



XEBRA BRANDS LTD.

**NOTICE OF MEETING AND MANAGEMENT INFORMATION
CIRCULAR**

**For its Annual General and Special Meeting of Shareholders to be held
November 7th, 2023**

XEBRA BRANDS LTD.
1090 Hamilton Street
Vancouver, B.C. V6B 2R9
Tel: (604) 634-0970 Fax: (604) 634-0971

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

Notice is hereby given that an annual general and special meeting (the “**Meeting**”) of the holders (the “**Shareholders**”) of class A common shares (the “**Shares**”) of Xebra Brands Ltd. (the “**Company**”) will be held virtually at the following web link: <https://meetnow.global/MHG AJ4N> on November 7, 2023 at 10:00 a.m. (Vancouver time), for the following purposes:

1. to receive and consider the financial statements of the Company for the years ended February 28, 2023 and 2022 and the report of the auditors thereon;
2. to set the size of the board of directors at seven (7);
3. to elect the directors of the Company for the ensuing year;
4. to appoint Dale Matheson Carr-Hilton Labonte LLP, Chartered Accountants, as the auditors of the Company for the ensuing year and to authorize the directors to fix their remuneration;
5. to consider, and if thought advisable, to approve, with or without variation, an ordinary resolution of disinterested shareholders to: (i) ratify and approve a private placement offering of units of the Company, and (ii) authorize and approve a private placement offering of convertible debentures of the Company that will Materially Affect Control of the Company (as such term is defined by the policies of the Canadian Securities Exchange), all as more particularly described in the Circular; and
6. to transact such other business as may properly come before the Meeting or any adjournments or postponements thereof.

The nature of the business to be transacted at the Meeting is described in further detail in the accompanying management information circular (the “**Circular**”).

The record date for the determination of Shareholders entitled to receive notice of, and to vote at, the Meeting or any adjournments or postponements thereof is September 28, 2023 (the “**Record Date**”). Shareholders whose names have been entered in the register of shareholders at the close of business on the Record Date will be entitled to receive notice of, and to vote, at the Meeting or any adjournments or postponements thereof.

Voting

A Shareholder may attend the Meeting virtually or may be represented by proxy. Shareholders who wish to participate in the Meeting may access the virtual meeting platform at URL: <https://meetnow.global/MHG AJ4N>.

Registered Shareholders and duly appointed proxyholders can participate in the meeting by clicking “**Shareholder**” and entering a Control Number or an Invite Code before the start of the meeting. Registered Shareholders: the 15-digit control number is located on the Form of Proxy or in the email notification you received. Duly appointed proxyholders: Computershare Investor Services Inc. (“**Computershare**”) will provide the proxyholder with an Invite Code by email after the voting deadline has passed.

Attending and voting at the Meeting will only be available for Registered Shareholders and duly appointed proxyholders. A “beneficial” or “non-registered” Shareholder will not be recognized directly at the Meeting for the purposes of voting Shares registered in the name of his/her/its broker; however, a beneficial

Shareholder may attend the Meeting as proxyholder for the registered Shareholder and vote the Shares in that capacity. Non-Registered Shareholders who have not appointed themselves as proxyholders to participate and vote at the meeting may login as a guest, by clicking on “**Guest**” and complete the online form; however, they will not be able to vote or submit questions.

If you are a non-registered holder of Shares and have received these materials through your broker, custodian, nominee or other intermediary, please complete and return the form of proxy or voting instruction form provided to you by your broker, custodian, nominee or other intermediary in accordance with the instructions provided therein

Participants should join at least ten (10) minutes prior to the scheduled start time. Shareholders will have an equal opportunity to participate at the Meeting through this method regardless of their geographic location. Shareholders who are unable to attend the Meeting or any adjournments or postponements thereof virtually or in person, as applicable, are requested to complete, date, sign and return the accompanying form of proxy for use at the Meeting or any adjournments or postponements thereof. To be effective, the enclosed form of proxy must be mailed or faxed so as to reach or be deposited with Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, voted by telephone at 1-866-732-VOTE (8683), or voted online at www.investorvote.com not later than forty-eight (48) hours, excluding Saturdays, Sundays and holidays, prior to the time of the Meeting, unless the chairman of the Meeting elects to exercise his discretion to accept proxies received subsequently (excluding Saturdays, Sundays and statutory holidays in the City of Toronto, Ontario) prior to the time set Information on how non-registered (or beneficial) Shareholders may cast their vote is also described in greater detail in the Circular.

Shareholders are reminded to review the Circular before voting.

DATED this 28th day of September, 2023.

**BY ORDER OF THE BOARD OF
DIRECTORS**

“Jay Garnett”

Jay Garnett
Chief Executive Officer and Director

XEBRA BRANDS LTD.
1090 Hamilton Street
Vancouver, B.C. V6B 2R9
Tel: (604) 634-0970 Fax: (604) 634-0971

MANAGEMENT INFORMATION CIRCULAR
*(as at **September 28, 2023**, except as otherwise indicated)*

XEBRA BRANDS LTD. (“Xebra” or the “Company”) is providing this Management Information Circular (this “Circular”) in connection with the solicitation of proxies by the management of Xebra for use at the ANNUAL GENERAL AND SPECIAL MEETING (the “Meeting”) of Xebra to be held virtually at the following web link: <https://meetnow.global/MHGAJ4N> on November 7, 2023 at 10:00 a.m. (Vancouver time), and at any adjournments or postponements thereof. Unless the context otherwise requires, when reference is made in this Circular to Xebra, the subsidiaries of Xebra are also included. Xebra will conduct its solicitation by mail and directors, officers and employees of Xebra may, without receiving special compensation, also telephone or make other personal contact. Xebra will pay the cost of solicitation. This Circular refers to Xebra’s financial year ended February 28, 2023.

ATTENDING THE MEETING ONLINE

A Shareholder may attend the Meeting virtually or may be represented by proxy. Shareholders who wish to participate in the Meeting may access the virtual meeting platform at URL: <https://meetnow.global/MHGAJ4N>. Participants should join at least ten (10) minutes prior to the scheduled start time. Shareholders will have an equal opportunity to participate at the Meeting through this method regardless of their geographic location.

Registered Shareholders and duly appointed proxyholders can participate in the meeting by clicking “Shareholder” and entering a Control Number or an Invite Code before the start of the meeting. Registered Shareholders: the 15-digit control number is located on the Form of Proxy or in the email notification you received. Duly appointed proxyholders: Computershare Investor Services Inc. (“Computershare”) will provide the proxyholder with an Invite Code by email after the voting deadline has passed.

Attending and voting at the Meeting will only be available for Registered Shareholders and duly appointed proxyholders. A “beneficial” or “non-registered” Shareholder will not be recognized directly at the Meeting for the purposes of voting Shares registered in the name of his/her/its broker; however, a beneficial Shareholder may attend the Meeting as proxyholder for the registered Shareholder and vote the Shares in that capacity. Non-Registered Shareholders who have not appointed themselves as proxyholders to participate and vote at the meeting may login as a guest, by clicking on “Guest” and complete the online form; however, they will not be able to vote or submit questions.

If you are a non-registered holder of Shares and have received these materials through your broker, custodian, nominee or other intermediary, please complete and return the form of proxy or voting instruction form provided to you by your broker, custodian, nominee or other intermediary in accordance with the instructions provided therein

Participants should join at least ten (10) minutes prior to the scheduled start time. Shareholders will have an equal opportunity to participate at the Meeting through this method regardless of their geographic location.

VOTING

The meeting will only be hosted online by way of a live webcast. Shareholders will not be able to attend the meeting in person. A summary of the information Shareholders will need to attend the virtual meeting follows.

Registered Shareholders and appointed proxyholders: Only those who have a 15-digit control number, along with duly appointed proxyholders who were assigned an Invite Code by Computershare (see details under the heading “Appointment of ProxyHolder”), will be able to vote and submit questions during the meeting. To do so, please go to <https://meetnow.global/MHG AJ4N> prior to the start of the Meeting to login. Click on “**Shareholder**” and enter your 15-digit control number or click on “**Invitation**” and enter your Invite Code.

United States Beneficial Shareholders: To attend and vote at the virtual meeting, you must first obtain a valid legal proxy from your broker, bank or other agent and then register in advance to attend the Meeting. Follow the instructions from your broker or bank included with the proxy materials or contact your broker or bank to request a legal form of proxy. After first obtaining a valid legal proxy from your broker, bank or other agent, you must submit a copy of your legal proxy to Computershare in order to register to attend the meeting. Requests for registration should be sent:

By mail to: COMPUTERSHARE
100 UNIVERSITY AVENUE 8TH FLOOR
TORONTO, ON M5J 2Y1

By email at: USLegalProxy@computershare.com

Requests for registration must be labeled as “Legal Proxy” and be received no later than November 3, 2023 at 10:00 a.m. (Vancouver Time). You will receive a confirmation of your registration by email after we receive your registration materials. You may attend the Meeting and vote your shares at <https://meetnow.global/MHG AJ4N> during the meeting. Please note that you are required to register your appointment at <http://www.computershare.com/XebraBrands>.

A Registered Shareholder (or a Non-Registered Shareholder) who has appointed themselves or appointed a third-party proxyholder to represent them at the meeting, will appear on a list of proxyholders prepared by Computershare, who is appointed to review and tabulate proxies for this meeting. To be able to vote their shares at the meeting, each Registered Shareholder or proxyholder will be required to enter their control number or Invite Code provided by Computershare at <https://meetnow.global/MHG AJ4N> prior to the start of the meeting.

In order to vote, Non-Registered Shareholders who appoint themselves as a proxyholder MUST register with Computershare at <http://www.computershare.com/XebraBrands> AFTER submitting their voting instruction form in order to receive an Invite Code (see details under the heading “Appointment of Proxyholder” for details).

APPOINTMENT OF PROXYHOLDER

The purpose of a proxy is to designate persons who will vote the proxy on behalf of a holder of class A common shares of the Company (a “**Shareholder**”) in accordance with the instructions given by the Shareholder in the proxy. The individuals named in the enclosed form of proxy are officers and/or Directors of the Company (the “**Management Proxyholders**”).

IF YOU ARE A SHAREHOLDER ENTITLED TO VOTE AT THE MEETING, YOU HAVE THE RIGHT TO APPOINT A PERSON OR COMPANY OTHER THAN THE MANAGEMENT PROXYHOLDERS, WHO NEED NOT BE A SHAREHOLDER, TO ATTEND AND ACT FOR YOU AND ON YOUR BEHALF AT THE MEETING. YOU MAY DO SO EITHER BY INSERTING THE NAME OF THAT OTHER PERSON IN THE BLANK SPACE PROVIDED IN THE PROXY OR BY COMPLETING AND DELIVERING ANOTHER SUITABLE FORM OF PROXY.

Shareholders who wish to appoint a third-party proxyholder to represent them at the virtual meeting **must submit their Proxy or Voting Instruction Form (as applicable) prior to registering their proxyholder. Registering the proxyholder is an additional step once a Shareholder has submitted their Proxy or Voting Instruction Form. Failure to register a duly appointed proxyholder will result in the proxyholder not receiving an Invite Code to participate in the meeting.**

To register a proxyholder, Shareholders MUST visit <http://www.computershare.com/XebraBrands> by November 3, 2023 at 10:00 a.m. (Vancouver Time) and provide Computershare with their proxyholder's contact information, so that Computershare may provide the proxyholder with an Invite Code by email.

Without an Invite Code, proxyholders will not be able to attend and vote at the meeting.

In order to participate online, Shareholders must have a valid 15-digit control number and proxyholders must have received an email from Computershare containing an Invite Code. The virtual meeting platform is fully supported across most commonly used web browsers (note: Internet Explorer is not a supported browser). We encourage you to access the meeting prior to the start time. **It is important that you are connected to the internet at all times during the meeting in order to vote when balloting commences.**

VOTING BY PROXY

Shareholders who are unable to attend the Meeting or any adjournments or postponements thereof virtually or in person, as applicable, are requested to complete, date, sign and return the accompanying form of proxy for use at the Meeting or any adjournments or postponements thereof.

Only registered shareholders (“Registered Shareholders”) or duly appointed proxyholders are permitted to vote at the Meeting. Class A common shares (“Shares”) represented by a properly executed proxy will be voted for or against or be withheld from voting on each matter referred to in the notice of Meeting (“**Notice of Meeting**”) in accordance with the instructions of the Shareholder on any ballot that may be called for and if the Shareholder specifies a choice with respect to any matter to be acted upon, the shares will be voted accordingly.

If a Shareholder does not specify a choice and the Shareholder has appointed one of the Management Proxyholders as proxyholder, the Management Proxyholder will vote in favour of the matters specified in the Notice of Meeting and in favour of all other matters proposed by management at the Meeting.

The enclosed form of proxy confers discretionary authority on the persons named therein as proxyholder with respect to amendments or variations to matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting. At the date of this Circular, management of the Company knows of no such amendments, variations or other matters to come before the Meeting.

COMPLETION AND RETURN OF PROXY

Completed forms of proxy must be deposited at the office of the Company's registrar and transfer agent, Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, voted by telephone at 1-866-732-VOTE (8683), or voted online at www.investorvote.com not later than forty-eight (48) hours, excluding Saturdays, Sundays and holidays, prior to the time of the Meeting, unless the chairman of the Meeting elects to exercise his discretion to accept proxies received subsequently. If a Shareholder who has submitted a proxy form attends the Meeting via webcast and has accepted the terms and conditions when entering the Meeting online, any votes cast online by such Shareholder on a ballot will be counted and the votes previously submitted will be disregarded.

NON-REGISTERED HOLDERS

The following information is of significant importance to Shareholders who do not hold Shares in their own name. Only Registered Shareholders or the persons they appoint as their proxies are permitted to vote at the Meeting. Registered Shareholders are holders whose names appear on the share register of the Company and are not held in the name of a brokerage firm, bank or trust company through which the shares are purchased. Most Shareholders are “non-registered” shareholders (“**Non-Registered Shareholders**” or “**Beneficial Shareholders**”) because the shares they own are not registered in their

names but are instead registered in the name of the brokerage firm, bank or trust company through which the shares were purchased. Non-Registered Shareholders' Shares will more likely be registered under the names of intermediaries (each an "**Intermediary**" or "**Intermediaries**"). In Canada the vast majority of such Shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms), and in the United States, under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks).

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

There are two kinds of Beneficial Shareholders: those who object to their name being disclosed to the issuers of securities they own (called "**OBOs**" for Objecting Beneficial Owners); and those who do not object (called "**NOBOs**" for Non-Objecting Beneficial Owners).

Issuers can request and obtain a list of their NOBOs from Intermediaries via their transfer agents, pursuant to National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**") and issuers can use the NOBO list for distribution of proxy-related materials directly to NOBOs. The Company is taking advantage of NI 54-101 provisions permitting it to deliver proxy-related material directly to its NOBOs. As a result, NOBOs can expect to receive a voting instruction form ("**VIF**") from Computershare Investor Services Inc. ("**Computershare**"), the Company's transfer agent. The VIF is to be completed and returned to Computershare as set out in the instructions provided on the VIF. Computershare will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the Shares represented by the VIFs they receive. Alternatively, NOBOs may vote following instructions on the voting instruction form, via the internet or by phone.

Beneficial Shareholders who are OBOs should follow their intermediary's instructions carefully to ensure their Shares are voted at the Meeting. Management of the Company does not intend to pay for intermediaries to forward proxy-related materials or the VIF to OBOs, and in such case an OBO will not receive the materials unless an OBO's intermediary assumes the cost of delivery.

The securityholder material is being sent to both Registered Shareholders and Non-Registered Shareholders of the Company. If you are a Non-Registered Shareholder, and the Company or its agent sent these materials directly to you, your name, address and information about your holdings of securities, were obtained in accordance with applicable securities regulatory requirements from the intermediary holding securities on your behalf.

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

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

its instructions, well in advance of the Meeting in order to have your Shares voted, or to have an alternate representative duly appointed to attend the Meeting and vote your Shares at the Meeting.

Notice to Shareholders in the United States

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

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

REVOCABILITY OF PROXIES

Any Registered Shareholder who has returned a proxy may revoke it at any time before it has been exercised. In addition to revocation in any other manner permitted by law, a Registered Shareholder, their attorney authorized in writing or, if the Registered Shareholder is a corporation, a corporation under its corporate seal or by an officer or attorney thereof duly authorized, may revoke a proxy by instrument in writing, including a proxy bearing a later date. The instrument revoking the proxy must be deposited at the registered office of the Company, at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof, or with the chairman of the Meeting on the day of the Meeting. Only Registered Shareholders have the right to revoke a proxy. Non-Registered Shareholders who wish to change their vote must, at least seven days before the Meeting, arrange for their Intermediary to revoke the proxy on their behalf.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Board of the Company has fixed September 28, 2023 as the record date (the “**Record Date**”) for determination of persons entitled to vote at the Meeting. Only Shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a proxy in the manner and subject to the provisions described above will be entitled to vote or to have their Shares voted at the Meeting. As of the Record Date, there were 54,526,313 Shares without par value issued and outstanding, each carrying the right to one vote. No group of Shareholders has the right to elect a specified number of Directors, nor are there cumulative or similar voting rights attached to the Shares.

To the knowledge of the Company’s Directors and executive officers, no persons or companies beneficially owned, controlled, or directed, directly or indirectly, Shares carrying more than 10% of the voting rights attached to all outstanding Shares of the Company as of the Record Date.

PARTICULARS OF MATTERS TO BE ACTED UPON

Votes Necessary to Pass Resolutions

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

election or appointment as a Director is equal to the number of vacancies to be filled, all such nominees will be declared elected or appointed by acclamation.

Financial Statements

The Company's audited annual financial statements for the years ended February 28, 2023 and 2022, and the report of the auditors thereon will be placed before Shareholders at the Meeting, but no vote thereon is required. These documents are available upon request from the Company and they can also be found under the Company's SEDAR+ profile at www.sedarplus.ca.

Election of Directors

Number of Directors

The Directors of the Company are elected at each annual general meeting and hold office until the next annual general meeting or until their successors are appointed. The Board currently consists of five Directors and Shareholder approval will be sought to fix the number of Directors of the Company at seven.

Management recommends Shareholders vote in favour of the resolution fixing the number of directors at seven. Unless you provide instructions otherwise, the Management Proxyholders intend to vote FOR the resolution fixing the number of directors at seven.

Nominees for Election

At the Meeting, the seven persons named hereunder will be proposed for election as Directors of the Company (the "Nominees").

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

| Proposed Nominees for Election as a Director | | | | |
|---|--|-----------------------------|-----------------------------|--|
| Name and Residence | Principal Occupation | Member of Committees | Period as a Director | Shares Beneficially Owned or Controlled⁽¹⁾ |
| Jay Garnett <i>British Columbia, Canada</i> | Chief Executive Officer of Xebra Brands Ltd.; CEO and director of Experion Biotechnologies Inc. | Nil | Since April 19, 2022 | 1,250,000 |
| Jordi Chemonte⁽²⁾ <i>Mexico City, Mexico</i> | General Manager at CYH Ingenieros Electromecanicos S.A. de C.V. and Construtora Arie S.A. de C.V.; Co-founder and CEO of Elements Bioscience Sapi de C.V. and Sativa Group Elements Sapi de C.V. | Audit Committee | Since May 1, 2019 | 1,477,705 |
| Todd Dalotto <i>Oregon, U.S.A.</i> | Cannabis industry consultant specializing in horticultural science and public policy | Nil | Since March 1, 2021 | 138,040 |
| Armando Grimaldo⁽²⁾ <i>Mexico City, Mexico</i> | Practice lawyer and partner at VECEGEA, S.C. | Audit Committee | Since October 27, 2020 | 2,410,165 |

| Proposed Nominees for Election as a Director | | | | |
|---|--|----------------------|------------------------|--|
| Name and Residence | Principal Occupation | Member of Committees | Period as a Director | Shares Beneficially Owned or Controlled ⁽¹⁾ |
| Keith Dolo ⁽²⁾ <i>British Columbia, Canada</i> | Co-Founder of Maverick Brands Ltd. | Audit Committee | Since January 25, 2023 | 2,463,350 |
| Erick Ponce <i>Mexico City, Mexico</i> | Founder and Executive Director of ICAN Green, S.A. de C.V. | Nil | Since June 23, 2023 | Nil |
| David R. Macias Diaz <i>San Luis Potosi, Mexico</i> | Business consultant | Nil | Proposed Nominee | Nil |

Notes:

1. "Shares Beneficially Owned or Controlled" refers to Shares beneficially owned, or controlled or directed, directly or indirectly, by each proposed Director.
2. Member of the audit committee.

Corporate Cease Trade Orders and Bankruptcies

Other than as set out below, none of the proposed directors (or any of their personal holding companies) of the Company:

- a) is, or during the ten years preceding the date of this Circular has been, a director, chief executive officer or chief financial officer of any company, including the Company, that:
 - i) was subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
 - ii) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer of the relevant company and which resulted from an event that occurred while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer;
- b) is, or during the ten years preceding the date of this Circular has been, a director or executive officer, of any company, including the Company, that while the proposed director was acting in that capacity, or within a year of the proposed director 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
- c) has, within the ten years preceding the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver- manager or trustee appointed to hold the assets of that individual.

For the purposes of this Circular, an "order" means: (i) a cease trade order; (ii) an order similar to a cease trade order; or (iii) an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days.

The Company was issued a cease trade order against it on June 29, 2023 (the "**Order**") by the British Columbia Securities Commission for failure to file its audited financial statements and management's discussion and analysis ("MD&A") for the year ended February 28, 2023 by the required deadline. Accordingly, Jay Garnett, CEO and Omar Garcia Abrego, CFO, were ordered to cease trading securities of the Company until the Company filed the applicable financial statements and MD&A and the Executive Director revokes the Order. All of the Nominees except for David Ross Macias Diaz acted for the Company at the time of the issuance of the Order. The Company filed the applicable financial statements and MD&A on August 25, 2023 and the Order was revoked on the same date.

None of the proposed directors (or any of their personal holding companies) has been subject to:

- a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- b) any other penalties or sanctions imposed by a court or regulatory body which would likely be considered important to a reasonable security holder of the Company in deciding whether to vote for a proposed director.

The Board and management consider the election of each of the Nominees to be appropriate and in the best interests of the Company. Accordingly, unless otherwise indicated, the persons designated as Management Proxyholders in the accompanying proxy will vote the Shares represented by such form of proxy, properly executed, FOR the election of each of the Nominees whose names are set forth above.

Appointment of Auditor

Dale Matheson Carr-Hilton Labonte LLP, Chartered Accountants (“DMCL”), of Vancouver, British Columbia are the auditors of the Company. At the Meeting, Shareholders will be asked to vote for the appointment of DMCL, located at 1140 West Pender Street, suites 1500-1700, Vancouver, BC, V6E 4G1, Canada, as auditor of the Company to hold office until the next annual meeting of shareholders, or until a successor is appointed, and to authorize the directors of the Company to fix the remuneration of the auditor. DMCL has served as auditor of the Company since its inception.

Accordingly, unless otherwise indicated, the persons designated as Management Proxyholders in the accompanying form of proxy will vote the Shares represented by such form of proxy, properly executed, FOR the appointment of DMCL as the auditors of the Company to hold office for the ensuing year at a remuneration to be fixed by the Directors.

Approval of Control Person

Shareholders will be asked at the meeting to consider and, if thought advisable, to pass an ordinary resolution of disinterested shareholders, with or without amendment, to approve a private placement that will Materially Affect Control of the Listed Issuer (as such term is defined by the policies of the Canadian Securities Exchange and as further described below).

Background

On September 26, 2023, the Company entered into a binding term sheet with David Ross Macias Diaz (the “**Term Sheet**”) pursuant to which the Company agreed to complete a non brokered private placement (the “**Offering**”) in the aggregate amount of up to \$1,000,000. The Offering is comprised of the issuance of up to 12,000,000 units of the Company (each, a “**Unit**”) at a price of \$0.05 per Unit for gross proceeds of up to \$600,000 (the “**Unit Offering**”) and a concurrent placement (the “**CD Offering**”) of up to a principal amount of \$400,000 of unsecured convertible debenture units (the “**CD Units**”, and together with the Units, the “**Offered Securities**”).

Each Unit will be comprised of one Share and one Share purchase warrant (a “**Unit Warrant**”). Each Unit Warrant will entitle the holder thereof to acquire one Share (a “**Unit Warrant Share**”) at an exercise price of C\$0.10 per Unit Warrant Share at any time for a period of eighteen (18) months following the closing of the Unit Offering.

Each CD Unit issued pursuant to the CD Offering will consist of: (i) C\$1,000 principal amount of unsecured convertible debenture of the Company (each, a “**Debenture**”); and (ii) 20,000 Share purchase warrants (each, a “**CD Warrant**”). Each CD Warrant shall entitle the holder to acquire one Share (a “**CD Warrant Share**”) at an exercise price of C\$0.10 per CD Warrant Share at any time for a period of eighteen (18) months following the closing of the CD Offering. The Debentures will mature on the date that is 36 months

from the date of issuance (the “**Maturity Date**”) and shall bear interest at a rate of 8% per annum, payable semi-annually in arrears, and will not be redeemable by the Company. The Debentures will be convertible into Shares (each, a “**Debenture Share**”) at the option of the holder at any time prior to the Maturity Date at a conversion price equal to \$0.05 per Debenture Share.

The Offered Securities are expected to be sold on a private placement basis pursuant to applicable prospectus exemptions. All securities issued and issuable pursuant to the Offering will be subject to the four month and one day hold period in accordance with Canadian securities laws. The Company intends to use the net proceeds from the Offering for working capital and general corporate purposes.

The Unit Offering

The Unit Offering is expected to close in advance of the Meeting. As of the date hereof, Mr. Macias Diaz does not beneficially own or control any securities of the Company. Following completion of the Unit Offering and assuming Mr. Macias Diaz subscribes for all the Units issuable under the Unit Offering, Mr. Macias Diaz will beneficially own and control 12,000,000 Shares and 12,000,000 Unit Warrants, representing as of the date hereof 18.0% of the issued and outstanding Shares on a non-diluted basis, and 30.6% on a partially diluted basis. It is expected that the certificate representing Mr. Macias Diaz’s Unit Warrants will contain a provision that Mr. Macias Diaz will not be permitted to exercise any of the Unit Warrants until such time as the Company can obtain disinterested shareholder approval of a transaction that would Materially Affect Control (as defined below) of the Company.

Investor Rights Agreement

On closing of the Unit Offering, the Company and Mr. Macias Diaz will enter into a binding investor rights agreement (the “**Investor Rights Agreement**”), which will provide, among other things, that upon closing of the Unit Offering, Mr. Macias Diaz will have the right to nominate one (1) director to become a member of the Board, which nomination will either increase the size of the Board by one director or replace an existing member of the Board. In addition, Mr. Macias Diaz will be entitled to appoint a person as a Board observer (an “**Observer Seat**”) to Board meetings. The Observer Seat will not have the right to vote on matters put forth before the Board but will have access to the information provided to the Board and will be entitled to attend Board meetings.

The Investor Rights Agreement will terminate on the date on which Mr. Macias Diaz and his affiliates own less than 10% of the issued and outstanding Shares (determined based on a fully-diluted basis of all of the Corporation’s securities.)

CD Offering

In the event Mr. Macias Diaz subscribes for all the Debenture Units issuable under the CD Offering, Mr. Macias Diaz will beneficially own and control 12,000,000 Shares, 8,000,000 Debentures, 12,000,000 Unit Warrants, and 8,000,000 CD Warrants, representing as of the date hereof 18.0% of the issued and outstanding Shares on a non-diluted basis, and 42.3% on a partially diluted basis assuming exercise or conversion, as applicable, of all the Unit Warrants, CD Warrants and Debentures. The CD Offering is expected to close forthwith upon satisfaction of the Closing Conditions (as defined herein), including the prior approval by Shareholders pursuant to the policies of the CSE, or as the parties may otherwise agree, subject to regulatory approval.

Pursuant to the policies of the Canadian Securities Exchange (the “**CSE**”), completion of the CD Offering could be considered a transaction that would Materially Affect Control of the Company and as such the Company is seeking disinterested Shareholder approval for the creation of Mr. Macias Diaz as a control person of the Company. CSE Policy 1 defines Materially Affect Control of the Company as follows:

“**Materially Affect Control**” means the ability of any security holder or combination of security holders acting together to influence the outcome of a vote of security holders, including the ability to block significant transactions. Such an ability will be affected by the circumstances of a particular case, including the presence or absence of other large security

holdings, the pattern of voting behaviour by other holders at previous security holder meetings and the distribution of the voting securities. A transaction that results, or could result, in a new holding of more than 20% of the voting securities by one security holder or combination of security holders acting together will be considered to materially affect control, unless the circumstances indicate otherwise. Transactions resulting in a new holding of less than 20% of the voting securities may also materially affect control, depending on the circumstances outlined above.”

Closing Conditions

Closing of the CD Offering is conditional upon the completion of the following (the “**Closing Conditions**”):

- (a) customary closing conditions, including all relevant corporate and regulatory approvals being obtained (including, but not limited to, CSE approval, if necessary);
- (b) disinterested Shareholders having approved the Control Person Resolution (as defined below) at the Meeting; and
- (c) the Company and Mr. Macias Diaz entering into definitive transaction agreements which contain the terms and conditions of the Term Sheet and other customary representations, warranties and covenants for a transaction of the nature of the Offering.

Approval Requirements

Pursuant to section 4.6(2)(a)(iv) of CSE Policy 4, Shareholder approval is required for a proposed securities offering if the transaction will Materially Affect Control of the Company. Since Mr. Macias Diaz will hold greater than 20% of the issued and outstanding Shares on a partially diluted basis and assuming Mr. Macias Diaz subscribes for all the Offered Securities issuable under the Offering, the CD Offering is deemed to Materially Affect Control of the Company and Shareholder approval is therefore required for the closing of the CD Offering.

Accordingly, Shareholders will be asked to approve an ordinary resolution by “disinterested vote” approving and ratifying the Unit Offering and approving the CD Offering and creation of a control person. Disinterested Shareholder approval means Shareholder approval by ordinary resolution, being the majority of the votes cast by Shareholders voting at the Meeting, excluding votes attaching to Shares beneficially owned, or over which control or direction is exercised, by Mr. Macias Diaz, and any associates or affiliates thereof and any other Related Party (as defined in the policies of the CSE) of the Company that has a material interest in the Offering that differs from the interests of security holders generally. Assuming the Unit Offering is completed prior to the Meeting, Mr. Macias Diaz will not be permitted to vote his Shares at the Meeting with respect to the Control Person Resolution. To the knowledge of the Company, no Related Party has a material interest in the Offering that differs from the interests of security holders generally, and accordingly, only Mr. Macias Diaz’s Shares will be excluded from the calculation of such approval.

Shareholder Approval for the Creation of Control Person

Disinterested Shareholders will be asked to vote on the following resolution (the “**Control Person Resolution**”):

“NOW THEREFORE BE IT RESOLVED, as an ordinary resolution of disinterested shareholders, that:

- (1) the Unit Offering, constituting the issuance of up to: (i) 12,000,000 Units, comprised of 12,000,000 Shares and 12,000,000 Warrants at a price of \$0.05 per Unit, is hereby ratified, confirmed and approved;

- (2) the creation of a control person of the Company and completion of the CD Offering, being a transaction that will Materially Affect Control (as defined in the policies of the CSE) of the Company, constituting the issuance of up to a principal amount of \$400,000 of CD Units, with each CD Unit comprised of C\$1,000 principal amount of Debentures and 20,000 CD Warrants, is hereby authorized and approved;
- (3) any director or officer of the Company is hereby authorized for and on behalf of the Company to execute and deliver all documents and instruments and to take such other actions as such director or officer may determine to be necessary or desirable to implement these resolutions and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such documents or instruments and the taking of any such actions;
- (4) notwithstanding that this resolution has been duly passed by the Shareholders, the directors of the Company be and they are hereby authorized without further approval of the Shareholders, to revoke this resolution and determine not to proceed with the completion of the CD Offering.”

If the Control Person Resolution is not approved by Shareholders at the Meeting the CD Offering may not be completed on the terms as described herein or possibility at all. The Board believes that David Ross Macias Diaz’s investment in the Company is in the best interests of the Company’s Shareholders. It is the intention of the Management Proxyholders in the enclosed form of proxy, if not expressly directed to the contrary in such form of proxy, to vote such proxy in favour of the Control Person Resolution.

Management recommends that Shareholders vote FOR the Control Person Resolution. The persons named in the enclosed form of proxy intend to vote FOR the Control Person Resolution unless the Shareholder specifies otherwise.

Other Matters

Management of the Company knows of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Meeting accompanying this Circular. However, if any other matter properly comes before the Meeting, the form of proxy furnished by the Company will be voted on such matters in accordance with the best judgment of the persons voting the proxy.

STATEMENT OF EXECUTIVE COMPENSATION

Identification of Named Executive Officers

The following are the Named Executive Officers (“**Named Executive Officers**” or “**NEO**”) for the purposes of the disclosure in this “Statement of Executive Compensation” section of the Circular, concerning the Company’s financial year ended February 28, 2023:

- a) Jay Garnett, currently the Company’s Chief Executive Officer
- b) Rodrigo Gallardo, currently the Company’s President and former Interim Chief Executive Officer and former Chief Financial Officer;
- c) Todd Dalotto, currently the Chief Science Officer
- d) Omar Garcia Abrego, currently the Company’s Chief Financial Officer;
- e) Andrew Yau, formerly the Company’s Chief Financial Officer; and
- f) Robert Giustra, formerly the Company’s Executive Chairman.

Compensation Discussion and Analysis

Objectives of the Compensation Program

The Board determines management compensation based on advice and discussion provided by the Board, without reference to formal objectives, criteria or analysis. The Board relies on the experience of its members as officers and Directors of the Company and with other junior mining companies in determining its compensation program. The general objectives of the Company's compensation program are to:

- a) compensate management in a manner that encourages and rewards a high level of performance and outstanding results with a view to increasing shareholder value;
- b) align management's interests with the interests of Shareholders;
- c) provide a compensation package that is commensurate with other junior mineral exploration companies to enable the Company to attract and retain talent;
- d) to ensure that the total compensation package is designed in a manner that takes into account the constraints under which the Company operates, in particular that the Company is a junior mineral exploration company without a history of earnings; and
- e) to ensure that total compensation paid to all Named Executive Officers is fair and reasonable.

Elements of Compensation

Base salary is used to provide the Named Executive Officers with an agreed-upon annual compensation with the expectation that each Named Executive Officer will perform his responsibilities to the best of his ability and in the best interests of the Company.

Incentive compensation equities are a significant component of Named Executive Officer compensation, as stock options ("**Options**"), restricted share units ("**RSUs**"), deferred share units ("**DSUs**"), performance share units ("**PSUs**"), and share appreciation rights ("**SARs**") (collectively, the "**Awards**") rewards increase in shareholder value without requiring the Company to pay cash from its treasury. The Awards are generally granted to Directors, officers, consultants and employees at the commencement of service to the Company, and periodically thereafter. The terms and conditions of the Company's Awards, including vesting provisions and exercise prices, are governed by the terms of the Company's omnibus plan (the "**Plan**").

The Company may also issue a bonus to a Named Executive Officer, generally at the conclusion of a calendar year. A bonus may be payable in the event that the Company had an exceptional year or accomplished significant achievements. Bonuses are also tied in part to the performance by a Named Executive Officer in a given year, and the Named Executive Officer's contribution to the achievement of the Company's goals and objects for that year.

Determination of Amounts of Each Element

The Board determines the amount of each element of compensation payable to a Named Executive Officer through reference to other companies in the cannabis industry, the experience of the Named Executive Officer, and general market conditions, with the intention of meeting the objectives set out above.

While the Company considers the value of each element in determining the values of the other elements of compensation payable, the Company sets each element in reference to the compensation provided to the Company's other officers, employees, and consultants and also to general market standards.

Implications of Risks Associated with Compensation Program

Neither the Board nor a committee of the Board has deemed it necessary to consider the implications of the risks associated with the Company's compensation policies and practices. The Company compensates its personnel based upon an agreed upon wage and does not make use of more complicated mechanisms for

determining remuneration. Due to the straightforward nature of the model of determining compensation, the Board does not consider there to be material risks associated therewith requiring consideration.

NEO or Director's Ability to Purchase Financial Instruments

The Company does not place restrictions on a NEO or Director's ability to purchase securities or financial instruments, beyond the imposition of blackout periods where applicable and also an expectation that all personnel will strictly abide by insider trading laws. Notwithstanding this fact, financial instruments such as prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or Director, are not generally available in connection with the Company.

Share-based and Option-based Awards

Objectives and Rewards of the Compensation Program

The Company established its Plan to provide incentives to qualified parties to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company. The Board considers Awards based on such criteria as performance, previous grants, and hiring incentives. All grants require approval of the Board.

The Directors have the responsibility to administer the compensation policies related to the executive officers, including equity-based awards. In determining the number of Awards to be granted to the Company's executive officers, the Directors take into account the number of Awards, if any, previously granted to each executive officer, and the exercise price/market value of any such outstanding Awards.

In monitoring or adjusting Awards allotments, the Directors take into account their own observations on individual performance (where possible) and their assessment of individual contribution to shareholder value, previous Awards grants and the objectives set for the Named Executive Officers and the Board. The scale of options is generally commensurate to the appropriate level of base compensation for each level of responsibility. The Directors make these determinations subject to and in accordance with the provisions of the Company's Plan. The Board reviews and approves grants of Awards on an annual basis and periodically during a financial year.

Compensation Governance

Policies and Practices

Due to its size, the Board has not formed a compensation committee. Instead, the full Board is tasked with (a) reviewing and approving corporate goals and objectives relevant to CEO compensation, evaluating the CEO's performance in light of those corporate goals and objectives; (b) discussing and establishing non-CEO officer and Director compensation, incentive-compensation plans and equity-based plans; and (c) reviewing executive compensation disclosure before the Company publicly discloses this information. The Board believes that their years of experience with public companies and in particular those in the cannabis sector have provided them with the skills necessary to evaluate appropriate compensation levels.

Summary Compensation Table

Summary Compensation Table

The following table sets forth the annual and long-term compensation for services in all capacities delivered to the Company for the financial years ended February 28, 2021, February 28, 2022 and February 28, 2023

of the Company in respect of the Named Executive Officers. Compensation paid to the NEOs for such financial years is set out below and expressed in Canadian dollars unless otherwise noted.

| Name and principal position | Year | Salary (\$) | Share based awards (\$) | Option based awards (\$) | Non-equity incentive plan compensation (\$) | | Pension value (\$) | All other compensation (\$) | Total compensation (\$) |
|---|------|-------------|-------------------------|--------------------------|---|---------------------------|--------------------|-----------------------------|-------------------------|
| | | | | | Annual incentive Plans (\$) | Long-term incentive Plans | | | |
| Jay Garnett CEO ⁽¹⁾ | 2023 | 210,000 | Nil | 280,000 | Nil | Nil | Nil | Nil | 490,000 |
| | 2022 | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| | 2021 | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Rodrigo Gallardo President ⁽²⁾ | 2023 | 133,000 | Nil | Nil | Nil | Nil | Nil | Nil | 133,000 |
| | 2022 | 96,000 | Nil | 90,000 | Nil | Nil | Nil | Nil | 186,000 |
| | 2021 | 53,000 | Nil | Nil | Nil | Nil | Nil | 15,000 | 68,000 |
| Omar Garcia Abrego CFO ⁽³⁾ | 2023 | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| | 2022 | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| | 2021 | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Todd Dalotto CSO ⁽⁴⁾ | 2023 | Nil | Nil | Nil | Nil | Nil | Nil | 75,864 | 75,864 |
| | 2022 | Nil | Nil | Nil | Nil | Nil | Nil | 12,916 | 12,916 |
| | 2021 | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Andrew Yau Former CFO ⁽⁵⁾ | 2023 | Nil | Nil | Nil | Nil | Nil | Nil | 88,000 | 88,000 |
| | 2022 | 96,000 | Nil | 90,000 | Nil | Nil | Nil | Nil | 186,000 |
| | 2021 | 112,000 | Nil | Nil | Nil | Nil | Nil | Nil | 112,000 |
| Robert Giustra Former Executive Chairman ⁽⁶⁾ | 2023 | Nil | Nil | Nil | Nil | Nil | Nil | 197,903 | 197,903 |
| | 2022 | 62,500 | Nil | 90,000 | Nil | Nil | Nil | Nil | 152,500 |
| | 2021 | 66,800 | Nil | Nil | Nil | Nil | Nil | Nil | 66,800 |

Notes:

1. Mr. Garnett was appointed CEO of the Company effective April 19, 2022.
2. Mr. Gallardo acted as the CEO of the Company from June 15, 2020 to June 1, 2021. Mr. Gallardo was appointed President of the Company on June 1, 2021 and as the Interim CEO of the Company on August 20, 2021. Mr. Gallardo resigned as the Interim CEO of the Company as of April 19, 2022.
3. Mr. Garcia Abrego was appointed CFO of the Company effective February 20, 2023.
4. Mr. Todd Dalotto was appointed CSO of the Company effective January 1, 2022.
5. Mr Yau was the CFO from January 1, 2020 to January 20, 2023. Mr. Yau's fees presented are estimate and were fully paid by Orea Mining Corp. ("Orea") and reimbursed by the Company to Orea under a cost sharing agreement.
6. Mr. Giustra was a director of the Company and was appointed as Chairman of the Board from January 1, 2020 to January 20, 2023.

Narrative Discussion of Summary Compensation Table

Option-based award values are calculated using the *Black-Scholes* model on the date of grant. Key assumptions and estimates used to price the option-based awards are as follows:

| | April 26, 2022 |
|---------------------------|-----------------------|
| Expected price volatility | 123% |
| Risk free interest rate | 2.43% |
| Expected life of options | 3.96 |
| Expected dividend yield | Nil |

The Board of the Company appointed Mr. Gallardo as Chief Operating Officer on June 15, 2020 in consideration of \$36,000 per year. Effective September 16, 2020, such compensation was increased to \$96,000 per year. On June 1, 2021, the Company appointed Mr. Gallardo as President and, on August 20, 2021, Mr. Gallardo was appointed as Interim Chief Executive Officer with no compensation change. Mr. Gallardo resigned as Interim Chief Executive Officer as of April 19, 2022, and was replaced by Jay Garnett, who was appointed as Chief Executive Officer on the same date. Mr. Garnett is compensated at a rate of \$240,000 per year.

The Board of the Company appointed Mr. Yau as the Chief Financial Officer effective January 1, 2020 in consideration of \$115,200 per year. This amount was decreased to \$96,000 per year effective January 1, 2021. Mr. Yau's fees were paid by Orea and reimbursed by the Company to Orea under a cost sharing agreement. Mr. Yau resigned as Chief Financial Officer on January 20, 2023.

Incentive Plan Awards

The Company has an omnibus equity incentive compensation plan (the Plan), dated for reference July 12, 2021. The Plan was established to provide incentive to qualified parties to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company. The Plan is administered by the Board and provides that Awards may be issued to *bona fide* employees, non-employee directors and consultants (the "**Participants**") of the Company, or a subsidiary of the Company, and evidenced by award agreements (the "**Award Agreements**"). Under the Plan, Options totalling a maximum of 10% of the Shares outstanding from time to time are available for grant, and the maximum number of Shares issuable pursuant to grants of RSUs, DSUs, PSUs, and SARs issued under the Plan total a maximum of 1,040,547 Shares, in aggregate.

As of the date hereof, there were 54,526,313 issued and outstanding Shares of the Company and Options to purchase an aggregate of 1,990,000 Shares (representing 3.65% of outstanding Shares). Accordingly, under the Plan the Company has the authority to grant additional Options to purchase up to a total of 3,462,631 Shares, representing 6.35% of outstanding shares. As of the date hereof, no RSUs, DSUs, PSUs or SARs have been granted.

Material Terms of the Plan

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

- (a) The Board of Directors shall be responsible for administering the Plan.
- (b) To the extent that an Award lapses or the rights of its Participant terminate or are paid out in cash (except in the case of Options which cannot be paid out in cash), any Shares subject to such Award shall again be available for the grant of an Award.
- (c) The maximum number of Shares for which Awards may be issued to any one Participant in any 12-month period shall not exceed 5% of the outstanding Shares, calculated on the date an Award is granted to the Participant, unless the Company obtains disinterested shareholder approval. The maximum number of Shares for which Awards may be issued to any Consultant or persons (in the

aggregate) retained to provide Investor Relations Activities (as defined by the CSE) in any 12-month period shall not exceed 2% of the outstanding Shares, calculated on the date an Award is granted to the Consultant or any such person, as applicable.

- (d) Unless disinterested shareholder approval is obtained: (i) the maximum number of Shares for which Awards may be issued to Insiders (as such term is defined in the Plan) of the Company (as a group) at any point in time shall not exceed 10% of the outstanding Shares; and (ii) the aggregate number of Awards granted to Insiders (as a group), within any 12-month period, shall not exceed 10% of the outstanding Shares, calculated at the date an Award is granted to any Insider.
- (e) Options are exercisable at a price that is determined by the Board (or a Committee, if so delegated), provided that such price cannot be less than the last closing price of the Shares on the CSE less any discount permitted by the rules or policies of the CSE.
- (f) Unless otherwise specified in an Award Agreement, and subject to any provisions of the Plan or the applicable Award Agreement relating to acceleration of vesting of Options, Options shall vest equally over a four year period such that 1/4 of the Options shall vest on the first, second, third and fourth anniversary dates of the date that the Options were granted.
- (g) Unless otherwise specified in an Award Agreement, and subject to any provisions of the Plan or the applicable Award Agreement relating to acceleration of vesting of RSUs, RSUs shall vest equally over a three year period such that 1/3 of the RSUs granted in an Award shall vest on the first, second and third anniversary dates of the date that the Award was granted, and provided that no RSU granted shall vest and be payable after December 31 of the third calendar year following the year of service for which the RSU was granted.
- (h) Each Deferred Share Unit grant shall be evidenced by an Award Agreement that shall specify the number of DSUs granted, the settlement date for DSUs, and any other provisions as the Board (or the Committee, if so delegated) shall determine, including, but not limited to a requirement that Participants pay a stipulated purchase price for each DSU, restrictions based upon the achievement of specific performance criteria, time-based restrictions, restrictions under applicable laws or under the requirements of the CSE, or holding requirements or sale restrictions placed on the Shares by the Company upon vesting of such DSUs.
- (i) The Board may, at any time, suspend or terminate the Plan. Subject to compliance with any applicable law, including the rules of the CSE, the Board may also, at any time, amend or revise the terms of the Plan and any Award Agreement. No such amendment of the Plan or Award Agreement may be made if such amendment would materially and adversely impair any rights arising from any Awards previously granted to a Participant under the Plan without the consent of the Participant or the representatives of his or her estate, as applicable. Any amendment that would cause an Award held by a Participant that is a U.S. taxpayer to fail to comply with Section 409A of the Code shall be null and void with respect to such Participant.
- (j) Disinterested shareholder approval as required by the policies of the CSE shall be obtained for any reduction in the exercise price of an Option or the "Grant Price" (as such term is defined in the Plan) of a SAR if the Participant is an Insider of the Company at the time of the proposed amendment.
- (k) Subject to certain blackout exemptions as defined in the Plan, no SAR or Option is exercisable for a period greater than 10 years from the date of grant.

Shareholders are encouraged to review the Plan in its entirety, available on the Company's SEDAR+ profile at www.sedarplus.ca.

Outstanding Share-based Awards and Option-based Awards

The following table sets out all option-based awards and share-based awards outstanding as at February 28, 2023 for each NEO:

| Name | Option-based Awards | | | | Share-based Awards | | |
|--|---|----------------------------|------------------------|---|--|--|--|
| | Number of securities underlying unexercised options (#) | Option exercise price (\$) | Option expiration Date | Value of unexercised in-the-money options ⁽¹⁾ (\$) | Number of shares or units of shares that have not vested (#) | Market or payout value of share-based awards that have not vested (\$) | Market or payout value of vested share-based awards not paid out or distributed (\$) |
| Jay Garnett, <i>CEO</i> | 400,000 | \$1.00 | April 26, 2027 | Nil | Nil | Nil | Nil |
| Rodrigo Gallardo, <i>President</i> | 200,000 | \$1.00 | Oct 18, 2026 | Nil | Nil | Nil | Nil |
| Omar Garcia Abrego, <i>CFO</i> | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Todd Dalotto, <i>CSO</i> | 200,000 | \$1.00 | Oct 18, 2026 | Nil | Nil | Nil | Nil |
| Andrew Yau, <i>Former CFO</i> | 200,000 | \$1.00 | Oct 18, 2026 | Nil | Nil | Nil | Nil |
| Robert Giustra, <i>Former Executive Chairman</i> | 200,000 | \$1.00 | Oct 18, 2026 | Nil | Nil | Nil | Nil |

Notes:

1. The market price for the Company's Shares on the CSE on February 28, 2023 was \$0.12 per share.

Incentive Plan Awards – Value vested or earned during the year

The following table sets out the value vested or earned under incentive plans during the Company's financial year ended February 28, 2023, for each NEO:

| Name | Option-based awards – Value vested during the year ⁽¹⁾ | Share-based awards – Value vested during the year | Non-equity incentive plan compensation – Value earned during the year |
|------------------------------------|---|---|---|
| Jay Garnett, <i>CEO</i> | Nil | Nil | Nil |
| Rodrigo Gallardo, <i>President</i> | Nil | Nil | Nil |
| Omar Garcia Abrego, <i>CFO</i> | Nil | Nil | Nil |
| Todd Dalotto, <i>CSO</i> | Nil | Nil | Nil |
| Andrew Yau, <i>Former CFO</i> | Nil | Nil | Nil |
| Robert Giustra, | Nil | Nil | Nil |

| | Option-based Awards | | | | Share-based Awards | | |
|------|---|----------------------------|------------------------|---|--|--|--|
| Name | Number of securities underlying unexercised options (#) | Option exercise price (\$) | Option expiration Date | Value of unexercised in-the-money options ⁽¹⁾ (\$) | Number of shares or units of shares that have not vested (#) | Market or payout value of share-based awards that have not vested (\$) | Market or payout value of vested share-based awards not paid out or distributed (\$) |

Notes:

1. The closing price for the Shares on the CSE on February 28, 2023 was \$0.12 per Share.

Incentive Plan Awards – Value vested or earned during the year (Directors)

The following table sets out the value vested or earned under incentive plans during the Company’s last completed financial year, for each Director that is not an NEO:

| Name | Option-based awards – Value vested during the year | Share-based awards – Value vested during the year | Non-equity incentive plan compensation – Value earned during the year |
|------------------|--|---|---|
| Jordi Chemonte | Nil | Nil | Nil |
| Antonio Grimaldo | Nil | Nil | Nil |
| Todd Dalotto | Nil | Nil | Nil |
| Keith Dolo | Nil | Nil | Nil |

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out equity compensation plan information as at February 28, 2023:

| Plan Category | Number of securities to be issued upon exercise of outstanding options, warrants and rights (a) | Weighted-average exercise price of outstanding options, warrants and rights (b) | Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c) ⁽¹⁾ |
|--|---|---|--|
| Equity compensation plans approved by security holders | 1,990,000 | \$1.00 | 2,984,505 |
| Equity compensation plans not approved by security holders | Nil | Nil | Nil |
| Total | 1,990,000 | \$1.00 | 2,984,505 |

Notes

1. Based on 39,339,581 Shares issued and outstanding as at February 28, 2023
2. As at February 28, 2023, 1,943,958 Options were available to be issued under the Plan and any combination of 1,040,547 RSUs, DSUs, PSUs or SARs were available to be issued under the Plan

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No individual who is, or at any time during the fiscal year ended February 28, 2023 was, a Director or executive officer of the Company, each proposed nominee for election as a Director of the Company, and

each associate of any such Director, executive officer, or proposed nominee: (a) is, or at any time since the beginning of the fiscal year ended February 28, 2023 of the Company has been indebted to the Company or any of its subsidiaries; or (b) is indebted to another entity that is, or at any time since the beginning of the financial year ended February 28, 2023 of the Company has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries.

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

Other than the election of Directors or the appointment of auditors, no (a) person who has been a Director or executive officer of the Company at any time since the beginning of the Company's last financial year; (b) proposed nominee for election as a Director of the Company; or (c) associate or affiliate of a person in (a) or (b), has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting.

CORPORATE GOVERNANCE DISCLOSURE

General

The term "corporate governance" refers generally to the policies and structure of a board of directors whose members are elected by and are accountable to the Shareholders of a company. Corporate governance encourages establishing a reasonable degree of independence of the board of directors from executive management and the adoption of policies to ensure the board of directors recognizes the principles of good management. The Board is committed to sound corporate governance practices as they are in the best interests of both the Company and its Shareholders and help to contribute to effective and efficient decision-making.

Independence of Directors

The Board facilitates its exercise of independent supervision over management primarily by ensuring that a majority of its members are independent, as such term is defined by NI 52-110. The following table sets out the independence status of the current composition of the Board, a majority of whom are independent under NI 52-110:

| Director Name | Independence and Basis for Determination of Non-Independence |
|----------------------|---|
| Jordi Chemonte | Independent |
| Todd Dalotto | Independent |
| Antonio Grimaldo | Independent |
| Erick Ponce | Independent |
| Jay Garnett | Non-Independent |
| Keith Dolo | Non-Independent |

In discharging their fiduciary duties of care, loyalty and candour, Directors are expected to exercise their business judgment to act in what they reasonably and honestly believe to be the best interests of the Company and its Shareholders free from personal interests. In discharging their duties, when appropriate, the Directors normally are entitled to rely on the Company's senior executives and its outside advisors, auditors and legal counsel but are also entitled to obtain and consider second opinions where circumstances warrant.

Directors are expected to become and remain informed about the Company and its business, properties, risks and prospects, and are responsible for determining that effective systems are in place for the periodic

and timely reporting to the Board on important matters concerning the Company. Directors are required to devote the time needed, and meet as frequently as necessary, to properly discharge their responsibilities.

The Board will ensure it has at all times at least the minimum number of the members of the Board who meet applicable standards of Director independence. For members of the Audit Committee, Director independence is to be determined in accordance with those legal and stock exchange independence standards applicable to the Company's Audit Committee. For other purposes, the Board will, from time to time, establish independence standards that (i) comply with applicable legal and stock exchange requirements and (ii) are designed to ensure that the Director does not have, directly or indirectly, a financial, legal or other relationship with the Company that would reasonably interfere with the exercise of independent judgment in carrying out the responsibilities of the Director.

Other Directorship Positions

Each of the following Directors is presently a director of the following issuers that are reporting issuers (or the equivalent) in a jurisdiction of Canada or in a foreign jurisdiction:

| Director Name | Other Directorship Positions |
|----------------------|-------------------------------------|
| Jordi Chemonte | None |
| Todd Dalotto | None |
| Erick Ponce | None |
| Jay Garnett | None |
| Antonio Grimaldo | None |
| Keith Dolo | None |

Board Mandate

The informal mandate of the Board is to oversee the management of the Company, thereby serving the best interests of the Company and its Shareholders. Periodic meetings are held by the Board to achieve this mandate.

The Board carries out its responsibilities in accordance with corporate law requirements under the Act, the Company's Articles and its corporate governance policies described herein.

Following the Company's listing at the CSE in October 2021, the Company has started the process to develop and adopt enhanced corporate governing policies that are commensurate with the Company's size, level of operations and stage of development of its business. Corporate governance policies will continue to be reviewed periodically and enhanced on an as-needed basis.

On, at minimum, an annual basis, the Board approves budgets prepared by the Company's senior management team. Long-term strategies are also approved by the Board, along with material agreements and transactions to which the Company intends to devote significant company resources.

The Chairman of the Audit Committee is expected to discharge the mandate of the Audit Committee set out in the Audit Committee Charter. A formal position description has not been developed for the CEO. The CEO is expected to carry out the responsibilities associated with being at the helm of a cannabis company focused on responsible production of cannabis and cannabis products. Such responsibilities include at a high level, overseeing the direction of the Company's business, including the development of plans for operations, and bringing those plans to fruition; analyzing potential acquisition opportunities; hiring other senior executive officers; periodically reporting to the Board and maintaining an open dialogue with Directors; stakeholder engagement; and ensuring that the Company's financing needs are met, among others. Mr. Garnett was appointed as the CEO of the Company effective April 19, 2022.

Orientation and Continuing Education

The Board and the Company's senior management conduct orientation programs for new Directors. The orientation programs include presentations by management to familiarize new Directors with the Company's projects strategic plans, its significant financial, accounting and risk management issues, its compliance programs, its code of business conduct and ethics, its principal officers, its internal and independent auditors and its outside legal advisors. In addition, the orientation program includes a review of the Company's expectations of its Directors in terms of time and effort, a review of the Directors' fiduciary duties and visits to Company headquarters and, to the extent practical, certain of the Company's significant facilities.

To enable each Director to better perform his or her duties and to recognize and deal appropriately with issues that arise, the Company occasionally provides the Directors with suggestions to undertake continuing education for Directors, the cost of which is borne by the Company.

Ethical Business Conduct

The Board has adopted a Code of Business Conduct and Ethics (the "Code") which applies and is provided to the employees, officers, Directors, and consultants of the Company. The Code provides guidelines respecting discrimination, harassment, substance abuse, workplace violence, employment of family members, environment, health and safety, conflicts of interest, gifts and entertainment, competitive practices, supplier and contractor relationships, public relations, government relations, legal compliance (including without limitation insider trading), confidential and proprietary information, financial reporting, records retention, use of Company property, and other similar matters. All of the Company's personnel are provided a copy of the Code and expected to abide by its terms. A copy of the Code is available at www.xebrabrands.com.

To ensure the independent exercise of judgment by a Director who has a material interest in a transaction, the Company has included in the Code a description of the procedures to be followed by a Director with a material interest. Full disclosure by the Director to the Board of the material interest is required, and the Director is required to refrain from voting on any matter concerning the transaction.

Nomination of Directors

Except where the Company is legally required by contract, law or otherwise to provide third parties with the right to nominate Directors, the Board is responsible for identifying individuals qualified to become Board members, consistent with criteria approved by the Board at such time. Throughout the Company's history this has occurred infrequently and as such the Board has no set rules for qualifications and determines same on a case-by-case basis, having reference to the needs of the Company at the time. In the event that a proposed Director is identified, and upon authorization by the Board, the Chairman of the Board is tasked with extending an invitation to a potential nominee, who is then evaluated by the Board for suitability.

Majority Voting Policy

The Board has approved a Majority Voting Policy for the Company. In an uncontested election of directors of the Company, each director should be elected by the vote of a majority of the shares represented in person or by proxy at any shareholders' meeting for the election of directors. Accordingly, if any nominee for director receives a greater number of votes "withheld" from his or her election than votes "for" such election, that director will promptly tender his or her resignation to the Chairman of the Board following the meeting. In this policy, an "uncontested election" means an election where the number of nominees for director equals the number of directors to be elected.

The Board will consider the offer of resignation and whether or not to accept it. Any director who tenders his or her resignation may not participate in the deliberations of the Board at which the resignation is being considered. In its deliberations, the Board will consider any stated reasons why Shareholders "withheld" votes from the election of that director, the length of service and the qualifications of the director, the

director's contributions to the Company, the effect such resignation may have on the Company's ability to comply with any applicable governance rules and policies and the dynamics of the Board, and any other factors that the Board considers relevant.

The Board will make a decision within 90 days following the date of the applicable meeting and announce its decision by way of a news release, after considering the factors that the Board considers relevant. The Board expects to accept the resignation except in situations where extenuating circumstances would warrant the director continuing to serve on the Board. The resignation will become effective upon acceptance by the Board. However, if the Board declines to accept the resignation, it must include in the news release the reasons for its decision.

If a resignation is accepted, the Board may, in accordance with the *Business Corporations Act* (British Columbia) and the Company's articles, appoint a new director to fill any vacancy created by the resignation or reduce the size of the Board. If a director does not tender his or her resignation in accordance with this policy, the Board will not re-nominate that director at the next election.

The Board does not have a Nominating Committee comprised entirely of independent directors as the Board has determined that the Company's size does not warrant such a standing committee at present.

Compensation

The Board does not have a Compensation Committee as its smaller size does not currently warrant such a committee. Instead, the form and amount of Director and executive officer compensation is determined by the Board from time to time. The Board's general philosophy is that the aforementioned compensation should be focused on providing incentives that promote long-term shareholder value. The Board believes that including equity options helps to align the interests of management with those of the Company's Shareholders.

The Company seeks to attract exceptional Directors and management. Therefore, the Company's policy is to compensate Directors and its CEO (or the individual acting in the capacity of the CEO) competitively relative to comparable companies. The Company's management will, from time to time, present a report to the Board comparing the Company's Director and executive officer compensation with that of comparable companies.

In the event that the CEO (or the individual acting in the capacity of the CEO) is also a Director, such person is required to abstain from deliberations or voting on his or her own compensation.

See "Statement of Executive Compensation" for additional disclosure.

Other Board Committees

Other than the Audit Committee, the Board does not have any standing committees. It is the opinion of the Board that additional committees are not required at this stage of the Company's development.

Assessments

The Board is in a continual process of evaluating itself, its committees, and its individual Directors. The individual Directors speak regularly both within and outside formal Board meetings for the purposes of discussing the Company's goals and objectives, and evaluating its success at achieving such goals and objectives. The Board provides oversight and assessment of a number of key items, including: reviewing and approving fundamental operating, financial, and other strategic corporate plans, taking into account, among other things, the opportunities and risks of the business; evaluating the Company's performance at any given time, including whether corporate resources are being allocated appropriately; evaluating the performance, and overseeing the progress and development of senior management; taking action when required in respect of senior management oversight, including determining promotions, changing responsibilities, terminations, and creating senior management succession plans; overseeing compensation programs; evaluating the Company's systems for risk identification, assessment and management purposes;

approving material transactions and commitments; determining whether the Company's governance structure allows and encourages the Board to fulfil its responsibilities and obligations; assisting the Company's senior management and providing guidance on those matters that require Board involvement or oversight; and assessing the overall effectiveness of the Board and its committees.

Individual Board members are expected to observe a high standard and it is the opinion of the Board that this standard is presently being met.

The Audit Committee

General

The Company is required by law and applicable stock exchange policy to have an Audit Committee. This portion of the Circular provides disclosure in connection with the Company's Audit Committee. The Company's auditor is DMCL.

Audit Committee Charter

The Company's Audit Committee Charter (the "**Charter**") is included as Schedule "A" to the Circular.

Composition of the Audit Committee

Jordi Chemonte, Antonio Grimaldo and Keith Dolo are the members of the Company's Audit Committee as of the date of this Circular. The majority of the Audit Committee's members are independent and all members are financially literate.

Relevant Education and Experience

All Members

Each member of the Audit Committee has:

- 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 be reasonably expected to be raised by the Company's financial statements, and/or experience actively supervising individuals engaged in such activities; and
- c) an understanding of internal controls and procedures for financial reporting.

Jordi Chemonte

Mr. Chemonte is an entrepreneur who has co-founded several enterprises. He has held executive positions in the food and services, entertainment, real estate, construction, and engineering sectors. He was recently the co-founder and the CEO of Elements Bioscience, a first mover in the Mexican cannabis industry.

Antonio Grimaldo

Mr. Grimaldo is a lawyer with a master's degree in international tax law from the Vienna University of Economics and Business Administration and a Masters in Social Policy and Development from the London School of Economics and Political Science. He has held high level positions in the Mexican Institute of Social Security and the COFEPRIS (the Mexican equivalent of the U.S. Food and Drug Administration).

Keith Dolo

Mr. Dolo brings an impressive résumé and track record to the Board. He is the co-founder of Maverick Brands, a growth accelerator that has successfully built, scaled and exited multiple companies. Before Maverick, Mr. Dolo founded and served as the CEO and Chairman of Sproutly Canada Inc., a company focused on the advancement of beverage formulations in the Canadian Cannabis Industry. Previous to Sproutly, Mr. Dolo spent over 13 years at Robert Half International, an S&P 500 and NYSE-listed company where he held the role of VP and other senior positions. Mr. Dolo advises/acts as director on multiple Canadian companies.

Audit Committee Oversight

At no time since the commencement of the Company’s financial year ended February 28, 2023 has a recommendation of the Audit Committee to nominate or compensate an external auditor have been declined by the Board.

Pre-Approval Policies and Procedures

All services to be performed by the Company’s independent auditor must be approved in advance by the Audit Committee. The Audit Committee has considered whether the provision of services other than audit services is compatible with maintaining the auditors’ independence and has adopted an informal policy governing the provision of these services. This policy requires the pre-approval by the Audit Committee of all audit and non-audit services provided by the external auditor, other than any *de minimus* non-audit services allowed by applicable law or regulation.

External Auditor Service Fees

The Audit Committee has reviewed the nature and amount of the non-audited services provided by DMCL to the Company to ensure auditor independence. Fees incurred with DMCL for audit and non-audit services in the last two financial years for audit fees are outlined in the following table.

| Nature of Services | Fees Paid to Auditor in Year Ended February 28, 2023 | Fees Paid to Auditor in Year Ended February 28, 2022 |
|-----------------------------------|---|---|
| Audit Fees ⁽¹⁾ | \$120,000 | \$77,500 |
| Audit-Related Fees ⁽²⁾ | Nil | Nil |
| Tax Fees ⁽³⁾ | \$6,000 | Nil |
| All Other Fees ⁽⁴⁾ | Nil | Nil |
| Total | \$126,000 | \$77,500 |

Notes:

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

Exemption

Since the Company is a “Venture Issuer” pursuant to NI 52-110 (its securities are not listed or quoted on any of the Toronto Stock Exchange, a market in the United States of America, or a market outside of Canada

and the United States of America), it is exempt from the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

To the knowledge of management of the Company, no Informed Person (as defined in National Instrument 51-102 – *Continuous Disclosure Obligations*) or proposed Director of the Company, or any associate or affiliate of the aforementioned persons had any material interest in any transaction since the commencement of the Company’s financial year ended February 28, 2023 or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries.

MANAGEMENT CONTRACT

There are no management functions of the Company which are to any substantial degree performed by a person or company other than the directors or senior officers of the Company.

OTHER MATTERS

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

ADDITIONAL INFORMATION

Additional information relating to the Company is on SEDAR+ at www.sedarplus.ca. Financial information regarding the Company is provided in the Company’s comparative financial statements and management discussion and analysis for its financial year ended February 28, 2023. While Shareholders are encouraged to obtain the Company’s financial documents on SEDAR+, the Company will provide to any person or company, upon request to the Corporate Secretary of the Company, one copy of any of the financial statements of the Company filed with the applicable securities regulatory authorities for the Company’s financial year ended February 28, 2023 in respect to for which such financial statements have been issued, together with the report of the auditor, related management’s discussion and analysis and any interim financial statements of the Company filed with the applicable securities regulatory authorities subsequent to the filing of the annual financial statements.

Copies of documents may be obtained by a Shareholder without charge upon request to the Corporate Secretary of the Company at 1090 Hamilton Street, Vancouver, British Columbia, V6B 2R9, telephone 604-638-3474. The Company may require the payment of a reasonable charge from any person or company who is not a Shareholder of the Company, who requests a copy of any such document.

APPROVAL BY THE BOARD

The contents of this Circular and its distribution to Shareholders have been approved by the Board.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) “Jay Garnett”

Jay Garnett, Chief Executive Officer, and Director

September 28, 2023

Vancouver, British Columbia

SCHEDULE A

THE AUDIT COMMITTEE CHARTER

[see attached]

Audit Committee Charter

1. Mandate

The audit committee will assist the Board in fulfilling its financial oversight responsibilities. The audit committee will review and consider in consultation with the auditors the financial reporting process, the system of internal control and the audit process. In performing its duties, the committee will maintain effective working relationships with the Board, management, and the external auditors. To effectively perform his or her role, each committee member must obtain an understanding of the principal responsibilities of committee membership as well as the company's business, operations and risks.

2. Composition

The Board will appoint from among their membership an audit committee after each annual general meeting of the shareholders of the Company. The audit committee will consist of a minimum of three directors.

2.1 *Independence*

A majority of the members of the audit committee must not be officers, employees or control persons of the Company.

2.2 *Expertise of Committee Members*

Each member of the audit committee must be financially literate or must become financially literate within a reasonable period of time after his or her appointment to the committee. At least one member of the committee must have accounting or related financial management expertise. The Board shall interpret the qualifications of financial literacy and financial management expertise in its business judgment and shall conclude whether a director meets these qualifications.

3. Meetings

The audit committee shall meet in accordance with a schedule established each year by the Board, and at other times that the audit committee may determine. The audit committee shall meet at least annually with the Company's Chief Financial Officer and external auditors in separate executive sessions.

4. Roles and Responsibilities

The audit committee shall fulfil the following roles and discharge the following responsibilities:

4.1 *External Audit*

The audit committee shall be directly responsible for overseeing the work of the external auditors in preparing or issuing the auditor's report, including the resolution of disagreements between management and the external auditors regarding financial reporting and audit scope or procedures. In carrying out this duty, the audit committee shall:

- (a) recommend to the Board the external auditor to be nominated by the shareholders for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company;
- (b) review (by discussion and enquiry) the external auditors' proposed audit scope and approach;
- (c) review the performance of the external auditors and recommend to the Board the appointment or discharge of the external auditors;
- (d) review and recommend to the Board the compensation to be paid to the external auditors; and
- (e) review and confirm the independence of the external auditors by reviewing the non-audit services provided and the external auditors' assertion of their independence in accordance with professional standards.

4.2 *Internal Control*

The audit committee shall consider whether adequate controls are in place over annual and interim financial reporting as well as controls over assets, transactions and the creation of obligations, commitments and liabilities of the Company. In carrying out this duty, the audit committee shall:

- (a) evaluate the adequacy and effectiveness of management's system of internal controls over the accounting and financial reporting system within the Company; and

- (b) ensure that the external auditors discuss with the audit committee any event or matter which suggests the possibility of fraud, illegal acts or deficiencies in internal controls.

4.3 Financial Reporting

The audit committee shall review the financial statements and financial information prior to its release to the public. In carrying out this duty, the audit committee shall:

General

- (a) review significant accounting and financial reporting issues, especially complex, unusual and related party transactions; and
- (b) review and ensure that the accounting principles selected by management in preparing financial statements are appropriate.

Annual Financial Statements

- (c) review the draft annual financial statements and provide a recommendation to the Board with respect to the approval of the financial statements;
- (d) meet with management and the external auditors to review the financial statements and the results of the audit, including any difficulties encountered; and
- (e) review management's discussion & analysis respecting the annual reporting period prior to its release to the public.

Interim Financial Statements

- (f) review and approve the interim financial statements prior to their release to the public; and
- (g) review management's discussion & analysis respecting the interim reporting period prior to its release to the public.

Release of Financial Information

- (h) where reasonably possible, review and approve all public disclosure, including news releases, containing financial information, prior to its release to the public.

4.4 Non-Audit Services

All non-audit services (being services other than services rendered for the audit and review of the financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements) which are proposed to be provided by the external auditors to the Company or any subsidiary of the Company shall be subject to the prior approval of the audit committee.

Delegation of Authority

- (a) The audit committee may delegate to one or more independent members of the audit committee the authority to approve non-audit services, provided any non-audit services approved in this manner must be presented to the audit committee at its next scheduled meeting.

De-Minimis Non-Audit Services

- (b) The audit committee may satisfy the requirement for the pre-approval of non-audit services if:
 - (i) the aggregate amount of all non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent of the total amount of fees paid by the Company and its subsidiaries to the external auditor during the fiscal year in which the services are provided; or
 - (ii) the services are brought to the attention of the audit committee and approved, prior to the completion of the audit, by the audit committee or by one or more of its members to whom authority to grant such approvals has been delegated.

Pre-Approval Policies and Procedures

- (c) The audit committee may also satisfy the requirement for the pre-approval of non-audit services by adopting specific policies and procedures for the engagement of non-audit services, if:
 - (i) the pre-approval policies and procedures are detailed as to the particular service;
 - (ii) the audit committee is informed of each non-audit service; and

- (iii) the procedures do not include delegation of the audit committee's responsibilities to management.

4.5 *Other Responsibilities*

The audit committee shall:

- (a) establish procedures for the receipt, retention and treatment of complaints received by the company regarding accounting, internal accounting controls, or auditing matters;
- (b) establish procedures for the confidential, anonymous submission by employees of the company of concerns regarding questionable accounting or auditing matters;
- (c) ensure that significant findings and recommendations made by management and external auditor are received and discussed on a timely basis;
- (d) review the policies and procedures in effect for considering officers' expenses and perquisites;
- (e) perform other oversight functions as requested by the Board; and
- (f) review and update this Charter and receive approval of changes to this Charter from the Board.

4.6 *Reporting Responsibilities*

The audit committee shall regularly update the Board about committee activities and make appropriate recommendations.

5. Resources and Authority of the Audit Committee

The audit committee shall have the resources and the authority appropriate to discharge its responsibilities, including the authority to:

- (a) engage independent counsel and other advisors as it determines necessary to carry out its duties;
- (b) set and pay the compensation for any advisors employed by the audit committee; and
- (c) communicate directly with the internal and external auditors.

6. Guidance – Roles & Responsibilities

The following guidance is intended to provide the Audit Committee members with additional guidance on fulfillment of their roles and responsibilities on the committee:

6.1 *Internal Control*

- (a) evaluate whether management is setting the goal of high standards by communicating the importance of internal control and ensuring that all individuals possess an understanding of their roles and responsibilities;
- (b) focus on the extent to which external auditors review computer systems and applications, the security of such systems and applications, and the contingency plan for processing financial information in the event of an IT systems breakdown; and
- (c) gain an understanding of whether internal control recommendations made by external auditors have been implemented by management.

6.2 *Financial Reporting*

General

- (a) review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on the financial statements; and
- (b) ask management and the external auditors about significant risks and exposures and the plans to minimize such risks; and
- (c) understand industry best practices and the Company's adoption of them.

Annual Financial Statements

- (d) review the annual financial statements and determine whether they are complete and consistent with the information known to committee members, and assess whether the financial statements reflect appropriate accounting principles in light of the jurisdictions in which the Company reports or trades its shares;
- (e) pay attention to complex and/or unusual transactions such as restructuring charges and derivative disclosures;

- (f) focus on judgmental areas such as those involving valuation of assets and liabilities, including, for example, the accounting for and disclosure of loan losses; warranty, professional liability; litigation reserves; and other commitments and contingencies;
- (g) consider management's handling of proposed audit adjustments identified by the external auditors; and
- (h) ensure that the external auditors communicate all required matters to the committee.

Interim Financial Statements

- (i) be briefed on how management develops and summarizes interim financial information, the extent to which the external auditors review interim financial information;
- (j) meet with management and the auditors, either telephonically or in person, to review the interim financial statements; and
- (k) to gain insight into the fairness of the interim statements and disclosures, obtain explanations from management on whether:
 - (i) actual financial results for the quarter or interim period varied significantly from budgeted or projected results;
 - (ii) changes in financial ratios and relationships of various balance sheet and operating statement figures in the interim financial statements are consistent with changes in the company's operations and financing practices;
 - (iii) generally accepted accounting principles have been consistently applied;
 - (iv) there are any actual or proposed changes in accounting or financial reporting practices;
 - (v) there are any significant or unusual events or transactions;
 - (vi) the Company's financial and operating controls are functioning effectively;
 - (vii) the Company has complied with the terms of loan agreements, security indentures or other financial position or results dependent agreement; and
 - (viii) the interim financial statements contain adequate and appropriate disclosures.

6.3 Compliance with Laws and Regulations

- (a) periodically obtain updates from management regarding compliance with this policy and industry "best practices";
- (b) be satisfied that all regulatory compliance matters have been considered in the preparation of the financial statements; and
- (c) review the findings of any examinations by securities regulatory authorities and stock exchanges.

6.4 Other Responsibilities

Review, with the company's counsel, any legal matters that could have a significant impact on the company's financial statements.

