

**IZOTROPIC CORPORATION**  
(the “Company”)

**STATEMENT OF EXECUTIVE COMPENSATION**  
**Form 51-102F6V**  
**Statement of Executive Compensation – Venture Issuers**

**For the year ended April 30,2022**

**General**

“**Company**” means Izotropic Corporation;

“**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;

“**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 (“**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; and
- (d) each individual who would be a NEO 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; and

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

**Director and Named Executive Officer Compensation, Excluding Compensation Securities**

The following table sets forth all direct and indirect compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, by the Company or any subsidiary thereof to each NEO and each director of the Company, in any capacity, including, for greater

certainty, all plan and non-plan compensation, direct and indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite paid, payable, awarded, granted, given or otherwise provided to the NEO or director for services provided and for services to be provided, directly or indirectly, to the Company or any subsidiary thereof for each of the two most recently completed financial years, other than stock options and other compensation securities:

Name and Position	Year	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites <sup>(1)</sup> (\$)	Value of All Other Compensation (\$)	Total Compensation (\$)
John McGraw <sup>(2)</sup> <i>CEO and Director</i>	2022	359,000	Nil	Nil	Nil	Nil	359,000
	2021	23,025	N/A	N/A	N/A	N/A	23,025
Robert Thast <sup>(3)</sup> <i>Former CEO and President and Director</i>	2022	175,000	Nil	Nil	Nil	Nil	175,000
	2021	135,000	Nil	Nil	Nil	Nil	135,000
Jody Bellefleur <sup>(4)</sup> <i>CFO</i>	2022	112,000	Nil	Nil	Nil	Nil	112,000
	2021	9,000	Nil	Nil	Nil	Nil	9,000
Jaclyn Thast <sup>(5)</sup> <i>Secretary</i>	2022	133,000	Nil	Nil	Nil	Nil	133,000
	2021	99,000	Nil	Nil	Nil	Nil	99,000
Marshall Severyn <sup>(6)</sup> <i>Former Vice President – Marketing and Director</i>	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil
Ali Sodagar <sup>(7)</sup> <i>Director</i>	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	23,960	Nil	Nil	Nil	Nil	23,960
John Boone <sup>(8)</sup> <i>Director</i>	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil
Ralph Proceviat <sup>(9)</sup> <i>Director</i>	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	6000	Nil	Nil	Nil	Nil	6000

(1) "Perquisites" include perquisites provided to an NEO or director that are not generally available to all employees and that, in aggregate, are: (a) \$15,000, if the NEO or director's total salary for the financial year is \$150,000 or less, (b) 10% of the NEO or director's salary for the financial year if the NEO or director's total salary for the financial year is greater than \$150,000 but less than \$500,000, or (c) \$50,000 if the NEO or director's total salary for the financial year is \$500,000 or greater.

(2) John McGraw has been the CEO of the Company since April 5, 2020 and a director of the Company since October 8, 2021.

(3) Robert Thast has been a director of the Company since May 19, 2016. He was the CEO and President of the Company from May 19, 2016 until April 5, 2021 and the Secretary of the Company from May 19, 2016 until August 27, 2020.

(4) Jody Bellefleur has been the CFO of the Company since July 21, 2018.

(5) Jaclyn Thast has been the Secretary of the Company since August 27, 2020.

(6) Marshall Severyn was a director of the Company from May 1, 2017 to October 8, 2021 and the Vice President, Marketing from June 15, 2017 to October 8, 2021.

(7) Ali Sodagar has been a director of the Company since May 22, 2017.

(8) John Boone has been a director of the Company since May 1, 2017.

(9) Ralph Proceviat has been a director of the Company since November 18, 2019.

### Stock Options and Other Compensation Securities

No compensation securities were granted or issued to directors and NEOs by the Company or any subsidiary thereof in the year ended April 30, 2022 for services provided, or to be provided, directly or indirectly, to the Company or any subsidiary thereof.

As at April 30, 2022:

- (a) John McGraw, the CEO of the Company, owned an aggregate of 1,200,000 compensation securities, comprised of 200,000 stock options, 500,000 restricted stock units and 500,000 performance stock units, each of which is exercisable into one Share or becomes payable by the issuance of one Share, as applicable. The stock options are exercisable at a price of \$0.20 per Share until January 22, 2025, and the restricted stock units vest and become payable by the issuance of Shares as follows: (i) 80% on January 11, 2021, (ii) 10% upon delivery of final engineering drawings of commercial breast CT imaging device and (iii) 10% upon completion of building first commercial breast CT device and the performance stock units vest and become payable by the issuance of Shares as follows: (i) 50% upon submission to FDA for approval of breast CD imaging system for indication for use as a diagnostic device and (ii) 50% upon first sale of breast CD imaging device.
- (b) Jody Bellefleur, the CFO of the Company, owned an aggregate of 100,000 compensation securities, comprised solely of stock options, each of which is exercisable into one Share, of which 100,000 are exercisable at a price of \$1.08 per Share until February 17, 2023;
- (c) Jaclyn Thast, the Secretary of the Company, owned an aggregate of 300,000 compensation securities, comprised solely of restricted stock units, each of which vest and become payable by the issuance of Shares as follows: (i) 25% on January 11, 2021, (ii) 25% on July 11, 2021, (iii) 25% on January 11, 2022 (cancelled) and (iv) 25% on July 11, 2022 (cancelled);
- (d) Ali Sodagar, a director of the Company, owned an aggregate of 200,000 compensation securities, comprised solely of stock options, each of which is exercisable into one Share, exercisable at a price of \$0.10 per Share until September 20, 2022;
- (e) John Boone, a director of the Company, owned an aggregate of 400,000 compensation securities, comprised solely of stock options, each of which is exercisable into one Share, exercisable at a price of \$0.10 per Share until September 20, 2022; and
- (f) Ralph Proceviat, a director of the Company, owned an aggregate of 200,000 compensation securities, comprised of 100,000 stock options and 100,000 restricted stock units, each of which is exercisable into one Share or becomes payable by the issuance of one Share, as applicable. The stock options are exercisable at a price of \$0.37 per Share until February 11, 2025 and the restricted stock units vest and become payable by the issuance of Shares as follows: (i) 25% on January 11, 2021, (ii) 25% on July 11, 2021, (iii) 25% on January 11, 2022 and (iv) 25% on July 11, 2022.

The options held by John McGraw vested on January 22, 2020. The options held by Ali Sodagar and John Boone vested as follows: (i) 25% on September 20, 2017; (ii) 25% on September 20, 2018; (iii) 25% on September 20, 2019 and (iv) 25% on September 20, 2020. The options held by

Jody Bellefleur vested on 100,000 options vested on February 17, 2021. The options held by Ralph Proceviat vested on February 11, 2020.

### **Exercise of Compensation Securities by Director and NEOS**

No compensation securities were exercised by directors and NEOs during the year ended April 30, 2022.

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

The Company's current stock option plan (the "**Plan**"), which it adopted on June 15, 2017 and amended on September 1, 2020, is a rolling plan, whereby the aggregate number of common shares (each, "**Share**") reserved for issuance, together with any other Shares reserved for issuance under any other plan or agreement of the Company, shall not exceed ten (10%) percent of the total number of Shares (calculated on a non-diluted basis) at the time an option is granted. The Plan is intended to emphasize management's commitment to the growth of the Company. The grant of stock options, as a key component of the executive compensation package, enables the Company to attract and retain qualified executives. Stock option grants are based on the total of stock options available under the Plan. In granting stock options, the Board reviews the total of stock options available under the Plan and recommends grants to newly retained executive officers at the time of their appointment, and considers recommending further grants to executive officers from time to time thereafter. The amount and terms of outstanding options held by an executive are taken into account when determining whether and how new option grants should be made to the executive. The exercise periods are to be set at the date of grant. The stock option grants may contain vesting provisions in accordance to the Plan. The Plan was approved by the Shareholders of the Company (each, a "**Shareholder**") at the annual general meeting held on October 2, 2020. As of the date hereof, 1,900,000 stock options are outstanding under the Plan.

On July 9, 2020, the Board adopted a long term incentive plan (the "**LTIP**") for the purposes of attracting, retaining and motivating key individuals whereby the number of Shares reserved for issuance under the LTIP shall not exceed ten (10%) percent of the total number of Shares (calculated on a non-diluted basis) at the time an Award is granted. The LTIP provides for the grant of restricted share units, performance share units and deferred share units (collectively, an "**Award**") to directors, key employees and consultants. The LTIP was approved by the Shareholders at the annual general meeting held on October 2, 2020. As of the date hereof, 1,112,500 Awards have been granted under the LTIP.

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

The Company is not party to any formal employment, consulting or management agreements with respect to any NEOs or directors.

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

The Company's executive compensation program during the most recently completed financial year ended April 30, 2022 was administered by the Board. The Board was solely responsible for determining the compensation to be paid to the Company's executive officers and evaluating

their performance. The Board has not adopted any specific policies or objective for determining the amount or extent of compensation for directors or officers.

The overall objective of the Company's compensation strategy is to offer medium-term and long-term compensation components to ensure that the Company has in place programs to attract, retain and develop management of the highest caliber and has in place a process to provide for the orderly succession of management, including receipt on an annual basis of any recommendations of the CEO, if any, in this regard. The Company currently has short and long-term compensation components in place, and intends to further develop these compensation components. The Company does not have consulting or employment agreements in place with any NEOs. The objectives of the Company's compensation policies and procedures will be to align the interests of the Company's employees with the interests of the Shareholders.

The Company does not currently have in place a compensation and nominating committee. All tasks related to developing and monitoring the Company's approach to the compensation of officers of the Company, and to developing and monitoring the Company's approach to the nomination of directors to the Board, are performed by the members of the Board. The compensation of the NEOs and the Company's employees is reviewed, recommended and approved by Board.

Under the Company's compensation policies and practices, NEOs and directors are not prevented from purchasing financial instruments, including prepaid variable forward contracts, equity swaps, collars or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director. However, the Board does not believe that the Company's compensation policies and practices encourage executive officers to take unnecessary or excessive risk.

#### Significant Elements

The significant elements of compensation for the Company's NEOs, being the CEO, the CFO and the three other most highly compensated executive officers whose total compensation exceeds \$150,000, will be the Shares that have been previously issued, the stock options that have been previously granted and the grant of Awards pursuant to the LTIP. There is no policy or target regarding allocation between cash and non-cash elements of the Company's compensation program. The Board reviews annually the total compensation package of each of the Company's executives on an individual basis.

#### **Pension Plan Benefits**

The Company does not have any pension, defined benefit, defined contribution or deferred compensation plans in place.