier in his career, Horsley gained considerable experience in public relations, broadcast and print media in both the United Kingdom and Canada. He was a staff consultant with Hill & Knowlton in Canada and previously produced national radio news in the United Kingdom for IRN and LBC for over five years. He was also an executive producer with CKVU TV in Vancouver and a lineup editor with CBC TV. He helped pioneer British Columbia's world famous Power Smart energy efficiency program as its Chief Publicist shortly after it was launched.

It is expected that Mr. Horsley will devote 25% of his time to the business of the Resulting Issuer. Mr. Horsley is an independent contractor of the Resulting Issuer and it is not anticipated that Mr. Horsley will enter into a non-competition or non-disclosure agreement with the Resulting Issuer.

Work Commitment to the Resulting Issuer

All of the proposed executive officers of the Resulting Issuer will work on a part time basis for the Resulting Issuer. None of the executive officers of the Resulting Issuer are anticipated to enter into employment agreements with the Resulting Issuer. The directors will devote their time and expertise as required by the Resulting Issuer.

Corporate Cease Trade Orders or Bankruptcies

To the knowledge of GRE, as of the date hereof and within the ten years before the date hereof, no proposed director or officer of the Resulting Issuer is or has been a director or officer of any person or company that, while that person was acting in that capacity:

- (a) was the subject of a cease trade or similar order, or an order that denied the other issuer access to any exemptions under applicable securities law, for a period of more than 30 consecutive days; or
- (b) 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.

Penalties or Sanctions

To the knowledge of GRE, no proposed director or officer of the Resulting Issuer has:

- (a) been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) been subject to any other penalties or sanctions imposed by a court or regulatory body, including a self-regulatory body, that would be likely to be considered important to a reasonable security holder making a decision about the Acquisition.

Personal Bankruptcies

To the knowledge of GRE, no director or officer of the Resulting Issuer, or a personal holding company of any of them, has, within the ten years prior to the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangements, or compromise with creditors or had a receiver manager or trustee appointed to hold the assets of that individual.

Conflicts of Interest

Some of the individuals proposed for appointment as directors or officers of the Resulting Issuer upon Closing are also directors, officers and/or promoters of other reporting and non-reporting issuers. To the knowledge of the directors and officers of GRE and WFC, there are no existing conflicts of interest between the Resulting Issuer and any of the individuals proposed for appointment as directors or officers upon Closing, as of the date hereof.

Other Reporting Issuer Experience

The following table sets out the proposed directors or officers of the Resulting Issuer that are, or have been within the last five years, directors or officers of other reporting issuers:

Name	Name and Jurisdiction of Reporting Issuer	Position	From	To
Arthur Griffiths	N/A	N/A	N/A	N/A
Rodney Campbell	Graphite Energy Corp.	Director	March 6, 2019	Present
Nigel Horsley	Graphite Energy Corp.	Director	March 27, 2019	Present
Abbey Abdiye	Ceylon Graphite Corp. (TSX-V) Tower One Wireless Corp. (CSE) Crop Infrastructure Corp. (CSE) Biome Grow Inc. (CSE) Loop Insights Inc. (TSX-V).	CFO CFO CFO CFO CFO	January 22, 2017 April 27, 2016 November 15, 2016 June 7, 2017 June 12, 2019	Present March 1, 2019 Present Present Present

EXECUTIVE COMPENSATION

The objectives, criteria and analysis of the compensation of the executive officers of the Resulting Issuer will be determined by the board of directors of the Resulting Issuer and are expected to be substantially similar to how WFC compensated its executive officers.

The NEOs of the Resulting Issuer shall consist of Arthur Griffiths, CEO of the Resulting Issuer, and Abbey Abdiye, CFO of the Resulting Issuer. It is expected that the Resulting Issuer will enter into a consulting agreement with Arthur Griffiths (CEO). Mr. Griffiths is expected to receive an annual base salary of approximately \$120,000. It is expected that the Resulting Issuer will enter into a consulting agreement with Abbey Abdiye (CFO). Mr. Abdiye is expected to receive an annual base salary of approximately \$60,000. Following completion of the Acquisition and subject to the policies of the Exchange, Mr. Griffiths and Mr. Abdiye may receive compensation securities or stock options of the Resulting Issuer but such issuances and amounts have not yet been determined.

INDEBTEDNESS OF DIRECTORS AND OFFICERS

No director, officer, promoter, member of management, nominee for election as director of the Resulting Issuer, nor any of their Associates or Affiliates, is or has been indebted to GRE or WFC or is expected to be indebted to the Resulting Issuer following the closing of the Acquisition.

PROMOTERS

Arthur Griffiths is considered a promoter of WFC and may be considered a promoter of the Resulting Issuer. Upon completion of the Acquisition, it is anticipated that Mr. Griffiths will own and control 2,500,000 Common Shares representing 3.5% of the issued and outstanding Common Shares on an undiluted basis (not including the Private Placement).

ESCROWED SECURITIES

Escrow Agreements

It is expected that officers, directors and promoters of the Resulting Issuer will be subject to the escrow requirements imposed by the CSE and National Policy 46-201 – *Escrow for Initial Public Offerings*.

See “*Prior Sales*” of WFC for further information regarding escrow and share restrictions.

PART IV – RISK FACTORS

The current business of WFC and its subsidiaries will be the business of the Resulting Issuer upon completion of the Acquisition. Accordingly, risk factors relating to WFC’s current business will be risk factors relating to the Resulting Issuer’s business and references to WFC in these risk factors should, where the context requires, be read to include the risks of the Resulting Issuer. Due to the nature of WFC’s business, the legal and economic climate in which it operates and its present stage of development, WFC is subject to significant risks. The risks presented below should not be considered to be exhaustive and may not be all of the risks that the Resulting Issuer and WFC may face. WFC’s future development and operating results may be very different from those expected as at the date hereof. Additional risks and uncertainties not presently known to WFC or that WFC currently considers immaterial may also impair the business and operations of the Resulting Issuer and cause the trading price of the Common Shares to decline. If any of the following or other risks occur, the Resulting Issuer’s business, prospects, financial condition, results of operations and cash flows could be materially adversely impacted. In that event, the trading price of the Common Shares could decline and investors could lose all or part of their investment. There is no assurance that risk management steps taken will avoid future loss due to the occurrence of the risks described below or other unforeseen risks.

Readers should carefully consider all such risks before making an investment in WFC or the Resulting Issuer and should not rely upon forward-looking statements as a prediction of future results. Risk factors relating to WFC and therefore the Resulting Issuer, include, but are not limited to, the factors set out below.

Regulatory and Political Risks

The Resulting Issuer’s activities would be subject to regulation by governmental authorities. Achievement of the Resulting Issuer’s business objectives are contingent, in part, upon compliance with necessary and applicable regulatory requirements enacted by these governmental authorities and obtaining all regulatory approvals necessary. The Resulting Issuer cannot predict the time required to secure all appropriate regulatory approvals. Any delays in obtaining, or failure to obtain regulatory approvals would significantly delay the development of the Resulting Issuer’s plans and could have a material adverse effect on the business, results of operations and financial condition of the Resulting Issuer.

The activities of WFC (and the Resulting Issuer) is, and will continue to be, subject to evolving regulation by governmental authorities. The operations of WFC are directly or indirectly engaged in cannabis industry. The legality of the production, extraction, distribution and use of cannabis differs among jurisdictions.

Risks Inherent in an Agricultural Business

WFC's business will involve the growing of cannabis and hemp, an agricultural product. As such, the business is subject to the risks inherent in the agricultural business, such as insects, plant diseases and similar agricultural risks.

Change in Laws, Regulations and Guidelines

The Resulting Issuer's current and proposed operations are subject to a variety of laws, regulations and guidelines relating to the manufacture, management, transportation, storage and disposal of cannabis, but also including laws and regulations relating to consumable products health and safety, the conduct of operations and the protection of the environment. These laws and regulations are broad in scope and subject to evolving interpretations, which could require the Resulting Issuer to incur substantial costs associated with compliance or alter certain aspects of our business plan. In addition, violations of these laws, or allegations of such violations, could disrupt certain aspects of the Resulting Issuer's business plan and result in a material adverse effect on certain aspects of its planned operations. Changes to such laws, regulations and guidelines due to matters beyond the control of the Resulting Issuer may cause adverse effects to the Resulting Issuer.

Limited Operating History

The Resulting Issuer will be subject to all of the business risks and uncertainties associated with any new business enterprise, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources, lack of revenue and the risk that it will not achieve its growth objective. There can be no assurance that the Resulting Issuer's operations will be profitable in the future or will generate sufficient cash flow to satisfy its working capital requirements. Even if the Resulting Issuer does achieve profitability, it cannot predict the level of such profitability. If the Resulting Issuer sustains losses over an extended period of time, it may be unable to continue its business.

Reliance on Management and Key Personnel

The success of the Resulting Issuer is dependent upon the ability, expertise, judgment, discretion and good faith of its senior management. While employment agreements are customarily used as a primary method of retaining the services of key employees, these agreements cannot assure the continued services of such employees. The Resulting Issuer attempts to enhance its management and technical expertise by recruiting qualified individuals who possess desired skills and experience in certain targeted areas. The Resulting Issuer's inability to retain employees and attract and retain sufficient additional employees as well as, engineering, and technical support resources could have a material adverse impact on the Resulting Issuer's financial condition and results of operation. Any loss of the services of such individuals could have a material adverse effect on the Resulting Issuer's business, operating results or financial condition.

Additional Financing

The Resulting Issuer's future capital requirements depend on many factors, including its ability to market its services successfully, cash flows from operations, locating and retaining talent, and competing market developments. Based on the Resulting Issuer's current financial situation, the Resulting Issuer may have difficulty continuing operations at the current level, or at all, if it does not raise additional financing in the near future.

In order to execute the Resulting Issuer's business plan, the Resulting Issuer will require some additional equity and/or debt financing to undertake capital expenditures. There can be no assurance that additional financing will be available to the Resulting Issuer when needed or on terms which are acceptable. The Resulting Issuer's inability to raise financing to support on-going operations or to fund capital expenditures could limit the Resulting Issuer's operations and may have a material adverse effect upon future profitability.

The Resulting Issuer may require additional financing to fund its operations to the point where it is generating positive cash flows.

If additional funds are raised through further issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences and privileges superior to those of holders of Common Shares. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Resulting Issuer to obtain additional capital or to pursue business opportunities, including potential acquisitions. If adequate funds are not obtained, the Resulting Issuer may be required to reduce, curtail, or discontinue operations.

Emerging Market Risks

Emerging market investment generally poses a greater degree of risk than investment in more mature market economies because the economies in the developing world are more susceptible to destabilization resulting from domestic and international developments. All of WFC's operations are located outside of North America. While there is no current major political instability in Croatia, Italy, or Jamaica, this could be subject to change in the future and could adversely affect WFC's business, financial condition and results of operations.

Competition

The Resulting Issuer will face intense competition from other companies, some of which can be expected to have longer operating histories and more financial resources and manufacturing and marketing experience than the Resulting Issuer. Increased competition by larger and better financed competitors could materially and adversely affect the proposed business, financial condition and results of operations of the Resulting Issuer.

Vulnerability to Rising Energy Costs

Cannabis and hemp growing operations consume considerable energy, making such operations vulnerable to rising energy costs. Rising or volatile energy costs may adversely impact the business of WFC and its ability to operate profitably.

Transportation Disruptions

Due to the perishable and premium nature of agricultural products, WFC will depend on fast and efficient courier services to distribute its product. Any prolonged disruption of this courier service could have an adverse effect on the financial condition and results of operations of WFC. Rising costs associated with the courier services used by WFC to ship its products may also adversely impact the business of WFC and its ability to operate profitably.

Product Liability

As a manufacturer and distributor of products designed to be ingested by humans, WFC will face an inherent risk of exposure to product liability claims, regulatory action and litigation if its products are alleged to have caused significant loss or injury. In addition, the manufacture and sale of hemp and cannabis products involve the risk of injury to consumers due to tampering by unauthorized third parties or product contamination. Previously unknown adverse reactions resulting from human consumption of hemp and cannabis products alone or in combination with other medications or substances could occur. WFC may be subject to various product liability claims, including, among others, that WFC's products caused injury or illness, include inadequate instructions for use or include inadequate warnings concerning possible side effects or interactions with other substances. A product liability claim or regulatory action against WFC could result in increased costs, could adversely affect WFC's reputation with its clients and consumers

generally, and could have a material adverse effect on WFC's results of operations and financial condition. There can be no assurances that WFC will be able to obtain or maintain product liability insurance on acceptable terms or with adequate coverage against potential liabilities. Such insurance is expensive and may not be available in the future on acceptable terms, or at all.

The inability to obtain sufficient insurance coverage on reasonable terms or to otherwise protect against potential product liability claims could prevent or inhibit the commercialization of WFC's potential products.

Product Recalls

Manufacturers and distributors of products are sometimes subject to the recall or return of their products for a variety of reasons, including product defects, such as contamination, unintended harmful side effects or interactions with other substances, packaging safety and inadequate or inaccurate labeling disclosure. If any hemp or cannabis products are recalled due to an alleged product defect or for any other reason, WFC could be required to incur the unexpected expense of the recall and any legal proceedings that might arise in connection with the recall. Further, a product recall may trigger a significant decline in sales and WFC may not be able to replace those sales at an acceptable margin or at all. In addition, a product recall may require significant management attention which will take attention away from managing and growing the business. Although WFC intends to have detailed procedures in place for testing finished products, there can be no assurance that any quality, potency or contamination problems will be detected in time to avoid unforeseen product recalls, regulatory action or lawsuits. Additionally, if one of WFC's products were subject to recall, the image of that brand and WFC could be harmed. A recall for any of the foregoing reasons could lead to decreased demand for WFC's products and could have a material adverse effect on the results of operations and financial condition of WFC. Additionally, product recalls may lead to increased scrutiny of WFC's operations by regulatory agencies, requiring further management attention and potential legal fees and other expenses.

Environmental and Employee Health and Safety Regulations

Cannabis and hemp operations are subject to environmental and safety laws and regulations concerning, among other things, emissions and discharges to water, air and land, the handling and disposal of hazardous and non-hazardous materials and wastes, and employee health and safety. Failure to comply with environmental and safety laws and regulations may result in additional costs for corrective measures, penalties or in restrictions in manufacturing operations. In addition, changes in environmental, employee health and safety or other laws, more vigorous enforcement thereof or other unanticipated events could require extensive changes to operations or give rise to material liabilities, which could have a material adverse effect on the proposed business, results of operations and financial condition of the Resulting Issuer.

Lack of Demand

A failure in the demand for the Resulting Issuer's products and services to materialize as a result of competition, technological change or other factors could have a material adverse effect on the business, results of operations and financial condition of the Resulting Issuer.

Dependence on Suppliers and Skilled Labour

The ability of the Resulting Issuer to compete and grow will be dependent on it having access, at a reasonable cost and in a timely manner, to skilled labour, equipment, parts and components. No assurances can be given that the Resulting Issuer will be successful in maintaining its required supply of skilled labour, equipment, parts and components. It is also possible that the final costs of any major equipment that may be contemplated by the Resulting Issuer's capital expenditure program may be significantly greater than anticipated by management, and may be greater than funds available to the Resulting Issuer, in which circumstance the Resulting Issuer may curtail, or extend the timeframes for

completing, its capital expenditure plans. This could have an adverse effect on the financial results of the Resulting Issuer.

Economic and Political Risks

The Resulting Issuer's operations are located in Jamaica, Croatia and Italy. Consequently, it is dependent upon their respective economic and political developments. As a result, the Resulting Issuer's business, financial position and results of operations may be affected by the general conditions of these economies, price instabilities, currency fluctuations, inflation, interest rates, regulation, taxation, social instabilities, political unrest and other developments in or affecting those jurisdictions, over which the Resulting Issuer has no control. In the past, those jurisdictions have experienced periods of weak economic activity and deterioration in economic conditions. The Resulting Issuer cannot assure that such conditions will not return or that such conditions will not have a material adverse effect on the Resulting Issuer's business, financial condition or results of operations.

Operations in Different Languages

As a result of the Resulting Issuer conducting its operations in different countries, the books and records of the Resulting Issuer, including key documents such as material contracts and financial documentation are in part negotiated and entered into in the principal language of each particular jurisdiction and English translations may not exist or be readily available.

Foreign Sales

The Resulting Issuer's functional currency is denominated in Canadian dollars, Euros, Croatian Kuna and Jamaican dollars. The Resulting Issuer currently expects that sales will be denominated in the currencies of the countries in which it operates and may operate in the future. In addition, the Resulting Issuer incurs the majority of its operating expenses in such foreign currencies. In the future, the proportion of the Resulting Issuer's sales that are international may further increase. Its sales may be subject to unexpected regulatory requirements and other barriers. Any fluctuation in the exchange rates of foreign currencies may negatively impact the Resulting Issuer's business, financial condition and results of operations. The Resulting Issuer has not previously engaged in foreign currency hedging. If the Resulting Issuer decides to hedge its foreign currency exposure, it may not be able to hedge effectively due to lack of experience, unreasonable costs or illiquid markets. In addition, those activities may be limited in the protection they provide the Resulting Issuer from foreign currency fluctuations and can themselves result in losses.

Reliance on Key Inputs

The proposed business is dependent on a number of key inputs and their related costs including raw materials and supplies related to growing operations, as well as electricity, water and other local utilities. Any significant interruption or negative change in the availability or economics of the supply chain for key inputs could materially impact the business, financial condition and operating results of the Resulting Issuer. Any inability to secure required supplies and services or to do so on appropriate terms could have a materially adverse impact on the proposed business, financial condition and operating results of the Resulting Issuer.

Operating Risk and Insurance Coverage

The Resulting Issuer will obtain and maintain insurance to protect its assets, operations and employees where possible. However, insurance that is otherwise readily available, such as workers compensation, general liability, and directors and officers insurance, may be more difficult for the Resulting Issuer to obtain, if at all, and more costly because the industry in which the Resulting Issuer is engaged in. As of the date of this circular, the Resulting Issuer has not been successful in finding such policies. There are no guarantees that the Resulting Issuer will be able to find such insurance coverage in the future or that the

cost will be affordable to the Resulting Issuer. While the Resulting Issuer believes its insurance coverage will address all material risks to which it is exposed and will be adequate and customary in its current state of operations, such insurance will be subject to coverage limits and exclusions and may not be available for the risks and hazards to which the Resulting Issuer is exposed. In addition, no assurance can be given that such insurance will be adequate to cover the Resulting Issuer's liabilities or will be generally available in the future or, if available, that premiums will be commercially justifiable. If the Resulting Issuer were to incur substantial liability and such damages were not covered by insurance or were in excess of policy limits, or if the Resulting Issuer were to incur such liability at a time when it is not able to obtain liability insurance, its business, results of operations and financial condition could be materially adversely affected.

Unfavourable Publicity or Consumer Perception

The legal cannabis industry in jurisdictions where it is legal is at an early stage of its development. Cannabis has been, and will continue to be, a controlled substance for the foreseeable future. Consumer perceptions regarding legality, morality, consumption, safety, efficacy and quality of cannabis are mixed and evolving. Consumer perception can be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity regarding the consumption of cannabis products. There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favorable to the cannabis market or any particular product, or consistent with earlier publicity. Future research reports, findings, regulatory proceedings, litigation, media attention or other publicity that are perceived as less favorable than, or that question, earlier research reports, findings or publicity could have a material adverse effect on the demand for cannabis and on the business, results of operations, financial condition and cash flows of the Issuer. Further, adverse publicity reports or other media attention regarding cannabis in general, or associating the consumption of cannabis with illness or other negative effects or events, could have such a material adverse effect.

Public opinion and support for cannabis use has traditionally been inconsistent and varies from jurisdiction to jurisdiction. While public opinion and support appears to be rising for legalizing cannabis, it remains a controversial issue subject to differing opinions surrounding the level of legalization (for example, medical marijuana as opposed to legalization in general).

Operation Permits and Authorizations

The Resulting Issuer may not be able to obtain or maintain the necessary licenses, permits, authorizations or accreditations, or may only be able to do so at great cost, to operate their respective businesses. In addition, the Resulting Issuer may not be able to comply fully with the wide variety of laws and regulations applicable to the cannabis industry. Failure to comply with or to obtain the necessary licenses, permits, authorizations or accreditations could result in restrictions on the Resulting Issuer's ability to operate in the cannabis industry, which could have a material adverse effect on the Issuer's business.

Risks Associated with Acquisitions

If appropriate opportunities present themselves, the Resulting Issuer intends to acquire businesses, technologies, services or products that the Resulting Issuer believes are strategic. The Resulting Issuer currently has no understandings, commitments or agreements with respect to any other material acquisition and no other material acquisition is currently being pursued. There can be no assurance that the Resulting Issuer will be able to identify, negotiate or finance future acquisitions successfully, or to integrate such acquisitions with its current business. The process of integrating an acquired business, technology, service or product into the Resulting Issuer may result in unforeseen operating difficulties and expenditures and may absorb significant management attention that would otherwise be available for ongoing development of the Resulting Issuer's business. Future acquisitions could result in potentially dilutive issuances of equity securities, the incurrence of debt, contingent liabilities and/or amortization expenses related to goodwill and

other intangible assets, which could materially adversely affect the Resulting Issuer's business, results of operations and financial condition. Any such future acquisitions of other businesses, technologies, services or products might require the Resulting Issuer to obtain additional equity or debt financing, which might not be available on terms favourable to the Resulting Issuer, or at all, and such financing, if available, might be dilutive.

Risks Associated with Returns on Money Lent

The Resulting Issuer has entered into agreements to provide financing. Under these agreements, the Resulting Issuer will provide loans or other sources of financing. These activities may result in unforeseen operating difficulties, financial risks, or required expenditures that could adversely affect the Resulting Issuer's liquidity. In connection with one or more of these transactions, and to obtain the necessary funds to enter these agreements, the Resulting Issuer may need to extend secured and unsecured credit to potential or existing partners that may not be repaid, incur debt on terms unfavorable to the Resulting Issuer or that the Resulting Issuer is unable to repay, or incur other contingent liabilities. The failure to maintain controls and processes related to billing and collecting accounts receivable or the deterioration of the financial condition of the Resulting Issuer's customers could negatively impact the Resulting Issuer's business.

Financial Projections May Prove Materially Inaccurate or Incorrect

The Resulting Issuer's financial estimates, projections and other forward-looking information accompanying this document were prepared by the Resulting Issuer without the benefit of reliable historical industry information or other information customarily used in preparing such estimates, projections and other forward-looking statements. Such forward-looking information is based on assumptions of future events that may or may not occur, which assumptions may not be disclosed in such documents. Investors should become familiar with the assumptions underlying any estimates, projections or other forward-looking statements. Projections are inherently subject to varying degrees of uncertainty and their achievability depends on the timing and probability of a complex series of future events. There is no assurance that the assumptions upon which these projections are based will be realized. Actual results may differ materially from projected results for a number of reasons including increases in operation expenses, changes or shifts in regulatory rules, undiscovered and unanticipated adverse industry and economic conditions, and unanticipated competition. Accordingly, investors should not rely on any projections to indicate the actual results the Resulting Issuer might achieve.

The Resulting Issuer's buildings or structures may be affected by natural disasters and other unforeseen events for which its insurance may not provide adequate coverage

The Resulting Issuer's buildings or structures are subject to risks associated with natural disasters, such as ice and wind storms, tornadoes, floods, fires, hurricanes and earthquakes, as well as other unforeseen events, such as acts of terrorism. Any damage or destruction to, or inability to access, its operations may impact its ability to provide services to its tenants and lead to tenant loss, which could have a material adverse effect on its business, results of operations or financial condition.

While the Resulting Issuer does not currently maintain insurance for natural disasters. The Resulting Issuer may not have adequate insurance to cover the associated costs of repair or reconstruction for a major future event. Further, the Resulting Issuer may be liable for damage caused by buildings or structures that collapse for any number of reasons including structural deficiencies, which could harm the Resulting Issuer's reputation and require it to incur costs for which it may not have adequate insurance coverage.

Management of Growth

The Resulting Issuer may in the future, experience rapid growth and development in a relatively short period of time by aggressively marketing its products and services. The Resulting Issuer may be subject to growth

related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Resulting Issuer to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Resulting Issuer to deal with this growth may have a material adverse effect on the Resulting Issuer's business, financial condition, results of operations and prospects.

Factors which may Prevent Realization of Growth Targets

WFC is currently in the early development stage. WFC's growth strategy contemplates outfitting facilities with additional production resources. There is a risk that these additional resources will not be achieved on time, on budget, or at all, as they can be adversely affected by a variety of factors, including some that are discussed elsewhere in these risk factors and the following:

- delays in obtaining, or conditions imposed by, regulatory approvals;
- plant design errors;
- environmental pollution;
- non-performance by third party contractors;
- increases in materials or labour costs;
- construction performance falling below expected levels of output or efficiency;
- breakdown, aging or failure of equipment or processes;
- contractor or operator errors;
- labour disputes, disruptions or declines in productivity;
- inability to attract sufficient numbers of qualified workers;
- disruption in the supply of energy and utilities; and
- major incidents and/or catastrophic events such as fires, explosions, earthquakes or storms.

As a result, there is a risk that WFC may not meet the anticipated demand or to meet future demand when it arises.

WFC may not be able to achieve or maintain profitability and may continue to incur significant losses in the future. In addition, WFC expects to continue to increase operating expenses as it implements initiatives to continue to grow its business. If WFC's revenues do not increase to offset these expected increases in costs and operating expenses, WFC will not be profitable.

Difficulty to Forecast

WFC must rely largely on its own market research to forecast sales as detailed forecasts are not generally obtainable from other sources at this early stage of the hemp and cannabis industry. A failure in the demand for its products to materialize as a result of competition, technological change or other factors could have a material adverse effect on the business, results of operations and financial condition of WFC.

Access to Capital

In executing its business plan, WFC makes, and will continue to make, substantial investments and other expenditures related to acquisitions, research and development and marketing initiatives. WFC will have further capital requirements and other expenditures as it proceeds to expand its business or take advantage of opportunities for acquisitions or other business opportunities that may be presented to it. WFC may incur major unanticipated liabilities or expenses. WFC can provide no assurance that it will be able to obtain the necessary financing to meet the growth needs of WFC.

Completion of the Private Placement

There can be no assurance that the Private Placement will be completed. WFC's ability to execute its anticipated business strategy may be limited if the Private Placement is not completed and may have a material adverse effect upon WFC's ability to operate profitably.

Estimates or Judgments Relating to Critical Accounting Policies

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. WFC bases its estimates on historical experience and on various other assumptions that it believes to be reasonable under the circumstances, as provided in the WFC MD&As attached as Appendix "I", the results of which form the basis for making judgments about the carrying values of assets, liabilities, equity, revenue and expenses that are not readily apparent from other sources. WFC's operating results may be adversely affected if the assumptions change or if actual circumstances differ from those in the assumptions, which could cause WFC's operating results to fall below the expectations of securities analysts and investors, resulting in a decline in the share price of the Resulting Issuer. Significant assumptions and estimates used in preparing the financial statements include but are not limited to the following: significant accounting estimates (including inputs used in impairment calculations; the assessment of indications of impairment of the property, plant and equipment and related determination of useful lives of property, plant and equipment; the measurement of deferred income tax assets and liabilities; and the inputs used in accounting for share-based payments) and significant accounting judgments (including assessments of indications of impairments; judgments used in determining if an acquisition constitutes a business combinations or asset acquisition; the determination of categories of financial assets and financial liabilities; and the evaluation of the WFC's ability to continue as a going concern).

Tax Risks

The Resulting Issuer will operate and will be subject to income tax and other forms of taxation (which are not based upon income) in multiple tax jurisdictions. Taxation laws and rates which determine taxation expenses may vary significantly in different jurisdictions, and legislation governing taxation laws and rates is also subject to change. Therefore, the Resulting Issuer's earnings may be impacted by changes in the proportion of earnings taxed in different jurisdictions, changes in taxation rates, changes in estimates of liabilities and changes in the amount of other forms of taxation. The Resulting Issuer may have exposure to greater than anticipated tax liabilities or expenses. The Resulting Issuer will be subject to income taxes and non-income taxes in a variety of jurisdictions and its tax structure is subject to review by various taxation authorities and the determination of the Resulting Issuer's provision for income taxes and other tax liabilities will require significant judgment.

Difficulty Implementing Business Strategy

The growth and expansion of the Resulting Issuer is heavily dependent upon the successful implementation of its business strategy. There can be no assurance that the Resulting Issuer will be successful in the implementation of its business strategy.

Costs of Maintaining a Public Listing

As a public company, there are costs associated with legal, accounting and other expenses related to regulatory compliance. Securities legislation and the rules and policies of the Canadian Securities Exchange and other exchanges or quotation systems require listed companies to, among other things, adopt corporate governance and related practices, and to continuously prepare and disclose material information, all of which add to a company's legal and financial compliance costs. The Resulting Issuer may also elect to devote greater resources than it otherwise would have on communication and other activities typically considered important by publicly traded companies. In order to maintain and, if required, improve disclosure controls and procedures and internal controls over financial reporting to meet this

standard, significant resources and management oversight may be required. As a result, management's attention may be diverted from other business concerns, which could harm the Resulting Issuer's business and results of operations. The Resulting Issuer may need to hire additional employees to comply with these requirements in the future, which would increase its costs and expenses. Management of WFC expects that being a reporting issuer will make it more expensive to maintain director and officer liability insurance. This factor could also make it more difficult for the Resulting Issuer to retain qualified directors and executive officers.

Conflicts of Interest

Certain of the directors and officers of the Resulting Issuer are also directors and officers of other companies, and conflicts of interest may arise between their duties as officers and directors of the Resulting Issuer and as officers and directors of such other companies.

Litigation

The Resulting Issuer may become party to litigation from time to time in the ordinary course of business which could adversely affect its business. Should any litigation in which the Resulting Issuer becomes involved be determined against the Resulting Issuer such a decision could adversely affect the Resulting Issuer's ability to continue operating and the market price for Common Shares and could use significant resources. Even if the Resulting Issuer is involved in litigation and wins, litigation can redirect significant company resources.

Common Share Price Fluctuations

The market price of Common Shares may be subject to wide fluctuations in response to many factors, including variations in the operating results of the Resulting Issuer, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts, changes in the business prospects for the Resulting Issuer, general economic conditions, legislative changes, and other events and factors outside of the Resulting Issuer's control. In addition, stock markets have from time to time experienced extreme price and volume fluctuations, which, as well as general economic and political conditions, could adversely affect the market price for Common Shares.

Limited Market for Securities

Upon completion of the Amalgamation, the Common Shares will be listed on the Canadian Securities Exchange, however, there can be no assurance that an active and liquid market for the Common Shares will develop or be maintained and an investor may find it difficult to resell any securities of the Resulting Issuer. In addition, there can be no assurance that the publicly-traded share price of the Resulting Issuer will be high enough to create a positive return for investors. Further, there can be no assurance that the stock of the Resulting Issuer will be sufficiently liquid so as to permit investors to sell their position in the Issuer without adversely affecting the stock price. In such event, the probability of resale of the Resulting Issuer's shares would be diminished.

There can be no assurance that an active trading market for the Common Shares will develop or, if developed, that any market will be sustained. Fluctuations in the market price of the Common Shares could cause an investor to lose all or part of its investment in Common Shares. Factors that could cause fluctuations in the trading price of the Common Shares include, but are not limited to: (i) announcements of new offerings, products, services or technologies; commercial relationships, acquisitions or other events by the Resulting Issuer or its competitors; (ii) price and volume fluctuations in the overall stock market from time to time; (iii) significant volatility in the market price and trading volume of hemp and cannabis companies; (iv) fluctuations in the trading volume of the Common Shares or the size of the Resulting Issuer's public float; (v) actual or anticipated changes or fluctuations in the Resulting Issuer's results of operations; (vi) whether the Resulting Issuer's results of operations meet the expectations of securities

analysts or investors; (vii) actual or anticipated changes in the expectations of investors or securities analysts; (viii) litigation involving the Resulting Issuer, its industry, or both; (ix) regulatory developments in Canada, the United States, and foreign countries; (x) general economic conditions and trends; (xi) major catastrophic events; (xii) escrow releases or sales of large blocks of the Common Shares; or (xiii) departures of key personnel or members of management.

Dividends

The Resulting Issuer has no earnings or dividend record, and does not anticipate paying any dividends on the common shares in the foreseeable future. Dividends paid by the Resulting Issuer would be subject to tax and, potentially, withholdings. The payment of future cash dividends, if any, will be reviewed periodically by the board of directors and will depend upon, among other things, conditions then existing including earnings, financial condition and capital requirements, restrictions in financing agreements, business opportunities and conditions and other factors.

Environmental Laws and Regulations

The Resulting Issuer's operations are subject to environmental regulations in the jurisdictions in which it operates. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Resulting Issuer's operations.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or to be curtailed, and may include corrective measures requiring remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Economic Environment

The Resulting Issuer's operations could be affected by the economic context should the unemployment level, interest rates or inflation reach levels that influence consumer trends and consequently, impact the Resulting Issuer's sales and profitability.

Global Economy Risk

Any economic slowdown and downturn of global capital markets could make the raising of capital by equity or debt financing more difficult. Access to financing has been negatively impacted by the ongoing global economic risks. These factors may impact the Resulting Issuer's ability to raise equity or obtain loans and other credit facilities in the future and on terms favourable to the Resulting Issuer. If uncertain market conditions persist, the Resulting Issuer's ability to raise capital could be jeopardized, which could have an adverse impact on the Resulting Issuer's operations and the trading price of the Resulting Issuer's Shares on the stock exchange.

Going-Concern Risk

The financial statements have been prepared on a going concern basis under which an entity is considered to be able to realize its assets and satisfy its liabilities in the ordinary course of business. The Resulting Issuer's future operations are dependent upon the identification and successful completion of equity or debt financing and the achievement of profitable operations at an indeterminate time in the future. There can be

no assurances that the Resulting Issuer will be successful in completing an equity or debt financing or in achieving profitability.

The financial statements do not give effect to any adjustments relating to the carrying values and classification of assets and liabilities that would be necessary should the Resulting Issuer be unable to continue as a going concern.

Financial Risk Exposures

The Resulting Issuer may have financial risk exposure to varying degrees relating to the currency of each of the countries where it operates.

Completion of the Acquisition is Subject to Conditions Precedent

The completion of the Acquisition is subject to a number of conditions precedent, including the approval by the CSE, GRE Shareholders, WFC Shareholders and regulatory authorities. Certain of such conditions precedent are outside the control of either or both of GRE and WFC, and there can be no assurance that these conditions will be satisfied.

Termination of the Amalgamation Agreement

The Amalgamation Agreement specifies that the parties' obligation to effect the Acquisition is conditional upon the satisfaction of a number of conditions, including receipt of all required regulatory approvals. If any of these conditions are not satisfied or waived, the Acquisition may not be completed. Each of GRE and WFC has the right, in certain circumstances, in addition to termination rights relating to the failure to satisfy the conditions of Closing, to terminate the Amalgamation Agreement. Accordingly, GRE or WFC cannot provide any assurance, that the Amalgamation Agreement will not be terminated by either of GRE or WFC prior to the completion of the Acquisition.

PART V – GENERAL MATTERS

AUDITOR, TRANSFER AGENT AND REGISTRAR

On completion of the Acquisition, the auditor of the Resulting Issuer is expected to be Manning Elliott LLP, located at 1050 W Pender St #1100, Vancouver, BC V6E 3S7.

On completion of the Acquisition, Computershare Investor Services Inc. located at 510 Burrard St, Vancouver, British Columbia V6C 3B9 will be the transfer agent and registrar for the Resulting Issuer.

EXPERTS

No experts, including individuals or companies who are named as having prepared or certified a part of this circular or prepared or certified a report or valuation described or included in the circular have, or will have immediately following completion of the Acquisition, any direct or indirect interest in the Resulting Issuer or WFC.

OTHER MATERIAL FACTS

GRE is not aware of any other material facts relating to GRE, WFC or the Resulting Issuer that are not disclosed under the preceding items and are necessary in order for the circular to contain full, true and plain disclosure of all material facts relating to GRE, WFC and the Resulting Issuer, assuming completion of the Acquisition, other than those set forth herein.

APPENDIX "I"

AUDITED FINANCIAL STATEMENTS & MD&A OF WFC

The audited financial statements of WFC for the year ended March 31, 2019 and the interim financial statements for the period June 30, 2019

&

The MD&A of WFC for the year ended March 31, 2019 and for the interim period ended June 30, 2019

World Farms Corp.

FINANCIAL STATEMENTS

FOR THE PERIOD FROM INCORPORATION

TO

MARCH 31, 2019

(Expressed in Canadian Dollars)



INDEPENDENT AUDITORS' REPORT

To the Directors of
World Farms Corp.

Opinion on the Financial Statements

We have audited the accompanying financial statements of World Farms Corp. (the "Company"), which comprise the statement of financial position as at March 31, 2019 and the statements of comprehensive loss, cash flows and changes in equity for the period from incorporation on November 7, 2018 to March 31, 2019, and the related notes, including a summary of significant accounting policies and other explanatory information including Schedule 1 (collectively referred to as the "financial statements").

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2019 and its financial performance and its cash flows for the period from incorporation on November 7, 2018 to March 31, 2019 in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the financial statements, which indicates the Company has incurred losses since inception and has primarily been funded by issuance of equity and advances from related parties. As stated in Note 1 these matters and other conditions indicate a material uncertainty exists that may cast significant doubt over the ability of the Company to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information, which comprises the information included in the Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions.

Our opinion on the financial statements does not cover the other information and does not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indicators that the other information appears to be materially misstated. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of the users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, conclude whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and evaluate whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditors' report is Fernando Costa.

Manning Elliott LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, Canada
September 18, 2019



WORLD FARMS CORP.
STATEMENT OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

	Note	As at March 31, 2019
		\$
ASSETS		
Current Assets		
Cash		1,406,269
Prepaid expenses		55,950
		1,462,219
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities		27,370
Shareholders' Equity		
Share capital	6	3,830,832
Subscription receivable	6	(294,100)
Contributed surplus	6	128,052
Deficit		(2,229,935)
		1,434,849
		1,462,219

Nature and continuance of operations (Note 1)
 Subsequent events (Note 11)

These financial statements were approved and authorized for issuance by the Board of Directors on September 18, 2019 and were signed on its behalf by:

/s/ "Arthur Griffiths", Director

WORLD FARMS CORP.
STATEMENT OF COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)

	Note	For the period from incorporation to March 31, 2019
		\$
Operating expenses		
Consulting fees	5,6	670,988
Marketing and advertising	5	11,496
Professional fees	5	63,842
Rent	5	13,125
Share-based compensation	6	121,500
Travel		31,786
		912,737
Other items		
Impairment of investment in associates	4	1,138,239
Amount lost due to theft	7	178,959
		1,317,198
Net loss and comprehensive loss		(2,229,935)
Basic and diluted loss per common share		(0.05)
Weighted average number of common shares outstanding - basic and diluted		42,437,963

WORLD FARMS CORP.
STATEMENT OF CHANGES IN EQUITY
(Expressed in Canadian Dollars)

	Number of Shares	Share Capital \$	Subscriptions receivable \$	Contributed surplus \$	Deficit \$	Total \$
Balance, November 7, 2018	-	-	-	-	-	-
Shares issued for cash	38,025,844	2,313,084	(294,100)	-	-	2,018,984
Shares issued for acquisitions	10,000,000	1,000,000	-	-	-	1,000,000
Shares issued for services	20,907,000	549,950	-	-	-	549,950
Shares issuance costs	-	(32,202)	-	6,552	-	(25,650)
Share-based compensation	-	-	-	121,500	-	121,500
Net loss for the period	-	-	-	-	(2,229,935)	(2,229,935)
Balance, March 31, 2019	68,932,844	3,830,832	(294,100)	128,052	(2,229,935)	1,434,849

The accompanying notes are an integral part of these financial statements.

WORLD FARMS CORP.
STATEMENT OF CASH FLOWS
(Expressed in Canadian Dollars)

	For the period from incorporation to March 31, 2019
	\$
OPERATING ACTIVITIES	
Net loss for the period	(2,229,935)
Items not involving cash:	
Shares issued for services	549,950
Share-based compensation	121,500
Impairment of Investment in associates	1,138,239
Changes in working capital balances related to operations:	
Prepaid expenses	(55,950)
Accounts payable and accrued liabilities	27,370
	(448,826)
INVESTING ACTIVITIES	
Advances to associates	(138,239)
FINANCING ACTIVITIES	
Proceeds from issuance of common shares	2,018,984
Share issuance costs	(25,650)
	1,993,334
CHANGE IN CASH DURING THE PERIOD	1,406,269
CASH, BEGINNING OF PERIOD	-
CASH, END OF PERIOD	1,406,269
SUPPLEMENTAL DISCLOSURES:	
Interest paid	-
Income taxes paid	-
NON-CASH TRANSACTIONS (See Note 6 and Note 4)	

WORLD FARMS CORP.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2019
(Expressed in Canadian Dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

World Farms Corp. was incorporated under the Business Corporations Act (British Columbia) on November 7, 2018. The Company's head office is located at Suite 605 – 815 Hornby Street, Vancouver, British Columbia, V6Z 2E6.

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to a going concern, which contemplates the realization of assets and the discharge of liabilities in the normal course of business. As discussed further below, there are material uncertainties that cast significant doubt on the validity of this assumption.

The Company is engaged in the business of investing, constructing, owning and leasing mega greenhouse projects to licensed cannabis producers through its investments. The Company has incurred losses since its inception and has an accumulated deficit of \$2,229,935 as at March 31, 2019 that has been funded primarily by issuance of equity. There is a material uncertainty related to these conditions that casts significant doubt about the Company's ability to continue as a going concern and therefore it may be unable to realize its assets and discharge its liabilities in the normal course of business. The Company's ability to continue as a going concern depends upon its ability to raise adequate financing and to generate profitable operations in the future.

These financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these financial statements.

2. BASIS OF PREPARATION

Statement of compliance and basis of measurement

The financial statements of the Company have been prepared in accordance with IFRS as issued by the IASB.

The financial statements have been prepared on a historical cost basis except for certain non-current assets and financial instruments, which are measured at fair value. The functional and presentation currency of the Company is the Canadian dollar.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Significant accounting judgments and estimates

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which affect the application of accounting policies and the reported amounts of assets, liabilities and expenses. Actual results may differ from these estimates.

Critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements include the following:

- the determination of whether or not an investment is considered a joint arrangement or an investment in associates
- the determination if whether an acquisition is a business combination or an asset acquisition
- the determination of deferred income tax assets and liabilities
- the evaluation of the Company's ability to continue as a going concern

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes

Deferred income tax assets and liabilities are recognized for deferred income tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred income tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on deferred income tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs. To the extent that the Company does not consider it probable that a deferred income tax asset will be recovered, the deferred income tax asset is not recognized. Deferred income tax assets and liabilities are offset only if a legally enforceable right exists to offset current tax assets against liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Earnings (loss) per share

Basic earnings (loss) per share is computed by dividing the net earnings (loss) available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted earnings (loss) per share is computed similar to basic earnings (loss) per share except that the weighted average share outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods.

Financial instruments

(i) Financial assets - Classification

The Company classifies its financial assets in the following categories:

- Those to be measured subsequently at fair value (either through Other Comprehensive Income ("OCI"), or through profit or loss, and
- Those to be measured at amortized cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses are either recorded in profit or loss or OCI.

WORLD FARMS CORP.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2019
(Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(ii) Fair value hierarchy

The following table summarizes the fair value hierarchy under which the Company's financial instruments are valued.

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3 - Inputs for the asset or liability that are not based upon observable market data.

Cash is carried at fair value using a level 1 fair value measurement. The carrying value of cash and accounts payable approximate to their fair value because of the short-term nature of the instruments.

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

(iii) Financial assets - Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Financial assets are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent measurement of financial assets depends on their classification. There are three measurement categories under which the Company classifies its debt instruments:

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included as finance income using the effective interest rate method.

Fair value through OCI ("FVOCI"): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains and losses, interest revenue, and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains (losses). Interest income from these financial assets is included as finance income using the effective interest rate method.

Fair value through profit or loss: Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on an investment that is subsequently measured at FVTPL is recognized in profit or loss and presented net as revenue in the Consolidated Statement of Comprehensive Loss in the period in which it arises.

The Company has classified its cash as FVTPL.

WORLD FARMS CORP.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2019
(Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

(iv) Financial liabilities

The Company classifies its financial liabilities into the following categories:

- Financial liabilities at FVTPL; and
- Amortized cost.

A financial liability is classified as at FVTPL if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred. The fair value changes to financial liabilities at FVTPL are presented as follows:

- the amount of change in the fair value that is attributable to changes in the credit risk of the liability is presented in OCI; and
- the remaining amount of the change in the fair value is presented in profit or loss.

Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method.

The Company has classified its accounts payable as amortized cost.

Investments in Associates

The Company has interests in associates. Associates are entities over which the Company exercises significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but without control or joint control over those policies. The Company accounts for associates using the equity method of accounting. Interests in associates accounted for using the equity method are initially recognized at cost. Subsequent to initial recognition, the carrying value of the Company's interest in an associate is adjusted for the Company's share of comprehensive income and distribution of the investee. The carrying value of associates is assessed for impairment at each statement of financial position date.

Comprehensive income (loss)

Comprehensive income (loss) is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that are not included in net profit. Other comprehensive income consists of changes to unrealized gain and losses on available for sale financial assets, changes to unrealized gains and losses on the effective portion of cash flow hedges and changes to foreign currency translation adjustments of self-sustaining foreign operations during the period. Comprehensive income measures net earnings for the period plus other comprehensive income. Amounts reported as other comprehensive income are accumulated in a separate component of shareholders' equity as Accumulated Other Comprehensive Income. The Company has not had other comprehensive income since inception.

WORLD FARMS CORP.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2019
(Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Future changes in accounting policies

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or IFRIC (International Financial Reporting Interpretations Committee) that are mandatory for accounting periods noted below. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below.

Standard effective for annual periods beginning on or after January 1, 2019:

IFRS 16 Leases - In June 2016, the IASB issued IFRS 16 - Leases. IFRS 16 establishes principles for the recognition, measurement, presentation and disclosure of leases, with the objective of ensuring that lessees and lessors provide relevant information that faithfully represents those transactions. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. However, lessees are no longer classifying leases as either operating leases or finance leases as it is required by IAS 17.

The Company does not expect the adoption of IFRS 16 to have a significant impact on the Company's financial statements.

4. INVESTMENTS IN ASSOCIATES

On February 25, 2019, the Company purchased a 30% interest in Societa Agricola XHemplar S.R.L. ("Agricola") and a 49% interest in Jamaica CROP CORP Limited ("Jamaica") from CROP Infrastructure Corp, a public company listed on the Canadian Securities Exchange in Canada. As consideration for the interest in Agricola and Jamaica, the Company issued 10,000,000 common shares with a fair value of \$1,000,000. Agricola was incorporated in Italy and Jamaica was incorporated in Jamaica and both entities are in the cannabis industry and have not commenced operations. During the period ended March 31, 2019, the Company had advance \$138,239 (\$90,000 Euros) to Agricola.

As at March 31, 2019, management of the Company completed a review of its interest in Jamaica and Agricola and as a result of the review decided to impair the full value of its investment in Agricola and Jamaica and its advances to Agricola.

5. RELATED PARTY BALANCES AND TRANSACTIONS

Key management transactions

All transactions with related parties have occurred in the normal course of operations. Key management is comprised of directors and executive officers.

Key management transactions consist of the following:

	For the period from incorporation to March 31, 2019
	\$
Consulting and professional fees	79,475
Rent	13,125
Advertising and promotion	5,250
	97,850

The Company did not incur any compensation expenses to key management personnel.

WORLD FARMS CORP.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2019
(Expressed in Canadian Dollars)

6. SHARE CAPITAL

a) Authorized common shares

The Company has an unlimited number of voting and non-voting common shares without par value authorized for issuance. The Company also has an unlimited number of non-voting redeemable preference shares with varying par values authorized for issuance.

b) Common shares issued

- i. On November 8, 2018, the Company issued 8,100,000 common shares pursuant to a private placement at a price of \$0.005 for gross proceeds of \$40,500. The fair value of the common shares issued was estimated to be \$162,000 and as a result the Company recorded stock-based compensation of \$121,500. In order to estimate the fair value the Company used the financing price in a recent issuance of common shares.
- ii. On November 13, 2018, the Company issued 9,000,000 common shares pursuant to a private placement at a price of \$0.02 for gross proceeds of \$180,000.
- iii. On February 25, 2018, the Company issued 20,925,844 units pursuant to a private placement at a price of \$0.10 for gross proceeds of \$2,092,584. Each unit consist of one common share and one common share purchase warrant exercisable at \$0.20 per common share expiring two years from the date of grant. At March 31, 2019 \$294,100 was included in share subscription receivable.

In connection with the private placement, the Company incurred cash share issuance costs of \$25,650 and issued 140,000 share purchase warrants with a fair value of \$6,552. Each warrant is exercisable at \$0.20 per common share expiring two years from the date of grant. The fair value of the share purchase warrants was determined using the black-scholes model and the following assumptions: share price on grant date – \$0.10; remaining life – 2 years, volatility – 120%; annual dividends – 0%; and risk-free rate – 1.50%.

The warrants issuable in connection with this private placement were issued subsequent to March 31, 2019.

- iv. On February 28, 2019, the Company issued 10,000,000 common shares for the purchase of 30% interest in Agricola and a 49% interest in Jamaica from CROP Infrastructure Corp. as described in Note 4.
- v. During the period ended March 31, 2019, the Company issued 20,907,000 common shares and agreed to issue 1,357,000 share purchase warrants in exchange for services provided by various consultants with a total fair value of \$549,950. The share purchase warrants are exercisable at \$0.20 per common share expiring two years from the date of grant. The warrants issuable were issued subsequent to March 31, 2019.

c) Share Purchase Warrants:

There were no warrants granted, exercised, expired, or forfeited during the period. Warrants issuable pursuant to the transactions described above in Note 6(b) were issued subsequent to March 31, 2019.

WORLD FARMS CORP.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2019
(Expressed in Canadian Dollars)

7. LOSS DUE TO THEFT

During the period ended March 31, 2019, the Company was a victim of cyber crime and as a result incurred a loss of \$178,959.

8. INCOME TAXES

The tax effect (computed by applying the Canadian federal and provincial statutory rate) of the significant temporary differences, which comprise deferred income tax assets and liabilities, are as follows:

	2019
	\$
Canadian statutory income tax rate	27%
Income tax (recovery) at statutory rate	602,000
Permanent differences and others	(29,000)
Change in unrecognized deferred income tax assets	(573,000)
Deferred income tax recovery	-

The significant components of deferred income tax assets and liabilities are as follows:

	2019
	\$
Non-capital losses	262,000
Investments	307,000
Share issuance costs	4,000
Unrecognized deferred income tax assets	(573,000)
Net deferred income tax assets	-

As at March 31, 2019, the Company has non-capital losses carried forward of approximately \$969,000, which are available to offset future years' taxable income. These losses expire in 2039.

9. FINANCIAL INSTRUMENTS AND RISKS

The Company's financial instruments consist of cash, and accounts payable. The Company is exposed to certain financial risks, including credit risk, liquidity risk and market risk.

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations and arises principally from the Company's cash. At present, the Company holds its cash in Canadian rated financial institutions and will only consider investment of excess cash in highly rated government and corporate debt securities or guaranteed certificates from Canadian chartered banks. The Company has established guidelines, including diversification, credit ratings and maturities, to ensure safety and liquidity of its cash.

As at March 31, 2019 the Company's exposure is the carrying value of the financial instruments. The Company's maximum exposure to credit risk is the carrying value of its financial assets.

WORLD FARMS CORP.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2019
(Expressed in Canadian Dollars)

9. FINANCIAL INSTRUMENTS AND RISKS (continued)

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company holds no financial instruments that are denominated in a currency other than the Canadian dollar. The Company is exposed to currency risk resulting from its investments in, and advances to, associates which are located outside of Canada.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. To the extent that the Company does not believe it has sufficient liquidity to meet its current obligations, the Board of Directors considers securing additional funds through issuances of equity and debt or partnering transactions. The Board of Directors approves the Company's annual operating and capital budgets as well as any material transactions outside the ordinary course of business. Management regularly reviews these budgets and maintains short-term cash flow forecasts.

The Company monitors its risk of shortage of funds by monitoring the maturity dates of existing trade and other accounts payable.

Maturity Risk:

- 1) The Company's cash balance at March 31, 2019 is \$1,406,269 and accounts payable and accrued liabilities of \$27,370. All accounts payable and accrued liabilities are current.
- 2) As at March 31, 2019, the Company did not have derivative financial liabilities with contractual maturities.
- 3) Management of liquidity risk: Typically, the Company ensures that it has sufficient cash on demand to meet expected operational expenses and commitments in (1) and (2) for a period of 90 days. To achieve this objective, the Company prepares annual capital expenditure budgets, which are regularly monitored and updated as considered necessary. Further, the Company utilizes authorizations for expenditures on exploration projects to further manage expenditure.

Interest rate risk

Current financial assets and financial liabilities are generally not exposed to interest rate risk because of their short-term nature and maturity.

Sensitivity analysis has not been presented as the Company currently has no significant exposure in its operations to interest rate or currency exchange rate fluctuations as the Company does not have any interest bearing debt.

Fair value hierarchy

Financial instruments recognized at fair value on the consolidated statements of financial position must be classified into one of the three following fair value hierarchy levels:

Level 1 – measurement based on quoted prices (unadjusted) observed in active markets for identical assets and liabilities;

Level 2 – measurement based on inputs other than quoted prices included in Level 1, that are observable for the asset and liability;

Level 3 – measurement based on inputs that are not observable (supported by little or no market activity) for the asset or liability.

The Company's cash balance is measured under Level 1.

10. CAPITAL MANAGEMENT

The Company's capital structure consists of shareholders' equity. The Company's objective when managing capital is to maintain adequate levels of funding to support the development of its businesses and maintain the necessary corporate and administrative functions to facilitate these activities. This is done primarily through advances from related parties. Future financings are dependent on the willingness of the related parties to advance funds to the Company and market conditions and there can be no assurance the Company will be able to raise funds in the future. The Company is not subject to externally imposed capital requirements. The Company may raise additional debt or equity financing in the near future to meet its obligations.

11. SUBSEQUENT EVENTS

Subsequent to March 31, 2019:

- The Company received share subscription proceeds of \$900,520, of which \$294,100 were related to share subscription receivable at March 31, 2019.
- The Company entered into a Business Combination Agreement with Graphite Energy Corp. ("Graphite") and 1213615 B.C. Inc. whereby Graphite will acquire 100% of the issued and outstanding common shares of the Company in exchange for 100% of the issued and outstanding common shares of Graphite ("Proposed Transaction"). The Proposed Transaction will be completed through a three-cornered-amalgamation and upon completion, will result in the Company obtaining control of Graphite. For accounting purposes the Proposed Transaction will be considered a reverse-take-over.
- The Company entered into an agreement with two other parties to form a subsidiary, Exterra Pharma d.o.o. ("Exterra Pharma") in Croatia whereby the Company owns a 55% interest in Exterra Pharma.
- The Company increased its interest in Agricola to 65% for no consideration.

WORLD FARMS CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS
Dated September 9 2019
for the Year Ended March 31, 2019

INTRODUCTION

The following Management Discussion and Analysis ("MD&A") of World Farms Corp. (the "Company" or "WFC") has been prepared by Management in accordance with the requirements of National Instrument 51-102. The information contained in this MD&A is not a substitute for detailed investigation or analysis on any particular issue. The information provided in this MD&A is not intended to be a comprehensive review of all matters and developments concerning the Company. Specific risks facing the Company are set out explicitly in Appendix 1 of this MD&A. In addition, certain statements in this report incorporate forward looking information and readers are advised to review the cautionary note regarding such statements in Appendix 2 of this MD&A.

This MD&A should be read in conjunction with the Company's audited financial statements as at March 31, 2019 and the related notes contained therein and the Company's unaudited condensed consolidated financial statements for the period ended March 31, 2019 and the related notes contained therein both of which have been prepared under International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

All financial information in this MD&A has been prepared in accordance with IFRS and all dollar amounts are quoted in Canadian dollars, the reporting and functional currency of the Company, unless specifically noted.

COMPANY OVERVIEW

World Farms Corp. was incorporated under the Business Corporations Act (British Columbia) on November 7, 2018. The Company's head office is located at Suite 605 – 815 Hornby Street, Vancouver, British Columbia, V6Z 2E6.

RESULTS OF OPERATIONS

During the year ended March 31, 2019

For the period ended March 31, 2019, the Company had a net loss of \$2,229,935 and incurred the following significant expenses:

- *Consulting* – \$670,988
- *Share-based compensation* – \$121,500
- *Professional* – \$63,842
- *Travel* – \$31,786
- *Rent* – \$13,125
- *Marketing and advertising* – \$11,496

For further information regarding the above expenses, please refer to the Audited Financial Statements. While comparative analysis to prior annual statements of the Company is not possible, a significant portion of expenses incurred during this period are the result of acquiring assets to enable the development of the Company and management of WFC believes the expenses incurred by the Company are in line with industry standards and required to develop its business.

Selected Annual Information

	March 31, 2019
	\$
Net loss	(2,229,935)
Basic and diluted loss per share	0.05
Cash	1,406,269
Total Assets	1,462,219
Non-Current Liabilities	Nil

LIQUIDITY AND CAPITAL RESOURCES

To date, the Company has funded its operations and capital requirements through a combination of short-term loans from related parties and equity financings.

As at March 31, 2019, the Company had total assets of \$1,462,219. As at March 31, 2019, the Company had a working capital of \$1,434,849.

At March 31, 2019, the Company has not achieved profitable operations and has accumulated losses of \$2,229,935 since inception and expects to incur further losses in the development of its business. This material uncertainty may cast significant doubt about the Company's ability to continue as a going concern. The Company's continuation as a going concern is dependent on its ability to attain profitable operations to generate funds and/or its ability to raise equity capital or borrowings sufficient to meet its current and future obligations. Although the Company has been successful in the past in raising funds to continue operations, there is no assurance it will be able to do so in the future.

Equity financing

Management believes that the Company will require additional working capital to meet its primary business objectives over the next 12 months. The Company plans to raise capital through equity or debt financing, although the latter may not be a viable alternative for funding operations as the Company does not have sufficient assets to secure any such debt financing. The Company anticipates that any additional funding will be in the form of equity financing from the sale of its common shares. However, there can be no assurance that the Company will be able to raise sufficient funds from the sale of its common shares to fund its operations or planned business development activities. In the absence of such financing, the Company will not be able to acquire further technology product interests. Even if the Company is successful in obtaining equity financing to expand operations and to fund its business development activities, there is no assurance that it will obtain the funding necessary to acquire any additional further technology product interests. If the Company is not able to obtain additional financing, it may be forced to abandon its business plan.

Modifications to the Company's plans will be based on many factors, including the results of our new product acquisition plan, marketing plan and financing plan; negotiations with potential product suppliers and distribution partners; the demand for touchscreen products worldwide; and the amount of available capital. Additionally, the extent to which the Company is able to carry out its business plan is dependent upon the amount of financing obtained.

CAPITAL MANAGEMENT

The Company considers capital to be the sole element of shareholders' equity. The Company's primary objectives in capital management are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain sufficient funds to finance the sale and distribution of its technology products. The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital and is not subject to externally imposed capital requirements.

COMMITMENTS

The Company does not currently have any commitments.

CONTINGENCIES

There are no contingent liabilities.

OFF-BALANCE SHEET ARRANGMENTS

The Company has no off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

Related party transactions are comprised of services rendered by directors and/or officers of the Company and a company controlled by a former officer of the Company. Related party transactions are in the ordinary course of business and are measured at the exchange amount.

Key management personnel are the Chief Executive Officer, the Chief Financial Officer, the Secretary and three Directors of the Company.

Key management transactions consist of the following:

	For the period from incorporation to March 31, 2019
	\$
Consulting and professional fees	79,475
Rent	13,125
Advertising and promotion	5,250
	97,850

The Company did not incur any compensation expenses to key management personnel.

OTHER MD&A REQUIREMENTS

- a) Additional information relating to the Company is on SEDAR at www.sedar.com.
- b) Common shares
As of March 31, 2019 and the date of this MD&A, the Company has 68,932,844 and 68,989,544 issued and outstanding common shares.
- c) Options
As at March 31, 2019, there are nil options outstanding.
- d) Warrants
As at March 31, 2019 and the date of this MD&A, the Company has warrants outstanding to purchase Nil and 22,422,844 common shares.

SIGNIFICANT ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in accordance with IFRS requires management to make judgements, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Critical accounting estimates

Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustments are as follows:

Assumptions used in the calculation of the fair value assigned to share-based payments

The Company uses the Black-Scholes option pricing model for valuation of share-based payments. Option pricing models require the input of subjective assumptions, including expected price volatility, interest rate and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's equity reserves.

Going concern

The assumption that the Company will be able to continue as a going concern is subject to critical judgments by management with respect to assumptions surrounding the short and long-term operating budget, expected profitability, investing and financing activities and management's strategic planning. Should those judgments prove to be inaccurate, management's continued use of the going concern assumption could be inappropriate.

The Company's significant accounting policies are disclosed in Note 3(b) of the Company's annual audited consolidated financial statements for the year ended March 31, 2019.

FINANCIAL INSTRUMENTS AND FINANCIAL RISK FACTORS

Cash is carried at fair value using a level 1 fair value measurement. The carrying value of receivables, accounts payable and accrued liabilities and loans payable approximate their fair value because of the short-term nature of these instruments.

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with its financial liabilities. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2019, the Company had a cash balance of \$1,406,269 to settle current liabilities of \$27,370.

There can be no assurance the Company will be able to obtain required financing in the future on acceptable terms. The Company anticipates it will need additional capital in the future to finance on-going developments of its technology, such capital to be derived from the completion of other equity financings. The Company has limited financial resources, has no source of operating income and has no assurance that additional funding will be available to it for future development of its technology, although the Company has been successful in the past in financing its activities through the previously mentioned financing activities. The ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing capital market conditions and the success of its technology. In recent years, the securities markets have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. Any quoted market for the common shares may be subject to market trends generally, notwithstanding any potential success of the Company in creating revenue, cash flows or earnings.

Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash and cash equivalents and short-term investments. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash with high-credit quality financial institutions. Receivables consist mainly of GST receivable from the Government of Canada. The Company has been successful in recovering input tax credits and believes credit risk with respect to receivables to be insignificant.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. The Company does not have a practice of trading derivatives.

- a) Interest rate risk
The Company's financial assets exposed to interest rate risk consist of cash and restricted cash. The Company's current policy will be to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. As at March 31, 2019, the Company did not have any investments in investment-grade short-term deposit certificates.
- b) Foreign currency risk
The Company is exposed to foreign currency risks resulting from its interest in and advances to its non-Canadian associates.
- c) Price risk
The Company is currently not exposed to any price risk.

SUBSEQUENT EVENTS

- The Company received share subscription proceeds of \$900,520, of which \$294,100 were related to share subscription receivable at March 31, 2019.
- The Company entered into a Business Combination Agreement with Graphite Energy Corp. ("Graphite") and 1213615 B.C. Inc. whereby Graphite will acquire 100% of the issued and outstanding common shares of the Company in exchange for 100% of the issued and outstanding common shares of Graphite ("Proposed Transaction"). The Proposed Transaction will be completed through a three-cornered-amalgamation and upon completion, will result in the

Company obtaining control of Graphite. For accounting purposes the Proposed Transaction will be considered a reverse-take-over.

- The Company entered into an agreement with two other parties to form a subsidiary, Exterra Pharma d.o.o. ("Exterra Pharma") in Croatia whereby the Company owns a 55% interest in Exerra Pharma.
- The Company increased its interest in Agricola to 65% for no consideration.

APPENDIX 1

FORWARD-LOOKING STATEMENTS

This MD&A contains certain forward-looking statements and information relating to the Company that is based on the beliefs of our management as well as assumptions made by and information currently available to us. When used in this document, the words "*anticipate*", "*believe*", "*estimate*", "*expect*" and similar expressions, as they relate to our company or our management, are intended to identify forward-looking statements. This MD&A contains forward-looking statements relating to, among other things, regulatory compliance, the sufficiency of current working capital, the estimated cost and availability of funding for the continued development of our technological property. Such statements reflect the current views of management with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the actual results, performance or our achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements.

World Farms Corp.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED JUNE 30, 2019

(UNAUDITED)

(Expressed in Canadian Dollars)

WORLD FARMS CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

	Note	June 30, 2019 (Unaudited)	March 31, 2019 (Audited)
			\$
ASSETS			
Current Assets			
Cash		408,098	1,406,269
Amounts receivable		5,020	-
Prepaid expenses		8,100	55,950
		421,218	1,462,219
PREPAID EXPENSES AND DEPOSITS		569,536	-
		990,754	1,462,219
LIABILITIES			
Current Liabilities			
Accounts payable and accrued liabilities		-	27,370
Shareholders' Equity			
Share capital	6	3,847,842	3,830,832
Subscriptions received (receivable)	6	606,420	(294,100)
Contributed surplus	6	128,052	128,052
Accumulated other comprehensive loss		(11,847)	-
Deficit		(3,579,713)	(2,229,935)
		990,754	1,434,849
		990,754	1,462,219

Nature and continuance of operations (Note 1)
Subsequent events (Note 9)

These condensed interim consolidated financial statements were approved and authorized for issuance by the Board of Directors on September 18, 2019 and were signed on its behalf by:

/s/ "Arthur Griffiths", Director

WORLD FARMS CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)
(Unaudited)

	Note	For the three months ended June 30, 2019
		\$
Operating expenses		
Consulting fees		210,739
Marketing and advertising		13,074
Professional fees		62,994
Office and miscellaneous		5,414
Rent		14,875
Travel		13,057
		320,153
Other items		
Allowance for advances receivable	4	1,029,625
Net loss		(1,349,778)
Other comprehensive loss		
Foreign exchange translation adjustment		(11,847)
Comprehensive loss		(1,361,625)
Basic and diluted loss per common share		(0.19)
Weighted average number of common shares outstanding - basic and diluted		68,961,824

WORLD FARMS CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(Expressed in Canadian Dollars)
(Unaudited)

	Number of shares	Share capital	Subscriptions received (receivable)	Contributed surplus	Accumulated comprehensive loss	Deficit	Total
		\$	\$	\$	\$	\$	\$
Balance, March 31, 2019	68,932,844	3,830,832	(294,100)	128,052	-	(2,229,935)	1,434,849
Subscriptions received	-	-	900,520	-	-	-	900,520
Shares issued for services	56,700	17,010	-	-	-	-	17,010
Foreign exchange translation adjustment	-	-	-	-	(11,847)	-	(11,847)
Net loss for the period	-	-	-	-	-	(1,349,778)	(1,349,778)
Balance, June 30, 2019	68,989,544	3,847,842	606,420	128,052	(11,847)	(3,579,713)	990,754

WORLD FARMS CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
(Expressed in Canadian Dollars)

	For the three months ended June 30, 2019
	\$
OPERATING ACTIVITIES	
Net loss for the period	(1,349,778)
Items not involving cash:	
Shares issued for services	17,010
Allowance for advances receivable	1,029,625
Changes in working capital balances related to operations:	
Amounts receivable	(5,020)
Prepaid expenses	47,850
Accounts payable and accrued liabilities	(27,370)
	(287,683)
INVESTING ACTIVITIES	
Prepaid expenses and deposits	(569,536)
Advances to associates	(1,029,625)
	(1,599,161)
FINANCING ACTIVITIES	
Subscriptions received	900,520
	900,520
Foreign exchange translation effect on cash	(11,847)
CHANGE IN CASH DURING THE PERIOD	(998,171)
CASH, BEGINNING OF PERIOD	1,406,269
CASH, END OF PERIOD	408,098
SUPPLEMENTAL DISCLOSURES:	
Interest paid	-
Income taxes paid	-
NON-CASH TRANSACTIONS (See Note 6)	

WORLD FARMS CORP.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED JUNE 30, 2019
(Expressed in Canadian Dollars)
(Unaudited)

1. NATURE AND CONTINUANCE OF OPERATIONS

World Farms Corp. was incorporated under the Business Corporations Act (British Columbia) on November 7, 2018. The Company's head office is located at Suite 605 – 815 Hornby Street, Vancouver, British Columbia, V6Z 2E6.

The Company is engaged in the business of investing, constructing, owning and leasing mega greenhouse projects to licensed cannabis producers through its investments. The Company has incurred losses since its inception and has an accumulated deficit of \$3,579,713 as at June 30, 2019 that has been funded primarily by issuance of equity and advances from related parties. There is a material uncertainty related to these conditions that casts significant doubt about the Company's ability to continue as a going concern and therefore it may be unable to realize its assets and discharge its liabilities in the normal course of business. The Company's ability to continue as a going concern depends upon its ability to raise adequate financing and to generate profitable operations in the future.

These condensed interim consolidated financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

These condensed interim consolidated financial statements of the Company have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") and International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations of the Financial Reporting Interpretations Committee ("IFRIC"). These condensed interim consolidated financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the audited financial statements and notes thereto as of and for the period ended March 31, 2019.

These condensed interim consolidated financial statements were authorized for issue in accordance with a resolution from the Board of Directors on September 18, 2019.

b) Basis of presentation

These condensed interim consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. These financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. These condensed interim consolidated financial statements follow the same accounting policies and methods of application as the annual audited financial statements for the period ended March 31, 2019. The adoption of new accounting standards has had no material impact on the financial statements.

WORLD FARMS CORP.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED JUNE 30, 2019
(Expressed in Canadian Dollars)
(Unaudited)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Basis of consolidation

These condensed interim consolidated financial statements include the balances and results of operations of the Company and its subsidiaries.

Subsidiaries are entities that the Company controls directly. Control is defined as the exposure, or rights, or variable returns from involvement with an investee and the ability to affect those returns through power over the investee. Power over an investee exists when the Company has existing rights and the ability to direct the activities that significantly affect the investee's returns. This control is generally evidenced through owning more than 50% of the voting rights or currently exercisable potential voting rights of a company's share capital, however where power over an investee exists through owning less than 50% of the voting shares or currently exercisable potential voting rights, evidence of control is deemed to be present. All inter-company balances and transactions, including unrealized profits and losses arising from intra-group transactions, have been eliminated upon consolidation. Where necessary, adjustments are made to the results of the subsidiaries and entities to bring their accounting policies in line with those used by the Company. All significant inter-company balances and transactions have been eliminated on consolidation.

For the three months ended June 30, 2019, the condensed interim consolidated financial statements include the following entities:

Entity	Country	Relationship	Ownership Percentage	Functional currency
World Farms Corp.	Canada	Parent	N/A	Canadian dollar
Exterra Pharma d.o.o. ⁽¹⁾	Croatia	Subsidiary	55%	Euro

⁽¹⁾ During the three months ended June 30, 2019, the Company entered into an agreement with two other parties to form Exterra Pharma d.o.o.

As at March 31, 2019, the Company did not have any subsidiaries.

WORLD FARMS CORP.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED JUNE 30, 2019
(Expressed in Canadian Dollars)
(Unaudited)

3. NEW ACCOUNTING STANDARD ISSUED

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or IFRIC (International Financial Reporting Interpretations Committee) that are mandatory for accounting periods noted below. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below.

Standard effective for annual periods beginning on or after January 1, 2019:

IFRS 16 Leases - In June 2016, the IASB issued IFRS 16 - Leases. IFRS 16 establishes principles for the recognition, measurement, presentation and disclosure of leases, with the objective of ensuring that lessees and lessors provide relevant information that faithfully represents those transactions. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. However, lessees are no longer classifying leases as either operating leases or finance leases as it is required by IAS 17.

The adoption of IFRS 16 did not have a significant impact on the Company's financial statements.

4. INVESTMENTS IN ASSOCIATES

On February 25, 2019, the Company purchased a 30% interest in Societa Agricola XHemplar S.R.L. ("Agricola") and a 49% interest in Jamaica CROP CORP Limited ("Jamaica") from CROP Infrastructure Corp, a public company listed on the Canadian Securities Exchange in Canada. In consideration for the interest in Agricola and Jamaica, the Company issued 10,000,000 common shares with a fair value of \$1,000,000. Agricola was incorporated in Italy and Jamaica was incorporated in Jamaica and both entities are in the cannabis industry and have not commenced operations. During the period ended March 31, 2019, the Company had advance \$138,239 (90,000 Euros) to Agricola.

As at March 31, 2019, management of the Company completed a review of its interest in Jamaica and Agricola and as a result of the review decided to impair the full value of its investment in Agricola and Jamaica and its advances to Agricola.

During the period ended June 30, 2019, the Company advanced \$1,029,625 to Agricola. As at June 30, 2019, management reviewed the collectability of the amounts advanced and recorded an allowance against advances receivable of \$1,029,625.

5. RELATED PARTY BALANCES AND TRANSACTIONS

Key management transactions

All transactions with related parties have occurred in the normal course of operations. Key management is comprised of directors and executive officers.

Key management transactions consists of the following:

	Three months ended June 30, 2019
	\$
Consulting and professional fees	45,800
Rent	17,500
	63,300

The Company did not incur any compensation expenses to key management personnel.

WORLD FARMS CORP.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED JUNE 30, 2019
(Expressed in Canadian Dollars)
(Unaudited)

6. SHARE CAPITAL

a) Authorized common shares

The Company has an unlimited number of voting and non-voting common shares without par value authorized for issuance. The Company also has an unlimited number of non-voting redeemable preference shares with varying par values authorized for issuance.

b) Common shares issued

During the three months ended June 30, 2019:

- i. The Company received subscription proceeds of \$900,520 for subscriptions receivable at March 31, 2019 and in connection with an ongoing unit private placement. Upon closing, each unit will consist of one common share and one common share purchase warrant exercisable at \$1.00 per common share expiring two years from the date of grant.
- ii. During the three months ended June 30, 2019, the Company issued 56,700 common shares in exchange for services provided by various consultants with a total fair value of \$17,010.

During the period ended March 31, 2019:

- i. On November 8, 2018, the Company issued 8,100,000 common shares pursuant to a private placement at a price of \$0.005 for gross proceeds of \$40,500. The fair value of the common shares issued was estimated to be \$162,000 and as a result the Company recorded stock-based compensation of \$121,500. In order to estimate the fair value the Company used the financing price in a recent issuance of common shares.
- ii. On November 13, 2018, the Company issued 9,000,000 common shares pursuant to a private placement at a price of \$0.02 for gross proceeds of \$180,000.
- iii. On February 25, 2018, the Company issued 20,925,844 units pursuant to a private placement at a price of \$0.10 for gross proceeds of \$2,092,584. Each unit consist of one common share and one common share purchase warrant exercisable at \$0.20 per common share expiring on February 25, 2021. At June 30, 2019 \$7,200 was included in share subscription receivable.

In connection with the private placement, the Company incurred cash share issuance costs of \$25,650 and issued 140,000 share purchase warrants with a fair value of \$6,552. Each warrant is exercisable at \$0.20 per common share expiring two years from the date of grant. The fair value of the share purchase warrants was determined using the black-scholes model and the following assumptions: share price on grant date – \$0.10; remaining life – 2 years, volatility – 120%; annual dividends – 0%; and risk-free rate – 1.50%.

The warrants issuable in connection with this private placement were issued during the three months ended June 30, 2019.

WORLD FARMS CORP.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED JUNE 30, 2019
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6. SHARE CAPITAL (continued)

b) Common shares issued (continued)

- iv. On February 28, 2019, the Company issued 10,000,000 common shares for the purchase of 30% interest in Agricola and a 49% interest in Jamaica from CROP Infrastructure Corp.
- v. During the period ended March 31, 2019, the Company issued 20,907,000 common shares in exchange for services provided by various consultants with a total fair value of \$549,950. The Company also authorized the issuance of 1,357,000 share purchase warrants. The share purchase warrants are exercisable at \$0.20 per common share expiring two years from the date of grant. The warrants were issued during the three months ended June 30, 2019.

c) Share Purchase Warrants:

A summary of share purchase warrant activity for the period ended June 30, 2019 is presented below:

Grant Date	Number	Weighted Average Exercise Price	Weighted Average Life Remaining	Expiry Date
April 25, 2019	22,422,844	\$0.20	1.91	April 25, 2021
Outstanding, June 30, 2019	22,422,844	\$0.20	1.91	

There were no warrants exercised, expired, or forfeited during the period.

7. FINANCIAL INSTRUMENTS AND RISKS

The Company's financial instruments consist of cash, and accounts payable. The Company is exposed to certain financial risks, including credit risk, liquidity risk and market risk.

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations and arises principally from the Company's cash. At present, the Company holds its cash in Canadian and Croatian rated financial institutions and will only consider investment of excess cash in highly rated government and corporate debt securities or guaranteed certificates from Canadian chartered banks. The Company has established guidelines, including diversification, credit ratings and maturities, to ensure safety and liquidity of its cash.

As at June 30, 2019 the Company's exposure is the carrying value of the financial instruments. The Company's maximum exposure to credit risk is the carrying value of its financial assets.

WORLD FARMS CORP.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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7. FINANCIAL INSTRUMENTS AND RISKS (continued)

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company holds no financial instruments that are denominated in a currency other than the Canadian dollar, Euro and Croatian Kuna. The Company is exposed to currency risk resulting from its investments in, and advances to, associates which are located outside of Canada, and its operations outside of Canada.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. To the extent that the Company does not believe it has sufficient liquidity to meet its current obligations, the Board of Directors considers securing additional funds through issuances of equity and debt or partnering transactions. The Board of Directors approves the Company's annual operating and capital budgets as well as any material transactions outside the ordinary course of business. Management regularly reviews these budgets and maintains short-term cash flow forecasts.

The Company monitors its risk of shortage of funds by monitoring the maturity dates of existing trade and other accounts payable.

Maturity Risk

- 1) The Company's cash balance at June 30, 2019 is \$408,098.
- 2) As at June 30, 2019, the Company did not have derivative financial liabilities with contractual maturities.
- 3) Management of liquidity risk: Typically, the Company ensures that it has sufficient cash on demand to meet expected operational expenses and commitments in (1) and (2) for a period of 90 days. To achieve this objective, the Company prepares annual capital expenditure budgets, which are regularly monitored and updated as considered necessary. Further, the Company utilizes authorizations for expenditures on exploration projects to further manage expenditure.

Interest rate risk

Current financial assets and financial liabilities are generally not exposed to interest rate risk because of their short-term nature and maturity.

Sensitivity analysis has not been presented as the Company currently has no significant exposure in its operations to interest rate or currency exchange rate fluctuations as the Company does not have any interest bearing debt.

Fair value hierarchy

Financial instruments recognized at fair value on the consolidated statements of financial position must be classified into one of the three following fair value hierarchy levels:

Level 1 – measurement based on quoted prices (unadjusted) observed in active markets for identical assets and liabilities;

Level 2 – measurement based on inputs other than quoted prices included in Level 1, that are observable for the asset and liability;

Level 3 – measurement based on inputs that are not observable (supported by little or no market activity) for the asset or liability.

The Company's cash balance is measured under Level 1.

WORLD FARMS CORP.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED JUNE 30, 2019
(Expressed in Canadian Dollars)
(Unaudited)

8. CAPITAL MANAGEMENT

The Company's capital structure consists of shareholders' equity. The Company's objective when managing capital is to maintain adequate levels of funding to support the development of its businesses and maintain the necessary corporate and administrative functions to facilitate these activities. This is done primarily through advances from related parties. Future financings are dependent on the willingness of the related parties to advance funds to the Company and market conditions and there can be no assurance the Company will be able to raise funds in the future. The Company is not subject to externally imposed capital requirements. The Company may raise additional debt or equity financing in the near future to meet its obligations.

9. SUBSEQUENT EVENTS

Subsequent to June 30, 2019:

- The Company entered into a Business Combination Agreement with Graphite Energy Corp. ("Graphite") and 1213615 B.C. Inc. whereby Graphite will acquire 100% of the issued and outstanding common shares of the Company in exchange for 100% of the issued and outstanding common shares of Graphite ("Proposed Transaction"). The Proposed Transaction will be completed through a three-cornered-amalgamation and upon completion, will result in the Company obtaining control of Graphite. For accounting purposes the Proposed Transaction will be considered a reverse-take-over.
- The Company increased its interest in Agricola to 65% for no consideration.

WORLD FARMS CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED JUNE 30, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS
Dated September 9, 2019
for the Three Months Ended June 30, 2019

INTRODUCTION

The following Management Discussion and Analysis ("MD&A") of World Farms Corp. (the "Company" or "WFC") has been prepared by Management in accordance with the requirements of National Instrument 51-102. The information contained in this MD&A is not a substitute for detailed investigation or analysis on any particular issue. The information provided in this MD&A is not intended to be a comprehensive review of all matters and developments concerning the Company. Specific risks facing the Company are set out explicitly in Appendix 1 of this MD&A. In addition, certain statements in this report incorporate forward looking information and readers are advised to review the cautionary note regarding such statements in Appendix 2 of this MD&A.

This MD&A should be read in conjunction with the Company's audited financial statements as at March 31, 2019 and the related notes contained therein and the Company's unaudited condensed consolidated interim financial statements for the three months ended June 30, 2019 and the related notes contained therein both of which have been prepared under International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

All financial information in this MD&A has been prepared in accordance with IFRS and all dollar amounts are quoted in Canadian dollars, the reporting and functional currency of the Company, unless specifically noted.

COMPANY OVERVIEW

World Farms Corp. was incorporated under the Business Corporations Act (British Columbia) on November 7, 2018. The Company's head office is located at Suite 605 – 815 Hornby Street, Vancouver, British Columbia, V6Z 2E6.

RESULTS OF OPERATIONS

During the three months ended June 30, 2018

The Company had net loss of \$1,361,625 during the period ended June 30, 2019.

Consulting – For the period ended June 30, 2019, consulting fees were \$210,739. The increase in this fiscal quarter of 2019 was primarily caused by the Company's increased corporate activity.

Professional fees – For the period ended June 30, 2019, professional fees were \$62,994. The increase in this fiscal quarter of 2019 was due to audit and other related expenses.

Marketing and advertising – For the period ended June 30, 2019, filing expense was \$13,074. The increase in this fiscal quarter of 2019 was the result of marketing and advertising fees.

Office and other – For the period ended June 30, 2019, office and other were \$5,414. The increase in this fiscal quarter of 2019 was primarily for office and other corporate activity.

Travel – For the period ended June 30, 2019, travel expense were \$13,057. The increase in this fiscal quarter of 2019 was due to extensive travel to market the product and promote the business.

Selected Quarterly Information

	June 30, 2019
	\$
Net loss	(1,361,625)
Basic and diluted loss per share	0.19
Cash	408,098
Total Assets	990,754

Non-Current Liabilities		Nil
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LIQUIDITY AND CAPITAL RESOURCES

To date, the Company has funded its operations and capital requirements through a combination of short-term loans from related parties and equity financings.

As at June 30, 2019, the Company had total assets of \$990,754 (March 31, 2019 - \$1,462,219). As at June 30, 2019, the Company had a working capital of \$421,218 compared to working capital of \$1,434,849 as at March 31, 2019.

At June 30, 2019, the Company has not achieved profitable operations and has accumulated losses of \$3,579,713 since inception and expects to incur further losses in the development of its business. This material uncertainty may cast significant doubt about the Company's ability to continue as a going concern. The Company's continuation as a going concern is dependent on its ability to attain profitable operations to generate funds and/or its ability to raise equity capital or borrowings sufficient to meet its current and future obligations. Although the Company has been successful in the past in raising funds to continue operations, there is no assurance it will be able to do so in the future.

Equity financing

Management believes that the Company will require additional working capital to meet its primary business objectives over the next 12 months. The Company plans to raise capital through equity or debt financing, although the latter may not be a viable alternative for funding operations as the Company does not have sufficient assets to secure any such debt financing. The Company anticipates that any additional funding will be in the form of equity financing from the sale of its common shares. However, there can be no assurance that the Company will be able to raise sufficient funds from the sale of its common shares to fund its operations or planned business development activities. In the absence of such financing, the Company will not be able to acquire further technology product interests. Even if the Company is successful in obtaining equity financing to expand operations and to fund its business development activities, there is no assurance that it will obtain the funding necessary to acquire any additional further technology product interests. If the Company is not able to obtain additional financing, it may be forced to abandon its business plan.

Modifications to the Company's plans will be based on many factors, including the results of our new product acquisition plan, marketing plan and financing plan; negotiations with potential product suppliers and distribution partners; the demand for touchscreen products worldwide; and the amount of available capital. Additionally, the extent to which the Company is able to carry out its business plan is dependent upon the amount of financing obtained.

CAPITAL MANAGEMENT

The Company considers capital to be the sole element of shareholders' equity. The Company's primary objectives in capital management are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain sufficient funds to finance the sale and distribution of its technology products. The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital and is not subject to externally imposed capital requirements.

COMMITMENTS

The Company does not currently have any commitments.

CONTINGENCIES

There are no contingent liabilities.

OFF-BALANCE SHEET ARRANGMENTS

The Company has no off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

Related party transactions are comprised of services rendered by directors and/or officers of the Company and a company controlled by a former officer of the Company. Related party transactions are in the ordinary course of business and are measured at the exchange amount.

All transactions with related parties have occurred in the normal course of operations. Key management is comprised of directors and executive officers.

Key management transactions consists of the following:

	Three months ended June 30, 2019
	\$
Consulting and professional fees	45,800
Rent	17,500

OTHER MD&A REQUIREMENTS

- a) Additional information relating to the Company is on SEDAR at www.sedar.com.
- b) Share capital
As of June 30, 2019 and the date of this MD&A, the Company has 68,989,544 issued and outstanding common shares.
- c) Options
As at June 30, 2019, there are nil options outstanding.
- d) Warrants
As at June 30, 2019 and the date of this MD&A, the Company has warrants outstanding to purchase 22,422,844 common shares.

SIGNIFICANT ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in accordance with IFRS requires management to make judgements, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Critical accounting estimates

Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustments are as follows:

Assumptions used in the calculation of the fair value assigned to share-based payments

The Company uses the Black-Scholes option pricing model for valuation of share-based payments. Option pricing models require the input of subjective assumptions, including expected price volatility, interest rate and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's equity reserves.

Going concern

The assumption that the Company will be able to continue as a going concern is subject to critical judgments by management with respect to assumptions surrounding the short and long-term operating budget, expected profitability, investing and financing activities and management's strategic planning. Should those judgments prove to be inaccurate, management's continued use of the going concern assumption could be inappropriate.

The Company's significant accounting policies are disclosed in Note 3(b) of the Company's annual audited consolidated financial statements for the year ended March 31, 2019.

FINANCIAL INSTRUMENTS AND FINANCIAL RISK FACTORS

Cash is carried at fair value using a level 1 fair value measurement. The carrying value of receivables, accounts payable and accrued liabilities and loans payable approximate their fair value because of the short-term nature of these instruments.

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with its financial liabilities. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at June 30, 2019, the Company had a cash balance of \$408,098 to settle current liabilities of \$nil.

There can be no assurance the Company will be able to obtain required financing in the future on acceptable terms. The Company anticipates it will need additional capital in the future to finance on-going developments of its technology, such capital to be derived from the completion of other equity financings. The Company has limited financial resources, has no source of operating income and has no assurance that additional funding will be available to it for future development of its technology, although the Company has been successful in the past in financing its activities through the previously mentioned financing activities. The ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing capital market conditions and the success of its technology. In recent years, the securities markets have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. Any quoted market for the common shares may be subject to market trends generally, notwithstanding any potential success of the Company in creating revenue, cash flows or earnings.

Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash and cash equivalents and short-term investments. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash with high-credit quality financial institutions. Receivables consist mainly of GST receivable from the Government of Canada. The Company has been successful in recovering input tax credits and believes credit risk with respect to receivables to be insignificant.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. The Company does not have a practice of trading derivatives.

a) **Interest rate risk**

The Company's financial assets exposed to interest rate risk consist of cash and restricted cash. The Company's current policy will be to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. As at June 30, 2019, the Company did not have any investments in investment-grade short-term deposit certificates.

b) **Foreign currency risk**

The Company is exposed to foreign currency risks resulting from its interest in and advances to its non-Canadian associates.

c) **Price risk**

The Company is currently not exposed to any price risk.

SUBSEQUENT EVENTS

Subsequent to June 30, 2019:

- The Company entered into a Business Combination Agreement with Graphite Energy Corp. ("Graphite") and 1213615 B.C. Inc. whereby Graphite will acquire 100% of the issued and outstanding common shares of the Company in exchange for 100% of the issued and outstanding common shares of Graphite ("Proposed Transaction"). The Proposed Transaction will be completed through a three-cornered-amalgamation and upon completion, will result in the Company obtaining control of Graphite. For accounting purposes the Proposed Transaction will be considered a reverse-take-over.
- The Company increased its interest in Agricola to 65% for no consideration.

FORWARD-LOOKING STATEMENTS

This MD&A contains certain forward-looking statements and information relating to the Company that is based on the beliefs of our management as well as assumptions made by and information currently available to us. When used in this document, the words “*anticipate*”, “*believe*”, “*estimate*”, “*expect*” and similar expressions, as they relate to our company or our management, are intended to identify forward-looking statements. This MD&A contains forward-looking statements relating to, among other things, regulatory compliance, the sufficiency of current working capital, the estimated cost and availability of funding for the continued development of our technological property. Such statements reflect the current views of management with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the actual results, performance or our achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements.

APPENDIX "II"

PRO-FORMA FINANCIAL STATEMENTS

GRAPHITE ENERGY CORP.

**Pro-forma Consolidated Statement of Financial Position
(Prepared by Management)
(Expressed in Canadian dollars)
(Unaudited)**

June 30, 2019

GRAPHITE ENERGY CORP.

UNAUDITED PRO-FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2019

(Expressed in Canadian Dollars)

(Unaudited)

	Graphite Energy Corp. \$	World Farms Corp. \$	Notes	Pro-forma Adjustments \$	Pro forma Consolidated \$
ASSETS					
Current assets					
Cash	1,764	408,098	3(e)	2,153,580	2,313,442
Receivables	13,365	5,020	3(d)	(250,000)	18,385
Prepaid expenses and other	-	8,100			8,100
	15,129	421,218			2,339,927
Non-current					
Prepaid expenses and deposits	-	569,536			569,536
	15,129	990,754			2,909,463
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities	318,595	-			318,595
	318,595	-			318,595
SHAREHOLDERS' EQUITY					
Share capital	1,617,389	3,847,842	3(a) 3(a) 3(e) 3(e)	(1,617,389) 844,815 (23,000) 2,760,000	7,429,657
Share-based payment reserve	-	-	3(a) (c))	23,000	23,000
Contributed surplus	-	128,052			128,052
Subscription received	-	606,420		(606,420)	-
Other Comprehensive loss	-	(11,847)			(11,847)
Deficit	(1,920,855)	(3,579,713)	3(a) 3(a)	1,920,855 (1,398,281)	(4,977,994)
	(303,466)	990,754			2,590,868
	15,129	990,754			2,909,463

The accompanying notes are an integral part of this unaudited pro-forma consolidated statement of financial position.

GRAPHITE ENERGY CORP.

NOTES TO PRO-FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2019

(Expressed in Canadian Dollars)

(Unaudited)

1. PROPOSED TRANSACTION

About Graphite Energy Corp.

Graphite Energy Corp. (the "GRE" or the "Company") was incorporated on October 14, 2016 under the laws of the province of British Columbia, Canada, and its principal activity is the acquisition and exploration of mineral properties in Canada. The Company's shares are listed on the Canadian Security Exchange ("CSE"). During the year ended June 30, 2019, the Company completed a 10 for 1 share consolidation. All references to the number of shares and per share amounts have retroactively restated to reflect the consolidation.

The head office and principal address of the Company is located at 789 West Pender Street, Suite 1510, Vancouver, British Columbia, Canada, V6C 1H2. The Company's registered and records office address is 221 West Esplanade, Suite 409, North Vancouver, British Columbia, Canada, V7M 3J3.

Graphite is a reporting issuer or the equivalent in each of the Provinces of Canada except Quebec.

About World Farms Corp.

World Farms Corp. ("**WFC**") was incorporated under the Business Corporations Act (British Columbia) on November 7, 2018. The Company's head office is located at Suite 605 – 815 Hornby Street, Vancouver, British Columbia, V6Z 2E6.

WFC is not a reporting issuer in any jurisdiction and the common shares in the capital of WFC ("**WFC Common Shares**") are not listed or posted for trading on the CSE or any other stock exchange. WFC has one wholly owned subsidiary, Exterra Pharma d.o.o., Croatia.

The Transaction

On May 7, 2019, GRE and WFC entered into a letter of intent, as extended and amended (the "**LOI**") pursuant to which WFC agreed to acquire all of the issued and outstanding WFC Common Shares and other outstanding securities of WFC.

On June 25, 2019, WFC and GRE entered into an amalgamation agreement (the "**Amalgamation Agreement**") pursuant to which WFC and GRE shall amalgamate to form an amalgamated corporation (the "**Resulting Issuer**") expected to be named "World Farms Corp." (the "**Transaction**"). Further in connection with the Transaction, GRE and WFC shall amalgamate to form the Resulting Issuer whereby all of the issued and outstanding WFC Common Shares and GRE Common Shares shall be exchanged for common shares of the Resulting Issuer ("**Resulting Issuer Shares**") at a ratio of one Resulting Issuer Share for one WFC Common Share or GRE Common Share (the "**Exchange Ratio**"). In addition, all of the outstanding securities of WFC and GRE convertible into WFC Common Shares or GRE Common Shares, as applicable, shall be exchanged for securities of the Resulting Issuer convertible into Resulting Issuer Shares on the same basis as the Exchange Ratio.

GRAPHITE ENERGY CORP.

NOTES TO PRO-FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2019

(Expressed in Canadian Dollars)

(Unaudited)

1. PROPOSED TRANSACTION

Upon the completion of the Transaction it is intended the Resulting Issuer will be named World Farms Corp. and current shareholders of WFC will own a controlling interest in the Resulting Issuer.

In connection with the Transaction, WFC shall undertake a private placement of units of WFC ("**WFC Units**") to raise an aggregate of approximately \$3,000,000 or such other amount as may be required by the CSE to meet its working capital requirements and as agreed to in writing between WFC and GRE (the "**Financing**") by the issuance of approximately 10,000,000 WFC Units at a price of no less than \$0.30 per WFC Unit. Each WFC Unit shall be comprised of (i) one WFC Common Share and (ii) one WFC Common Share purchase warrant exercisable at \$1.00 for a period of twenty-four months from the date of closing of the Financing to acquire one additional WFC Common Share. The Financing is expected to close no later than one business day before the effective date of the Amalgamation. In connection with the Financing, certain persons who introduce subscribers to WFC (each a "**Finder**") will receive a Finder's fee, subject to certain limitations for subscribers on a president's list, comprised of (i) a cash commission of 8% of the gross proceeds derived from subscribers introduced to WFC by the Finder; and (ii) that number of WFC Common Share purchase warrants equal to 8% of the aggregate number of WFC Units subscribed for by subscribers introduced to WFC by the Finder each exercisable at a price of \$1.00 for a period of twelve months from the date of closing of the Financing to acquire one WFC Common Share. The boards of directors of GRE and WFC have each unanimously approved the terms of the Amalgamation Agreement.

The Amalgamation Agreement will be subject to certain customary conditions including approval by the shareholders of each of GRE and WFC and various regulatory approvals including the approval of the CSE. The Amalgamation Agreement contains customary terms, conditions, conditions precedent and closing obligations for transactions of this nature, including completion of the consolidation of GRE Common Shares and continuance of GRE from the Province of British Columbia.

2. BASIS OF PRESENTATION

The unaudited pro-forma consolidated statement of financial position of the Resulting Issuer gives effect to the Transaction as described above. In substance, the Transaction involves WFC shareholders obtaining control of GRE and accordingly the Transaction will be considered to be a reverse takeover transaction ("**RTO**"). As GRE does not meet the definition of a business under International Financial Reporting Standards ("**IFRS**"), the consolidated statement of financial position of the consolidated entity will represent the continuation of WFC. The Transaction has been accounted for as a share-based payment by which WFC acquired the net liabilities and listing status of GRE. Accordingly, the accompanying unaudited pro-forma consolidated statement of financial position of the Resulting Issuer has been prepared by management using the same accounting policies as described in WFC's and the Company's audited consolidated financial statements.

The unaudited pro-forma consolidated statement of financial position is not necessarily indicative of the Resulting Issuer's consolidated financial position on closing of the Transaction had the Transaction closed on the dates assumed herein.

The unaudited pro-forma consolidated statement of financial position has been compiled from information derived from and should be read in conjunction with the following information, prepared in accordance with IFRS:

- WFC's audited consolidated financial statements for the period ended March 31, 2019;
- WFC's unaudited consolidated interim financial statement for the periods ended June 30, 2019; and
- GRE's audited financial statements for the years ended June 31, 2019 and 2018.

GRAPHITE ENERGY CORP.

NOTES TO PRO-FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2019

(Expressed in Canadian Dollars)

(Unaudited)

3. UNAUDITED PRO-FORMA ASSUMPTIONS AND ADJUSTMENTS

The unaudited pro-forma consolidated statement of financial position gives effect had the Transaction been completed on June 30, 2019. Consequential adjustments to the accumulated deficit are based on the transaction described in Note 3(a).

The unaudited pro-forma consolidated statement of financial position has been prepared based on the following assumptions:

- a) Pursuant to the terms of the Amalgamation Agreement, the Resulting Issuer will issue one Resulting Issuer Share for each WFC Common Share and GRE Common Share issued and outstanding after giving effect to the consolidation of GRE Common Shares resulting in the issuance of an aggregate of approximately 74,812,360 to holders of GRE Common Shares and WFC Common Shares. In addition, all outstanding securities of WFC and GRE convertible into WFC Common Shares and GRE Common Shares will be exchanged on the basis of the Exchange Ratio resulting in an aggregate of 22,422,844 Resulting Issuer stock purchase warrants being issued.
- b) As a result of the Transaction, the current shareholders of WFC will acquire control of the Resulting Issuer and the Transaction as undertaken pursuant to the Amalgamation Agreement will be treated as an RTO transaction. The Transaction will be accounted for as an acquisition of the net liabilities and listing status of GRE by WFC via a share-based payment. The excess of the estimated fair value of the equity instruments that WFC is deemed to have issued to acquire GRE, plus the transaction costs (both the “**Consideration**”) and the estimated fair value of GRE’s net liabilities, will be recorded as the cost of obtaining the listing.
- c) For the purposes of the pro-forma consolidated statement of financial position, management of WFC has estimated the fair value of the equity instruments deemed to be issued by WFC. The fair value of the 2,816,050 GRE Common Shares amounted to \$844,815, based on the proposed Financing of \$0.30 per WFC Common Share and the Exchange Ratio.
- d) WFC has estimated the transaction costs to be \$250,000.
- e) The pro-forma statement of financial position assumes WFC completes its Financing for gross proceeds of \$3,000,000 at a price of \$0.30 per WFC Unit, resulting in the issuance of 10,000,000 WFC Units. Of the \$3,000,000, \$606,420 in proceeds have been received as of June 30, 2019. In connection with the Financing, WFC will pay the Finders an 8% cash commission based on the gross proceeds raised in connection with the Financing (subject to certain limitations for subscribers on the president’s list) and will issue to the Finders common share purchase warrants with a fair value of \$23,000, exercisable for a period of 12 months following the closing date of the Financing, to acquire, in aggregate, that number of WFC Common Shares at an exercise price of \$1.00 per share equal to 8% of the number of WFC Common Shares sold pursuant to the Financing (subject to certain limitations for subscribers on the president’s list). The fair value of the WFC Common Share purchase warrants was estimated using the Black-Scholes option pricing model applying a market price of \$0.30, an exercise price of \$1.00, a risk free rate of 1.38%, an expected volatility of 120% and an expected dividend yield of 0%. The cash commission and the fair value of the WFC Common Share purchase warrants will be recorded as a share issue costs.

GRAPHITE ENERGY CORP.**NOTES TO PRO-FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

AS AT JUNE 30, 2019

(Expressed in Canadian Dollars)

(Unaudited)

3. UNAUDITED PRO-FORMA ASSUMPTIONS AND ADJUSTMENTS

The allocation of the Consideration for the purposes of the pro-forma consolidated statement of financial position is as follows:

Net liabilities assumed:

Cash	\$ (1,764)
Other assets	(13,365)
Current liabilities assumed	<u>318,595</u>
Net liabilities assumed	303,466
Consideration given	<u>1,094,815</u>
	<u>\$ 1,398,281</u>

Consideration given:

Value of common shares issued by the Company	\$ 844,815
Stock options deemed to be issued by the Company	-
Legal and other transaction costs	<u>250,000</u>
	<u>\$ 1,094,815</u>

There will be an elimination of GRE's pre-acquisition deficiency of \$303,466.

4. PRO-FORMA SHAREHOLDERS' EQUITY

As a result of the Transaction and the pro-forma assumptions and adjustments, the shareholders' equity of the Resulting Issuer as at June 30, 2019 is comprised of the following:

	Notes	Share Capital		Contributed Surplus and AOCI(\$)	Share Subscriptions(\$)	Deficit (\$)	Total (\$)
		Shares	Capital Stock (\$)				
Balance at June 30,2019 *		2,816,050	1,617,389	-	-	(1,920,855)	(303,466)
RTO transaction	3(a)	-	(1,617,389)	-	-	1,920,855	303,466
WFC equity accounts – June 30, 2019 **	3(a)	-	3,847,842	116,205	606,420	(3,579,713)	990,754
Issuance of common shares for WFC	3(a)	68,989,554	844,815	-	-	-	844,815
Listing costs		-	-	-	-	(1,398,281)	(1,398,281)
WFC Common Shares issued in Financing	3 (e)	10,000,000	3,000,000	-	(606,420)	-	2,393,580
Agent's Cash Commission	3(e)	-	(240,000)	-	-	-	(240,000)
Agent's Warrants	3(e)	-	(23,000)	23,000	-	-	-
		<u>81,805,604</u>	<u>7,429,657</u>	<u>139,205</u>	<u>-</u>	<u>(4,977,994)</u>	<u>2,590,868</u>

Notes:

5. INCOME TAXES

The effective income tax rate applicable to the consolidated operations is estimated to be 27%.

SCHEDULE "B"

CORPORATE GOVERNANCE POLICY

CORPORATE GOVERNANCE DISCLOSURE (FORM 58-101F2)

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 Corporation. The Board is committed to sound corporate governance practices which are both in the interest of its Shareholders and contribute to effective and efficient decision making.

National Policy 58-201 – *Corporate Governance Guidelines* establishes corporate governance guidelines applicable to reporting issuers. The Corporation has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Corporation’s practices comply with the guidelines; however, the Board considers that some of the guidelines are not suitable for the Corporation at its current stage of development and therefore these guidelines have not been adopted. National Instrument 58-101 – *Disclosure of Corporate Governance Practices* mandates disclosure of corporate governance practices, which disclosure is set out below.

1. **Board of Directors** — Disclose how the board of directors (the board) facilitates its exercise of independent supervision over management, including
 - (i) the identity of directors that are independent; and
Christopher Cherry, Rodney Campbell and Robert Nigel Horsley
 - (ii) the identity of directors who are not independent, and the basis for that determination.
Teresa Cherry and Adrian Hobkirk

In determining whether a director is independent, the Corporation chiefly considers whether the director has a relationship which could, or could be perceived to interfere with the director’s exercise of independent judgement.

Adrian Hobkrik and Teresa Cherry are currently the Chief Executive Officer and Chief Financial Officer, respectively, of the Corporation and therefore do not satisfy the definition of “Independent” as that term is defined in NI 52-110.

2. **Directorships** — If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.

The directors of the Corporation are directors of other reporting issuers (or equivalent) in a jurisdiction or a foreign jurisdiction as follows:

<i>Name of Director</i>	<i>Issuer</i>
<i>Adrian Hobkirk</i>	<i>Corsurex Resources Corp. NRG Metals Inc.</i>
<i>Teresa Cherry</i>	<i>N/A</i>
<i>Robert Nigel Horsley</i>	<i>N/A</i>
<i>Christopher Cherry</i>	<i>Anquiuro Ventures Ltd American Biofuels Inc. Clydesdale Resources Inc. Block One Capital Inc. (formerly Essex Angel Capital Inc.) Corsurex Resource Corp. (formerly Gold Port Resources) Harvest Gold Corporation NRG Metals Inc. Petrichor Energy Inc.</i>
<i>Rodney Campbell</i>	<i>N/A</i>

3. **Orientation and Continuing Education** — Describe what steps, if any, the board takes to orient new board members, and describe any measures the board takes to provide continuing education for directors.

The Corporation has not developed an official orientation or training program for new directors. As required, new directors will have the opportunity to become familiar with the Corporation by meeting with other directors and its officers and employees. Orientation activities will be tailored to the particular needs and expertise of each director and the overall needs of the Board.

4. **Ethical Business Conduct** — Describe what steps, if any, the board takes to encourage and promote a culture of ethical business conduct.

The Corporation does not currently have a formal code of business conduct or policy in place for its directors, officers, employees and consultants. The Board believes that the Corporation's size facilitates informal review of and discussions with employees and consultants.

The Board monitors ethical conduct of the Corporation and ensures that it complies with applicable legal and regulatory requirements, such as those of relevant securities commissions and stock exchanges. The Board has found that the fiduciary duties placed on individual directors by the Corporation's governing corporate legislation and the common law, as well as the restrictions placed by applicable corporate legislation on the 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 Corporation.

5. **Nomination of Directors** — Disclose what steps, if any, are taken to identify new candidates for board nomination, including:

- (i) who identifies new candidates, and
- (ii) the process of identifying new candidates.

The Board has not appointed a nominating committee as the Board fulfills these functions as a whole. When the Board identifies the need to fill a position on the Board, the Board requests that current directors forward potential candidates for consideration.

6. **Compensation** — Disclose what steps, if any, are taken to determine compensation for the directors and CEO, including:

- (i) who determines compensation, and

Management of the Corporation is responsible for making recommendations to the Board with respect to compensation for the directors and the CEO. The Board has the ability to adjust and approve such compensation.

(ii) the process of determining compensation.

Market comparisons as well as evaluation of similar positions in different industries in the same geography are the criteria used in determining compensation.

7. **Other Board Committees** — If the board has standing committees other than the audit and compensation identify the committees and describe their function.

The Corporation does not have any other committees other than the audit committee.

8. **Assessments** — Disclose what steps, if any, that the board takes to satisfy itself that the board, its committees, and its individual directors are performing effectively.

The Board takes responsibility for monitoring and assessing its effectiveness and the performance of individual directors, its committees, including reviewing the Board's decision-making processes and the quality of information provided by management.

SCHEDULE "C"

GRAPHITE ENERGY CORP. (the "Corporation")

AUDIT COMMITTEE CHARTER

1. Mandate

The Audit Committee will be responsible for managing, on behalf of shareholders of the Corporation, the relationship between the Corporation and the external auditors. In particular, the Audit Committee will have responsibility for the matters set out in this Charter, which include:

- (a) overseeing the work of external auditors engaged for the purpose of preparing or issuing an auditing report or related work;
- (b) recommending to the board of directors the nomination and compensation of the external auditors;
- (c) reviewing significant accounting and reporting issues;
- (d) reviewing the Corporation's financial statements, MD&A and earnings press releases before the Corporation publicly discloses this information;
- (e) focusing on judgmental areas such as those involving valuations of assets and liabilities;
- (f) considering management's handling of proposed audit adjustments identified by external auditors;
- (g) being satisfied that all regulatory compliance matters have been considered in the preparation of the financial statements of the Corporation;
- (h) establishing procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and
- (i) evaluating whether management is setting the appropriate tone by communicating the importance of internal control and ensuring that all individuals possess an understanding of their roles and responsibilities.

2. Membership of the Audit Committee

Composition

The audit committee will be comprised of at least such number of directors as required to satisfy the audit committee composition requirements of National Instrument 52-110, as amended from time to time. Each member will be a director of the Corporation.

Independence

The Audit Committee will be comprised of a number of independent directors required to enable the Corporation to satisfy:

- (a) the independent director requirements for audit committee composition required by National Instrument 52-110, as amended from time to time, and
- (b) the independent director requirements of the applicable stock exchange, or such other stock exchange on which the Corporation's shares are traded from time to time.

Chair

The Audit Committee shall select from its membership a chair. The job description of the chair is attached as Exhibit 1 hereto.

Expertise of Audit Committee Members

Each member of the Audit Committee must be financially literate. Financially literate means the ability to read and understand a set of financial statements that represent 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 Corporation's financial statements.

Financial Expert

The Corporation will strive to include a financial expert on the Audit Committee. An Audit Committee financial expert means a person having: (i) an understanding of financial statements and accounting principles; (ii) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves; (iii) experience in preparing, auditing, analyzing or evaluating financial statements that present a similar breadth and level of complexity as the Corporation's statements; (iv) an understanding of internal controls; and (v) an understanding of an Audit Committee's functions.

3. Meetings of the Audit Committee

The Audit Committee must meet in accordance with a schedule established each year by the board of directors, and at other times as the Audit Committee may determine. A quorum for transaction of business in any meeting of the Audit Committee is a majority of members. At least twice a year, the Audit Committee must meet with the Corporation's chief financial officer and external auditors separately.

4. Responsibilities of the Audit Committee

The Audit Committee will be responsible for managing, on behalf of the shareholders of the Corporation, the relationship between the Corporation and the external auditors. In particular, the Audit Committee has the following responsibilities:

External Auditors

- (a) the Audit Committee must recommend to the board of directors:
 - (i) the external auditors to be nominated for the purpose of preparing or issuing an audit report or performing other audit or review services for the Corporation; and
 - (ii) the compensation of the external auditors;
- (b) the Audit Committee must be directly responsible for overseeing the work of the external auditors engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditors regarding financial reporting;
- (c) with respect to non-audit services:
 - (i) the Audit Committee must pre-approve all non-audit services provided to the Corporation or its subsidiaries by its external auditors or the external auditors of the Corporation's subsidiaries, except for tax planning and transaction support services in an amount not to exceed \$15,000 for each service in a fiscal year; and

- (ii) the Audit Committee must pre-approve all non-audit services provided to the Corporation or its subsidiaries by its external auditors or the external auditors of the Corporation's subsidiaries, except *de minimis* non-audit services as defined in applicable law.
- (d) the Audit Committee must also:
- (i) review the auditors' proposed audit scope and approach;
 - (ii) review the performance of the auditors; and
 - (iii) review and confirm the independence of the auditors by obtaining statements from the auditors on relationships between the auditors and the Corporation, including non-audit services, and discussing the relationships with the auditors;

Accounting Issues

- (e) the Audit Committee must:
- (i) review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on the financial statements; and,
 - (ii) ask management and the external auditors about significant risks and exposures and plans to minimize such risks.

Financial Statements, MD&A and Press Releases

- (f) the Audit Committee must:
- (i) review the Corporation's financial statements, MD&A and earnings press releases before the Corporation publicly discloses this information;
 - (ii) in reviewing the annual financial statements, determine whether they are complete and consistent with the information known to committee members, and assess whether the financial statements reflect appropriate accounting principles;
 - (iii) pay particular attention to complex and/or unusual transactions such as restructuring charges and derivative disclosures;
 - (iv) focus on judgmental areas such as those involving valuation of assets and liabilities, including, for example, the accounting for and disclosure of loan losses, warranty, professional liability, litigation reserves and other commitments and contingencies;
 - (v) consider management's handling of proposed audit adjustments identified by the external auditors;
 - (vi) ensure that the external auditors communicate certain required matters to the committee;
 - (vii) be satisfied that adequate procedures are in place for the review of the Corporation's disclosure of financial information extracted or derived from the Corporation's financial statements, other than the disclosure referred to in paragraph (f)(i) (above), and must periodically assess the adequacy of those procedures;
 - (viii) be briefed on how management develops and summarizes quarterly financial information, the extent to which the external auditors review quarterly financial information and whether that review is

performed on a pre- or post-issuance basis;

- (ix) meet with management, either telephonically or in person to review the interim financial statements;
- (x) to gain insight into the fairness of the interim statements and disclosures, the Audit Committee must obtain explanations from management on whether:
 - (a) actual financial results for the quarter or interim period varied significantly from budgeted or projected results;
 - (b) changes in financial ratios and relationships in the interim financial statements are consistent with changes in the Corporation's operations and financing practices;
 - (c) generally accepted accounting principles have been consistently applied;
 - (d) there are any actual or proposed changes in accounting or financial reporting practices;
 - (e) there are any significant or unusual events or transactions;
 - (f) the Corporation's financial and operating controls are functioning effectively;
 - (g) the Corporation has complied with the terms of loan agreements or security indentures; and
 - (h) the interim financial statements contain adequate and appropriate disclosures;

Compliance with Laws and Regulations

- (g) the Audit Committee must:
 - (i) periodically obtain updates from management regarding compliance;
 - (ii) be satisfied that all regulatory compliance matters have been considered in the preparation of the financial statements;
 - (iii) review the findings of any examinations by regulatory agencies such as the Ontario Securities Commission; and
 - (iv) review, with the Corporation's counsel, any legal matters that could have a significant impact on the Corporation's financial statements;

Employee Complaints

- (h) the Audit Committee must establish procedures for:
 - (i) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and
 - (ii) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters;

Other Responsibilities

- (i) the Audit Committee must:

- (i) review and approve the Corporation's hiring policies of employees and former employees of the present and former external auditors of the Corporation;
- (ii) evaluate whether management is setting the appropriate tone by communicating the importance of internal control and ensuring that all individuals possess an understanding of their roles and responsibilities;
- (iv) focus on the extent to which internal and external auditors review computer systems and applications, the security of such systems and applications, and the contingency plan for processing financial information in the event of a systems breakdown;
- (v) gain an understanding of whether internal control recommendations made by external auditors have been implemented by management;
- (vi) periodically review and reassess the adequacy of this Charter and recommend any proposed changes to the Corporate Governance and Nominating Committee and the board for approval;
- (vii) review, and if deemed appropriate, approve expense reimbursement requests that are submitted by the chief executive officer or the chief financial officer to the Corporation for payment;
- (viii) assist the board to identify the principal risks of the Corporation's business and, with management, establish systems and procedures to ensure that these risks are monitored; and
- (ix) carry out other duties or responsibilities expressly delegated to the Audit Committee by the board.

5. Authority of the Audit Committee

The Audit Committee shall have the authority to:

- (a) engage independent counsel and other advisors as it determines necessary to carry out its duties;
- (b) set and pay the compensation for any advisors employed by the Audit Committee; and
- (c) communicate directly with the internal and external auditors.

Exhibit 1 to Audit Committee Charter

The responsibilities of the Audit Committee chair include, among other things:

- (a) managing the affairs of the Committee and monitoring its effectiveness;
- (b) managing the meetings of the Committee by ensuring meaningful agendas are prepared and guiding deliberations of the Committee so that appropriate decisions and recommendations are made; and
- (c) setting up agendas for meetings of the Committee and ensuring that all matters delegated to the Committee by the board are being dealt with at the Committee level during the course of the year.