

IZOTROPIC CORPORATION
(the “Company”)

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

General

“Company” means Izotropic Corporation;

“**compensation securities**” includes stock options (“Options”), convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units (“DSUs”), performance share units (“PSUs”) and restricted stock units (“RSUs”) 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 the financial years ended April 30, 2023 and 2022, 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 ⁽¹⁾ (\$)	Value of All Other Compensation (\$)	Total Compensation (\$)
Robert Thast ⁽²⁾ <i>Interim CEO and President and Director</i>	2023 2022	220,500 175,000	Nil Nil	Nil Nil	Nil Nil	Nil Nil	175,500 175,000
John McGraw ⁽³⁾ <i>Former CEO and Director</i>	2023 2022	360,000 359,000	Nil Nil	Nil Nil	Nil Nil	Nil Nil	360,000 359,000
Ralph Proceviat ⁽⁴⁾ <i>Interim CFO and Director</i>	2023 2022	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
Jody Bellefleur ⁽⁵⁾ <i>Former CFO</i>	2023 2022	68,000 112,000	Nil Nil	Nil Nil	Nil Nil	Nil Nil	68,000 112,000
Dr. Younes Achkire ⁽⁶⁾ <i>COO and Director</i>	2023 2022	Nil N/A	Nil N/A	Nil N/A	Nil N/A	Nil N/A	Nil N/A
Jaclyn Thast ⁽⁷⁾ <i>Secretary</i>	2023 2022	107,000 133,000	Nil Nil	Nil Nil	Nil Nil	Nil Nil	152,000 133,000
Marshall Severyn ⁽⁸⁾ <i>Former Vice President – Marketing and Director</i>	2023 2022	N/A Nil	N/A Nil	N/A Nil	N/A Nil	N/A Nil	N/A Nil
Ali Sodagar ⁽⁹⁾ <i>Director</i>	2023 2021	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
Dr. John Boone ⁽¹⁰⁾ <i>Director</i>	2023 2022	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
Alexander Tokman ⁽¹¹⁾ <i>Director</i>	2023 2022	Nil N/A	Nil N/A	Nil N/A	Nil N/A	Nil N/A	Nil N/A

(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) 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. Mr. Thast was appointed as Interim President and CEO on June 1, 2023.

(3) John McGraw was the CEO of the Company from April 5, 2020 to May 31, 2023 and a director of the Company from October 8, 2021 to May 31, 2023.

(4) Ralph Proceviat has been a director of the Company since November 18, 2019 and Interim CFO since January 1, 2023.

- (5) Jody Bellefleur was CFO of the Company from July 21, 2018 to December 31, 2022.
- (6) Dr. Younes Achkire has been the COO of the Company since January 1, 2023.
- (7) Jaclyn Thast has been the Secretary of the Company since August 27, 2020.
- (8) 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.
- (9) Ali Sodagar has been a director of the Company since May 22, 2017.
- (10) John Boone has been a director of the Company since May 1, 2017.
- (11) Alexander Tokman has been a director of the Company since November 11, 2022.

Stock Options and Other Compensation Securities

On November 1, 2022, the following Options were issued to directors and NEOs of the Company for services provided, or to be provided, directly or indirectly, to the Company or any subsidiary thereof:

Name of NEO and Director	Number of Options Granted	Exercise Price	Expiry	Vesting
Dr. John Boone <i>Director</i>	400,000	\$0.61	October 31, 2027	November 1, 2022
Dr. Younes Achkire <i>COO and Director</i>	1,000,000	\$0.61	October 31, 2027	November 1, 2022
Alexander Tokman <i>Director</i>	300,000	\$0.61	October 31, 2027	November 1, 2022

As at April 30, 2023:

- (a) John McGraw, former CEO of the Company, owned an aggregate of 800,000 compensation securities, comprised of 200,000 Options, 100,000 RSUs and 500,000 PSUs. The stock options vested on January 22, 2020, and are exercisable at a price of \$0.20 per Share until January 22, 2025. Each RSU is exercisable into one Share and becomes payable by the issuance of Shares on the date of vesting as follows: (i) 50,000 on August 31, 2024, and (ii) 50,000 on August 31, 2025. Each PSU is exercisable into one Share and becomes payable by the issuance of Shares on the date of vesting as follows: (i) 250,000 on August 31, 2025, and (ii) 250,000 on August 31, 2026.

On May 31, 2023, Mr. McGraw resigned as CEO and a director of the Company and the unvested RSUs and PSUs were forfeited.

- (b) Ralph Proceviat, CFO and a director of the Company, owned 100,000 compensation securities, comprised solely of Options, each of which is exercisable into one Share, at a price of \$0.37 per Share until February 11, 2025. The Options vested on February 11, 2020.
- (c) Younes Achkire, a director of the Company, owned an aggregate of 1,200,000 compensation securities, comprised solely of Options, each of which is exercisable into one Share. 1,000,000 of the Options were granted during the financial year ended April 30, 2023 (see above) and 200,000 of the Options are exercisable at a price of \$0.74 per Share until June 30, 2023. These Options expired unexercised.

Exercise of Compensation Securities by Director and NEOS

During the financial year ended April 30, 2023:

- (a) Ali Sodagar, a director of the Company, exercised 200,000 Options at a price of \$0.10 per Share.
- (b) 25,000 Shares were issued to Alexander Tokman, a director of the Company, on vested RSUs.
- (c) 25,000 Shares were issued to Ralph Proceviat, CFO and a director of the Company, on vested RSUs.

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.