

XPHYTO THERAPEUTICS CORP.
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Telephone: 780-818-6422

INFORMATION CIRCULAR

as at April 13, 2020
(except as otherwise indicated)

This Information Circular is furnished in connection with the solicitation of proxies by the management of XPhyto Therapeutics Corp. (the “Company”) for use at the annual general meeting (the “Meeting”) of its shareholders to be held on May 20, 2020 at the time and place and for the purposes set forth in the accompanying notice of the Meeting.

In this Information Circular, references to the “Company”, “XPhyto”, “we” and “our” refer to **XPhyto Therapeutics Corp.** “**Common Shares**” means common shares without par value in the capital of the Company. “**Registered Shareholders**” means Shareholders of the Company who hold Common Shares in their own name. “**Beneficial Shareholders**” means shareholders of the Company who do not hold Common Shares in their own name and “**intermediaries**” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders. The Company’s board of directors (the “**Board**”) has approved the contents and distribution of this Information Circular. All dollar amounts referred to herein are in Canadian currency unless otherwise indicated.

NOTE OF CAUTION Concerning COVID-19 Outbreak

At the date of publication of this Notice and Information Circular it is the intention of the Company to hold the Meeting at the location stated above in the Notice of Meeting. We are continuously monitoring development of current coronavirus (COVID-19) outbreak (“**COVID-19**”). In light of the rapidly evolving public health guidelines related to COVID-19, we ask shareholders to consider voting their shares by proxy and **not** attend the meeting in person. Those shareholders who do wish to attend the Meeting in person, should carefully consider and follow the instructions of the federal Public Health Agency of Canada available at: <https://www.canada.ca/en/public-health/services/diseases/coronavirus-disease-covid-19.html>. We ask that shareholders also review and follow the instructions of any regional health authorities of the Province of British Columbia, including the Vancouver Coastal Health Authority, the Fraser Health Authority and any other health authority holding jurisdiction over the areas you must travel through to attend the Meeting. Please do not attend the Meeting in person if you are experiencing any cold or flu-like symptoms, or if you or someone with whom you have been in close contact has travelled to/from outside of Canada within the 14 days immediately prior to the Meeting. All shareholders are strongly encouraged to vote by submitting their completed form of proxy (or voting instruction form) prior to the Meeting by one of the means described on pages 2 to 4 of this Information Circular.

The Company reserves the right to take any additional pre-cautionary measures deemed to be appropriate, necessary or advisable in relation to the Meeting in response to further developments in the COVID-19 outbreak, including: (i) holding the Meeting virtually or by providing a webcast of the Meeting; (ii) hosting the Meeting solely by means of remote communication; (iii) changing the Meeting date and/or changing the means of holding the Meeting; (iv) denying access to persons who exhibit cold or flu-like symptoms, or who have, or have been in close contact with someone who has, travelled to/from outside of Canada within the 14 days immediately prior to the Meeting; and (v) such other measures as may be recommended by public health authorities in connection with gatherings of persons such as the Meeting. Should any such changes to the Meeting format occur, the Company will announce any and all of these changes by way of news release, which will be filed under the Company’s profile on SEDAR as well as on our Company website at www.xphyto.com. We strongly recommend you check the Company’s website prior to the Meeting for the most current information. In the event of any changes to the Meeting format due to the COVID-19 outbreak, the Company will **not** prepare or mail amended Meeting Proxy Materials.

The Meeting will be accessible through a teleconference platform. Shareholders will not be able to cast their vote through the teleconference platform, but will be able to ask questions of management by at the conclusion of the Meeting as usual. Shareholders are encouraged to vote by proxy in advance of the Meeting. Please contact the Company at info@xphyto.com to register and confirm your attendance prior to the Meeting. Upon registration, the Company will provide you with the call details for the Meeting.

GENERAL PROXY INFORMATION

Solicitation of Proxies

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

Appointment of Proxyholders

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

Voting by Proxyholder

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

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

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

Registered Shareholders

Registered Shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered Shareholders may choose one of the following options to submit their proxy:

- (a) complete, date and sign the Proxy and return it to the Company's transfer agent, Computershare Investor Services Inc. (“Computershare”), by fax within North America at 1-866-249-7775, outside North America at (416) 263-9524, or by mail or by hand to the 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1; or
- (b) use a touch-tone phone to transmit voting choices to the toll-free number given in the proxy. Registered shareholders must follow the instructions of the voice response system and refer to the enclosed proxy form for the toll-free number, the holder's account number and the proxy access number; or
- (c) log onto Computershare's website at www.investorvote.com. Registered Shareholders must follow the instructions provided on the website and refer to the enclosed proxy form for the holder's account number and the proxy access number.

In all cases the Registered Shareholder must ensure the proxy is received at least 48 hours (excluding Saturdays, Sundays and statutory holidays) before the Meeting or the adjournment thereof at which the proxy is to be used.

Failure to complete or deposit a proxy properly may result in its invalidation. The time limit for the deposit of proxies may be waived by the Company's Board at its discretion without notice. **Please note that in order to vote your Common Shares in person at the Meeting, you must attend the Meeting and register with the Scrutineer before the Meeting. If you have already submitted a Proxy, but choose to change your method of voting**

and attend the Meeting to vote, then you should register with the Scrutineer before the Meeting and inform them that your previously submitted proxy is revoked and that you personally will vote your Common Shares at the Meeting.

Beneficial Shareholders

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

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

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

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

The Company is taking advantage of the provisions of National Instrument 54-101 "*Communication with Beneficial Owners of Securities of a Reporting Issuer*" that permit it to deliver proxy-related materials directly to its NOBOs. As a result NOBOs can expect to receive a scannable Voting Instruction Form ("VIF") Computershare. The VIF is to be completed and returned to Computershare as set out in the instructions provided on the VIF. Computershare will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the shares represented by the VIFs they receive.

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

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

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

The form of proxy supplied to you by your broker will be similar to the Proxy provided to registered shareholders by the Company. However, its purpose is limited to instructing the intermediary on how to vote your Common Shares on your behalf. Most brokers delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("Broadridge") in the United States and in Canada. Broadridge mails a VIF in lieu of a proxy provided by the Company. The VIF will name the same persons as the Company's Proxy to represent your Common Shares at the Meeting. You have the right to appoint a person (who need not be a Beneficial Shareholder of the Company), other than any of the persons designated in the VIF, to represent your Common Shares at the Meeting and that person may be you. To exercise this right, insert the name of the desired representative (which may be yourself) in the blank space provided in the VIF. The completed VIF must then be returned to Broadridge by mail or facsimile or given to Broadridge by phone or over the internet in accordance with Broadridge's instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting and the appointment of any shareholder's representative. If you receive a VIF from Broadridge the VIF must be completed and returned to Broadridge, in accordance with its instructions, well in advance of the Meeting in order to have

your Common Shares voted or to have an alternate representative duly appointed to attend the Meeting and vote your Common Shares at the Meeting.

Notice to Shareholders in the United States

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

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

Revocation of Proxies

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

- (a) executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the Registered Shareholder or the Registered Shareholder's authorized attorney in writing, or, if the Registered Shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the proxy bearing a later date to Computershare or at the address of the registered office of the Company at Suite 1500, Royal Centre, 1055 West Georgia Street, P.O. Box 11117, Vancouver, British Columbia, V6E 4N7, at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law, or
- (b) personally attending the Meeting and voting the Registered Shareholder's Common Shares.

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

Beneficial Shareholders who wish to change their vote must in sufficient time in advance of the Meeting, arrange for their respective intermediaries to change their vote and if necessary, revoke their proxy in accordance with revocation procedures set out above.

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

No director or executive officer of the Company, nor any person who has held such a position since the beginning of the last completed financial year of the Company, nor any nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors and the approval of the Company's stock option plan, described herein.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The board of directors of the Company has fixed April 13, 2020 as the record date (the "**Record Date**") for the determination of persons entitled to receive notice of the Meeting. Only shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of proxy in the manner and subject to the provisions described above will be entitled to vote or to have their Common Shares voted at the Meeting.

The Company was incorporated under the *Business Corporations Act* (British Columbia) on December 12, 2017 under its former name, "Cannabunker Development Corp." The Company changed its name to XPhyto Therapeutics Corp. on December 4, 2018.

The authorized share structure of the Company is an unlimited number of Common Shares each carrying the right to one vote. As at April 13, 2020, there were 54,410,945 Common Shares issued and outstanding. No group of shareholders has the right to elect a specified number of directors, nor are there cumulative or similar voting rights attached to the Common Shares.

In accordance with the Company's listing application with the Canadian Securities Exchange, certain Common Shares, are held in escrow under Escrow Agreement dated May 17, 2019. At Record Date, there were a total of 5,966,250 Common Shares held in escrow.

The Company's Common Shares were listed on the Canadian Securities Exchange (the "CSE") on August 6, 2019, under stock symbol "XPHY".

To the knowledge of the directors and executive officers of the Company, there were no persons or corporations that beneficially owned, directly or indirectly, or exercised control or direction over, Common Shares carrying more than 10% of the voting rights attached to all outstanding Common Shares of the Company as at April 13, 2020.

The following documents filed with the securities commissions or similar regulatory authority in each of the Provinces of British Columbia, Alberta, Manitoba and Ontario, are specifically incorporated by reference into, and form an integral part of, this information circular:

- The audited annual financial statements of the Company for the financial year ended December 31, 2018, together with the report of the auditor thereon and the related management discussion and analysis, both of which have been filed under the Company's SEDAR profile on August 2, 2019.
- The audited annual financial statements of the Company for the financial year ended December 31, 2019, together with the report of the auditor thereon and the related management discussion and analysis, both of which will be filed under the Company's SEDAR profile.

Copies of any documents referred to and incorporated herein by reference may be obtained by a shareholder upon request without charge from the Company at Tel: 780-818-6422, E-mail: info@xphyto.com, or at the address of the Company at Suite 270 – 1820 Fir Street, Vancouver, BC V6J 3B1. The documents are also available through the internet on SEDAR, which can be accessed at www.sedar.com.

VOTES NECESSARY TO PASS RESOLUTIONS

A simple majority of affirmative votes cast at the Meeting is required to pass the resolutions described herein. If there are more nominees for election as directors or appointment of the Company's auditor than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election or appointment is equal to the number of vacancies to be filled, all such nominees will be declared elected or appointed by acclamation.

ELECTION OF DIRECTORS

Fixing the Number of Directors

At the Meeting, the Shareholders will be asked to fix the number of directors to be elected at three (3). Approval of the number 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 proxy intend to vote in favour of fixing the number of directors at three (3).

The term of office of each of the current directors will end at the conclusion of the Meeting. Unless the director's office is vacated earlier in accordance with the provisions of the BCA, each director elected will hold office until the conclusion of the next annual general meeting of the Company, or if no director is then elected, until a successor is elected.

Advance Notice Provision

The Company's Articles include an advance notice provision (the "**Advance Notice Provision**"). The Advance Notice Provision provides for advance notice to the Company in circumstances where nominations of persons for election to the Board of directors of the Company are made by shareholders of the Company other than pursuant

to (i) a requisition of a meeting made pursuant to the provisions of the BCA or (ii) a shareholder proposal made pursuant to the provisions of the BCA.

The purpose of the Advance Notice Provision is to foster a variety of interests of the shareholders and the Company by ensuring that all shareholders - including those participating in a meeting by proxy rather than in person - receive adequate notice of the nominations to be considered at a meeting and can thereby exercise their voting rights in an informed manner. Among other things, the Advance Notice Provision fixes a deadline by which holders of Common Shares must submit director nominations to the Company prior to any annual or special meeting of shareholders and sets forth the minimum information that a shareholder must include in the notice to the Company for the notice to be in proper written form.

The Advance Notice Provision also requires all proposed director nominees to deliver a written representation and agreement that such candidate for nomination, if elected as a director of the Company, will comply with all applicable corporate governance, conflict of interest, confidentiality, share ownership, majority voting and insider trading policies and other policies and guidelines of the Company applicable to directors and in effect during such person's term in office as a director.

The foregoing is merely a summary of the Advance Notice Provision, is not comprehensive and is qualified by the full text of such provision in the Company's current Articles which were SEDAR filed on December 28, 2018 under the Company's profile on SEDAR at www.sedar.com.

Nominees

The following table sets out the names of management's nominees for election as directors, all major offices and positions with the Company and any of its significant affiliates each now holds, each nominee's principal occupation, business or employment (for the five preceding years for each director), the period of time during which each has been a director of the Company and the number of Common Shares of the Company beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as of April 13, 2020.

Name of Nominee; Current Position with the Company and Province or State and Country of Residence	Occupation, Business or Employment	Period as a Director of the Company	Common Shares Beneficially Owned or Controlled ⁽¹⁾
Hugh Rogers⁽⁵⁾ Chief Executive Officer and Director British Columbia, Canada	Director of Telo Genomics Corp. (formerly 3D Signatures Inc.) from March 2020 to present. Interim Chairman of Telo Genomics Corp. from September 2018 to March 2020. Director of Clear Blue Technology International Inc. (formerly Dagobah Ventures Ltd.) from July 2018 to June 2019. Director and CEO of Dagobah Ventures Ltd. from May 2017 to July 2018. Director of RepliCel Life Sciences Inc. from February 2017 to December 2018. CEO and director of Coronado Resources Ltd. from March 2015 to October 2017.	Since December 12, 2017	525,000 ⁽²⁾

Name of Nominee; Current Position with the Company and Province or State and Country of Residence	Occupation, Business or Employment	Period as a Director of the Company	Common Shares Beneficially Owned or Controlled ⁽¹⁾
Raimar Löebenber ⁽⁵⁾ Director Alberta, Canada	Founder and director of the Drug Development and Innovation Centre, Faculty of Pharmacy and Pharmaceutical Sciences at the University of Alberta.	Since December 10, 2018	5,000,000 ⁽³⁾
Wolfgang Probst ⁽⁵⁾ Director Memmingerberg, Germany	Deputy Chairman of ProFinvest, a management consulting firm focused on small to medium sized companies, since 2011. CFO of Bunker Pflanzenextrakte GmbH from 2017 to present.	Since December 12, 2018	1,102,500 ⁽⁴⁾

Notes:

- (1) The number of Common Shares beneficially owned, directly or indirectly, by the director nominees is based on information furnished by the nominees.
- (2) Mr. Rogers also holds options to purchase 850,000 Common Shares and warrants to purchase 25,000 Common Shares (see “*Statement of Executive Compensation*” below).
- (3) Mr. Löebenber holds these shares indirectly through his company JRC Pharmaceuticals Inc.
- (4) Mr. Probst also holds options to purchase 200,000 Common Shares (see “*Statement of Executive Compensation*” below).
- (5) Member of Audit Committee.

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

Director and Nominee Director Biographies

Hugh Rogers (Age 40) Chief Executive Officer and Director

Mr. Rogers is an entrepreneur and lawyer with private and public start-up experience in a range of industries and operational roles. Recent work has focused on public-listings and corporate restructuring in the life science and energy industries. From May 2017 to July 2017, Mr. Rogers was CEO and director of Dagobah Ventures Ltd., which subsequently acquired Clear Blue Technologies International Inc., an off-grid alternative energy company, through a share exchange, TSX Venture Exchange (“TSX-V”) listing transaction and concurrent financing. He continues to sit on the board as an independent director. In September 2018, Mr. Rogers took the role of Interim Chairman of 3D Signatures Inc., a TSX-V medical diagnostic company, while spearheading a shareholder-led corporate reorganization and refinancing which is expected to be complete in Q1 2019. From February 2017 to December 2018, Mr. Rogers was a director of RepliCel Life Sciences Inc., a TSX-V listed autologous cell therapy company, as it underwent a successful corporate restructuring and the completion of a strategic investment and international technology licensing agreement. From March 2015 to October 2017 he was CEO and director of Coronado Resources Ltd., a TSX-V listed natural gas co-generation company, which underwent a corporate reorganization and the disposition of distressed assets. Mr. Rogers has held several other independent board and management positions with exchange listed issuers. He holds a Bachelor of Science degree and LLB degree. He is a member in good standing of the Law Society of British Columbia.

Raimar Löebenber (Age 54) – Director

Dr. Löebenber holds a BS in pharmacy from the Johannes Gutenberg-University, Mainz, Germany and a PhD in pharmaceuticals from the Johann Wolfgang Goethe-University, Frankfurt, Germany. His doctoral work was focused on nanoparticle drug delivery. Dr. Löebenber then joined Dr. Dressman’s lab at Goethe-University to investigate dissolution behavior in biorelevant dissolution media, followed work at Dr. Amidon’s lab in Ann Arbor, Michigan to investigate different aspects of oral drug administration, including computer simulations. He joined the University of Alberta in 2000 where he is the founder and director of the Drug Development and Innovation Centre, Faculty of Pharmacy and Pharmaceutical Sciences. Dr. Löebenber’s research interests are in biopharmaceuticals to predict the oral performance of drugs and botanicals and inhalable nanoparticles to treat lung diseases such as

lung cancer, tuberculosis or leishmaniasis. He is a cofounder of RS Therapeutics Inc., a foam-based topical drug delivery company.

Dr. Löebenbergs recent notable positions include: president of the Canadian Society for Pharmaceutical Sciences 2014 to 2015; vice chair of the United States Pharmacopeia Dietary Supplement Expert Committee 2016 to 2017; current member of the United States Pharmacopeia Dietary Supplement Expert Committee; current vice chair of the Specialty Committee of Traditional Chinese Medicine in Pharmaceuticals of the World Foundation of Chinese Medicine Science; and current member of the Health Canada Scientific Advisory Committee on Pharmaceutical Sciences and Clinical Pharmacology and the Scientific Advisory Panel on Opioid Analgesic Abuse.

Wolfgang Probst (Age 39) – Director

Mr. Probst is an experienced management and financial consultant based in Bavaria, Germany. His experience includes management consulting experience as branch head working with private high-net worth clients and corporations followed by the role of CFO for a European-based photovoltaic company where he established operations in Cypress, Greece, and Italy. In 2011, Mr. Probst started ProFinvest, a management consulting firm focused on small to medium-sized companies where he remains Deputy Chairman. In 2017, he assumed the position of CFO of Bunker Pflanzenextrakte GmbH and plays a key role in its operational and financial development.

Cease Trade Orders and Bankruptcies

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

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

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

No director has, within the past ten (10) years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement, or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Penalties and Sanctions

To the Company's knowledge, no existing or proposed director, officer or promoter of the Company, or a securityholder anticipated to hold sufficient securities of the Company to affect materially the control of the Company, 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 securityholder making a decision in regard to the Company.

APPOINTMENT OF AUDITOR

Davidson & Company LLP, Chartered Professional Accountants, of 609 Granville Street, 12th Floor, Vancouver, British Columbia, V7Y 1G6 will be nominated at the Meeting for appointment as auditor of the Company. Approval of the appointing of the auditor will require the affirmative votes of the holders of note 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 proxy intend to vote in favor of the appointment of Davidson & Company LLP, Chartered Accountants, as auditors of the Company for the ensuing year.**

AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR

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

The Audit Committee’s Charter

The audit committee has a charter. A copy of the Audit Committee Charter is attached as Schedule E to the Company’s Listing Statement dated July 25, 2019 and filed at www.Sedar.com on August 2, 2019.

Composition of the Audit Committee

The Board has established an Audit Committee. The primary function of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities with respect to the following areas: (i) the Company’s external audit function; (ii) internal control and management information systems; (iii) the Company’s accounting and financial reporting requirements; (iv) the Company’s compliance with law and regulatory requirements; (v) the Company’s risks and risk management policies; and (vi) such other functions as are delegated to it by the Board. Specifically, with respect to the Company’s external audit function, the Audit Committee assists the Board in fulfilling its oversight responsibilities relating to: (i) the quality and integrity of the Company’s financial statements; (ii) the independent auditors’ qualifications; and (iii) the performance of the Company’s independent auditors.

The Audit Committee’s primary duties and responsibilities are to:

- (a) serve as an independent and objective party to monitor the Company’s financial reporting and internal control system and review the Company’s financial statements;
- (b) review and appraise the performance of the Company’s external auditors; and
- (c) provide an open avenue of communication among the Company’s auditors, financial and senior management and the Board.

Management, the Audit Committee and the Board meet via conference call on a quarterly basis to discuss the Company’s financial statements and related financial information.

As at April 13, 2020, the members of the Company’s Audit Committee were comprised of the following directors: Hugh Rogers, Raimar Löbenberg and Wolfgang Probst. Mr. Rogers is not independent as he is the Chief Executive Officer of the Company. Wolfgang Probst is not independent as he is the executive officer of an operating subsidiary of the Company. Raimar Löbenberg is not considered independent by virtue of his shareholdings in the Company.

Relevant Education and Experience

In addition to each member’s general business experience, the education and experience of each audit committee member is set out in “*Election of Directors - Nominees*” above.

Audit Committee Oversight

Since the commencement of the Company’s most recently completed financial year, the Audit Committee has not made a recommendation to the Board to nominate or compensate an external auditor that has not been adopted by the Board.

Reliance on Certain Exemptions

Since the commencement of the Company’s most recently completed financial year, the Company’s auditors, Davidson & Company LLP, Chartered Professional Accountants, have not provided any material non-audit services, therefore the Company has not relied on any exemption in s. 2.4 of NI 52-110.

Pre-Approval Policies and Procedures

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

External Auditor Service Fees (By Category)

The Audit Committee has reviewed the nature and amount of the non-audited services provided to the Company to ensure auditor independence. Fees incurred with Davidson & Company LLP, Chartered Professional Accountants, for audit and non-audit services in the fiscal years ended December 31, 2019 and December 31, 2018 are outlined in the following table.

Nature of Services	Fees Paid in Year Ended December 31, 2019	Fees Paid in Year Ended December 31, 2018
Audit Fees ⁽¹⁾	\$70,000	\$30,000
Audit-Related Fees ⁽²⁾	Nil	Nil
Tax Fees ⁽³⁾	\$7,600	\$7,600
All Other Fees ⁽⁴⁾	Nil	Nil
	\$77,600	\$37,600

Notes:

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

Exemption

The Company is a “venture issuer” as defined in NI 52-110 and is relying upon the exemption in s. 6.1 of NI 52-110 concerning Parts 3 (*Composition of Audit Committee*) and 5 (*Reporting Obligations*).

CORPORATE GOVERNANCE

General

The Board believes that good corporate governance improves corporate performance and benefits all shareholders. National Policy 58-201 - Corporate Governance Guidelines provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Company. In addition, National Instrument 58-101 - *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) prescribes certain disclosure by the Company of its corporate governance practices. This disclosure is presented below.

Board of Directors

The Board is currently comprised of three directors, Hugh Rogers, Raimar Löebenber and Wolfgang Probst. Hugh Rogers, is the Chief Executive Officer of the Company and is considered by the Board to be “non-independent”. Wolfgang Probst is CFO of Bunker Pflanzenextrakte GmbH, a subsidiary of the Company, and is therefore also considered to be “non-independent”. Raimar Löebenber is considered by the Board to be “non-independent” by virtue of his shareholdings in the Company. The Board facilitates its exercise of independent supervision over the Company’s management through frequent discussions with management and regular meetings of the Board. The Company is currently taking active steps to seek independent directors to sit on the Board in the future.

Directorships

The following directors are board members of other reporting issuers as follows:

Name of Director	Name of Reporting Issuer	Exchange
Hugh Rogers	Seashore Resource Partners Corp. Telo Genomics Corp.	TSXV TSXV

Orientation and Continuing Education

While the Company does not have formal orientation and training programs, new directors are provided with access to publicly filed documents of the Company, technical reports, internal financial information, and management and technical experts and consultants.

Ethical Business Conduct

The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company. Under corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, and disclose to the Board the nature and extent of any interest of the director in any material contract or material transaction, whether made or proposed, if the director is a party to the contract or transaction, is a director or officer (or an individual acting in a similar capacity) of a party to the contract or transaction or has a material interest in a party to the contract or transaction.

Nomination of Directors

The Board is responsible for identifying individuals believed to be qualified to become board members, consistent with criteria approved by the Board, and to nominate to stand for election at the Company's annual meeting of shareholders or, if applicable, at a special meeting of the shareholders. In case of vacancy in the office of a director (including a vacancy created by an increase in the size of the Board), the Board shall fill each such vacancy either through appointment by the Board or through election by shareholders. In recommending candidates, the Board shall take into consideration the opinions of management of the Company, the criteria approved by the Board and such other factors as it deems appropriate. These factors shall include judgment, skill, integrity, independence, diversity, experience with business and organizations of comparable size, the interplay of a candidate's experience with the experience of other Board members, willingness to commit the necessary time and energy to serve as director, and a genuine interest in the Company's business, and the extent to which a candidate would be a desirable addition to the Board or any committees of the Board.

Compensation

The Board conducts annual reviews with regard to directors' and officers' compensation to ensure development of a compensation strategy that properly aligns the interests of directors and officers with the long-term interests of the Company and its shareholders.

Other Board Committees

The Audit Committee is the only Board Committee of the Company.

Assessments

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

STATEMENT OF EXECUTIVE COMPENSATION

General

The following information is provided as required under Form 51-102F6V – *Statement of Executive Compensation*, for Venture Issuers, as such term is defined in National Instrument 51-102.

For the purposes of this Statement of Executive Compensation:

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

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

- (a) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief executive officer (“**CEO**”), including an individual performing functions similar to a CEO;
- (b) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief financial officer (“**CFO**”), including an individual performing functions similar to a CFO;
- (c) in respect of the company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000, 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.

DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION

Director and NEO Compensation, Excluding Compensation Securities

The following table of compensation, excluding options and compensation securities, provides a summary of the compensation paid by the Company to NEOs and directors of the Company for the two most recently completed financial years ended December 31, 2019 and December 31, 2018. Options and compensation securities are disclosed under the heading “Stock Options and Other Compensation Securities”.

During the financial year ended December 31, 2019, based on the definition above, the NEOs of the Company were: Hugh Rogers, Chief Executive Officer and Director, Chris Ross, Chief Financial Officer, and Wolfgang Probst, Director. The Director of the Company who was not a NEO during the financial year ended December 31, 2019 was Raimar Loebenberg.

During the financial year ended December 31, 2018, based on the definition above, the NEOs of the Company were: Hugh Rogers, Chief Executive Officer and Director and Chris Ross, Chief Financial Officer. The Directors of the Company who were not NEOs during the financial year ended December 31, 2018 were Wolfgang Probst and Raimar Loebenberg.

Table of Compensation, Excluding Compensation Securities in Financial Years ended December 31, 2019 and December 31, 2018

Table of compensation excluding compensation securities							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total Compensation (\$)
Hugh Rogers CEO and Director	2019	\$180,000	Nil	Nil	Nil	Nil	\$180,000
	2018	\$155,000	Nil	Nil	Nil	Nil	\$155,000
Christopher Ross⁽¹⁾ CFO	2019	\$150,000	Nil	Nil	Nil	Nil	\$150,000
	2018	\$66,460	Nil	Nil	Nil	Nil	\$66,460

Table of compensation excluding compensation securities							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total Compensation (\$)
Wolfgang Probst ⁽²⁾ Director	2019	\$178,197	Nil	Nil	Nil	Nil	\$178,197
	2018	\$61,181	Nil	Nil	Nil	Nil	\$61,181
Raimar Loebenberg ⁽³⁾ Director	2019	\$60,000	Nil	Nil	Nil	Nil	\$60,000
	2018	\$45,000	Nil	Nil	Nil	Nil	\$45,000

Notes:

- (1) Mr. Ross was appointed Chief Financial Officer of the Company on September 20, 2018.
- (2) Mr. Probst was appointed to the board of directors on December 11, 2018.
- (3) Mr. Loebenberg was appointed to the board of directors on December 11, 2018.

Stock Options and Other Compensation Securities

The Company has in place a 10% stock option plan (the “**Option Plan**”) approved by the board of directors effective November 28, 2018 and previously approved by Shareholders. The Option Plan is a “rolling” plan which allows the Company to grant stock options (“**Options**”) to a maximum of 10% of the issued and outstanding Common Shares, from time to time. As at the date of this Circular, there were 4,350,000 Options outstanding under the Option Plan. See disclosure under heading “Securities Authorized for Issuance Under Equity Compensation Plans” below.

During the year ended December 31, 2019, the Company granted 600,000 Options to NEOs and Directors and no Options expired. There were no share-based awards issued during financial years ended December 31, 2019.

During the year ended December 31, 2018, the Company granted 1,000,000 Options to NEOs and no Options expired. There were no share-based awards issued during financial years ended December 31, 2018.

The following table sets forth Options that were issued to NEOs and directors of the Company during the financial years ended December 31, 2019 and December 31, 2018.

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
Hugh Rogers CEO and Director	Options	200,000 Options to acquire 200,000 Common Shares	August 7, 2019	\$1.25	\$1.23	\$0.96	August 7, 2024
	Options	650,000 Options to acquire 650,000 Common Shares ⁽¹⁾	December 20, 2018	\$0.50	N/A	N/A	December 20, 2023
Christopher Ross CFO	Options	200,000 Options to acquire 200,000 Common Shares	August 7, 2019	\$1.25	\$1.23	\$0.96	August 7, 2024
	Options			\$0.50	N/A	N/A	

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
		350,000 Options to acquire 350,000 Common Shares(1)	December 20, 2018				December 20, 2023
Wolfgang Probst Director	Options	200,000 Options to acquire 200,000 Common Shares	August 7, 2019	\$1.25	\$1.23	\$0.96	August 7, 2024

Notes:

(1) 25% of the Options vest every six months from date of grant and fully vest after 24 months from date of grant

Exercise of Compensation Securities by NEOs and Directors

There were no options exercised by an NEO or a director of the Company who was not an NEO of the Company during financial years ended December 31, 2019 and 2018.

Stock Option Plans and Other Incentive Plans

The Company believes that encouraging its executives and employees to become shareholders is the best way of aligning their interests with those of its shareholders. Equity participation is accomplished through the Option Plan. Options may be granted to executives and employees taking into account a number of factors, including the amount and term of options previously granted, base salary and bonuses and competitive factors.

The Option Plan is administered by the Board. In determining the number of incentive Options to be granted to the NEOs, the Board has regard to several considerations including previous grants of Options and the overall number of outstanding Options relative to the number of outstanding Common Shares, as well as the degree of effort, time, responsibility, ability, experience and level of commitment of the executive officer.

The following is a summary of the material terms of the Option Plan:

- (i) the maximum number of Options which may be granted to any one holder under the Option Plan within any 12 month period shall be 5% of the number of issued and outstanding Common Shares (unless the Company has obtained disinterested shareholder approval if required by applicable laws);
- (ii) if required by applicable laws, disinterested shareholder approval is required to the grant to related persons, within a 12 month period, of a number of Options which, when added to the number of outstanding Options granted to related persons within the previous 12 months, exceed 10% of the issued Common Shares;
- (iii) the expiry date of an Option shall be no later than the tenth anniversary of the grant date of such Option;
- (iv) the maximum number of Options which may be granted to any one consultant within any 12 month period must not exceed 2% of the number of issued and outstanding Common Shares;
- (v) the maximum number of Options which may be granted within any 12 month period to employees or consultants engaged in investor relations activities must not exceed 2% of the number of issued and outstanding Common Shares and such Options must vest in stages over 12 months with no more than 25% of the Options vesting in any three month period;
- (vi) the exercise price of any Option issued under the Stock Option Plan shall not be less than the Market Value (as defined in the Option Plan) of the Common Shares as of the grant date; and

- (vii) the Board, or any committee to whom the Board delegates, may determine the vesting schedule for any Option.

Employment, Consulting and Management Agreements

The Company entered into the following employment agreements with the following NEOs of the Company:

- (i) Employment Agreement between Hugh Rogers and the Company (the “**Rogers Employment Agreement**”); and
- (ii) Employment Agreement between Christopher Ross and the Company (the “**Ross Employment Agreement**”)
- (together, the “**Employment Agreements**”).

The Employment Agreements provide for remuneration of the above listed individuals with respect to their respective roles with the Company and its subsidiaries.

Pursuant to the Rogers Employment Agreement, Hugh Rogers will be paid a gross annual salary of \$180,000 for his role with the Company and its subsidiaries. In addition, he was issued an aggregate of 650,000 Options in 2018 and 200,000 Options in 2019. See “*Stock Options and Other Compensation Securities*” above.

Pursuant to the Ross Employment Agreement, Christopher Ross will be paid a gross annual salary of \$150,000 for his role with the Company and its subsidiaries. In addition, he was issued an aggregate of 350,000 Options in 2018 and 200,000 Options in 2019. See “*Stock Options and Other Compensation Securities*” above.

The Employment Agreements also provide for payments to be made by the Company in the event of termination of the Executive Agreements by the Company without cause or following a change of control, the details of which are summarized below.

Meaning of “Cause”, “Change of Control” and “Good Reason”

In the Employment Agreements, “**Cause**” means the occurrence of any of the following:

- (a) an act of fraud or dishonesty or unlawful conduct by or involving the Executive which results in any loss to the Company;
- (b) a violation of the code of conduct or other policies of the Company which is deemed to be material by the Company in its sole reasonable discretion;
- (c) willful neglect of the Executive’s duties;
- (d) the Executive’s failure to perform the Executive’s duties in a competent and diligent manner after the Company has provided the Executive with thirty (30) days’ written notice of the performance deficiency and the Executive has failed to cure such deficient performance—unless the Executive has already been given notice and opportunity to cure regarding any performance deficiency whatsoever during the same calendar year, in which case the Company may terminate the Executive’s employment for Cause without first providing notice and opportunity to cure;
- (e) conduct of the Executive that is reasonably determined by the board of directors of the Company to be detrimental to the business of the Company, and which the Executive persists in after being instructed by the Company to cease such conduct.

In the Employment Agreements, “**Change of Control**” means:

- (a) the acquisition, directly or indirectly, by any person or group of persons acting jointly or in concert, as such terms are defined in the Securities Act (British Columbia, Canada), of common shares of the Company which, when added to all other common shares of the Company at the time held directly or indirectly by such person or persons acting jointly or in concert, constitutes for the first time in the aggregate 30% or more of the outstanding common shares of the Company and such

- shareholding exceeds the collective shareholding of the current directors of the Company, excluding any directors acting in concert with the acquiring party; or
- (b) the removal, by extraordinary resolution of the shareholders of the Company, of more than 51% of the then incumbent directors of the Company or the election at a meeting of shareholders of a majority of directors to the board of directors of the Company who were not management nominees for election as directors at such meeting; or
 - (c) consummation of a sale of all or substantially all of the assets of the Company; or
 - (d) the consummation of a reorganization, plan of arrangement, merger or other transaction which has substantially the same effect as (a) (b) or (c) above.

In the Employment Agreements, “**Good Reason**” means the occurrence of any of the following events and the Company’s failure to cure any of the following after thirty days’ written notice from the Executive:

- (a) the assignment by the Company to the Executive, without the Executive’s consent, of any substantial new or different duties inconsistent with the Executive’s positions, duties, responsibilities and status with the Company immediately prior to such change in assigned duties;
- (b) a material reduction in the Executive’s responsibilities, without the Executive’s consent, except as a result of the Executive’s death or disability;
- (c) a reduction by the Company in the Executive’s compensation not agreed to by the Executive; or
- (d) a material change in the terms of the Executive’s participation in benefits under any incentive plan, the effect of which would be to materially reduce the total value, in the aggregate, of the benefit to the Executive under the incentive plan.

Termination by the Company on a Change of Control

If within 12 months following a Change of Control (or in the case of the Rogers Employment Agreement or the Ross Employment Agreement, within the 2 year term of such Employment Agreement), an Employment Agreement is terminated by the Company other than for Cause, or such Employment Agreement is terminated by the Executive with Good Cause at any time within six (6) months after a Change of Control, in either case, the respective Executive will receive a termination payment in an amount equal to the following:

- (i) 24 months of the Executive’s then current monthly salary, in the case of Hugh Rogers;
- (ii) 24 months of the Executive’s then current monthly salary, in the case of Christopher Ross

Termination by the Company Without Cause

The Company may terminate the Employment Agreements and the engagement of the Executives without Cause at any time by notice in writing, and the Executives may terminate their respective Employment Agreement for Good Reason on two weeks’ written notice. In either event, the Company shall pay the respective Executive:

- (i) 24 months of the Executive’s then current monthly salary, in the case of Hugh Rogers;
- (ii) 24 months of the Executive’s then current monthly salary, in the case of Christopher Ross

Termination by the Company for Cause

If the Company terminates the Executive Agreement with Cause, the Executive is not entitled to any termination payment from the Company.

Other than as set out in this Circular, the Company had no agreements with its NEOs concerning severance payments of cash or equity compensation as a result of termination of their arrangement with the Company or as a result of a change of control of the Company.

The Company entered into the following employment agreement with the following NEO of the Company:

- (i) Employment Agreement between Wolfgang Probst and the Company’s wholly owned subsidiary, Bunker Pflanzenextrakte GmbH (the “**Probst Employment Agreement**”); and

Pursuant to the Probst Employment Agreement, Wolfgang Probst will be paid a gross annual salary of €120,000 for his role with the Company and its subsidiaries.

Should the employment relationship be terminated with due notice by the Company during the fixed term period of employment, the individual shall be entitled to receive a severance payment in the amount of the gross salary which would have otherwise have been accrued between the effective period of the notice and December 31, 2021.

Oversight and Description of Director and NEO Compensation

The Board does not have a compensation committee or a formal compensation policy. The Company relies solely on the directors to determine the compensation of the NEOs. In determining compensation, the directors consider industry standards and the Company's financial situation, but the Company does not have any formal objectives or criteria. The performance of each executive officer is informally monitored by the directors, having in mind the business strengths of the individual and the purpose of originally appointing the individual as an officer.

In establishing compensation for executive officers, the Board as a whole seeks to accomplish the following goals:

- To recruit and subsequently retain highly qualified executive officers by competitive offering overall compensation;
- To motivate executives to achieve important corporate and personal performance objectives and reward them when such objectives are met; and
- To align the interests of executive officers with the long-term interests of shareholders through participation in the Company's Stock Option Plan.

When considering the appropriate executive compensation to be paid to our officers, the Board have regard to a number of factors including: (i) recruiting and retaining executives critical to the success of the Company and the enhancement of shareholder value; (ii) providing fair and competitive compensation; (iii) balancing the interests of management and the Company's shareholders; (iv) rewarding performance, both on an individual basis and with respect to operations generally; and (v) available financial resources.

The Board will consider executive bonus compensation dependent upon the Company meeting its strategic objectives and milestones and sufficient cash resources being available for the granting of bonuses.

Other than as disclosed, the only arrangements the Company had, standard or otherwise, pursuant to which the Company compensated directors for their services in their capacity as directors, or for committee participation, involvement in special assignments or for services as a consultant or expert during the most recently completed financial year or subsequently, are by (i) the issuance of incentive stock options; and (ii) reimbursement for out-of-pocket expenses incurred on behalf of the Company.

Pension Disclosure

The Company currently does not provide pension plan benefits for NEOs, directors or employees.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

See heading "**PARTICULARS OF MATTERS TO BE ACTED UPON – CONTINAUTION OF OPTION PLAN**" below for disclosure on the only equity compensation plan which the Company has place as of the date hereof.

Equity Compensation Plan Information

The following table sets out its equity compensation plan information as at the end of the Company's financial year ended December 31, 2019.

	Number of securities to be issued upon exercise of outstanding options,	Weighted-average exercise price of outstanding options	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Plan Category	(a)	(b)	(c)
Equity compensation plans not approved by securityholders – Option Plan	3,600,000	\$1.04	1,417,527
Total	3,600,000	\$1.04	1,417,527

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Other than as set out in this Information Circular, no directors, proposed nominees for election as directors, executive officers or their respective associates or affiliates, or other management of the Company were indebted to the Company as of the end of the financial year end December 31, 2019 or as at the date hereof.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than set out in this Information Circular, no informed person (a director, officer or holder of 10% or more of the Common Shares) or nominee for election as a director of the Company or any associate or affiliate of any informed person or proposed director had any interest in any transaction which has materially affected or would materially affect the Company or any of its subsidiaries during financial year ended December 31, 2019.

MANAGEMENT CONTRACTS

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

PARTICULARS OF MATTERS TO BE ACTED UPON

1. Presentation to the Shareholders of the annual audited financial statements of the Company for the financial years ended December 31, 2018 and December 31, 2019;
2. Fixing the Number of Directors– see “*Election of Directors*” above;
3. Election of Directors – see “*Election of Directors*” above;
4. Appointment of Auditor – see “*Appointment of Auditor*” above; and
5. Approval of the Option Plan – see “*Continuation of Option Plan*” below.

CONTINUATION OF OPTION PLAN

On November 28, 2018 the Board approved the adoption of the form of Option Plan. At the Meeting, shareholders will be asked to ratify and approve the Option Plan for continuation until the next annual general meeting of the Company.

The Option Plan is described in more detail, including the material terms of the Plan, above, see *Statement of Executive Compensation – Stock Option Plans and Other Incentive Plans*.

The Board is of the view that the Option Plan provides the Company with the flexibility to attract and maintain the services of executives, employees and other service providers in competition with other companies in the industry. Accordingly, at the Meeting, shareholders will be asked to approve the following ordinary resolution, with or without variation:

“RESOLVED as an ordinary resolution that the Company’s Option Plan dated for reference November 28, 2018, be and is hereby ratified and approved for continuation until the next annual general meeting of the Company.”

An ordinary resolution is a resolution passed by the shareholders of the Company at a general meeting by a simple majority of the votes cast on the resolution in person or by proxy. A copy of the Option Plan will be available for inspection by any shareholder at the Meeting. A copy of the Option Plan is filed under the Company’s SEDAR profile at www.sedar.com.

The Board recommends shareholders vote in favour of ratification and approval of the Option Plan.

In the absence of a contrary instruction, the persons named in the enclosed form of proxy intend to vote in favour of the above ordinary resolution. An ordinary resolution is a resolution passed by the shareholders of the Company at a general meeting by a simple majority of the votes cast in person or by proxy.

ADDITIONAL INFORMATION

Additional information relating to the Company can be found in the Company’s audited financial statements for fiscal years ended December 31, 2019 and 2018, the reports of the auditor and the related management’s discussion and analyses thereon, may be obtained from SEDAR at www.sedar.com and upon request from the Company at info@xphyto.com or Tel.: 780-818-6422. These financial statements are being tabled at the Meeting. Copies of documents will be provided free of charge to security holders of the Company. The Company may require the payment of a reasonable charge from any person or company who is not a security holder of the Company, who requests a copy of any such document.

OTHER MATTERS

Management of the Company is not aware of any other matter to come before the Meeting other than as set forth in the notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote the shares represented thereby in accordance with their best judgment on such matter.

DATED at Vancouver, British Columbia, April 17, 2020.

ON BEHALF OF THE BOARD

“Hugh Rogers”

**Hugh Rogers
Chief Executive Officer**