



**INFORMATION CIRCULAR  
FOR THE 2022 ANNUAL GENERAL MEETING**

This information is given as of **October 5, 2022**, unless otherwise noted.

**The Company is conducting the Meeting virtually. Registered shareholders and validly appointed proxyholders may attend the Meeting via Zoom at:**

<https://us06web.zoom.us/j/83048148407?pwd=SzJ0TVFsamE1VjJ6Nnh1S3dhcUx2UT09>

**Meeting ID: 830 4814 8407**

**Passcode: 468440**

**SOLICITATION OF PROXIES**

This Information Circular is furnished in connection with the solicitation of proxies by the management of **ENTHEON BIOMEDICAL CORP.** (the "**Company**") for use at the Annual General Meeting (the "**Meeting**") of the shareholders of the Company, to be held at the time and place and for the purposes set forth in the accompanying Notice of Meeting and at any adjournment thereof.

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

By choosing to send these materials to you directly, the Company (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

**PERSONS OR COMPANIES MAKING THE SOLICITATION**

**The enclosed instrument of proxy is solicited by management.** Solicitations will be made by mail and possibly supplemented by telephone or other personal contact to be made without special compensation by regular officers and employees of the Company. The Company may reimburse shareholders' nominees or agents (including brokers holding shares on behalf of clients) for the cost incurred in obtaining authorization from their principals to execute the instrument of proxy. None of the directors of the Company (the "**Board**" or the "**Directors**") have advised management in writing that they intend to oppose any action intended to be taken by management as set forth in this Information Circular.

**APPOINTMENT AND REVOCATION OF PROXIES**

The persons named in the accompanying instrument of proxy are directors or officers of the Company. **A shareholder has the right to appoint a person to attend and act for him or her on his or her behalf at the Meeting other than the persons named in the enclosed instrument of proxy. To exercise this right, a shareholder shall strike out the names of the persons named in the instrument of proxy and insert the name of his or her nominee in the blank space provided, or complete another instrument of proxy.**

**The completed instrument of proxy must be dated and signed and the duly completed instrument of proxy must be deposited at the Company's transfer agent, Olympia Trust Company ("Olympia"), by fax to 1-403-668-8307, by email to [proxy@olympiatrust.com](mailto:proxy@olympiatrust.com), or by mail/hand delivery to Suite 1900, 925 West Georgia Street, Vancouver, BC V6C 3L2, at least 48 hours before the time of the Meeting or any adjournment thereof, excluding Saturdays, Sundays and holidays, which is on or before 10:00 am Pacific Standard Time on November 2, 2022.**

The instrument of proxy must be signed by the shareholder or by his or her duly authorized attorney. If signed by a duly authorized attorney, the instrument of proxy must be accompanied by the original power of attorney or a notarially certified copy thereof. If the shareholder is a corporation, the instrument of proxy must be signed by a duly authorized attorney, officer, or corporate representative, and must be accompanied by the original power of attorney or document whereby the duly authorized officer or corporate representative derives his power, as the case may be, or a notarially certified copy thereof. The Chairman of the Meeting has discretionary authority to accept proxies which do not strictly conform to the foregoing requirements.

**In addition to revocation in any other manner permitted by law, a shareholder may revoke a proxy by (a) signing a proxy bearing a later date and depositing it at the place and within the time aforesaid, (b) signing and dating a written notice of revocation (in the same manner as the instrument of proxy is required to be executed as set out in the notes to the instrument of proxy) and depositing it at the place and within the time aforesaid or (c) registering with the scrutineer at the Meeting as a shareholder present in person, whereupon such proxy shall be deemed to have been revoked.**

### **VOTING OF SHARES AND EXERCISE OF DISCRETION OF PROXIES**

On any poll, the persons named in the enclosed instrument of proxy will vote the shares in respect of which they are appointed and, where directions are given by the shareholder in respect of voting for or against any resolution, will do so in accordance with such direction.

**In the absence of any direction in the instrument of proxy, it is intended that such shares will be voted in favour of the resolutions placed before the Meeting by management and for the election of the management nominees for directors and auditor, as stated under the headings in this Information Circular.**

The instrument of proxy enclosed, when properly completed and deposited, confers discretionary authority with respect to amendments or variations to the matters identified in the Notice of Meeting and with respect to any other matters which may be properly brought before the Meeting. At the time of printing of this Information Circular, the management of the Company is not aware that any such amendments, variations or other matters are to be presented for action at the Meeting. However, if any such amendments, variations or other matters should properly come before the Meeting, the proxies hereby solicited will be voted thereon in accordance with the best judgement of the nominee.

#### **Registered Shareholders**

As stated above, registered shareholders may wish to vote by proxy whether or not they are able to attend the Meeting virtually. Registered shareholders electing to submit a proxy may do so by:

- (a) completing, dating and signing the enclosed Proxy and returning it to Olympia by fax to 1-403-668-8307, by email to proxy@olympiatrust.com, or by mail/hand delivery to Suite 1900, 925 West Georgia Street, Vancouver, BC V6C 3L2; or
- (b) using the internet at Olympia's website, <https://css.olympiatrust.com/pxlogin>. Registered shareholders must follow the instructions that appear on the screen and refer to the enclosed Proxy for the holder's 12-digit control number.

in all cases ensuring that the Proxy is received at least 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or any adjournment thereof at which the Proxy is to be used.

#### **Non-Registered Shareholders**

**Only shareholders whose names appear on the records of the Company as the registered holders of shares or duly appointed proxyholders are permitted to vote at the Meeting.** Most of the Company's shareholders are "non-registered" shareholders because the shares they own are not registered in their names but are instead registered in the name of a nominee such as: (a) a brokerage firm through which they purchased the shares; (b) a bank, trust company, trustee or administrator of a self-administered RRSP, RRIF, RESP or similar plan; or (c) a clearing agency such as The Canadian Depository for Securities Limited (a "Nominee"). If

you purchased your shares through a broker, you are likely a NON-registered holder. Non-registered holders who have not objected to their Nominee disclosing certain ownership information about themselves to the Company are referred to as non-objecting beneficial owners or “**NOBOs**”. Those non-registered holders who have objected to disclosing ownership information about themselves to the Company are referred to as objecting beneficial owners or “**OBOs**”.

In accordance with securities regulatory policy, the Company has distributed copies of the Notice of Meeting, this Information Circular and the Proxy (the “**Meeting Materials**”) to the Nominees for distribution to non-registered holders.

Nominees are required to forward the Meeting Materials to non-registered holders to seek their voting instructions in advance of the Meeting. Shares held by Nominees can only be voted in accordance with the instructions of the non-registered holder. The Nominees often have their own form of proxy, mailing procedures and provide their own return instructions. If you wish to vote by proxy, you should carefully follow the instructions from the Nominee in order that your shares are voted at the Meeting.

Meeting Materials sent to non-registered holders who have not waived the right to receive Meeting Materials are accompanied by a request for voting instructions (a “**VIF**”). This form is used instead of a proxy. By returning the VIF in accordance with the instructions noted on it, a non-registered shareholder is able to instruct the registered shareholder (or Nominee) how to vote on behalf of the non-registered shareholder. VIFs, whether provided by the Company or by a Nominee, should be completed and returned in accordance with the specific instructions noted on the VIF.

If you, as a non-registered holder, wish to vote at the Meeting virtually, you should appoint yourself as proxyholder by writing your name in the space provided on the request for voting instructions or proxy provided by the Nominee and return the form to the Nominee in the envelope provided. Do not complete the voting section of the form as your vote will be taken at the Meeting.

In either case, the purpose of this procedure is to permit non-registered shareholders to direct the voting of the shares which they beneficially own. If a non-registered holder who receives a VIF wishes to attend the Meeting or have someone else attend on his, her or its behalf, the non-registered shareholder may appoint a legal proxy as set forth in the VIF, which will give the non-registered shareholder or his, her or its nominee the right to attend and vote at the Meeting. Non-registered shareholders should carefully follow the instructions set out in the VIF including those regarding when and where the VIF is to be delivered.

In addition, Canadian securities legislation now permits the Company to forward Meeting Materials directly to NOBOs. If the Company or its agent has sent these materials directly to you (instead of through a Nominee), your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Nominee holding on your behalf. By choosing to send these materials to you directly, the Company (and not the Nominee holding on your behalf) has assumed responsibility for: (i) delivering these materials to you; and (ii) executing your proper voting instructions.

### **Notice to Shareholders in the United States**

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

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

be difficult to compel a foreign company and its officers and directors to subject themselves to a judgment by a United States court.

## **VOTING SHARES AND PRINCIPAL HOLDERS THEREOF**

### **Record Date**

Only shareholders of record at the close of business on the **September 30, 2022**, who either personally attend the Meeting virtually or who complete and deliver the Proxy in the manner and subject to the provisions set out under the heading "Appointment and Revocation of Proxies" will be entitled to have his or her shares voted at the Meeting or any adjournment thereof.

### **Voting Securities**

On **September 30, 2022**, there were **59,089,266** common shares without par value issued and outstanding, each share carrying the right to one vote. At a general meeting of the Company, every shareholder shall have one vote and, on a poll, every shareholder shall have one vote for each share of which he or she is the holder.

### **Principal Holders**

To the knowledge of the Directors and executive officers of the Company, there are no shareholders who beneficially own, directly or indirectly, or exercise control or direction over, shares carrying more than 10% of the voting rights attached to all outstanding shares of the Company.

### **Votes Necessary to Pass Resolutions at the Meeting**

Under the Company's By-Laws, the quorum for the transaction of business at the Meeting consists of two (2) shareholders who are present in person or represented by proxy.

In order to approve a motion proposed at the Meeting, a majority of greater than 50% of the votes cast will be required (an "**Ordinary Resolution**").

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

Other than as disclosed below and elsewhere in this Information Circular, none of the Directors or executive officers of the Company, no proposed nominee for election as a director of the Company, none of the persons who have been directors or executive officers of the Company since the commencement of the Company's last completed fiscal year and no 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.

## **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

For the purposes of this Information Circular, "informed person" means:

- (a) a Director or executive officer of the Company;
- (b) a Director or executive officer of a person or company that is itself an informed person or subsidiary of the Company;
- (c) any person or company who beneficially owns, directly or indirectly, voting securities of the Company or who exercises control or direction over voting securities of the Company, or a combination of both, carrying more than 10% of the voting rights attached to all outstanding voting securities of the Company, other than voting securities held by the person or company as underwriter in the course of a distribution; and
- (d) the Company if it has purchased, redeemed or otherwise acquired any of its own securities, for so long as it holds any of its securities.

The Company was a party to the following material transactions with informed persons:

- (a) certain of the Directors and executive officers of the Company may be paid pursuant to written employment agreements or consulting agreements, or receive Directors' fees or wages. See sub-heading "Employment, Consulting and Management Agreements or Arrangements" under the heading "Statement of Executive Compensation – Venture Issuer"; and
- (b) Directors and officers of the Company have been granted stock options under the Company's Stock Option Plan and will continue to be eligible to be granted stock options under the Stock Option Plan as well as Restricted Share Units under the Company's Restricted Share Unit Plan.

Other than as disclosed above and elsewhere in this Information Circular, no informed person, no proposed director of the Company and no associate or affiliate of any such informed person or proposed director, has any material interest, direct or indirect, in any material transaction since the commencement of the Company's last completed fiscal year or in any proposed transaction, which, in either case, has materially affected or will materially affect the Company or any of its subsidiaries.

### STATEMENT OF EXECUTIVE COMPENSATION

The following disclosure complies with the requirements of Form 51-102F6V *Statement of Executive Compensation – Venture Issuers, for the Company during its fiscal year ending November 30, 2021.*

For the purposes of this statement, the following definitions apply:

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

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

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

(a) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief executive officer, including an individual performing functions similar to a chief executive officer;

(b) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief financial officer, including an individual performing functions similar to a chief financial officer;

(c) in respect of the company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5), for that financial year;

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

**"plan"** includes any plan, contract, authorization, or arrangement, whether or not set out in any formal document, where cash, compensation securities or any other property may be received, whether for one or more persons;

**"underlying securities"** means any securities issuable on conversion, exchange or exercise of compensation securities.

For the purposes of the following disclosure, the Company's NEOs for the year ended November 30, 2021 are:

- (a) Timothy Ko, CEO; and
- (b) Brandon Schwabe, CFO.

### Director and Named Executive Compensation

The following is a summary of compensation (excluding compensation securities) paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, to the directors and NEOs for each of the Company's two most recent completed financial years: a) November 31, 2021; and b) from April 1, 2020 to November 30, 2020:

Table of compensation excluding compensation securities						
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of all other compensation (\$)	Total Compensation (\$)
<b>Timothy Ko</b> <sup>(1)</sup> President, CEO & Director	a	134,269	Nil	Nil	Nil	134,269
	b	9,000	Nil	Nil	Nil	9,000
<b>Brandon Schwabe</b> <sup>(2)</sup> CFO	a	110,500	Nil	Nil	Nil	110,500
	b	7,615	Nil	Nil	Nil	7,615
<b>Andrew Hegle</b> <sup>(3)</sup> Chief Science Officer & Director	a	120,461	Nil	Nil	Nil	120,461
	b	8,307	Nil	Nil	Nil	8,307
<b>Christopher Sumeet Babu Gondi</b> <sup>(4)</sup> Director	a	12,000	Nil	Nil	Nil	12,000
	b	857	Nil	Nil	Nil	857
<b>Ruth Chun</b> <sup>(5)</sup> Director	a	21,000	Nil	Nil	Nil	21,000
	b	1,143	Nil	355	N/A	1,498
<b>Jean Francois-Perras</b> <sup>(6)</sup> Former President, CEO & Director	a	N/A	N/A	N/A	N/A	N/A
	b	75,000	Nil	Nil	Nil	75,000
<b>Nathalie Laurin</b> <sup>(7)</sup> Former Acting CFO	a	N/A	N/A	N/A	N/A	N/A
	b	23,173	Nil	Nil	Nil	23,173
<b>Jean Rainville</b> <sup>(8)</sup> Former Director	a	N/A	N/A	N/A	N/A	N/A
	b	Nil	Nil	Nil	10,000 <sup>(9, 10)</sup>	10,000
<b>Marc-Andre Lavoie</b> <sup>(11)</sup> Former Director	a	N/A	N/A	N/A	N/A	N/A
	b	Nil	Nil	Nil	50,000 <sup>(10, 12)</sup>	50,000
<b>Guy Charette</b> <sup>(13)</sup> Former Director	a	N/A	N/A	N/A	N/A	N/A
	b	Nil	Nil	Nil	50,000 <sup>(10, 14)</sup>	50,000

(1) Mr. Ko was appointed President and CEO and a director on November 5, 2020. Mr. Ko provides services to the Company pursuant to an agreement dated November 3, 2020. For details, see "Employment, Consulting and Management Agreements or Arrangements".

(2) Mr. Schwabe was appointed CFO on November 5, 2020. Mr. Schwabe provides services to the Company pursuant to an agreement dated November 3, 2020, as amended November 16, 2021. For details, see "Employment, Consulting and Management Agreements or Arrangements".

(3) Mr. Hegle was appointed Chief Science Officer and a director on November 5, 2020. Mr. Hegle provides services to the Company pursuant to an agreement dated December 10, 2020. For details, see "Employment, Consulting and Management Agreements or Arrangements".

(4) Mr. Gondi was appointed a director on November 5, 2020. Mr. Gondi provides services to the Company pursuant to an agreement dated January 15, 2021. For details, see "Employment, Consulting and Management Agreements or Arrangements".

(5) Ms. Chun was appointed a director on November 5, 2020. Ms. Chun provides services to the Company pursuant to an agreement dated

November 5, 2020. For details, see "Employment, Consulting and Management Agreements or Arrangements".

(6) Mr. Francois-Perras resigned as President, CEO and a director on November 5, 2020.

(7) Ms. Laurin performed functions similar to a CFO until November 5, 2020;

(8) Mr. Rainville resigned as a director on November 5, 2020.

(9) Paid to 4470524 Canada Inc., a company controlled by Mr. Rainville.

(10) Paid for services relating to the merging acquisition with Entheon Holdings Corp.

(11) Mr. Lavoie resigned as a director on November 5, 2020.

(12) Paid to CXL Capital Inc., a company controlled by Mr. Lavoie.

(13) Mr. Charette resigned as a director on November 5, 2020.

(14) Paid to Gedwal Management Inc., a company controlled by Mr. Charette.

### Stock Options and Other Compensation Securities

During the financial year ended November 30, 2021, the following NEO or directors of the Company were issued or granted compensation securities:

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price	Closing price of security or underlying security on date of grant	Closing price of security or underlying security at year end	Expiry date
<b>Timothy Ko</b> President, CEO & Director	Options	575,000	03Dec2020	\$0.71	\$0.71	\$0.50	03Dec2025
<b>Brandon Schwabe</b> CFO	Options	575,000	03Dec2020	\$0.71	\$0.71	\$0.50	03Dec2025
<b>Andrew Hegle</b> Chief Science Officer & Director	Options	200,000	03Dec2020	\$0.71	\$0.71	\$0.50	03Dec2025
<b>Christopher Sumeet Babu Gondi</b> Director	Options	200,000	03Dec2020	\$0.71	\$0.71	\$0.50	03Dec2025
<b>Ruth Chun</b> Director	Options	250,000	03Dec2020	\$0.71	\$0.71	\$0.50	03Dec2025

### Exercise of Stock Options

During the financial year ended November 30, 2021, no NEO or directors of the Company exercised compensation securities.

### External Management Companies

The Company has not engaged the services of an external management company to provide executive management services to the Company, directly or indirectly.

## **Stock Options and Other Incentive Plans**

The Company has a rolling stock option plan (the “**SOP**”) and rolling restricted share unit plan (the “**RSU Plan**”) for the granting of stock options and restricted share units to the directors, officers, employees and consultants of the Company.

The purpose of granting such stock options and restricted share units is to assist the Company in compensating, attracting, retaining and motivating such persons and to closely align the personal interest of such persons to that of the Company’s shareholders. The allocation of options under the SOP and restricted share units under the RSU Plan is determined by the Compensation and Nomination Committee (the “**Compensation Committee**”) and then recommended to the Board for approval. In determining such allocations, the Compensation Committee considers such factors as previous grants to individuals, overall Company performance, peer company performance, share price performance, the business environment and labour market, the role and performance of the individual in question and, in the case of grants to non-executive directors, the amount of time directed to the Company’s affairs and time expended for serving on the Company’s Audit Committee, Compensation Committee and Special Committee.

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

Other than as described below, the Company has not entered into any agreement or arrangement under which compensation was provided during the most recently completed fiscal year ended November 30, 2021, or is payable in respect of services provided to the Company or any of its subsidiaries that were: (a) performed by a director or NEO, or (b) performed by any other party but are services typically provided by a director or a NEO.

### ***Timothy Ko - President, Chief Executive Officer & Director***

By an agreement dated November 3, 2020, Mr. Ko provides executive employee services to the Company and, in particular, his services as President and CEO, in consideration of \$130,000 per annum payable in bi-weekly installments. For actual amounts paid to Mr. Ko for the financial year ended November 30, 2021, see “Table of Compensation Excluding Compensation Securities”.

The agreement with Mr. Ko provides for termination:

- (a) by Mr. Ko on providing 30 days written notice;
- (b) by the Company without prior notice, if the termination is for just cause, as defined at common law; or
- (c) by the Company without cause, on providing Mr. Ko with 3 months’ written notice plus 2 additional weeks’ notice for each completed year of service up to a maximum of 8 months’ notice, or payment in lieu of.

If within 6 months following a Change of Control of the Company, as defined in the agreement, the Company terminates the Mr. Ko’s employment without just cause pursuant to the Agreement, the Company will:

- i. pay the Employee in lieu of notice pursuant to section (c) above, either through continuing salary, or, in the Company’s sole discretion, as a lump sum (the “Severance Payment”); and
- ii. in addition to the Severance Payment, pay Mr. Ko 6 months’ salary through continuing salary, or, in the Company’s sole discretion, as a lump sum.

### ***Brandon Schwabe – Chief Financial Officer***

By an agreement dated November 3, 2020, as amended November 16, 2021, Mr. Schwabe provides executive employee services to the Company and, in particular, his services as CFO, in consideration of \$120,000 per annum payable in bi-weekly installments. For actual amounts paid to Mr. Schwabe for the financial year ended November 30, 2021, see “Table of Compensation Excluding Compensation Securities”.

The agreement with Mr. Schwabe provides for termination and change of control upon the same terms as the foregoing agreement with Mr. Ko.



**Andrew Hegle – Chief Science Officer & Director**

By an agreement dated December 10, 2020, Mr. Hegle provides executive employee services to the Company and, in particular, his services as Chief Science Officer, in consideration of \$120,000 per annum payable in bi-weekly installments. For actual amounts paid to Mr. Hegle for the financial year ended November 30, 2021, see “Table of Compensation Excluding Compensation Securities”.

The agreement with Mr. Hegle provides for termination and change of control upon the same terms as the foregoing agreements with Mr. Ko and Mr. Schwabe.

**Ruth Chun –Director**

By an agreement dated November 5, 2020, Ms. Chun provides director services to the Company in consideration of \$16,000 per annum payable in quarterly installments and services on the Audit Committee and Compensation Committee in consideration of \$5,000 per annum. For actual amounts paid to Ms. Chun for the financial year ended November 30, 2021, see “Table of Compensation Excluding Compensation Securities”.

The agreement with Ms. Chun provides for termination:

- (a) automatically if Ms. Chun is removed from office by a resolution of the shareholders;
- (b) if Ms. Chun becomes prohibited by law from acting as a director;
- (c) if Ms. Chun resigns in writing;
- (d) if Ms. Chun receives an order made against her;
- (e) if Ms. Chun is unable to perform her duties to the reasonable satisfaction of the board of directors of the Company or by reason of mental incapacity;
- (f) if Ms. Chun is in breach of the *Criminal Code* (Canada);
- (g) if Ms. Chun is in breach of any terms set out in her agreement;
- (h) if Ms. Chun is incompetent, guilty of gross misconduct and/or any serious or persistent negligence or misconduct in respect of her obligations under her agreement; or
- (i) if Ms. Chun refuses after a written warning to carry out the duties reasonably and properly required of her under the terms of her appointment as set out in her agreement.

**Christopher Sumeet Babu Gondi –Director**

By an agreement dated January 15, 2021, Mr. Gondi provides director services to the Company in consideration of \$12,000 per annum payable in quarterly. For actual amounts paid to Mr. Gondi for the financial year ended November 30, 2021, see “Table of Compensation Excluding Compensation Securities”.

The agreement with Mr. Gondi provides for termination upon the same terms as the foregoing agreement with Ms. Chun.

**Oversight and Description of Director and NEO Compensation**

The Compensation Committee of the Company has the responsibility of determining the compensation for the NEOs, directors and other senior management and recommending to the Board for approval. The Compensation Committee is comprised of Timothy Ko, Ruth Chun and Christopher Gondi. Ms. Chun and Mr. Gondi are considered independent in accordance with NI 52-110.

The Company’s compensation objectives include the following:

- to assist the Company in attracting and retaining highly-qualified individuals;
- to create among directors, officers, consultants and employees a sense of ownership in the Company and to align their interests with those of the shareholders; and
- to ensure competitive compensation that is also financially affordable for the Company.

The compensation program is designed to provide competitive levels of compensation. The Company recognizes the need to provide a total compensation package that will attract and retain qualified and experienced executives as well as align the compensation level of each executive to that executive's level of responsibility. In general, the Company's NEOs may receive compensation that is comprised of three components:

- Salary, wages or contractor payments;
- Stock option grants; and/or
- Bonuses.

The objective and reason for this system of compensation is to allow the Company to remain competitive compared to its peers in attracting experienced personnel. The base salary of an NEO is intended to attract and retain executives by providing a reasonable amount of non-contingent remuneration.

The base salary review of each NEO takes into consideration the current competitive market conditions, experience, proven or expected performance, and the particular skills of the NEO. The Compensation Committee relies on the general experience of its members in setting base salary amounts.

Stock option grants are designed to reward the NEOs and directors for success on a similar basis as the shareholders of the Company, although the level of reward provided by a particular stock option grant is dependent upon the volatile stock market.

Any bonuses paid to the NEOs are allocated on an individual basis related to the review by the Compensation Committee of the work planned during the year and the work achieved during the year. The bonuses are paid to reward work done above the base level of expectations set by the base salary, wages or contractor payments.

#### **Pension Disclosure**

The Company has no pension plans that provide for payments or benefits to any NEO at, following or in connection with retirement. The Company also does not have any deferred compensation plans relating to any NEO.

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

The following table sets out information on the Company's equity compensation plans under which common shares are authorized for issuance as of **November 30, 2021**.

<b>Plan Category</b>	<b>Number of Securities to be Issued Upon Exercise of Outstanding Options, RSUs, Warrants and Rights</b>	<b>Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights</b>	<b>Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans</b>
Equity compensation plans approved by securityholders	4,825,000	\$0.65	1,083,926
Equity compensation plans not approved by securityholders	Nil	N/A	N/A
<b>Total</b>	<b>4,825,000</b>		<b>1,083,926</b>

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No executive officer, director, employee, former executive officer, former director, former employee, proposed nominee for election as a director, or associate of any such person has been indebted to the Company or its subsidiaries at any time since the commencement of the Company's last completed fiscal year. No guarantee, support agreement, letter of credit or other similar arrangement or understanding has been provided by the Company or its subsidiaries at any time since the beginning of the most recently completed fiscal year with respect to any indebtedness of any such person.

## APPOINTMENT OF AUDITOR

Manning Elliott LLP, Chartered Accountants of 1700-1030 W Georgia Street, Vancouver, British Columbia, V6E 2Y3 are the auditors of the Company and were first appointed as auditors of the Company on November 5, 2020. **Unless otherwise instructed, the proxies given pursuant to this solicitation will be voted for the re-appointment of Manning Elliott LLP, Chartered Accountants, as the auditors of the Company to hold office for the ensuing year at a remuneration to be fixed by the Directors.**

## MANAGEMENT CONTRACTS

During the Company's most recently completed fiscal year ended November 30, 2021, there were no management functions of the Company, which were to any substantial degree performed by a person other than a director or senior officer of the Company.

## CORPORATE GOVERNANCE

The following disclosure is made pursuant to the Canadian Securities Administrators' National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("NI 58-101") and Form 58-101F2 *Corporate Governance Disclosure (Venture Issuers)*.

### Board of Directors

The Board facilitates its exercise of independent supervision over the Company's management through frequent meetings of the Board. Ruth Chun and Christopher Sumeet Babu Gondi do not have any other material relationship to the Company that would interfere with their ability to act in the best interests of the Company and are considered to be independent directors. Timothy Ko, CEO & President, and Andrew Hegle, Chief Science Officer, would not be considered independent directors as they are executive officers of the Company.

### Other Directorships

Certain directors are presently directors in one or more other reporting issuers, as follows:

Director	Other Issuers
Timothy Ko	N/A
Andrew Hegle	N/A
Ruth Chun	SLANG Worldwide Inc.
Christopher Sumeet Babu Gondi	N/A

### Orientation and Continuing Education

The Company does not provide a formal orientation and education program for new directors. However, any new directors will be given: (a) the opportunity to familiarize themselves with the Company, the current directors and members of management; (b) copies of recently publicly filed documents of the Company, the Company's internal financial information; (c) access to technical experts and consultants; and (d) a summary of significant corporate and securities legislation.

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

### **Nomination of Directors**

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

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

### **Compensation**

The Compensation and Nomination Committee is responsible for recommending to the Board for approval, the compensation paid to directors and executive officers and establishing and reviewing incentive plans for directors, officers and management. For further details, see "Oversight and Description of Director and NEO Compensation".

### **Other Board Committees**

In addition to the Audit Committee and the Compensation and Nomination Committee, the Company has a Disclosure Committee and a Special Committee.

The Disclosure Committee is comprised of three directors: Ruth Chun, Andrew Hegle and Timothy Ko. The Disclosure Committee is responsible for carrying out the mandate set out in the Disclosure, Confidentiality and Insider Trading Policy (the "**DCIT Policy**"). The purpose of the DCIT Policy is to ensure that communications to the investing public about the Company are made in accordance with all applicable legal and regulatory requirements, including National Instrument 51-201, "Disclosure Standards".

The Special Committee is comprised to two directors: Ruth Chun and Christopher Sumeet Babu Gondi. The Special Committee is responsible for carrying out the Mandate of the Special Committee mandate and responsibilities shall be to consider, analyze, review, direct management, negotiate or supervise the negotiation of, and provide advice and recommendations to the Board, with respect to certain strategic matters related to the business and operations of the Company.

### **Assessments**

The effectiveness of the Board as a whole, any committee of the Board and individual directors is assessed on an ongoing basis by the Board and senior management.

### **Liability Insurance**

The Company has purchased, at its expense, directors' and officers' liability insurance for the protection of its directors and officers against liability incurred by them in their capacities as directors and officers of the Company and its subsidiaries.

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

Pursuant to the Act and NI 52-110, the Company is required to have an audit committee. A copy of the Company's audit committee charter is set out in Appendix A of this Information Circular.

### Composition of the Audit Committee

As at the date of this Information Circular, the following are the members of the Company's audit committee (the "Audit Committee"):

<b>Name</b>	<b>Independent</b>	<b>Financially Literate</b>
Christopher Sumeet Babu Gondi (Chair)	Yes	Yes
Ruth Chun	Yes	Yes
Timothy Ko	No	Yes

### Relevant Education and Experience

The Board has determined that the committee members have the appropriate level of financial understanding and industry specific knowledge to be able to perform the duties of the position. Furthermore, the Board has determined that each member of the Audit Committee is financially literate as defined in NI 52-110.

**Christopher Sumeet Babu Gondi** is an independent director and Chair of the Audit Committee where he has deepened his understanding of accounting principles and has gained experience preparing, auditing, analyzing and evaluating the Company's financial statements.

**Ruth Chun** is an independent director and an Audit Committee member. Ms. Chun, a lawyer, is the founder of Chun Law Professional Corporation and acts on behalf of corporations at various stages of maturity. She has served as general counsel to various companies including Newstrike Brands Ltd. Ms. Chun is the chair of SLANG Worldwide Inc., various private and not-for-profit corporations and is the past-chair of the Rössing Pension Fund and Trustee of the Alexander Forbes group of funds. Ms. Chun received her Bachelor of Arts (Honours) from Trinity College, Master of Arts from University of Toronto and Juris Doctor from Queens University.

**Timothy Ko** is a non-independent director and an Audit Committee member. Mr. Ko has a broad background of leading private ventures in the service sector, investor relations, retail and technology. Most recently from 2017 to 2019 he served as Director of Hyperbridge Technology, a company focused on the development of decentralized technologies that facilitate crowdfunding. Previous to that Mr. Ko served as President of Acom Building Maintenance.

As a result of their education and experience, each member of the Audit Committee has familiarity with, an understanding of, or experience in:

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

### Audit Committee Oversight

Since the commencement of the Company's most recently completed fiscal year, the Company's Board has not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

### Reliance on Certain Exemptions

Since the effective date of NI 52-110, the Company has not relied on the exemptions contained in sections 2.4 or 8 of NI 52-110. Section 2.4 provides an exemption from the requirement that the audit committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the fiscal year in which the

non-audit services were provided. Section 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

If and when required, the Company is relying upon the exemption in section 6.1 of NI 52-110, which exempts “venture issuers” from the requirements of Part 3 (Composition of Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

### Pre-Approval of Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by the Company’s Board, and where applicable, the Audit Committee, on a case-by-case basis.

### External Auditor Service Fees

In the following table, “audit fees” are fees billed by the Company’s external auditor for services provided in auditing the Company’s annual financial statements for the subject year. “Audit-related fees” are fees not included in audit fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit or review of the Company’s financial statements. “Tax fees” are fees billed by the auditor for professional services rendered for tax compliance, tax advice and tax planning. “All other fees” are fees billed by the auditor for products and services not included in the foregoing categories.

The fees billed or billable by the Company’s auditor in each of the last two fiscal years, by category, are as follows:

Fiscal Year Ending	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
November 30, 2021	\$85,000	\$25,500 <sup>(1)</sup>	\$25,300	\$Nil
November 30, 2020 <sup>(2)</sup>	\$37,500	\$16,000 <sup>(3)</sup>	\$23,500	\$Nil

*(1) Fees relating to quarterly review engagement and review of base shelf prospectus.*

*(2) From April 1, 2020 to November 30, 2020.*

*(3) Fees relating to accounting and finance advisory services related to an amalgamation.*

## PARTICULARS OF MATTERS TO BE ACTED UPON

### Election of Directors

At the Meeting, shareholders will be asked to consider and, if thought appropriate, pass an ordinary resolution fixing the number of directors and electing directors for the ensuing year.

The shareholders of the Company last fixed the number of directors at four (4). The Company currently has four (4) directors and, at the Meeting, shareholders will be asked to fix the number of directors at four (4) and elect four (4) directors.

Each Director of the Company is elected annually and holds office until the next Annual General Meeting of the shareholders unless that person ceases to be a Director before then. In the absence of instructions to the contrary, the shares represented by proxy will, on a poll, be voted for the nominees herein listed. **Management does not contemplate that any of the nominees will be unable to serve as a director.**

The following sets out the name of each of the persons proposed to be nominated for election as a director; all positions and offices in the Company presently held by him/her; his/her principal occupation, business or employment (over the past 5 years, if not a previously elected director), the period during which he/she has served as a director; and the number of common shares that he/she has advised are beneficially owned, or controlled or directed, directly or indirectly, as at the date of this Information Circular.

Name, Place of Residence and Positions with the Company	Principal Occupation, Business or Employment	Director Since	Common Shares Beneficially Owned or Controlled
<b>TIMOTHY KO</b> <sup>(A)(C)(D)</sup> British Columbia, Canada <i>CEO, President and a Director</i>	President & CEO of the Company since November 2020; Founder and CEO of Entheon Holdings Corp. since incorporation; Director of Hyperbridge Technology from 2017 to 2019; President of Acom Building Maintenance from 2009 to 2017	November 5, 2020	1,300,001
<b>ANDREW HEGLE</b> <sup>(D)</sup> British Columbia, Canada <i>CSO and a Director</i>	Chief Science Officer of the Company; Director of Operations of Entheon Holdings Corp. since January, 2020; Adjunct professor of Pharmacology at the University of British Columbia since 2015; Director of Regulatory Affairs and Quality Assurance for Cannevert Therapeutics Ltd. December 2015 – January 2020	November 5, 2020	100,000
<b>RUTH CHUN</b> <sup>(A)(C)(D)(S)</sup> Ontario, Canada <i>Director</i>	Chair, SLANG Worldwide Inc., Founder and Lawyer, Chun Law Professional Corporation since September 2019; Senior Legal Counsel, HEXO Corp. May 2019 to June 2019; General Counsel and Corporate Secretary, Newstrike Brands Ltd. / Up Cannabis Inc. February 2017 – May 2019; Head of Legal & Compliance, Hollard Insurance Group of Companies October 2015 – February 2017; Chair, Rössing Pension Fund, March 2016 – August 2017	November 5, 2020	Nil
<b>CHRISTOPHER SUMEET BABU GONDI</b> <sup>(A)(C)(S)</sup> Illinois, USA <i>Director</i>	Research Associate Professor - Departments of Medicine, Surgery and Pathology at the University of Illinois College of Medicine Peoria	November 5, 2020	500,000

(A) Audit Committee Member.

(C) Compensation and Nomination Committee Member.

(D) Disclosure Committee Member.

(S) Special Committee Member.

The terms of office for those nominees who are presently Directors will expire as of the date of the Meeting. All of the Directors who are elected at the Meeting will have their term of office expire at the next Annual General Meeting of the Company.

Pursuant to the Advance Notice Policy of the Company adopted by the directors on October 15, 2021, with immediate effect, any additional director nominations for the Meeting must be received by the Company on or before **October 20, 2021**, being a date not less than 30 and no more than 65 days prior to the date of the Meeting. As of the date hereof, there were no nominations received.

#### *Cease Trade Orders, Bankruptcies, Penalties or Sanctions*

No proposed director of the Company is, or within the 10 years before the date of this Information Circular has been, a director or executive officer of any 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 company access to any exemption under securities legislation, for a period of more than 30 consecutive days;
- (b) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more that 30 consecutive days; or

- (c) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets.

No proposed director of the Company has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

No proposed director of the Company has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority since December 31, 2000, or before December 31, 2000 if the disclosure of which would likely be important to a reasonable securityholder in deciding whether to vote for a proposed director, or has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

The above information was provided by management of the Company.

### **Appointment of Auditor**

The shareholders will be asked to approve the appointment of Manning Elliott LLP, Chartered Professional Accountants, of 1700-1030 W Georgia Street, Vancouver, British Columbia, V6E 2Y3 as auditor of the Company for the ensuing year, at a remuneration to be fixed by the Company's Board.

### **OTHER MATTERS TO BE ACTED UPON**

The Company will consider and transact such other business as may properly come before the Meeting or any adjournment thereof. The management of the Company knows of no other matters to come before the Meeting other than those referred to in the Notice of Meeting. Should any other matters properly come before the Meeting, the shares represented by the Proxy solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting by proxy.

### **ADDITIONAL INFORMATION**

Additional information concerning the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information concerning the Company is provided in the Company's comparative financial statements and management's discussion and analysis for the fiscal year ended November 30, 2021.

Shareholders wishing to obtain a copy of the Company's financial statements and management's discussion and analysis may contact the Company as follows:

ENTHEON BIOMEDICAL CORP.  
Suite 720-999 W Broadway Street  
Vancouver, British Columbia V5Z 1K5  
Telephone: (604) 562-3932  
E-mail: [info@entheonbiomedical.com](mailto:info@entheonbiomedical.com)

### **BOARD APPROVAL**

The contents of this Information Circular have been approved and its mailing has been authorized by the Directors of the Company.

DATED at Vancouver, British Columbia, as at October 5, 2022.



**ON BEHALF OF THE BOARD**

/s/ "Timothy Ko"  
**Timothy Ko,**  
President & CEO



## Schedule A

### **ENTHEON BIOMEDICAL CORP.** (the "Company")

#### **AUDIT COMMITTEE CHARTER**

##### **1. Mandate and Purpose of the Committee**

The Audit Committee (the "**Committee**") of the board of directors (the "**Board**") of the Company is a standing committee of the Board whose primary function is to assist the Board in fulfilling its oversight responsibilities relating to:

- (a) the integrity of the Company's financial statements;
- (b) the Company's compliance with legal and regulatory requirements, as they relate to the Company's financial statements;
- (c) the qualifications, independence and performance of the Company's auditor;
- (d) internal controls and disclosure controls;
- (e) the performance of the Company's internal audit function;
- (f) consideration and approval of certain related party transactions; and
- (g) performing the additional duties set out in this Charter or otherwise delegated to the Committee by the Board.

##### **2. Authority**

The Committee has the authority to:

- (a) engage and compensate independent counsel and other advisors as it determines necessary or advisable to carry out its duties; and
- (b) communicate directly with the Company's auditor.

The Committee has the authority to delegate to individual members or subcommittees of the Committee.

##### **3. Composition and Expertise**

The Committee shall be composed of a minimum of three members, each of whom is a director of the Company. The majority of the Committee's members must not be officers or employees of the Company or an affiliate of the Company.

Committee members shall be appointed annually by the Board at the first meeting of the Board following each annual meeting of shareholders. Committee members hold office until the next annual meeting of shareholders or until they are removed by the Board or cease to be directors of the Company.

The Board shall appoint one member of the Committee to act as Chairman of the Committee. If the Chairman of the Committee is absent from any meeting, the Committee shall select one of the other members of the Committee to preside at that meeting.

#### **4. Meetings**

Any member of the Committee or the auditor may call a meeting of the Committee. The Committee shall meet at least four times per year and as many additional times as the Committee deems necessary to carry out its duties. The Chairman shall develop and set the Committee's agenda, in consultation with other members of the Committee, the Board and senior management.

Notice of the time and place of every meeting shall be given in writing to each member of the Committee, at least 72 hours (excluding holidays) prior to the time fixed for such meeting. The Company's auditor shall be given notice of every meeting of the Committee and, at the expense of the Company, shall be entitled to attend and be heard thereat. If requested by a member of the Committee, the Company's auditor shall attend every meeting of the Committee held during the term of office of the Company's auditor.

A majority of the Committee who are not officers or employees of the Company or an affiliate of the Company shall constitute a quorum. No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present in person or by means of such telephonic, electronic or other communications facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously. Business may also be transacted by the unanimous written consent resolutions of the members of the Committee, which when so approved shall be deemed to be resolutions passed at a duly called and constituted meeting of the Committee.

The Committee may invite such directors, officers and employees of the Company and advisors as it sees fit from time to time to attend meetings of the Committee.

The Committee shall meet without management present whenever the Committee deems it appropriate.

The Committee shall appoint a Secretary who need not be a director or officer of the Company. Minutes of the meetings of the Committee shall be recorded and maintained by the Secretary and shall be subsequently presented to the Committee for review and approval.

#### **5. Committee and Charter Review**

The Committee shall conduct an annual review and assessment of its performance, effectiveness and contribution, including a review of its compliance with this Charter. The Committee shall conduct such review and assessment in such manner as it deems appropriate and report the results thereof to the Board.

The Committee shall also review and assess the adequacy of this Charter on an annual basis, taking into account all legislative and regulatory requirements applicable to the Committee, as well as any guidelines recommended by regulators or the Canadian Securities Exchange and shall recommend changes to the Board thereon.

#### **6. Reporting to the Board**

The Committee shall report to the Board in a timely manner with respect to each of its meetings held. This report may take the form of circulating copies of the minutes of each meeting held.

#### **7. Duties and Responsibilities**

##### **(a) Financial Reporting**

The Committee is responsible for reviewing and recommending approval to the Board of the Company's annual and interim financial statements, any auditor's report thereon, MD&A and related news releases, before they are published.

The Committee is also responsible for:

- (i) being satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, other than the public disclosure referred to in the preceding paragraph, and for periodically assessing the adequacy of those procedures;
- (ii) engaging the Company's auditor to perform a review of the interim financial statements and receiving from the Company's auditor a formal report on the auditor's review of such interim financial statements;
- (iii) discussing with management and the Company's auditor the quality of applicable accounting principles and financial reporting standards, not just the acceptability of thereof;
- (iv) discussing with management any significant variances between comparative reporting periods; and
- (v) in the course of discussion with management and the Company's auditor, identifying problems or areas of concern and ensuring such matters are satisfactorily resolved.

(b) **Auditor**

The Committee is responsible for recommending to the Board:

- (i) the auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company; and
- (ii) the compensation of the Company's auditor.

The Company's auditor reports directly to the Committee. The Committee is directly responsible for overseeing the work of the Company's auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the Company's auditor regarding financial reporting.

(c) **Relationship with the Auditor**

The Committee is responsible for reviewing the proposed audit plan and proposed audit fees. The Committee is also responsible for:

- (i) establishing effective communication processes with management and the Company's auditor so that it can objectively monitor the quality and effectiveness of the auditor's relationship with management and the Committee;
- (ii) receiving and reviewing regular feedback from the auditor on the progress against the approved audit plan, important findings, recommendations for improvements and the auditor's final report;
- (iii) reviewing, at least annually, a report from the auditor on all relationships and engagements for non-audit services that may be reasonably thought to bear on the independence of the auditor; and
- (iv) meeting in camera with the auditor whenever the Committee deems it appropriate.

(d) **Accounting Policies**

The Committee is responsible for:

- (i) reviewing the Company's accounting policy note to ensure completeness and acceptability with applicable accounting principles and financial reporting standards as part of the approval of the financial statements;
- (ii) discussing and reviewing the impact of proposed changes in accounting standards or securities policies or regulations;
- (iii) reviewing with management and the auditor any proposed changes in major accounting policies and key estimates and judgments that may be material to financial reporting;
- (iv) discussing with management and the auditor the acceptability, degree of aggressiveness/conservatism and quality of underlying accounting policies and key estimates and judgments; and
- (v) discussing with management and the auditor the clarity and completeness of the Company's financial disclosures.

(e) **Risk and Uncertainty**

The Committee is responsible for reviewing, as part of its approval of the financial statements:

- (i) uncertainty notes and disclosures; and
- (ii) MD&A disclosures.

The Committee, in consultation with management, will identify the principal business risks and decide on the Company's "appetite" for risk. The Committee is responsible for reviewing related risk management policies and recommending such policies for approval by the Board. The Committee is then responsible for communicating and assigning to the applicable Board committee such policies for implementation and ongoing monitoring.

The Committee is responsible for requesting the auditor's opinion of management's assessment of significant risks facing the Company and how effectively they are managed or controlled.

(f) **Controls and Control Deviations**

The Committee is responsible for reviewing:

- (i) the plan and scope of the annual audit with respect to planned reliance and testing of controls; and
- (ii) major points contained in the auditor's management letter resulting from control evaluation and testing.

The Committee is also responsible for receiving reports from management when significant control deviations occur.

(g) **Compliance with Laws and Regulations**

The Committee is responsible for reviewing regular reports from management and others (e.g. auditors) concerning the Company's compliance with financial related laws and regulations, such as:

- (i) tax and financial reporting laws and regulations;
- (ii) legal withholdings requirements;

- (iii) environmental protection laws; and
- (iv) other matters for which directors face liability exposure.

(h) **Related Party Transactions**

All transactions between the Company and a related party (each a "related party transaction"), other than transactions entered into in the ordinary course of business, shall be presented to the Committee for consideration.

The term "related party" includes (i) all directors, officers, employees, consultants and their associates (as that term is defined in the *Securities Act* (British Columbia), as well as all entities with common directors, officers, employees and consultants (each "general related parties"), and (ii) all other individuals and entities having beneficial ownership of, or control or direction over, directly or indirectly securities of the Company carrying more than 10% of the voting rights attached to all of the Company's outstanding voting securities (each "10% shareholders").

Related party transactions involving general related parties which are not material to the Company require review and approval by the Committee. Related party transactions that are material to the Company or that involve 10% shareholders require approval by the Board, following review thereof by the Committee and the Committee providing its recommendation thereon to the Board.

**8. Non-Audit Services**

All non-audit services to be provided to the Company or its subsidiary entities by the Company's auditor must be pre-approved by the Committee.

**9. Submission Systems and Treatment of Complaints**

The Committee is responsible for establishing procedures for:

- (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
- (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

The Committee is responsible for reviewing complaints and concerns that are brought to the attention of the Chairman of the Audit Committee and for ensuring that any such complaints and concerns are appropriately addressed. The Committee shall report quarterly to the Board on the status of any complaints or concerns received by the Committee.

**10. Procedure For Reporting Of Fraud Or Control Weaknesses**

Each employee is expected to report situations in which he or she suspects fraud or is aware of any internal control weaknesses. An employee should treat suspected fraud seriously, and ensure that the situation is brought to the attention of the Committee. In addition, weaknesses in the internal control procedures of the Company that may result in errors or omissions in financial information, or that create a risk of potential fraud or loss of the Company's assets, should be brought to the attention of both management and the Committee.

To facilitate the reporting of suspected fraud, it is the policy of Company that the employee (the "whistleblower") has anonymous and direct access to the Chairman of the Audit Committee. Should a new Chairman be appointed prior to the updating of this document, the current Chairman will ensure that the whistleblower is able to reach the new Chairman in a timely manner. In the event that the Chairman of the Audit Committee cannot be reached, the whistleblower should contact the Chairman of the Board.

In addition, it is the policy of the Company that employees concerned about reporting internal control weaknesses directly to management are able to report such weaknesses to the Committee anonymously. In this case, the employee should follow the same procedure detailed above for reporting suspected fraud.

**11. Hiring Policies**

The Committee is responsible for reviewing and approving the Company's hiring policies regarding partners, employees and former partners and employees of the present and former auditor of the Company.