ELEMENT NUTRITIONAL SCIENCES INC.

Annual Information Form
Financial Year Ended December 31, 2020

August 13, 2021

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EXPLANATORY NOTES

Unless otherwise indicated, references herein to "$" or "dollars" are to Canadian dollars. The information in this annual information form (the "**Annual Information Form**" or "**AIF**") is stated as at August 13, 2021, unless otherwise stated.

This Annual Information Form should be read in conjunction with the Company's audited annual financial statements and the notes there to, as well as with the management's discussion and analysis for the year ended December 31, 2020, copies of which are attached to the Company's long-form prospectus dated May 13, 2021which is available under the Company's profile on SEDAR at www.sedar.com.

Forward-Looking Statements

Except for statements of historical fact relating to the Company, certain statements in this Annual Information Form may constitute forward-looking information, future oriented financial information, or financial outlooks (collectively, "forward looking information") within the meaning of Canadian securities laws. Forward-looking information may relate to this Annual Information Form, the Company's future outlook and anticipated events or results and, in some cases, can be identified by terminology such as "may", "could", "should", "expect", "plan", "anticipate", "believe", "intend", "estimate", "projects", "predict", "potential", "targeted", "possible", "continue" or other similar expressions concerning matters that are not historical facts and include, but are not limited in any manner to, those with respect to any and all timing, development, operational, financial, economic, legal, regulatory and political factors that may influence future events or conditions, as such matters may be applicable. In particular, this Annual Information Form contains forward-looking statements pertaining to the following:

- the Company's business objectives and milestones and the anticipated timing of, and costs in connection with, the execution or achievement of such objectives and milestones;
- the Company's future growth prospects and intentions to pursue one or more viable business opportunities;
- the development of the Company's business and future activities following the date of this AIF;
- expectations relating to market size and anticipated growth in the jurisdictions within which the Company may from time to time operate or contemplate future operations;
- expectations with respect to economic, business, regulatory and/or competitive factors related to the Company or the health product industry generally;
- the impact of COVID-19 on the Company's current and future operations;
- the market for the Company's current and proposed product offerings, as well as the Company's ability to capture market share;
- the Company's strategic investments and capital expenditures, and related benefits;
- the distribution methods expected to be used by the Company to deliver its product offerings;
- the performance of the Company's business and the operations and activities of the Company;

- the competitive landscape within which the Company operates and the Company's market share or reach;
- expectations generally about the Company's ability to raise further capital for corporate purposes; and
- treatment under applicable governmental regimes for regulatory approvals (see "*Risk Factors*").

Such forward-looking statements are based on a number of material factors and assumptions and include, without limitation: the ability to build market share and enter new markets and industry verticals; retain key personnel; execute expansion plans; continue investing in research and development to support growth and to enhance current products and create new products which are attractive to customers; obtain and maintain existing financing on acceptable terms; currency exchange and interest rates; impact of competition; changes and trends in the Company's industry or the global economy; and the changes in laws, rules, regulations, and global standards. While the Company considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect. Actual results may vary from such forward-looking information for a variety of reasons, including but not limited to risks and uncertainties disclosed in this Annual Information Form. See "Risk Factors". Forward-looking statements are based upon management's beliefs, estimates and opinions on the date the statements are made and, other than as required by law, the Company does not intend, and undertakes no obligation to update any forward-looking information to reflect, among other things, new information or future events.

The Company discusses in its quarterly and annual reports referred to as the Company's Management's Discussion & Analysis documents, any events and circumstances that occurred during the period to which such document relates that are reasonably likely to cause actual events or circumstances to differ materially from those disclosed in the Annual Information Form. New factors emerge from time to time, and it is not possible for management to predict all of such factors and to assess in advance the impact of each such factor on the Company's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement.

Investors are cautioned against placing undue reliance on forward-looking statements.

Presentation of Financial Information

The Company presents its financial statements in Canadian dollars. All of the financial data contained in this Annual Information Form relating to the Company have been prepared using IFRS.

THE COMPANY

The Company was incorporated under the *Business Corporations Act* (British Columbia) (the "**BCBCA**") on June 25, 2018 under the name "PJ1 Capital Corp". The Company changed its name to "Element Nutritional Sciences Inc." on August 31, 2020. The Company's head office is located at 1100 Walkers Line, Suite 401, Burlington, Ontario, L7N 2G3. The Company's registered office is located at 725 Granville Street, Suite 400, Vancouver, British Columbia, Canada V7Y 1G5.

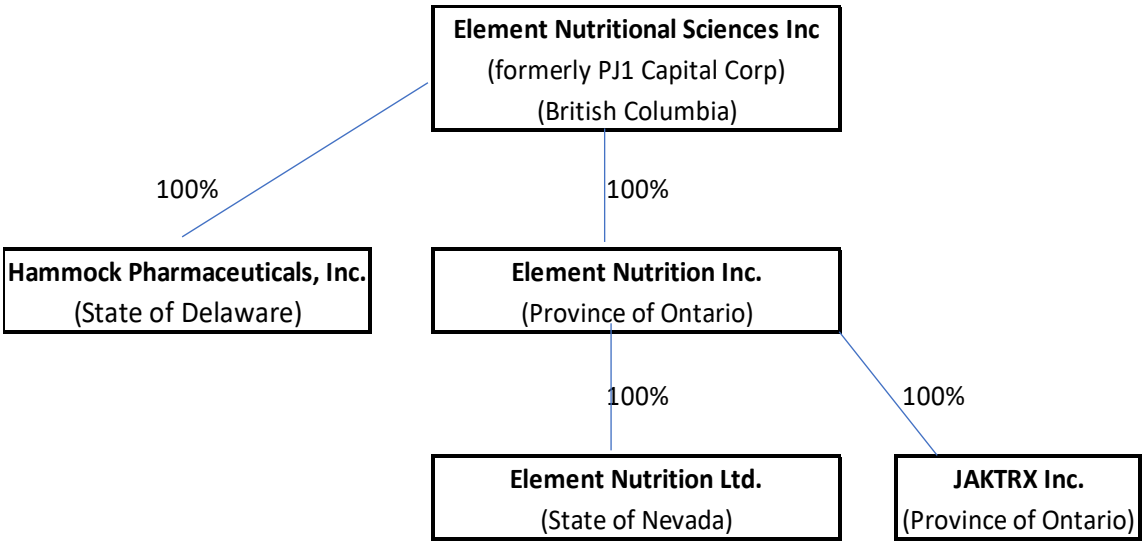
The Company is a reporting issuer in the provinces of British Columbia, Alberta, Saskatchewan and Ontario. The principal regulator of the Company is the Ontario Securities Commission.

The common shares in the capital of the Company ("**Common Shares**") are listed for trading on the Canadian Securities Exchange ("**CSE**") under the symbol "ELMT". As of the date hereof, the authorized

capital of the Company consists of an unlimited number of Common Shares without par value, of which 95,784,996 Common Shares are issued and outstanding as fully paid and non-assessable.

Intercorporate Relationships

The following chart illustrates the incorporate relationships among the Company and its subsidiaries as of the date hereof:



Element Nutrition Inc. ("**Element**"), a wholly-owned subsidiary of the Company, was incorporated on July 11, 2014 and is existing under the *Business Corporations Act* (Ontario).

Hammock Pharmaceuticals, Inc. ("**Hammock Pharmaceuticals**") exists under the laws of the State of Delaware, and was formed pursuant to the merger of Hammock Pharmaceuticals and PJ1 Holdings Inc. (the "**Merger**").

Element Nutrition Ltd. ("**Element (US)**"), a wholly-owned subsidiary of Element, was incorporated on November 29, 2018 and is existing under the laws of the State of Nevada.

JAKTRX Inc. ("**JAKTRX**"), a wholly-owned subsidiary of Element, was incorporated on June 17, 2014 and is existing under the *Business Corporations Act* (Ontario).

The head office for all of the aforementioned companies is located at 401 – 1100 Walkers Line, Burlington, Ontario, Canada.

GENERAL DEVELOPMENT OF THE BUSINESS

Three Year History

In March of 2018, Element acquired the JAKTRX product line of protein powders and other nutritional supplements targeting the sports nutrition market.

On December 5, 2018, Hammock Pharmaceuticals assigned and transferred to Daré Biosciences, Inc ("**Daré**") all of its right, title and interest in and to the MilanaPharm license agreement and agreed to transfer to Daré all of the data, materials and the licensed technology in its possession pursuant to a technology transfer plan to be agreed upon by the parties (the "**Daré Assignment Agreement**"). Upon execution of the Daré Assignment Agreement, Hammock Pharmaceuticals received US$250,000 from Daré, and received additional payments of US$125,000 on December 5, 2019, and US$137,500 on January 31, 2020. On July 13, 2020 Hammock Pharmaceuticals received an additional US$100,000 from Daré upon the first patient dosing within its Phase 3 clinical trial in bacterial vaginosis ("**BV**"). Additional milestone payments are due from Daré to Hammock Pharmaceuticals within fifteen days of the following achievements related to certain clinical and regulatory development milestones: (i) US$250,000 upon submission of a New Drug Application ("**NDA**") to the FDA for BV (the "**First Milestone Payment**"); (ii) US$500,000 upon NDA approval by the FDA for BV; and (iii) US$250,000 after NDA approval by the FDA for a total of one additional indication for any intravaginal and/or urology indication other than BV.

Element began commercialization of the Rejuvenate brand in April of 2019. The first Rejuvenate product developed was a single serve powdered product sold in a carton holding 30 single serve pouches delivering the 3.6 grams of the essential amino acid formula. Each pouch is mixed with 8-10 ounces of water and consumed 1-2 times per day. Initial sales were through e-commerce on Element's web sites in the US and Canada and also on Amazon.ca and Amazon.com. Retail sales commenced in the second half of 2019 at 6,000 CVS retail stores and 2,838 Walmart stores in the United States. For more information regarding the history of the Rejuvenate brand, please see "*General Description of the Business – General – Rejuvenate Brand*".

In October of 2019, Element entered into a distribution and sales agreement with Natural Made Company Ltd in South Korea.

In January 2020, Element engaged DEG Productions in the United States to develop and produce content for social media, digital media and direct to consumer marketing. Completion of this was delayed due to the COVID-19 pandemic. In October 2020, they completed the production and the program is moving forward.

In March 2020, Element engaged the Sasha Group, part of Vayner Media in the United States, a national branding agency. Sasha Group will be managing and executing a complete digital and social media campaign for the Company's Rejuvenate brand. In 2020, the brand started selling at Canadian retailers. The Rejuvenate Sachet Products went on sale at Rexall Drug stores in Q2 of 2020. It is now also available at select Shoppers Drug Mart stores and was made available at Loblaws stores in October of 2020. Element is currently in discussions with multiple retailers in North America to increase its distribution of the Rejuvenate Sachet Products.

On July 3, 2020, the Company conducted a non-brokered private placement financing, consisting of an aggregate of 11,200,000 Common Shares at a price of $0.02 per Common Share, which raised $224,000.

On August 10, 2020, the Company conducted a non-brokered private placement offering of an aggregate of 11,033,161 Common Shares at a price of $0.15 per Common Share, which raised $1,654,974 (collectively, the "**Second Private Placement**"). In connection with the Second Private Placement, the Agent received a cash finder's fee of $78,329 and 521,600 common share purchase warrants of the Company (the "**Second Private Placement Warrants**"), with each such warrant exercisable for one Common Share at an exercise price of $0.15 until the date that is 24 months from the date of issuance. The Common Shares issued pursuant to the Second Private Placement are subject to voluntary lock-up restrictions. For more information, please see "*Escrowed Securities and Securities Subject to Contractual Restriction on Transfer*".

On July 6, 2020, the Company closed a private placement and issued an aggregate of 550,000 special warrants of the Company (the "**Special Warrants**"). Each Special Warrant entitled the holder to acquire, without further payment, one Common Share. Each Special Warrant automatically converted at 4:00 p.m. (Vancouver time) on November 6, 2020 into one Common Share in accordance with the terms of the Special Warrants.

On August 31, 2020, the Company acquired all of the issued and outstanding securities of Element in consideration of the issuance of 24,375,000 Common Shares to the holders of securities of Element pursuant to a share exchange agreement (the "**Element Share Exchange Agreement**"). The Company and Element were arm's length parties prior to the completion of this transaction. As part of the Element Share Exchange Agreement and the Hammock Merger Agreement (as defined below), the Company reserved for issuance an aggregate of 24,000,000 management performance warrants (the "**Management Performance Warrants**"). For a summary of the terms of the Management Performance Warrants, please see "*Description of Capital Structure*". The Common Shares issued pursuant to the Element Share Exchange Agreement are subject to voluntary lock-up restrictions. Please see "*Escrowed Securities and Securities Subject to Contractual Restriction on Transfer*" for a summary of the lock-up provisions.

On August 31, 2020, the Company acquired all of the issued and outstanding securities of Hammock Pharmaceuticals in consideration of the issuance of 9,375,000 Common Shares to the holders of securities of Hammock Pharmaceuticals pursuant to the Hammock Merger Agreement. Pursuant to the Merger, each of PJ1 Holdings and Hammock Pharmaceuticals merged in accordance with Delaware laws, whereupon the separate existence of PJ1 Holdings ceased, and Hammock Pharmaceuticals became the surviving corporation and a wholly-owned subsidiary of the Company. The Company and Hammock Pharmaceuticals were arm's length parties prior to the completion of this transaction. The Common Shares issued pursuant to the Hammock Merger Agreement are subject to voluntary lock-up provisions. For more information, please see "*Escrowed Securities and Securities Subject to Contractual Restriction on Transfer*".

At the time of the completion of the transactions with Element and Hammock Pharmaceuticals, the business of the Company became the business of Element. Accordingly, the financial year end of the Company was changed to December 31, adopting the year end of Element as the reverse take-over acquirer.

Subsequent to the acquisition of Hammock Pharmaceuticals on August 31, 2020, the distribution agreement and license for Athlete's Gel, the principal product of Hammock Pharmaceuticals, was not renewed by management due to certain decisions to refocus the Company on operations that generate positive margins and cash flows. While management had the view of eventually restructuring the operations of Hammock Pharmaceuticals to be accretive to the Company when entering into the Hammock Merger Agreement, it was later determined that the investment required could not provide the returns management had planned prior to the Merger. As a result, those plans were abandoned and the distribution license for Athletes Gel was allowed to lapse and as such, Athletes Gel PTY Limited and Hammock Pharmaceuticals signed a mutual release on December 3, 2020. Hammock Pharmaceuticals ceased its business operations in January of 2021. The Company does not plan to make any future material investments to grow the business of Hammock Pharmaceuticals.

In September 2020, Element engaged Lockard and Wechsler, a national full service media agency in the United States. Lockard and Wechsler specialize in direct to consumer marketing. They are executing a nationwide direct to consumer marketing campaign in the United States.

In September 2020, Element engaged Flinnwest Solutions, a digital marketing agency in White Rock, British Columbia. Flinnwest is providing optimized e-commerce websites that work in conjunction with Element's social media, customer relationship management system and email marketing.

Pursuant to the first amended and restated sublicense agreement (the "**License Agreement**") dated October 27, 2020, as amended, between Eight IP LLC ("**Eight IP**") as the licensor and Element as the licensee, Element licensed the use of certain patent rights from Eight IP consisting of the use of amino acid supplementation for improved muscle recovery for a term of ten years commencing on November 1, 2020. Upon expiry, the License Agreement shall automatically renew for an additional ten years provided Element is not in breach of the License Agreement and the parties agree upon minimum purchase requirements for the renewal term. Eight IP sublicensed the intellectual property pursuant to an underlying license agreement with the University of Arkansas. The patent rights are currently held by BioVentures, LLC, an affiliated entity of the University of Arkansas that manages its intellectual property.

Key Subsequent Events

Hammock Pharmaceuticals ceased its business operations in January of 2021. The Company does not plan to make any future material investments to grow the business of Hammock Pharmaceuticals.

The Company entered into an escrow agreement with a former director of the Company on January 15, 2021, whereby $100,000 in proceeds from a prior share sale (the "**Escrowed Funds**") will be released to the former director in twelve months or sooner upon the payment of the First Milestone Payment. If the First Milestone Payment is not made in twelve months then the Company has the option to release the Escrowed Funds to the Company and assign its rights to the First Milestone Payment to the former director, or extend the escrow period for an additional six months. If the Escrow Period is extended for an additional six months and the Company does not receive the First Milestone Payment, then the Company has the option to either retain its right to receive the First Milestone Payment and have the Escrowed Funds released to the former director, or cause the Escrowed Funds to be released to the Company in which case the Daré Assignment Agreement will be assigned to the former director.

The Company conducted a concurrent private placement that closed in two tranches on January 18, 2021 and March 29, 2021, pursuant to which the Company issued an aggregate of 22,480,000 subscription receipts of the Company (each, a "**Subscription Receipt**") at a price of $0.25 per Subscription Receipt to raise aggregate gross proceeds of $5,620,000 (the "**Concurrent Private Placement**"). Each Subscription Receipt entitled the holder to receive one Common Share upon the satisfaction of certain escrow release conditions, including the Company receiving receipt for a final long-form prospectus to qualify the Common Shares underlying the Subscription Receipts. The aggregate gross proceeds of the Concurrent Private Placement were placed into escrow with Endeavor Trust Corporation as escrow agent pursuant to a subscription receipt agreement dated January 18, 2021, between the Company and Endeavor Trust Corporation (the "**Subscription Receipt Agreement**").

As part of the Concurrent Private Placement, the Company entered into a finder's agreement (the "**Finder's Agreement**") with Canaccord Genuity Corp. (the "**Agent**"). Under the terms of the Finder's Agreement, the Company paid to the Agent $426,360 and issued to the Agent 1,705,440 common share purchase warrants (each, a "**Finder Warrant**"). Each Finder Warrant is exercisable into one Common Share at an exercise price of $0.25 until the date that is 24 months following the issuance date of such Finder Warrant. The Agent received a corporate finance fee of $100,000 in cash and 400,000 Common Shares (the "**Corporate Finance Fee Shares**").

The Company completed a private placement in tranches on February 1, 2021, February 4, 2021 and March 15, 2021, and issued an aggregate of 6,012,000 Common Shares at $0.25 per share (the "**Third Private Placement**"). As compensation for the Third Private Placement, the Agent received a cash finder's fee of $92,240 and 386,960 common share purchase warrants of the Company (the "**Third Private Placement Warrants**"). Each Third Private Placement Warrant is exercisable into one Common Share at an exercise price of $0.25 until 24 months from the date of issuance.

In February 2021, the Company entered into an agreement with Food Lion for distribution of the Rejuvenate ready-to-drink organic plant protein beverage in 1,000 stores in the South Eastern U.S., and subsequently made its first shipment under this agreement in March 2021. Also in February 2021, the Company entered into an agreement with Walgreens for distribution of the Rejuvenate ready-to-drink organic plant protein beverage across 8,468 locations, and received its first purchase order under this agreement in April 2021.

The Company entered into an agreement with Sam's Club in March 2021 for sales of Rejuvenate ready-to-drink organic plant protein beverage on Samsclub.com, with sales expected to begin in May 2021.

The Company entered into a bridge loan agreement on April 27, 2021 with L5 Capital Inc. (the "**Lender**"), pursuant to which the Company can borrow up to $1,250,000 in three increments of $500,000, $500,000 and $250,000 (the "**Bridge Loan Agreement**"). The Company has borrowed the maximum of $1,250,000. As consideration, the Company has issued two common share purchase warrants (each, a "**Loan Warrant**") for every dollar loaned for a total of up to 2,500,000 Loan Warrants. Each Loan Warrant will entitle the Lender to purchase one Common Share at a price of $0.25 per Common Share for a period of two years from the date of issuance. As at the date hereof, the Company has borrowed $1,250,000 and issued 2,500,000 Loan Warrants to the Lender in accordance with the Bridge Loan Agreement.

On May 14, 2021, the Company was issued a receipt for the final long-form prospectus qualifying the distribution of Common Shares underlying the issued and outstanding Subscription Receipts. As a result, an aggregate of 22,480,000 Common Shares were issued upon the deemed exercise of Subscription Receipts and the net proceeds of the Concurrent Private Placement were released from escrow to the Company pursuant to the terms of the Subscription Receipt Agreement. On May 26, 2021, the Common Shares commenced trading on the CSE under the symbol "ELMT".

On June 18, 2021, the Company completed a brokered private placement of 8,334,000 units of the Company for gross aggregate proceeds of $5,000,400. Each unit consists of one Common Share and one half of one common share purchase warrant (each whole warrant, a "**Fourth Private Placement Warrant**"). Each Fourth Private Placement Warrant is exercisable for one Common Share for a period of 24 months from the closing date at a price of $1.00 per share. In connection with the private placement, the Company paid the Agent a cash commission of $350,028, issued 583,380 common share purchase warrants to the Agent with each such warrant exercisable for one Common Share at a price of $0.60 per share for a period of 24 months from the date of issuance and paid the Agent a corporate finance fee of $125,000, payable in Common Shares at a deemed price of $0.60 per share.

NARRATIVE DESCRIPTION OF THE BUSINESS

General

The Company holds all of the issued and outstanding equity securities of Element. The business of Element is the business of the Company. Element was founded and incorporated on July 11th, 2014, and is an innovative and research driven Canadian nutraceutical company specializing in the development of science-based products for the global consumer packaged goods market, with a portfolio focused specifically on men and women over the age of 50. Element's lead product, Rejuvenate, is a proprietary formulation that is clinically proven to assist in the rebuilding, restoration and rejuvenation of natural loss of muscle mass due to aging or other medical conditions. Element also offers JAKTRX, an elite brand of performance supplements.

The initial product offerings consisted of protein-based powdered products sold under the brand name Boomer Nutrition, which were formulated based on published independent research studies and approved

by Health Canada. More recently, the Company has principally been focused on the development and commercialization of a formulation of nine amino acids under the brand name Rejuvenate. Rejuvenate is a proprietary, patented formulation that has clinically proven efficacy in helping prevent muscle loss due to Sarcopenia (muscle loss due to aging). The major portion of sales within the adult nutrition market is in the single serve ready to drink beverage segment. The Company is currently in the process of enhancing their portfolio and commercializing more of their products.

Element's primary mission is to develop science-based nutritional products for the ageing demographic 45 and over.

Boomer Nutrition Brand

Element's initial product offerings were protein based powdered products sold under the brand name Boomer Nutrition. These products were formulated based on published independent research studies that showed positive effects of specific nutrients on the body's ability to rebuild muscle. These initial products were approved by Health Canada's Natural Health Product Directorate (NHPD). The Boomer nutrition products have been sold through Element's web site, Amazon.ca and at Loblaws and Rexall Drug stores.

An example of a Boomer Nutrition product is provided below:

JAKTRX Brand

In March of 2018, Element acquired the JAKTRX product line of protein powders and other nutritional supplements targeting the sports nutrition market. The North American sports nutrition market is valued at $17 billion and is forecast to be $31 billion by 2027 (*Grand View Research, Sports Nutrition Market Size, Share & Trends Analysis Report Feb 2020*). This represents another significant growth opportunity for Element. Additionally the patented method of administering a formulation of essential amino acids can be incorporated into new product offerings within the JAKTRX brand. JAKTRX is a brand designed and developed for the CrossFit consumer. The JAKTRX brand is made up of a line of protein powders and other nutritional supplements. The products were sold through e-commerce on the JAKTRX website and direct to consumers through CrossFit gyms. However, due to the declining popularity of CrossFit, and in order to expand the brand to more consumers encompassing all sports, a strategy is being executed to change the branding and marketing so as to appeal to the entire sports nutrition consumer and take advantage of the projected growth in the North American sports nutrition market. This change is expected to increase the size of the product's target market and help improve sales.

An example of a JAKTRX product is provided below:

Rejuvenate Brand

Element subsequently acquired rights to a unique patent of administering a formula of essential amino acids (key building blocks of protein) developed at the Geriatric Center at the University of Arkansas. For further details relating to these patent rights see "*Description of the Business – Intellectual Property*" below. This unique formula was clinically proven to be more effective than the initial Boomer products. Due to this and the wide range of applications Element moved forward with developing a new brand line called Rejuvenate for the purpose of commercializing the acquired intellectual property.

Element has principally been focused on the development and commercialization of its Rejuvenate brand. Rejuvenate is a muscle health product designed to help slow and/or prevent muscle loss due to aging (Sarcopenia). The formulation is based on 17 years of clinical research with 25 peer reviewed clinical studies supporting the formula and its efficacy. Based on the potential of the formula in delivering a clinically proven nutritional intervention for muscle loss, Rejuvenate is now Element's flag ship brand. Since this new technology makes the initial Boomer formulations obsolete, Element is slowly transitioning out of the Boomer Nutrition brand. The first Rejuvenate product developed was a single serve powdered product sold in a carton holding 30 single serve pouches delivering the 3.6 grams of the essential amino acid formula. Each pouch is mixed with 8-10 ounces of water and consumed 1-2 times per day. Element began commercialization of this brand in April of 2019. Initial sales were through e-commerce on Element's web sites in the US and Canada and also on Amazon.ca and Amazon.com. Retail sales commenced in the second half of the year at 6,000 CVS retail stores and 2,838 Walmart stores in the United States. Total sales for Rejuvenate for 2019 were $1,402,663. It can generally take 24 months or more to get a product into significant distribution. However, due to what Element believes is the product's innovative value proposition, it was able to get retail acceptance at an early stage. Element's goal is to continue to build sales and distribution throughout the United States by adding additional retailers and increasing consumer brand awareness through its marketing efforts. The production of the Rejuvenate RTD Products has commenced in the United States.

In 2020, the brand started selling at Canadian retailers. The Rejuvenate Sachet Products went on sale at Rexall Drug stores in Q2 of 2020. It is now also available at select Shoppers Drug Mart stores and was made available at Loblaws stores in October of 2020. Element is currently in discussions with multiple retailers in North America to increase its distribution of the Rejuvenate Sachet Products.

Over the past year, Element has been developing its Rejuvenate RTD Products. Expanding the brand line by offering a single serve beverage, such as the Rejuvenate RTD Products, is a growth opportunity for Element. Element believes that the Rejuvenate RTD Products will bring added variety and give consumers an alternate choice to what has traditionally been offered. The Rejuvenate RTD Products is now in the process of moving to production and being commercialized. Initial production began in November 2020. Element commenced sales of the Rejuvenate RTD Products on its e-commerce platform in February of

2021. On March 24, 2021, Element shipped the Rejuvenate RTD to Food Lion stores in the United States. Food Lion is a grocery chain with 1,000 stores in the mid-Atlantic and South Eastern United States. Element has received confirmation from Walgreens in the US that they will be placing the Rejuvenate RTD in 8,438 stores from coast-to-coast in the US in the middle of June of 2021.

Due to different regulations in Canada, a specific formula for the Rejuvenate RTD Products must be developed for the Canadian market. Formulation work has commenced and the final formulation is expected to be completed by the end of Q2 2021. This formulation will require Health Canada approval and commercialization will depend on the approval. Approval can take up to 8 months and may take longer due delays related to COVID-19. Element expects to have approval by Q4 of 2021. Once approval is completed the product will be moved to production and commercialization. Initial sales are expected to commence on our e-commerce platforms (Rejuvenate.ca and Amazon.ca) in Q1 of 2022. Retail sales are expected to begin in Q3 of 2022.

An example of a Rejuvenate product is provided below:

Summary of Products

Below is a summary of Element's current product offering, including name of manufacturer, distribution details, licensing information and percentage of revenues generated from each product.

Brand name	Description of product	Manufacturer	List of jurisdictions	Date of distribution (mmm-yy)	Canadian Licenses info	License approving authority	Subsidiary Distributer	Approximate reveue percentage generated from the distribution of the product
REJUVENATE	165g Rejuvenate Raspberry flavoured powder in sachets (30 servings)	Vitaquest Internaltional, LLC	Canada and USA	Feb-19	NPN 80088720	Health Canada	NA	37.7%
REJUVENATE	165g Rejuvenate Fruit Punch flavoured powder in sachets (30 servings)	Vitaquest Internaltional, LLC	Canada and USA	Feb-19	NPN 80088720	Health Canada	NA	36.9%
REJUVENATE	330ml Rejuvenate Chocolate Ready to Drink 4pack	Lyons, Wisconsin USA	USA	Feb-20	N/A	N/A	N/A	0.1%
REJUVENATE	330ml Rejuvenate Vanilla Ready to Drink 4 pack	Lyons, Wisconsin USA	USA	Feb-20	N/A	N/A	N/A	0.1%
REJUVENATE	330ml Rejuvenate Mocha Ready to Drink 4 pack	Lyons, Wisconsin USA	USA	Feb-20	N/A	N/A	N/A	0.1%
REJUVENATE	55.5g Raspberry powder in sachets (10 servings)	Vitaquest Internaltional, LLC	Korea	May-20	NA	Korea MFDS	NA	3.2%
Boomer	680g of Protein Energy Vanilla flavoured powder (22 servings)	Nutrablend Foods	Canada and USA	Jan-19	NPN 80063646	Health Canada	NA	1.0%
Boomer	680g of Protein Energy Chocolate flavoured powder (22 servings)	Nutrablend Foods	Canada and USA	Jan-19	NPN 80063646	Health Canada	NA	0.6%
Boomer	800g Organic Vegan Protein Chocolate flavoured powder (25 servings)	Protec Laboratory	Canada and USA	Jan-19	NPN 80091919	Health Canada	NA	0.1%
Boomer	750g Organic Vegan Protein Vanilla flavoured powder (25 servings)	Protec Laboratory	Canada and USA	Jan-19	NPN 80091919	Health Canada	NA	0.0%
JakTRX	908g PRO (WOD)Recovery Chocolate Peanut Butter (28 servings)	Nutrablend Foods	Canada	Jan-19	NPN 80088812	Health Canada	JAKTRX Inc.	4.5%
JakTRX	331g Cocowodder Hydrate Cherry Lime (30 servings)	Nutrablend Foods	Canada	Nov-19	NPN 80054373	Health Canada	JAKTRX Inc.	1.9%
JakTRX	908g PRO (WOD) Recovery French Vanilla flavoured powder (28 servings)	Nutrablend Foods	Canada	Apr-20	NPN 80088812	Health Canada	JAKTRX Inc.	4.1%
JakTRX	908g PRO (WOD) Recovery Strawberry Banana (28 servings)	Nutrablend Foods	Canada	Feb-20	NPN 80088812	Health Canada	JAKTRX Inc.	1.8%
JakTRX	908g PRO (WOD) Recovery Chocolate Milk Shake flavoured powder (28 servings)	Nutrablend Foods	Canada	Nov-19	NPN 80088812	Health Canada	JAKTRX Inc.	3.7%
JakTRX	345g Cocowodder Pre-Workout Blue Raspberry flavoured powder (30 servings)	Nutrablend Foods	Canada	Oct-18	NPN 80054375	Health Canada	JAKTRX Inc.	1.4%
JakTRX	360g Cocowodder Hydrate Pink Lemonade powder (30 servings)	Nutrablend Foods	Canada	Nov-19	NPN 80054373	Health Canada	JAKTRX Inc.	1.1%
JakTRX	800g Plant Power Chocolate flavoured powder (25 servings)	Nutrablend Foods	Canada	Nov-19	NPN 80091919	Health Canada	JAKTRX Inc.	0.9%
JakTRX	750g Plant Power Vanilla flavoured powder (25 servings)	Nutrablend Foods	Canada	Nov-19	NPN 80091912	Health Canada	JAKTRX Inc.	0.5%
JakTRX	9008g PRO Recovery Ice Cream Sandwich powder (28 servings)	Nutrablend Foods	Canada	Mar-18	NPN 80091912	Health Canada	JAKTRX Inc.	0.2%
JakTRX	90ct Creaos Creatine Pills (30 servings)	Nutrablend Foods	Canada	Mar-18	NPN 80071508	Health Canada	JAKTRX Inc.	0.2%

New Products

Element has recently announced the introduction of a Rejuvenate RTD Product in a 330 ml resealable Tetra Pak. The product comes in three flavor options for the consumer, chocolate, vanilla and mocha. The Rejuvenate drink went into production in November 2020. The product will be the first Rejuvenate liquid beverage to enter the market place. Sales commenced in February of 2021 through Element's e-commerce platform. The product has started to ship to retail stores in the United States. A Canadian formulation was completed in October of 2020 and then moved to trial production. The first trial production was completed in February of 2021. Based on the results of the first trial, a subsequent production trial will be scheduled once formula adjustments are confirmed. Sales are expected to commence in Canada upon receiving approval from the NHPD.

New products are being developed using the patented method of administering a formulation of essential amino acids. Element has plans to launch as many as 12 more beverage products under the Rejuvenate brand over the next 3-5 years. Other powdered formulations will also be developed. Additionally, a new digital and social media program will be launched to increase brand awareness of all Rejuvenate products. This strategy is designed to also allow Element to utilize its infrastructure in the United States and start selling the product via e-commerce in the US market. Expansion into the United States is a potential growth opportunity for Element. Element (US) was formed to expand brand recognition, open access to new markets, attract new customers and expand its market share for existing and new products within the United States.

Manufacturing, Supply and Production

All production is contracted to independent contractors. Element currently utilizes three independent contract manufacturers to produce all products sold in North America. There is a large number of contract manufacturers in the US and Canada that have the capabilities to produce the Rejuvenate powder beverage. Element has secondary suppliers so that it is not reliant on one manufacturer. Element enters into quality agreements with all manufactures to ensure the high quality of the products is maintained. Element's current

principal manufacturer for its Rejuvenate RTD Products has just completed a full expansion and increased its production capacity. Accordingly, there is significant line time currently available for the production of the Rejuvenate RTD Products. A secondary manufacturer for this product is being brought on board so that Element is not relying on just one manufacturer for the Rejuvenate RTD Products. Element's raw material supply chain is managed internally by its operations team in conjunction with its manufacturers. Real time inventory controls allow Element to forecast the need for raw materials and finished goods. The current situation surrounding the COVID-19 pandemic has had no material effect on Element's supply chain. Besides the quality control agreements, Element does not enter into manufacturing agreements with its contract manufacturers. This is done to provide Element with the flexibility to be able to move manufacturing as needed to other manufacturers for the benefit of the business and maintaining supply. If Element entered into agreements with manufacturers it would limit options on supply should the manufacturer have any production issues. Therefore if the manufacturer had a production issue or supply issue, Element would have no other manufacturer to acquire supply from. Element would then be at risk for out of stocks and not being able to meet demand. This structure is used for all brands and products. By not entering into exclusive manufacturing agreements, Element has the ability to negotiate pricing on a consistent basis as business increases. Element also supplies the manufacturers with forecasts which ensures consistent pricing on raw materials and creates the opportunity to lower the cost of goods on a consistent basis. This model ensures that Element has a predicable supply of all products it sells.

Commercialization

Element is currently a vendor of record with Walgreens, CVS, Walmart and Meijer in the United States. This represents a total of 23,577 potential points of distribution in the United States. Element becomes a vendor of record once it has completed all the internal paper work with the retailer necessary to set up a product in the retailers system so that the retailer can issue purchase orders for the product. For most retailers there is a vendor agreement that outlines the agreed upon guidelines for conducting business together. This agreement includes but is not limited to, pricing, delivery, payment terms, damage allowance and return policies. Element has entered into a brokerage agreement with Advantage Solutions to lead Element's sales expansion in the United States. Advantage Solutions is a market leader in sales and brand development operating in 40 countries globally.

Element is currently a vendor of record in Canada with Loblaws, Shoppers Drug Mart and Rexall. This represents a total of 3,700 potential points of distribution. Brewin and Associates is Element's broker in Canada.

Element currently has a distribution and sales agreement with Natural Made Company Ltd in South Korea. This agreement was entered into in October of 2019. All product is purchased directly from Element and shipped to the distributor. All purchases are paid up front in US dollars prior to shipping. There are no other current planned distributions outside of Canada and the US. As Element grows and opportunity presents itself, Element may enter in to similar agreements in other foreign markets.

Marketing and Branding

In January 2020, Element engaged DEG Productions in the United States to develop and produce content for social media, digital media and direct to consumer marketing. Completion of this was delayed due to the COVID-19 pandemic. In October 2020, they completed the production and the program is moving forward.

In March 2020, Element engaged the Sasha Group, part of Vayner Media in the United States, a national branding agency. Sasha Group will be managing and executing a complete digital and social media campaign for the Company's Rejuvenate brand.

In August 2020, Element signed Denise Austin as a brand ambassador for the Rejuvenate brand. Denise has over 450,000 followers and is one of the most influential social media celebrities for women 45-65 years old in the United States for fitness and nutrition.

In September 2020, Element engaged Lockard and Wechsler, a national full service media agency in the United States. Lockard and Wechsler specialize in direct to consumer marketing. They are executing a nationwide direct to consumer marketing campaign in the United States.

In September 2020, Element engaged Flinnwest Solutions, a digital marketing agency in White Rock, British Columbia. Flinnwest is providing optimized e-commerce websites that work in conjunction with Element's social media, customer relationship management system and email marketing.

Principal Market Competitive Conditions

Element's principal markets are Canada and the United States. However, distribution contracts will be pursued in foreign markets as Element grows. The nutritional liquid market grew by 4.6% in 2019 (*Mass Market Retailers/IRI HBC Report 52 weeks ending Dec 2019*). The US ready-to-drink beverage market is expected to expand at a compound annual growth rate of US$8.2% to 2025 (*Grand View Research, Market Analysis Report Jan 2019, Report ID: GVR-2-68038-764-3*). The plant-based food market is expected to grow at a compound annual growth rate of 11.9% from 2020 to 2027 to reach $74.2 billion (*Meticulous Market Research. Pvt. Ltd., August 13th, 2020*). Also 63% of consumers are looking to add plant-based foods as a healthier source of protein (*2017 Nutrition & Health Focus International Dupont Survey-Plant Based Meat Alternatives in Demand*). An omni-channel distribution model (distribution through multiple channels) is being used to distribute products throughout North America. This includes direct to consumer via e-commerce (Amazon, branded web site) plus distribution through food, drug, and mass mass-merchandise retailers (Shoppers Drug Mart, CVS, Walgreens, Kroger, Costco, Sams Club etc.).

	For the 9 months ended December 31, 2018		**For the year ended December 31, 2019**		**For the year ended December 31, 2020**	
Brand	**Gross Sales**	**%**	**Gross Sales**	**%**	**Gross Sales**	**%**
Rejuvenate	N/A	N/A	$1,402,663	83.80%	$953,723	97.38%
JAKTRX	$229,067	82.20%	$335,906	20.10%	$244,464	24.96%
BOOMER	$87,353	31.30%	$38,759	2.30%	$27,083	2.77%
Sub-total	$316,420	113.50%	$1,777,328	106.20%	$1,225,270	125.11%
Sales returns, allowances & other adjustments	$37,646	13.50%	$102,996	6.15%	$245,907	25.11%
Total	**$278,774**	**100.00%**	**$1,674,332**	**100.00%**	**$979,363**	**100.00%**

There are currently two competitive segments in the North American adult nutrition market, branded and private label ("**OEM**"). The branded segment of the business is made up of two brands, BOOST and Ensure. The OEM segment is principally a store brand product that is similar to branded formulations but is branded by the retailer. Element believes it has a competitive advantage in this market as there has been no innovation for many years. Element believes its products fit perfectly into the white space that has been created by the lack of innovation and the current brands not offering products that are up-to-date with

consumer trends and demands. Today, consumers are looking for and demanding products that are low in sugar or sugar-free, plant-based, lower in calories, innovative and convenient. Element provides this for the consumer and has proven clinical efficacy and rights to a unique patent of administering a formula of essential amino acids which none of the other branded or OEM products provide.

Intellectual Property

A vital part of Element's business strategy is to protect its products and technologies through the use of patents, proprietary technologies and trademarks, to the extent available. Success will depend, in part, upon the ability to obtain and enforce strong patents, to maintain trade secret protection and to operate without infringing the proprietary rights of others. The most important intellectual property for Element is the brand name for its Rejuvenate products. The patented method of administering a formulation of essential amino acids (US Patent 9,364,463) developed from the University of Arkansas is utilized in both the Rejuvenate Sachet Products and Rejuvenate RTD Products. Element holds rights to this method of administering an amino acid formulation under the License Agreement which provides Element with limited exclusive rights to utilize the patent for the production of dietary supplements and RTD shakes primarily marketed to adults over 60 and non-exclusive rights for the sports nutrition market. Element's rights are non-exclusive in Malaysia, Singapore, Thailand, Brunei, Philippines, Cambodia, Vietnam, Indonesia, Myanmar, Laos, Taiwan and Hong Kong. Element may sell products in China with the prior approval of Eight IP.

The method of administering an amino acid formula as used in Rejuvenate formula has two US patents filed and Element has licensed rights to use this intellectual property. Additionally, Element has partnered with an independent research firm to conduct further research that may result in more patent filing opportunities. Element has filed trademark applications for both the word mark and design mark for "Rejuvenate Muscle Health" in the United States and Canada. Additionally, Element has filed a trademark application for its JAKTRX brand in both the United States and Canada. Element will continue to look for opportunity to protect and solidify its intellectual property and concurrently its market advantage with patents and trademarks wherever possible.

The Company believes the Rejuvenate brand has growing customer acceptance, brand loyalty and brand equity. The increased brand equity allows Element to further expand into other retail categories (grocery, vitamins, food supplements etc.) and health conditions (heart health bone health etc.) relating to products that are not dependent on the patent rights under the License Agreement. Increased brand equity and innovation within the brand creates brand longevity. This strategy allows the brand to remain in the market for many decades. The Company believes that while patents eventually expire, brand equity and consumer loyalty do not.

Specialized Skills and Knowledge

Element's management team has skills and knowledge that have been developed throughout their careers developing brands for other major corporations in the consumer-packaged goods ("**CPG**") industry. This covers all aspects of building and operating a CPG company. These skills and expertise include but are not limited to, formulation, packaging, production, operations branding, marketing, sales and finance. For more information, please see "*Directors and Officers*".

Seasonality

Within the nutritional/dietary supplement CPG market there is a well-established cycle. The slower sales periods are generally in the summer months of June, July and August. There are two periods where the industry normally sees an increase in sales volume. These are after Labour Day and after New Year's Day. Sales are very consistent and stable outside of these three time periods.

Environment

Element does not manufacture its products. However, the operations of its subcontractors and suppliers are subject to various laws and regulations relating to environmental, health and safety matters, and their failure to comply with such laws and regulations could have a material adverse effect on Element's business and reputation. Non-compliance could result in an interruption or delay in the development or manufacture of its product, and may also lead to an increase in the costs for the development or manufacture of its products.

Regulation

The United States and Canada have separate regulatory environments applicable to the sale of Element's products. In the United States the sale of nutritional and dietary supplements is governed by the Food and Drug Administration ("**FDA**"). All of the Element's products sold in the United States are compliant with FDA regulations. The guidelines for the sale of supplements in the United States was set forth in the Dietary Supplement Health and Education Act ("**DSHEA**"). There is no current process of approval for the sale of nutritional products or any dietary supplements. It is the responsibility of Element and the manufacturers to ensure that products manufactured and sold are compliant with DSHEA. All of Element's products are reviewed for compliance with DSHEA by (i) its regulatory consultants and (ii) by the regulatory departments of its US-based contract manufacturers.

Within Canada, the Natural Health Product Directorate ("**NHPD**") governs the sale of nutritional products and dietary supplements. The NHPD is a division of Health Canada. Depending on the delivery form (powder, pill, capsule, bar, etc) and formulation of the product, it may be necessary to get the approval of NHPD to sell the product in Canada. Once the application process is complete and accepted, the product receives a Natural Product Number ("**NPN**"). This signifies that it is approved for sale in Canada. All of Element's products that are currently sold in Canada that require an NPN have an NPN. Element currently has applications in progress with the NHPD for the following new product formulations: Rejuvenate Organic Protein Beverage, Rejuvenate Immune Support and Rejuvenate Omega Health. These products are expected to be brought to market in 2021 once approved. Element is responsible for acquiring the NPN for its products sold in Canada.

Employees

Element currently has eight full time employees.

Economic Dependence

Within the retail CPG market, there are no contracts between the retailers and suppliers of products, other than vendor agreements which describe the pricing and terms (pricing, delivery, discounts, promotions, returns, damage allowance etc.) under which the two companies agree to do business. There is no expiry to these agreements. Element is responsible to market and promote the product to ensure a consistent flow of sales at the retail level.

RISK FACTORS

You should carefully consider the risks described below, which are qualified in their entirety by reference to, and must be read in conjunction with, the detailed information appearing elsewhere in this Annual Information Form, and all other information contained in this Annual Information Form. The risks and uncertainties described below are those we currently believe to be material, but they are not the only ones we face. If any of the following risks, or any other risks and uncertainties that we have not yet identified or that we currently consider not to be material, actually occur or become material risks, our business,

prospects, financial condition, results of operations and cash flows and consequently the price of the Common Shares could be materially and adversely affected.

For the purposes of this "Risk Factors" section, the Company, Element, Hammock Pharmaceutical, Element (US) and JAKTRX shall collectively be referred to as the "Company".

The Company has a limited operating history and there is no assurance that the Company will be successful in achieving a return on shareholders' investment.

The Company has a limited operating history and as a result will be subject to all of the business risks and uncertainties associated with any new business enterprise, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources, lack of revenue and the risk that it will not achieve its growth objective. There is no assurance that the Company will be successful in achieving a return on shareholders' investment.

The Company currently does not generate significant revenue and has not generated profit from its operations, and as a result, we face a high risk of business failure.

The Company has a history of operating losses and may never achieve profitability in the future. The Company is an early stage company; accordingly, it has not generated any profit from its operations.

The Company intends to expand its marketing efforts and product offering and expects the related expenses to result in continuing operating losses for the foreseeable future.

The Company's ability to generate future revenue or achieve profitable operations is largely dependent on its ability to attract the experienced management and know-how to develop and commercialize future products and to market current and future products. Successfully developing future and current product into marketable product offerings may take several years and significant financial resources and the Company cannot assure that it can achieve these objectives.

The Company currently has negative operating cash flow and if the Company sustains losses over an extended period of time, the Company may be unable to continue its business.

Although the Company expects to become profitable, there is no guarantee that this will happen and it may never become profitable. The Company currently has a negative operating cash flow and may continue to have that for the foreseeable future. For most of its history, the Company has had limited revenues. The actions of third parties and market prices affect the degree of variation in our variable costs. Our ability to generate revenues and the potential to become profitable will depend largely on our ability to have our products manufactured and to market our products. There can be no assurance that any such events will occur or that the Company will ever become profitable. Even if the Company does achieve profitability, the Company cannot predict the level of such profitability. If the Company sustains losses over an extended period of time, the Company may be unable to continue its business.

Availability and supply of raw materials may increase costs and reduce the financial viability of products available for sale.

We outsource the manufacture of our products to third parties. Such third parties in turn source raw materials in order to produce our products. The availability of raw materials as well as variations in the price of raw materials may therefore increase the Company's operating costs. The resulting effect on the Company's operating profit margin depends on, among other things, the Company's ability to increase the prices of its finished products in the context of a competitive market. Fluctuations in raw material prices

may therefore increase or decrease the Company's operating profit margin. Price increases may also result in downward pressure on sales volume. Furthermore, the Company's third party manufacturer(s) will be competing with other producers and manufacturers to secure raw materials, and such producers or manufacturers may, because of a variety of factors including, but not limited to, their relationships with suppliers, size, and competitive position within our industry, be able to secure raw materials before the Company's manufacturer(s) could secure such material, or may push the prices of raw materials higher because of such producers' or other manufacturers' demand for raw materials that the Company also requires. Potential delays in the Company's or any of its third party manufacturer's ability to secure raw materials could undermine the Company's commitments to produce and deliver its products to distributors, which could undermine market share, revenue, and hence profitability.

Pre-Clinical evaluations and Clinical trials are very expensive, time-consuming and difficult to design and implement.

Any pre-clinical or clinical trials that we contemplate to undertake will be highly risky. Pre-clinical evaluations and clinical trials are very expensive and difficult to design and implement, in part because they are subject to rigorous regulatory requirements. The pre-clinical evaluation and clinical trial process is also time-consuming. Furthermore, failure can occur at any stage of any evaluation or trial, and problems could be encountered that can cause these to be abandoned or repeated. Further, we, Health Canada, or the FDA may suspend any of our future clinical trials at any time if it appears that we or our collaborators are failing to conduct a trial in accordance with regulatory requirements, that we are exposing participants to unacceptable health risks, or if Health Canada or the FDA find deficiencies in our submissions or the conduct of these trials. Therefore, we cannot predict with any certainty the schedule for commencement and completion of future clinical trials. If we experience delays in the commencement or completion of any future pre-clinical evaluation or clinical trial, or if we terminate such pre-clinical evaluation or clinical trial prior to completion, the commercial prospects of our product candidates could be harmed, and our ability to generate revenues from them may be delayed. In addition, any delays in future pre-clinical evaluation or clinical trials could increase our costs, slow down any approval process and jeopardize our ability to commence product sales and generate revenues. Any of these occurrences may harm our business, financial condition and results of operations. In instances where regulatory approval or approval of a label or designation is helpful but not mandatory for any product, nevertheless, the lack of such approval might diminish the marketability of our current and future product offerings.

Health Canada may not approve any future applications for Natural Health Product Numbers relating to new products.

There is a risk that we will not be successful in obtaining all required approvals in the future. We may also abandon any applications for reasons including high costs or a change in our marketing or strategic business direction. In instances where approval or approval of a label or designation is helpful but not mandatory for any product, nevertheless, the lack of such approval might diminish the marketability of our current and future product offerings.

There can be no assurance that the Company will be successful in developing and marketing new products or product enhancements or service offerings on a timely basis.

The market for nutrient and health-related products is characterized by evolving regulatory and industry standards, changes in consumer tastes, needs, and habits and frequent new product introductions and enhancements within the industry. The introduction of products embodying new technologies or substances and the emergence of new industry standards and service offerings could render the Company's existing products and products currently under development obsolete or undermine the Company's ability to successfully compete with such other products. The Company's success will largely depend upon its ability

to evolve its products and services to sufficiently keep pace with technological and regulatory developments and respond to the needs of its existing and prospective customers. Failure to anticipate or respond adequately to technological developments or future customer or regulatory requirements, or any significant delays in product development or introduction, could damage the Company's competitive position in the market place and effect current and/or future commercialization plans. There can be no assurance that the Company will be successful in developing and marketing new products or product enhancements or service offerings on a timely basis.

Current and future competitors could have a significant impact on our ability to generate future revenue and profits.

The planned business to be carried out by the Company will be highly competitive and involve a high degree of risk. The Company is not the only supplier of nutrient and health related products in North America or other markets in which the Company intends to enter in the future. In its efforts to achieve its objectives, the Company will compete with other companies that may have greater resources, many of which will not only develop technology but also manufacture and sell similar products on a worldwide basis. The markets for our products are intensely competitive, and are subject to rapid consumer and technological changes and other pressures created by changes within our industry. We expect competition to increase and intensify in the future as additional companies enter our markets, including competitors who may offer similar products. We may not be able to compete effectively with current competitors and potential entrants into our marketplace. We could experience diminished market share if our current or prospective competitors introduce new competitive products; add or enhance existing products, acquire competitive products, reduce prices, or form strategic alliances with other companies. If competitors were to engage in aggressive pricing policies with respect to their products, or if the dynamics in our marketplace resulted in increasing bargaining power by the consumers of our products, we might need to lower the prices we charge for the products we plan to offer. This could result in lower revenues or reduced margins, either of which may materially and adversely affect our business and operating results. Additionally, current and potential competitors may have more resources to spend on marketing, distribution and product development than we do, and this may materially affect our business and operations.

The Company may become involved in legal matters that may have a material adverse effect on the Company or its operations.

From time to time in the ordinary course of our business, the Company may become involved in various legal proceedings, including commercial, product liability, employment, class action and other litigation and claims, as well as governmental and other regulatory investigations and proceedings. Such matters can be time-consuming, divert management's attention and resources and cause the Company to incur significant expenses. Furthermore, because litigation is inherently unpredictable, and can be highly expensive, the results of any such actions may have a material adverse effect on the Company's business, operations or financial condition.

Investment in our current research and development efforts may not provide a sufficient, timely return.

The development of new products and strategies is a costly, complex and time-consuming process, and the investment in technology product development and marketing often involves a prolonged time until a return is achieved on such an investment. We have made, and will continue to make, significant investments in technology development and related product opportunities. Investments in new products are inherently speculative and risky. Commercial success depends on many factors including the degree of innovation of the products developed, sufficient support from our strategic partners, and effective distribution and marketing. Accelerated product introductions and short product life cycles require high levels of

expenditures for new development. These expenditures may adversely affect our operating results if they are not sufficiently offset by revenue increases. We believe that we must continue to dedicate a significant amount of resources to our development efforts in order to maintain our competitive position. However, significant revenue from new product and service investments may not be achieved for a prolonged period of time, if at all. Moreover, new products and services may not be profitable, and even if they are profitable, operating margins for new products and services may not be as lucrative as the margins we previously experienced for our legacy products and services.

The Company may become subject to uninsured or uninsurable risks that could have a material adverse effect on our financial position.

The Company may become subject to risks against which it cannot insure or against which it may elect not to insure. Settling related liabilities would reduce funds available for core business activities. Settlement of uninsured liabilities could have a material adverse effect on our financial position.

Management may have conflicts of interest in allocating management time, services and functions and it is possible that these conflicts of interest could have a material adverse impact on the Company.

Our executive officers and directors will devote only that portion of their time, which, in their judgment and experience, is reasonably required for the management, and operation of our business. Management may have conflicts of interest in allocating management time, services and functions among the Company and any present and future ventures, which are or may be organized by our officers or directors and/or their affiliates. Management are not required to direct the Company as their sole and exclusive function, and they may have other business interests and engage in other activities in addition to those relating to the Company. This includes rendering advice or services of any kind to other investors and creating or managing other businesses. It is possible, however, that our directors and officers may owe similar consideration to another organization(s). It is possible that these and other conflicts of interest are resolved in a way that has a material adverse impact on the Company.

The Company depends on key personnel and changes to, or departure of, key employees, consultants, or members of management could adversely affect the Company's operations.

The Company depends on support from existing directors and officers and its ability to attract, and retain, new directors, officers and other personnel with appropriate skill sets. Inability to retain key team members or find new professionals to serve in important roles could have a material adverse effect on the Company's business. There can be no assurance that we will be able to attract or retain the quality of personnel required in the future.

The success of the Company is dependent upon the ability, expertise, judgment, discretion, and good faith of its senior management. While employment and consulting agreements are customarily used as a primary method of retaining the services of key employees and consultants, these agreements cannot assure the continued services of such employees or consultants. Any loss of the services of such individuals could have a material adverse effect on the Company's business, operating results or financial condition. Changes to or departure of key employees, consultants, or members of management could adversely affect the Company's operations.

Outsourced operations and changes in third parties could adversely affect the Company's operations, profitability, and reputation in the market.

The Company outsources certain operations, including the manufacture, storage and packaging of its products, to third parties. Although bound by contractual obligations, the Company has no direct control

over the operations of the parties whom it outsources to. Such third parties are subject to various operational, economic and legal risks affecting their operations, and changes in such third parties operations, profitability, and regulatory environment could adversely affect the quality of and/or the ability of such parties to deliver services or goods to the Company, which in turn could adversely affect the Company‘s operations, profitability, and reputation in the market.

Unanticipated business disruptions from outsourcing agents could negatively affect the Company's financial condition and performance.

The Company outsources the manufacturing of its products. Major events, such as equipment failure, health pandemics and natural disasters, could lead to unanticipated business disruption of any or certain of the Company's manufacturers and suppliers. The failure to find alternative manufactures, suppliers or to replace lost production capacity in a timely manner could negatively affect the Company's financial condition and performance.

The price of health related products in Canada, the US and international markets could impact the Company's financial results.

The price of health related products in Canada, the United States, as well as in international markets, are based on market supply and demand forces and consumer perception. The prices are tied to numerous factors, such as the health of the economy and supply and demand levels and consumer tastes in the health industry. Price fluctuations may affect the Company's operating profit margin. The effect of such fluctuations on the Company's financial results will depend on its ability to implement mechanisms to reduce them.

The Company is subject to currency risk exposures that could impact the Company's financial results.

The Company may have financial risk exposure to varying degrees relating to the currency of each of the countries where it sells its products. The level of the financial risk exposure related to a currency and exchange rate fluctuations will depend on the Company's ability to hedge such risk or use another protection mechanism.

The Company is subject to consumer's overall ability and willingness to purchase health and wellness products, where a change could negatively impact the Company's financial results.

The Company's operations could be affected by the economic context should the unemployment level, interest rates or inflation reach levels that influence consumer trends and consequently, impact the Company's sales and profitability. Also, demand for the Company's products is subject to changes in consumer trends. These changes may affect earnings. The impact of these changes will depend on the Company's ability to innovate and develop new products. The Company's products may not appeal to all consumers. The Company's products may be more appealing to more affluent and/or health conscious consumers looking for alternatives to existing products competitive to the Company's product offering. As a result, changes in consumer trends and taste preferences on their own and in conjunction with changing product offerings by other suppliers may affect demand for the Company's products.

Legislative, regulatory, normative, and other political considerations may impact the granting or continued performance of permits and licences affecting the Company's financial results.

The Company is subject to local, provincial, federal and international laws, regulations, rules and policies as well as to social, economic and political contexts prevailing in places where the Company conducts its

activities. Consequently, the modification or change of any of these elements may have an unfavourable impact on the Company's results and operations and may require expenditures by the Company in order to adapt or comply to such modification or change. More specifically, the production and distribution of health products are subject to federal, provincial and local laws, rules, regulations, and policies, and to international trade agreements, all of which provide a framework for the Company's operations. The impact of new laws and regulations, stricter enforcement or interpretations or changes to enacted laws and regulations will depend on the Company's ability to adapt to, comply with and mitigate such changes. The Company is currently in compliance with all material laws and regulations and maintains all material permits and licenses in connection with its operations.

Regulatory changes related to health and wellness products could affect the Company's financial results.

If a law or regulation were amended, the resulting impact would depend on the Company's ability to adapt, comply and assume the related costs. Changes to the legal and regulatory environment could have an impact on our operating costs and financial results. Such regulatory amendments might include changes to food and drug laws, labelling laws, accounting standards, tax laws, competition laws and environmental laws, including laws with respect to water rights and water treatment regulations and laws affecting the treatment of animals. Such changes can have an impact on our financial results or increase our costs and liabilities. The Company believes however that such changes would affect all health products and would not disproportionately harm the Company relative to the health product industry.

We rely on the Internet and computer infrastructure and any interruptions, delays or stoppages in service could have a material adverse effect on the Company's financial condition.

The Company relies on the Internet and computer technology to market and sell its products and services through its website, in addition to any sale efforts that the Company or any of its distributions may undertake that would not use the Internet. Additionally, the Company's suppliers and distributors may also rely on the Internet and computer technology for their business operations. The Company's reliance on Internet and computer technology implies that there can be no assurances that a system failure would not adversely affect the performance of the Company. The Company presently has limited redundancy systems, relies on third party back up facilities and only a limited disaster recovery plan. Despite the implementation of network security measures, its servers may be vulnerable to computer viruses, physical or electronic break-ins and similar disruptive problems which could lead to interruptions, delays or stoppages in service to users of the Company's website which could cause a material adverse effect on the Company's business, operations and financial condition.

The Company relies on certain web-based security and privacy measures, and the failure or inadequacy of any such measures may result in material adverse effects on the Company's revenue and/or costs.

If the security measures the Company plans to use to protect the personal information of its website users, such as credit card numbers, are ineffective it could result in a reduction in revenues from decrease customer confidence, an increase in operating expenses, as well as possible liability and compliance costs.

Any breach in the Company's website security, whether intentional or unintentional, could cause users of our website to lose their confidence in our website and as a result stop using the website. This would result in reduced revenues and increased operating expenses, which would impair the Company from achieving profitability. Additionally, breaches of our users' personal information could expose the Company to possible liability as any involved user, or users may choose to sue the Company. Breaches resulting in

disclosure of users' personal information may also result in regulatory fines for noncompliance with online privacy rules and regulations.

The Company plans to rely on encryption and authentication technology licensed from third parties whose area of expertise is to provide secure transmission of confidential information. The Company uses third party payment processing for purchases through our website and the Company has no control over such third party business and operations. We believe that as a result of advances in computer capabilities, new discoveries in the field of cryptography and other developments, a compromise or breach of our security precautions may occur. A compromise in the Company's proposed security for its computer systems could severely harm our business because a party who is able to circumvent our proposed security measures could misappropriate proprietary information, including customer credit card information, or cause interruptions in the operation of our website. The Company may be required to spend significant funds and other resources to protect against the threat of security breaches or to alleviate problems caused by these breaches. However, protection may not be available at a reasonable price, or at all. Concerns regarding the security of e-commerce and the privacy of users may also inhibit the growth of the Internet as a means of conducting commercial transactions in general. The Company's users may have these concerns as well and this may result in a reduction in revenues and increase in our operating expenses, which would prevent us from achieving profitability.

Website functionality failure could have a material adverse effect on the Company revenue and/or costs.

If the software on the Company's website contains undetected errors, the Company could lose the confidence of users, resulting in loss of customers and a reduction of revenue.

The Company's online systems, including but not limited to its websites, software applications and online sales for products, could contain undetected errors or "bugs" that could adversely affect their performance. The Company plans to regularly update and enhance all sales, websites and other online systems. The occurrence of errors in any of these may cause the Company to lose market share, damage our reputation and brand name, and reduce our revenues.

Evolving regulation of the Internet may affect us adversely.

As Internet commerce continues to evolve, increasing regulation by federal, provincial, state or foreign agencies becomes more likely. For example, we believe increased regulation is likely in the area of data privacy, and laws and regulations applying to the solicitation, collection, processing or use of personal or consumer information could affect our ability to use and share data for marketing and sale purposes, and restricting our ability to store, process and share data with our customers and suppliers. In addition, taxation of services provided over the Internet or other charges imposed by government agencies or by private organizations for accessing the Internet may also be imposed in addition to any current taxes for the sale of our products. Any regulation imposing greater fees for Internet use or restricting information exchange over the Internet could result in a decline in the use of the Internet and the viability of Internet-based services, which could harm our business.

Additional capital and liquidity may be required or the Company may be required to reduce the scope of its operations and pursue only those projects that can be funded through cash flows.

Additional funds for the continuation of the Company's current and planned operations may be required. No assurances can be given that the Company will be able to raise the additional funding that may be required for such activities, should such funding not be fully generated from operations. Current financial conditions, revenues, taxes, capital expenditures and operating expenses are all factors, which will have an

impact on the amount of additional capital that may be required. To meet such funding requirements, the Company may be required to undertake additional equity financing, which would be dilutive to holders of the Common Shares. Debt financing, if available, may also involve restrictions on financing and operating activities, and, in case of convertible debt, may be dilutive to holders of the Common Shares upon conversion of such debt. There is no assurance that additional financing will be available on terms acceptable to the Company, or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and pursue only those projects that can be funded through cash flows generated from its existing operations, if any.

The Company may require additional financing in order to execute its business plan and may be required to cease operating or modify its business plans if further financing is not available.

The Company has not yet generated profit and will likely operate at a loss as it looks to market and further commercialize its product offering. The Company may require additional financing in order to execute its business plan. Our ability to secure required financing would depend in part upon on investor perception of our ability to create a successful business. Capital market conditions and other factors beyond our control may also play important roles in our ability to raise capital. The Company can offer no assurance that it will be able to successfully obtain additional financing, or that future financing occurs on terms satisfactory to our management and/or shareholders. If funds are unavailable in the future, or unavailable in the amounts that we feel the business requires, or unavailable on acceptable terms, we may be required to cease operating or modify our business plans in a manner that undermines our ability to achieve our business objectives.

Financial statements have been prepared on a going concern basis and the Company cannot guarantee that it will be successful in obtaining financing in the future or in achieving business objectives.

The Company's financial statements have been prepared on a going concern basis under which an entity is considered to be able to realize its assets and satisfy its liabilities in the ordinary course of business. The Company's future operations are dependent upon the successful completion of financing and the creation of operations deemed successful according to the standards of our industry. The Company cannot guarantee that it will be successful in obtaining financing in the future or in achieving business objective set forth internally or externally. Our financial statements may not contain the adjustments relating to carrying values and classification of assets and/or liabilities that would be necessary should the Company be unable to continue as a going concern.

The Company does not have any litigation insurance, and any litigation affecting the Company may result in the Company incurring substantial costs and the diversion of resources.

While litigation insurance is available, the cost of such insurance and the difficulties associated with acquiring such insurance on commercially reasonable terms make it impractical for us to have such insurance. As a result, we do not have any litigation insurance coverage for our operations. Any litigation may result in the Company incurring substantial costs and the diversion of resources.

Product liability claims may exceed the Company's insurance, if any, at the relevant time and may cause the Company to cease operations, divert funds, or seek additional financing.

The Company's operations are subject to certain dangers and risks of liability faced by all health product producers and distributors, such as the potential contamination of ingredients or products by bacteria or other external agents that may be introduced into products or packaging. The occurrence of such a problem could result in a costly product recall and serious damage to the Company's reputation for product quality,

and could result in claims against the Company, all of which may or may not be sufficiently covered by the Company's insurance, if any, at the relevant time.

The Company indemnifies its directors in accordance with, and to the greatest extent possible under the BCBCA, and pursuant to Director Indemnification Agreements.

Our Articles contain provisions with respect to the indemnification of our directors to the greatest extent possible under the BCBCA. Additionally, the Company has executed Director Indemnification Agreements to limit the personal liability of directors within the limits defined by the BCBCA and the laws of Canada and the Province of British Columbia.

Uncertainty and adverse changes in the global economy.

Adverse changes in the global economy could negatively impact the Company's business. Future economic distress may result in a decrease in demand for the Company's products, which could have a material adverse impact on the Company's operating results and financial condition. Uncertainty and adverse changes in the economy could also increase costs associated with developing and publishing products, increase the cost and decrease the availability of sources of financing, and increase the Company's exposure to material losses from bad debts, any of which could have a material adverse impact on the financial condition and operating results of the Company.

Global Outbreak of COVID-19 (Coronavirus).

During the Company's most recent financial year, there was a global outbreak of COVID-19 (Coronavirus), which has had a significant impact on businesses through the restrictions put in place by the federal, state, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders in Canada and the United States. At this time, it is unknown the extent of the impact the COVID-19 outbreak may continue to have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put in place by Canada, the United States and other countries to fight the virus. While the full extent of the impact is unknown, we recognize this outbreak may cause reduced customer demand, supply chain disruptions, staff shortages, and increased government regulations, all of which may negatively impact the Company's business and financial condition. The impacts of the COVID-19 pandemic may also include: a decrease in demand for the products; a reduction in production levels; increased costs resulting from the Company's efforts to mitigate the impact of the COVID-19 pandemic on operations; a deterioration of worldwide credit and financial markets that could limit the Company's ability to obtain external financing to fund the Company's capital expenditures or its operations; and a disruption to the Company's distribution channels or supply chains. A material adverse effect on the Company's licensees, employees, customers, suppliers and/or distributors could have a material adverse effect on the Company. The transmission of COVID-19 and efforts to contain its spread have recently resulted in international, national and local border closings, travel restrictions, significant disruptions to business operations, supply chains and customer activity and demand (across all sectors), service cancellations, reductions and other changes, and quarantines, as well as considerable general concern and uncertainty. The overall severity and duration of COVID-19-related adverse impacts on the Company's business will depend on future developments which cannot currently be predicted, including directives of government and public health authorities, the speed at which suppliers and distributors can return to full production, the status of labour availability and the ability to staff operations and facilities.

While many countries have begun administering vaccines, the effectiveness, adoption rate and viability of the vaccines against COVID-19 variants remains uncertain. Even after the COVID-19 outbreak has subsided, the Company may continue to experience material adverse impacts to its business as a result of the global economic impact, including any related recession.

The market price of shares and volatility of microcap and small-cap stocks once trading can be significant and may result in losses for investors.

Securities of microcap and small-cap companies have experienced substantial volatility in the past, often based on factors unrelated to the companies' financial performance or prospects. These factors include macroeconomic developments in North America and globally and market perceptions of the attractiveness of particular industries. Factors unrelated to our performance that may affect the price of the Common Shares include: the extent of analytical coverage available to investors concerning our business may be limited if investment banks with research capabilities do not follow the Company; lessening in trading volume and general market interest in the Common Shares may affect an investor's ability to trade significant numbers of the Common Shares; the size of our public float may limit the ability of some institutions to invest in the Common Shares; and a substantial decline in the price of the Common Shares that persists for a significant period of time could cause the Common Shares, if listed on an exchange, to be delisted from such exchange, further reducing market liquidity. As a result of any of these factors, the market price of the Common Shares at any given point in time may not accurately reflect our long-term value. The market price of the Common Shares is affected by many other variables, which are not directly related to our success and are, therefore, not within our control. These include other developments that affect the breadth of the public market for our Common Shares and the attractiveness of alternative investments. The effect of these and other factors on the market price of the Common Shares create volatility in the price for Common Shares in the future, which may result in losses to investors.

Investors should consider the share price volatility and speculative nature of share ownership and any share purchase should be considered a speculative investment.

Factors both internal and external to the Company may significantly influence the price at which our Common Shares trade, and the volatility of our Share price. Quarterly operating results and material developments reported by the Company can, and likely will, influence the price of Common Shares. Sentiment toward stocks in our industry, as well as toward the stock market in general, is among the many external factors that may have a significant impact on the price of the Company's Common Shares. The Company is a relatively young company that has not generated revenue for most of its history and has not yet generated any profit, and does not possess significant cash reserves. As such, it should be considered a speculative investment.

The Company does not intend to pay dividends for the foreseeable future and investors may lose some or all of their investment in the Company.

We have never paid any cash dividends and currently do not intend to pay any dividends for the foreseeable future. To the extent that we require additional funding currently not provided for in our financing plan, our funding sources may prohibit the payment of a dividend. Because we do not intend to declare dividends, any gain on an investment in the Company will need to come through an increase in the price of our Common Shares. This may never happen and investors may lose some or all of their investment in the Company.

The future sale of equity securities in the Company will dilute investors' voting power and reduce future earnings per share through dilution.

Future sales or issuances of equity securities could decrease the value of the Common Shares, dilute shareholders' voting power and reduce future potential earnings per share. The Company intends to sell additional equity securities in subsequent offerings (including through the sale of securities convertible into Common Shares) and may issue additional equity securities to finance our operations, development, acquisitions or other projects. The Company cannot predict the size of future sales and issuances of equity securities, convertible securities to equity securities or the effect, if any, that future sales and issuances of equity securities or convertible securities will have on the market price of the Common Shares. Sales or issuances of a substantial number of equity securities or convertible securities, or the perception that such sales could occur, may adversely affect prevailing market prices for the Common Shares. With any additional sale or issuance of equity securities, investors will suffer dilution of their voting power and may experience dilution in our earnings per share, and suffer such dilution upon the conversion of convertible securities into equity.

Tax Issues.

Income tax consequences in relation to the Common Shares will vary according to circumstances of each investor. Prospective investors should seek independent advice from their own tax and legal advisers prior to investing in Common Shares of the Company.

DIVIDEND POLICY

The Company has neither declared nor paid any dividends on its Common Shares. The Company intends to retain its cash to finance growth and expand its operations and does not anticipate paying any dividends on its Common Shares in the foreseeable future. Any determination to pay dividends in the future will be at the discretion of the board of directors of the Company (the "**Board**" or the "**Board of Directors**") and will depend on many factors, including, among others, the Company's financial condition, current and anticipated cash requirements, contractual restrictions and financing agreement covenants, solvency tests imposed by applicable corporate law and other factors that the Board may deem relevant.

DESCRIPTION OF CAPITAL STRUCTURE

Common Shares

As of the date hereof, the Company has 95,784,996 Common Shares issued and outstanding.

Stock Options

As of the date hereof, there are 6,900,000 options to purchase Common Shares of the Company ("**Options**") issued and outstanding. The Board adopted a stock option plan under which Options may be granted to the Company's directors, officers, employees and consultants (the "**Stock Option Plan**").

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

- the Stock Option Plan will be administered by the Board, or if the Board elects, by a committee appointed by the Board from its members;

- the number of Common Shares reserved for issuance under the Stock Option Plan shall not exceed 5% of the issued Common Shares to any one person (and companies wholly-owned by that person) in any 12 month period, calculated on the date the Option is granted;

- the aggregate number of Common Shares which may be subject to issuance pursuant to the Stock Option Plan, inclusive of all other Options outstanding, shall not be greater than 10% of the Common Shares issued and outstanding at the date of the grant of Options. Cancelled and expired Options are returned to the Stock Option Plan;

- the expiry date of an Option shall be no later than the tenth anniversary of the grant date of such Option;

- the exercise price of any Option granted under the Stock Option Plan shall not be less than the greater of the closing market price of the Common Shares on (a) the trading day prior to the date of grant of the Options; and (b) the date of grant of the Options. In any event, no Options shall be granted which are exercisable at an exercise of less than permitted by the policies of the Exchange; and

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

Management Performance Warrants

As of the date hereof, the Company has 24,000,000 Management Performance Warrants issued and outstanding, which were issued in connection with the Element Share Exchange Agreement and Hammock Merger Agreement. For more information, please see "*General Development of the Business*".

Each Management Performance Warrant has a term of five years from the date of issuance, and entitles its holder to acquire one Common Share at an exercise price of $0.25 per Common Share. The Management Performance Warrants are exercisable based on the following criteria:

- 7,200,000 Management Performance Warrants shall become exercisable upon the Company reaching $10,000,000 in revenue and a positive net profit for a financial year;

- 8,400,000 Management Performance Warrants shall become exercisable upon the Company reaching $25,000,000 in revenue and $2,500,000 in EBITDA for a financial year; and

- 8,400,000 Management Performance Warrants shall become exercisable upon the Company reaching $50,000,000 in revenue and $5,000,000 in EBITDA for a financial year.

All of the Management Performance Warrants were granted to Stuart Lowther, the President and Chief Executive Officer of the Company, on January 18, 2021.

Loan Warrants

As of the date hereof, the Company has 2,500,000 Loan Warrants issued and outstanding, which were issued to the Lender in connection with the Loan Agreement. Each Loan Warrant has a term of two years from the date of issue, and entitles the Lender to acquire one Common Share at an exercise price of $0.25 per Common Share. For more information concerning the Loan Warrants, please see "*Description of the Business*".

MARKET FOR SECURITIES

Trading Price and Volume

On May 26, 2021 (the "**Listing Date**"), the Common Shares were listed for trading on the CSE under the symbol "ELMT". On August 12, 2021, the last trading day before the date of this Annual Information Form, the closing price of the Common Shares on the CSE was $0.63.

None of the Company's securities were traded or quoted on a Canadian or foreign marketplace during the Company's most recently completed financial year. The table below sets out the monthly price ranges and trading volumes of the Common Shares for each month or partial month from the Listing Date to the last trading before the date of this Annual Information Form:

Month	High	Low	Volume
May 2021[(1)]	$0.88	$0.58	5,135,828
June 2021	$0.94	$0.69	6,296,273
July 2021	$0.89	$0.65	3,061,397
August 2021[(2)]	$0.71	$0.61	866,350

Notes:

(1) Price ranges and trading volumes are shown for the partial month starting on the Listing Date and ending May 31, 2021.

(2) Price ranges and trading volumes are shown for the partial month ending on the last trading day before the date of this Annual Information Form.

Prior Sales

The following table summarizes all sales of securities of the Company during the most recently completed financial year. Please also see "*General Development of the Business – Key Subsequent Events*".

Date of Issue	Issue/Exercise Price	Number and Type of Securities
July 3, 2020	$0.02	11,200,000 Common Shares
July 6, 2020	$0.05	550,000 Special Warrants
August 10, 2020	$0.15	11,033,161 Common Shares
August 10, 2020	$0.15	521,600 Second Private Placement Warrants
August 31, 2020	$0.30	24,375,000 Common Shares
August 31, 2020	$0.30	9,375,000 Common Shares
August 31, 2020	N/A	400,000 Common Shares[(1)]
December 22, 2020	$0.25	500,000 Options

Notes:

(1) Issued pursuant to a finder's fee agreement dated August 31, 2020 between the Company and an arm's

length finder in connection with services rendered in identifying and assisting with the acquisition of Element and Hammock Pharmaceuticals.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

The following table sets forth the securities of the Company subject to escrow ("**Escrowed Securities**") or contractual restriction on transfer, and the percentage that number represents of the outstanding securities of that class as of the date hereof:

Designation of class	Number of securities held in escrow or that are subject to a contractual restriction on transfer	Percentage of class
Common Shares	52,913,794[(1)]	55.24%[(2)]
Management Performance Warrants	21,600,000	16.02%[(3)]

Notes:

(1) 16,407,234 Common Shares are held under the Escrow Agreement (as defined below) in accordance with National Policy 46-201 – *Escrow for Initial Public Offerings* ("**NP 46-201**").

(2) Based on 95,784,996 Common Shares issued and outstanding.

(3) Based on 134,849,376 Common Shares issued and outstanding on a fully-diluted basis.

Escrow Agreement

In connection with the listing of the Common Shares, the Company entered into a NP 46-201F1 Escrow Agreement with Endeavor Trust Corporation, as escrow agent, and certain securityholders of the Company (the "**Escrow Agreement**"). The Company is classified as an "emerging issuer", and as such, the following automatic timed releases will apply to the securities subject to the Escrow Agreement (the "**Escrowed Securities**"):

Date of Automatic Timed Release	Amount of Escrowed Securities Released
On the Listing Date	1/10 of the escrowed securities
6 months after the Listing Date	1/6 of the remaining escrowed securities
12 months after the Listing Date	1/5 of the remaining escrowed securities
18 months after the Listing Date	1/4 of the remaining escrowed securities
24 months after the Listing Date	1/3 of the remaining escrowed securities
30 months after the Listing Date	1/2 of the remaining escrowed securities
36 months after the Listing Date	The remaining escrowed securities

Assuming there are no changes to the Escrowed Securities initially deposited and no additional securities are deposited into escrow, automatic timed release escrow applicable to the Company will result in a 10%

release on the Listing Date, with the remaining Escrowed Securities being released in 15% tranches every six months thereafter.

If, within eighteen months of the Listing Date, the Company meets the "established issuer" criteria as set out in NP 46-201, the Escrowed Securities will be eligible for accelerated release available for established issuers. In such a scenario, that number of Escrowed Securities that would have been eligible for release from escrow if the Company had been an "established issuer" on the Listing Date will be immediately released from escrow. The remaining Escrowed Securities would be released in accordance with the timed release provisions for "established issuers", with all Escrowed Securities being released eighteen months from the Listing Date.

Voluntary Hold Period

In addition to the escrow requirements described above, Common Shares held by certain shareholders of the Company are also subject to a voluntary hold period, pursuant to a lock-up agreement entered into by each such shareholder, whereby the Common Shares subject to a lock-up agreement may not be traded, sold or otherwise disposed of in accordance with the terms of the respective lock-up agreements (collectively, the "**Lock-Up Agreements**"). The securities and number of securities and terms of the release of the respective Lock-Up Agreements are summarized in the table below.

Description of Class	Number of Securities Held in Escrow or that are Subject to a Contractual Restriction on Transfer	Type of Lock-Up
Common Shares issued at $0.02 per share pursuant to the First Private Placement	10,700,000	24 month lock-up[(1)]
Common Shares issued at $0.02 per share pursuant to the First Private Placement	225,000	36 month lock-up[(3)]
Common Shares issued as Finder's Fee Shares	300,000	12 month lock-up[(2)]
Common Shares issued at $0.15 per share pursuant to the Second Private Placement	8,274,871	12 month lock-up[(2)]
Management Performance Warrants	21,600,000	36 month lock-up[(3)]
Common Shares issued in connection with the Hammock Merger Agreement	7,220,689	36 month lock-up with six month initial hold[(4)]
Common Shares issued in connection with the Hammock Merger Agreement and First Private Placement that were subsequently sold by the shareholders	1,818,234	12 month lock-up[(2)]

Common Shares issued in connection with the Element Share Exchange Agreement	24,375,000	36 month lock-up with six month initial hold[4]
TOTAL:	**74,513,794**	

Notes:

(1) The securities will be subject to the following voluntary hold periods: (i) 15% will be released on the date that is six months following the Listing Date; (ii) 15% will be released on the date that is nine months following the Listing Date; (iii) 15% will be released on the date that is 12 months following the Listing Date; (iv) 15% will be released on the date that is 15 months following the Listing Date; (v) 15% will be released on the date that is 18 months following the Listing Date; (vi) 15% will be released on the date that is 21 months following the Listing Date; and (vii) 10% will be released on the date that is 24 months following the Listing Date.

(2) The securities will be subject to the following voluntary hold periods: (i) 25% will be released on Listing Date; (ii) 25% will be released on the date that is six months following the Listing Date; (iii) 25% will be released on the date that is nine months following the Listing Date; and (iv) 25% will be released on the date that is 12 months following the Listing Date.

(3) The securities will be subject to the following voluntary hold periods: (i) 10% will be released on the Listing Date; (ii) 15% will be released on the date that is six months following the Listing Date; (iii) 15% will be released on the date that is 12 months following the Listing Date; (iv) 15% will be released on the date that is 18 months following the Listing Date; (v) 15% will be released on the date that is 24 months following the Listing Date; (vi) 15% will be released on the date that is 30 months following the Listing Date; and (vii) 15% will be released on the date that is 36 months following the Listing Date.

(4) The securities will be subject to the following voluntary hold periods: (i) 25% will be released on the date that is six months following the Listing Date; (ii) 15% will be released on the date that is 12 months following the Listing Date; (iii) 15% will be released on the date that is 18 months following the Listing Date; (iv) 15% will be released on the date that is 24 months following the Listing Date; (v) 15% will be released on the date that is 30 months following the Listing Date; and (vi) 15% will be released on the date that is 36 months following the Listing Date.

DIRECTORS AND OFFICERS

Name, Occupation and Security Holding

The name, municipality of residence, shareholdings and principal occupation for the past five years of each of the Company's directors and senior officers are as follows. The terms of office for each director named below will expire at the next annual meeting of shareholders of the Company.

Name and province or state and country of residence	Position with the Company	Director / Officer since	Principal occupation for past five years
Stuart Lowther[1][3] *Halton, Ontario, Canada*	Chairman, Chief Executive Officer, President and Director	August 31, 2020	Chairman, Chief Executive Officer and President of the Company
Shaun Power[4] *Halton, Ontario, Canada*	Chief Financial Officer, Corporate Secretary and Director	August 31, 2020	Chief Financial Officer of the Company

Name and province or state and country of residence	Position with the Company	Director / Officer since	Principal occupation for past five years
Lino Fera[(1)(2)] *Halton, Ontario, Canada*	Director	December 22, 2020	Chartered Professional Accountant
Sean Bromley[(1)(2)] *Vancouver, British Columbia, Canada*	Director	August 31, 2020	Independent Consultant

Notes:

(1) Denotes a member of the Audit Committee of the Company.

(2) Denotes an independent director.

(3) Stuart Lowther also holds an aggregate of 24,000,000 Management Performance Warrants and 2,800,000 Options. See "*Description of Capital Structure*".

(4) Shaun Power holds an aggregate of 500,000 Options and 50,000 Fourth Private Placement Warrants. See "*Description of Capital Structure*" and "*General Development of the Business – Key Subsequent Events*".

The directors and officers of the Company, as a group, beneficially own, or exercise control or direction over, an aggregate of 18,486,591 Common Shares, representing 19.30% of the issued and outstanding Common Shares as of the date hereof.

The information as to Common Shares beneficially owned, directly or indirectly or over which control or direction is exercised, is based upon information furnished to the Company by each of the individuals listed above.

Cease Trade Orders, Bankruptcies Penalties and Sanctions

Except as set forth below, to the knowledge of management of the Company:

(a) no director or executive officer is, or within the ten years prior to the date hereof has been, a director, chief executive officer or chief financial officer of any other issuer that, while that person was acting in that capacity: (i) was the subject of a cease trade order, an order similar to a cease trade order or an order that denied the relevant issuer access to any exemption under securities legislation for a period of more than 30 consecutive days; or (ii) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant issuer access to any exemptions under securities legislation that was issued after the director or officer 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;

(b) no director, executive officer or any shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, or a personal holding company of any such person: (i) is, or within the ten years prior to the date hereof has been, a director or executive officer 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; or (ii) has, within the 10 years preceding the date of this Annual Information Form, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency,

or being 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 individual; and

(c) no director, executive officer or any shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, within the last 10 years, has: (i) been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with the Canadian securities regulatory authority; or (ii) been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

On May 1, 2019, Pacific Rim Cobalt Corp. ("**PRC**"), a company in which Sean Bromley was a director, was granted a Management Cease Trade Order ("**MCTO**") pursuant to National Policy 12-203 – *Cease Trade Orders for Continuous Disclosure Defaults*, which precluded members of management from trading PRC common shares until such time as the MCTO is no longer in effect. The MCTO was sought by PRC as it would not be filing certain financial statements, related management discussion and analysis and applicable officer certifications (the "**PRC Materials**") by the required deadline. On July 2, 2019, the MCTO was lifted after PRC filed the PRC Materials.

Conflicts of Interest

To the best of our knowledge, there are no known existing or potential conflicts of interest between us and our directors, executive officers or other members of management as a result of their outside business interests as at the date of this Annual Information Form. However, as certain of our directors and officers also serve as directors and officers of other companies, it is possible that a conflict of interest may arise between their duties to us and their duties to such other companies. Conflicts, if any, will be subject to the procedures and remedies provided under BCBCA. See "*Directors and Officers*".

PROMOTERS

Stuart Lowther, the Company's Chairman, Chief Executive Officer and President, may be considered to be a "promoter" of the Company in that he took the initiative in founding and organizing the business of the Company. Mr. Lowther is the registered and beneficial owner of 18,230,258 Common Shares of the Company, which is equal to 19.03% of the Common Shares issued and outstanding as of the date hereof. Pursuant to an employment agreement entered into between Stuart Lowther and the Company, in consideration for Mr. Lowther's services as the Chief Executive Officer and President of the Company, Mr. Lowther will be entitled to: (i) $250,000 per annum in base salary, which was increased to $300,000 per annum on July 1, 2021; (ii) a discretionary performance bonus, as determined by the Board, (iii) participate in the Company's group benefit plan; (iv) participate in the Company's stock option plan; (v) receive an aggregate of 2,800,000 Options to purchase 2,800,000 Common Shares at an exercise price of $0.25 per share, which options shall expire five (5) years from the date of grant; and (vi) a monthly car allowance of $1,100. All of the 24,000,000 Management Performance Warrants were granted to Stuart Lowther on January 18, 2021.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

To the knowledge of the Company, there are no legal proceedings or regulatory actions material to the Company to which the Company is a party, or was a party to in 2020, nor are there any such proceedings known to the Company to be contemplated. The Company is not currently aware of any legal proceedings contemplated against the Company other than as noted below. There have been no penalties or sanctions

imposed against the Company by a court relating to securities legislation or by a securities regulatory authority and the Company has not entered to any settlement agreements with a court or securities regulatory authority.

The Company received a statement of claim from a former employee of Hammock Pharmaceuticals claiming that the former employee is owed an aggregate of approximately $150,000 in unpaid wages, vacation pay and damages for wrongful dismissal including $50,000 in related punitive damages. The Company believes the claim to be without merit and any settlement or award will be immaterial to the Company.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as disclosed herein, none of (i) the directors or executive officers of the Company, (ii) the shareholders who beneficially own, control or direct, directly or indirectly, more than 10% of the voting securities of the Company, or (iii) any associate or affiliate of the persons referred to in (i) and (ii), has or has had any material interest, direct or indirect, in any transaction within the three years before the date of this Annual Information Form or in any proposed transaction that has materially affected or is reasonably expected to materially affect the Company or any of its subsidiaries.

AUDITOR, TRANSFER AGENT AND REGISTRAR

SRCO Professional Corporation are the auditors of the Company and are located at 15 Wertheim Court, Suite 409, Richmond Hill, Ontario, L4B 3H7.

The registrar and transfer agent of the Company is Endeavor Trust Corporation, located at 777 Hornby St, Suite 702, Vancouver, British Columbia, V6Z 1S4.

MATERIAL CONTRACTS

Except for contracts made in the ordinary course of business, the following are the only material contracts entered into by the Company within the most recently completed financial year, or before the most recently completed financial year but is still in effect, which are currently in effect and considered to be presently material:

1. The Escrow Agreement;

2. The Stock Option Plan;

3. The transfer agent and registrar agreement with Endeavor Trust Corporation dated March 31, 2021; and

4. The License Agreement.

Copies of the material contracts will be available under the Company's profile at www.sedar.com.

INTERESTS OF EXPERTS

There is no person or company whose profession or business gives authority to a statement made by such person or company and who is named as having prepared or certified a statement, report or valuation described or included in a filing, or referred to in a filing, made under National Instrument 51-102 – *Continuous Disclosure Obligations* by the Company during, or related to, its most recently completed financial year.

AUDIT COMMITTEE

The Audit Committee's role is to act in an objective, independent capacity as a liaison between the auditors, management and the Board and to ensure the auditors have a facility to consider and discuss governance and audit issues with parties not directly responsible for operations.

The full text of the Audit Committee's Charter is included as Appendix "A" to this Annual Information Form.

Composition of Audit Committee

As of the date hereof, the members of the Company's Audit Committee are:

Name of Director	Independent (Yes/No)[(1)]	Financially Literate (Yes/No)
Lino Fera (Chair)	Yes	Yes
Sean Bromley	Yes	Yes
Stuart Lowther	No	Yes

Notes:

(1) As defined in National Instrument 52-110 – *Audit Committees* ("**NI 52-110**").

(2) An individual is financially literate if he has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

Relevant Education and Experience

Each member of the Company's present Audit Committee has adequate education and experience that is relevant to his performance as an Audit Committee member and, in particular, the requisite education and experience that have provided the member with:

(a) an understanding of the accounting principles used by the Company to prepare its financial statements and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;

(b) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial

statements or experience actively supervising individuals engaged in such activities; and

(c) an understanding of internal controls and procedures for financial reporting.

Further details of each audit committee member's relevant education and experience is provided below.

Lino Fera, CPA (Chair)

Mr. Fera is an accredited Chartered Professional Accountant (CPA) and seasoned financial executive, with over 25 years of experience with start-ups and small to large organizations within the healthcare, marketing and services industry. He received his Bachelor of Commerce (Hons) from the University of Windsor and Bachelor of Arts (Hons) from the University of Toronto. Mr. Fera has been a director of Element Nutritional Sciences Inc. since December 22, 2020. Mr. Fera was previously the Chief Financial Officer for Rapid Dose Therapeutics Corp., from June 2017 to May of 2019. From January 2000 to March 2017, Mr. Fera was employed as Chief Financial Officer of Starshot Ventures Inc., a successful strategic marketing and demand generation private company with offices in Toronto, Ontario and Chicago, Illinois.

Sean Bromley

Mr. Bromley holds a Bachelor of Commerce degree, with a specialization in Finance, from the University of Calgary. He is a self-employed independent consultant to private and public companies. As a former investment advisor, Mr. Bromley has considerable capital markets and financing expertise. He has been serving as an investment consultant for the past 5 years and currently serves as a director for Element Nutritional Sciences Inc. since August 31, 2020, Isracann Biosciences Inc. since December of 2019, Pure Extracts Technologies Corp. since December of 2018, Bolt Metals Corp. since October of 2017, White Gold Corp. since November of 2015, and Apollo Gold Corp since August of 2015. He also previously served as Chief Financial Officer of Loopshare Technologies Corp. from November of 2015 to June of 2016 and then from June of 2017 to November of 2018.

Stuart Lowther

Mr. Lowther has an Honours Degree in Nutritional Sciences from the University of Guelph and a joint Masters Degree in Nutrition and Human Metabolism from McMaster University and the University of Guelph. He has successfully assisted in building significant businesses both in North American and Global Markets for major corporations such as Jamieson Laboratories and Iovate Health Sciences. He previously built and sold one of Canada's top 10 fastest growing companies as recognized by Business Week and Profit Magazine. He is a proven business executive and a two time nominee of the EY Entrepreneur of the year award. Since 2015 he has served as the CEO of Element.

Audit Committee Oversight

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

Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4, 6.1(4), (5), or (6) of NI 52-110, or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee is authorized by the Board to review the performance of the Company's external auditors and approve in advance provision of services other than auditing and to consider the independence of the external auditors, including a review of the range of services provided in the context of all consulting services bought by the Company. The Audit Committee is authorized to approve in writing any non-audit services or additional work which the Chairman of the Audit Committee deems is necessary, and the Chairman will notify the other members of the Audit Committee of such non-audit or additional work and the reasons for such non-audit work for the Committee's consideration, and if thought fit, approval in writing.

External Auditor Service Fees

The fees billed by the Company's external auditors in the last two fiscal years for audit and non-audit related services provided to the Company and its subsidiaries are as follows:

Element Nutritional Sciences Inc.

Financial Year End	Audit Fees[4]	Audit Related Fees[1]	Tax Fees[2]	All other Fees[3]
December 31, 2020	$55,000	$211,200	-	-
June 30, 2020	$7,000	-	-	-

Notes:

(1) Fees charged for assurance and related services that are reasonably related to the performance of an audit, and not included under Audit Fees.

(2) Fees charged for tax compliance, tax advice and tax planning services.

(3) Fees for services other than disclosed in any other column.

(4) Fees for audit services.

Exemption

The Company has relied upon the exemption provided by section 6.1 of NI 52-110, which states that the Company, as an IPO Venture Issuer, is not required to comply with Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*).

ADDITIONAL INFORMATION

Additional financial information is provided in the Company's financial statements and the management's discussion and analysis for its most recently completed financial year contained in the Company's long form prospectus dated May 13, 2021, and filed on SEDAR at www.sedar.com. Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans, if applicable, is contained in the Company's long form prospectus dated May 13, 2021, and filed on SEDAR at www.sedar.com. Additional information relating to the Company may be found on SEDAR at www.sedar.com

APPENDIX A

AUDIT COMMITTEE CHARTER

The Audit Committee is governed by the following charter:

1. PURPOSE OF THE COMMITTEE

1.1 The purpose of the Audit Committee is to assist the Board of Directors in its oversight of the integrity of the Company's financial statements and other relevant public disclosures, the Company's compliance with legal and regulatory requirements relating to financial reporting, the external auditors' qualifications and independence and the performance of the internal audit function and the external auditors.

2. MEMBERS OF THE AUDIT COMMITTEE

2.1 At least two members must be "financially literate" as defined under NI 52-110, having sufficient accounting or related financial management expertise to read and understand a set of financial statements, including the related notes, that present a breadth and level of complexity of the accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

2.2 The Audit Committee shall consist of no less than three Directors.

2.3 At least two members of the Audit Committee shall be "independent" as defined under NI 52-110, while the Company is in the developmental stage of its business.

3.0 RELATIONSHIP WITH EXTERNAL AUDITORS

3.1 The external auditors are the independent representatives of the shareholders, but the external auditors are also accountable to the Board of Directors and the Audit Committee.

3.2 The external auditors must be able to complete their audit procedures and reviews with professional independence, free from any undue interference from the management or directors.

3.3 The Audit Committee must direct and ensure that the management fully co-operates with the external auditors in the course of carrying out their professional duties.

3.4 The Audit Committee will have direct communications access at all times with the external auditors.

4.0 NON-AUDIT SERVICES

4.1 The external auditors are prohibited from providing any non-audit services to the Company, without the express written consent of the Audit Committee. In determining whether the external auditors will be granted permission to provide non-audit services to the Company, the Audit Committee must consider that the benefits to the Company from the provision of such services, outweighs the risk of any compromise to or loss of the independence of the external auditors in carrying out their auditing mandate.

4.2 Notwithstanding section 4.1, the external auditors are prohibited at all times from carrying out any of the following services, while they are appointed the external auditors of the Company:

(a) acting as an agent of the Company for the sale of all or substantially all of the undertaking of the Company; and

(b) performing any non-audit consulting work for any director or senior officer of the Company in their personal capacity, but not as a director, officer or insider of any other entity not associated or related to the Company.

5.0 APPOINTMENT OF AUDITORS

5.1 The external auditors will be appointed each year by the shareholders of the Company at the annual general meeting of the shareholders.

5.2 The Audit Committee will nominate the external auditors for appointment, such nomination to be approved by the Board of Directors.

6.0 EVALUATION OF AUDITORS

6.1 The Audit Committee will review the performance of the external auditors on at least an annual basis, and notify the Board and the external auditors in writing of any concerns in regards to the performance of the external auditors, or the accounting or auditing methods, procedures, standards, or principles applied by the external auditors, or any other accounting or auditing issues which come to the attention of the Audit Committee.

7.0 REMUNERATION OF THE AUDITORS

7.1 The remuneration of the external auditors will be determined by the Board of Directors, upon the annual authorization of the shareholders at each general meeting of the shareholders.

7.2 The remuneration of the external auditors will be determined based on the time required to complete the audit and preparation of the audited financial statements, and the difficulty of the audit and performance of the standard auditing procedures under generally accepted auditing standards and generally accepted accounting principles of Canada.

8.0 TERMINATION OF THE AUDITORS

8.1 The Audit Committee has the power to terminate the services of the external auditors, with or without the approval of the Board of Directors, acting reasonably.

9.0 FUNDING OF AUDITING AND CONSULTING SERVICES

9.1 Auditing expenses will be funded by the Company. The auditors must not perform any other consulting services for the Company, which could impair or interfere with their role as the independent auditors of the Company.

10.0 ROLE AND RESPONSIBILITIES OF THE INTERNAL AUDITOR

10.1 At this time, due to the Company's size and limited financial resources, the Chief Financial Officer of the Company shall be responsible for implementing internal controls and performing the role as the internal auditor to ensure that such controls are adequate.

11.0 OVERSIGHT OF INTERNAL CONTROLS

11.1 The Audit Committee will have the oversight responsibility for ensuring that the internal controls are implemented and monitored, and that such internal controls are effective.

12.0 CONTINUOUS DISCLOSURE REQUIREMENTS

12.1 At this time, due to the Company's size and limited financial resources, the Chief Financial Officer of the Company is responsible for ensuring that the Company's continuous reporting requirements are met and in compliance with applicable regulatory requirements.

13.0 OTHER AUDITING MATTERS

13.1 The Audit Committee may meet with the external auditors independently of the management of the Company at any time, acting reasonably.

13.2 The Auditors are authorized and directed to respond to all enquiries from the Audit Committee in a thorough and timely fashion, without reporting these enquiries or actions to the Board of Directors or the management of the Company.

14.0 ANNUAL REVIEW

14.1 The Audit Committee Charter will be reviewed annually by the Board of Directors and the Audit Committee to assess the adequacy of this Charter.

15.0 INDEPENDENT ADVISERS

15.1 The Audit Committee shall have the power to retain legal, accounting or other or other advisors at the expense of the Company without approval of management.

15.2 The external auditor will report directly to the Audit Committee.