



LOPHOS HOLDINGS INC.

NOTICE OF MEETING

AND

MANAGEMENT INFORMATION CIRCULAR

FOR THE ANNUAL GENERAL MEETING OF SHAREHOLDERS

TO BE HELD ON MARCH 28, 2024

February 21, 2024



NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

Notice is hereby given that an annual general meeting (the “**Meeting**”) of the shareholders (“**Shareholders**”) of Lophos Holdings Inc. (the “**Corporation**”) will be held at the offices of Fasken located at 550 Burrard St. #2900, Vancouver, British Columbia V6C 0A3 on Thursday, March 28, 2024 at 9:00 a.m. (Pacific time), for the following purposes:

1. to receive the audited consolidated financial statements of the Corporation for the financial year ended March 31, 2023, together with the report of the auditors thereon;
2. to set the number of directors at four (4);
3. to elect four (4) directors of the Corporation for the ensuing year;
4. to appoint Clearhouse LLP, Chartered Professional Accountants, as the auditors of the Corporation for the ensuing year and to authorize the directors to fix their remuneration;
5. to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution substantially in the form of the resolution set out in the Circular approving the Corporation’s 10% rolling incentive stock option plan; and
6. to transact such other business as may properly come before the Meeting or any adjournments or postponements thereof.

An “ordinary resolution” is a resolution passed by at least a majority of the Shareholders voting in person and by proxy.

The Corporation has determined to deliver this notice of meeting and the management information and form of proxy (collectively, the “**Meeting Materials**”) to Shareholders by posting the Meeting Materials online at <https://lophos.com/investors/> in accordance with the notice and access notification mailed to Shareholders of the Corporation. The use of the notice and access procedures under applicable securities laws will significantly reduce the Corporation’s printing and mailing costs.

The Meeting Materials will be available online at <https://lophos.com/investors/> as of February 21, 2024, and will remain on the website for one full year thereafter. The Meeting Materials will also be available under the Corporation’s profile on SEDAR+ at www.sedarplus.ca. All Shareholders of the Corporation will receive a notice and access notification containing information on how to obtain electronic and paper copies of the Meeting Materials in advance of the Meeting. Shareholders wishing to receive paper copies of the Meeting Materials at no cost to them can request same from the Corporation by calling 1-833-206-5222 or by emailing the Corporation at info@lophos.com. The Corporation must receive your request prior to 5:00 p.m. (Pacific time) on March 7, 2024, to ensure you will receive paper copies in advance of the deadline to submit your vote.

In order to mitigate potential risks to the health and safety of the Corporation’s employees, Shareholders are encouraged to vote on the matters before the Meeting by proxy rather attend the Meeting in person. If Shareholders do wish to attend the meeting, please be advised that there will be strict limitations on the number of persons permitted entry to the Meeting and anyone who is not a registered shareholder or proxyholder will not be permitted entry.

The Corporation urges all Shareholders to vote by proxy in advance of the Meeting in accordance with the instructions set out below.

The record date (the “**Record Date**”) for determining Shareholders entitled to receive notice of and to vote at the Meeting is February 12, 2024. Only Shareholders whose names have been entered in the register of common shares on the close of business on the Record Date will be entitled to receive notice of and to vote at the Meeting, provided however that, to the extent a Shareholder transfers the ownership of any of such Shareholder’s Common Shares after the Record Date and the transferee of those Common Shares establishes that the transferee owns the Common Shares and demands, not later than 10 days before the Meeting, to be included in the list of Shareholders eligible to vote at the Meeting, such transferee will be entitled to vote those Common Shares at the Meeting. Each Common Share entitled to be voted at the Meeting will entitle the holder to one vote on any matter at the Meeting.

A registered Shareholder may attend the Meeting in person or may be represented by proxy. Registered shareholders (the “**Registered Shareholders**”) who are unable to attend the Meeting or any adjournment or postponement thereof in person are requested to date, sign and return the accompanying form of proxy for use at the Meeting or any adjournment or postponement thereof. To be effective, the proxy must be received by the Corporation’s registrar and transfer agent, Marrelli Trust Company Limited (“**Marrelli**”) before the proxy cut-off date of 9:00 a.m. Pacific time on Tuesday, March 26, 2024 or, in the case of any adjournment or postponement of the Meeting, not less than 48 hours (excluding Saturdays, Sundays and holidays) prior to the time the adjourned or postponed Meeting reconvenes. Registered Shareholders may also transmit voting instructions by:

- (i) Completing, dating and signing the enclosed proxy (the “**Proxy**”) and returning it to the Corporation’s transfer agent, Marrelli Trust Company Limited, by fax in North America at 416-360-7812; or
- (ii) By emailing info@marrellitrust.ca; or
- (iii) By mail or hand delivery at Marrelli Trust Company Limited, c/o Marrelli Transfer Services Corp., 82 Richmond Street East Toronto, ON M5C 1P1 Canada; or
- (iii) Using the internet through the website of Marrelli at www.voteproxy.ca. Registered Shareholders who choose this option must follow the instructions that appear on the screen and refer to the enclosed Proxy for the Registered Shareholder’s account number and the proxy control number.

The proxyholder has discretion and authority under the accompanying form of proxy to consider amendments or variations of the matters of business identified in this notice of meeting, as well as any other matters properly brought before the Meeting, or any adjournment or postponement thereof. Shareholders are encouraged to review the Circular carefully before submitting the form of proxy.

Beneficial (non-registered) Shareholders who do not hold Common Shares in their own name but rather through a broker, financial institution, trustee, nominee or other intermediary must complete and return the voting instruction form (the “**Voting Instruction Form**”) provided to them or follow the telephone or internet-based voting procedures described therein in advance of the deadline set forth in the Voting Instruction Form in order to have such common shares voted at the Meeting on their behalf. See “Voting Information” in the Information Circular.

DATED this 21st day of February, 2024

**BY ORDER OF THE BOARD OF DIRECTORS OF
LOPHOS HOLDINGS INC.**

(signed) “Jacqueline Claire Lupo”
Jacqueline Claire Lupo
Director & Chief Executive Officer



MANAGEMENT INFORMATION CIRCULAR

This management information circular (the “**Circular**”) is furnished in connection with the solicitation of proxies by the management of Lophos Holdings Inc. (the “**Corporation**”) for use at the annual general meeting (the “**Meeting**”) of the shareholders (the “**Shareholders**”) of the Corporation to be held at the offices of Fasken located at 550 Burrard St. #2900, Vancouver, British Columbia V6C 0A3 at 9:00 a.m. (Pacific time) on Thursday March 28, 2024 for the purposes set forth in the notice of annual general meeting of Shareholders dated February 21, 2024 (the “**Notice of Meeting**”). References in the Circular to the Meeting include any adjournment(s) or postponement(s) thereof. It is expected that the solicitation of proxies will be primarily by mail, however, proxies may also be solicited by the officers, directors and employees of the Corporation by telephone, electronic mail, telecopier or personally. These persons will receive no compensation for such solicitation other than their regular fees or salaries. The cost of the solicitation of proxies will be borne by the Corporation.

Except where otherwise indicated, the information contained in this Circular is as of February 21, 2024.

SHAREHOLDERS WHO WISH TO ENSURE THAT THEIR SHARES WILL BE VOTED SHOULD COMPLETE, DATE AND EXECUTE THE ENCLOSED FORM OF PROXY, OR ANOTHER SUITABLE FORM OF PROXY, AND DELIVER IT BY MAIL OR BY FAX IN ACCORDANCE WITH THE INSTRUCTIONS SET OUT IN THE FORM OF PROXY AND IN THE NOTICE ACCOMPANYING THIS CIRCULAR. FOR GREATER CLARITY, PROXIES NEED TO BE RECEIVED BY MARRELLI BEFORE THE PROXY CUTOFF DATE OF 9:00 A.M. (PACIFIC TIME) ON TUESDAY MARCH 26, 2024. FURTHERMORE, SO THAT THE CORPORATION CAN MITIGATE POTENTIAL RISKS TO THE HEALTH AND SAFETY OF SHAREHOLDERS, EMPLOYEES, AND THE COMMUNITY, THERE WILL BE STRICT LIMITATIONS ON THE NUMBER OF PERSONS PERMITTED ENTRY TO THE MEETING AND ANYONE WHO IS NOT A REGISTERED SHAREHOLDER OR PROXYHOLDER WILL NOT BE PERMITTED ENTRY.

Notice and Access

The Corporation has elected to take advantage of amendments to National Instrument 54-101 – Communication with Beneficial Owners of Securities of a Reporting Issuer (“**NI 54-101**”) which came into force on February 11th, 2013 (“**Notice-and-Access**”). Notice-and-Access is a set of rules that reduces the volume of materials that must be physically mailed to Shareholders by allowing issuers to deliver Meeting Materials (as hereunder defined) to Shareholders electronically by providing Shareholders with access to these materials online.

In accordance with the Notice-and-Access provisions, a notice and a form of proxy or voting instruction form (the “**Notice Package**”) has been sent to all Shareholders informing them that this Circular is available online and explaining how this Circular may be accessed, in addition to outlining relevant dates and matters to be discussed at the Meeting. The Notice of Meeting, the Circular and the financial statements (collectively, the “**Meeting Materials**”) has been made available online to Shareholders of the Corporation at <https://lophos.com/investors/> and under the Corporation’s profile on SEDAR+ at www.sedarplus.ca. The Corporation will directly send the Notice Package to Non-Registered Shareholders (as hereunder defined).

For the Meeting, the Corporation is using Notice-and-Access for both registered and non-registered (or beneficial) shareholders. Neither registered Shareholders nor Non-Registered Shareholders will receive a paper copy of this Circular unless they contact the Corporation after it is posted, in which case the Corporation will mail this Circular within three business days of any request provided the request is made *prior* to the Meeting. Shareholders wishing to receive paper copies of the Meeting Materials at no cost to them can request same from the Corporation by calling 1-833-206-5222 or by emailing the Corporation at info@lophos.com. The Corporation must receive your request prior to 5:00 p.m. (Pacific time) on March 7, 2024, to ensure you will receive paper copies in advance of the deadline to submit your vote.

Appointment of Proxy Holders

The persons named in the enclosed instruments of proxy are directors or officers of the Corporation. If you are a Registered Shareholder, you have the right to attend the meeting or vote by proxy (the “**Proxy**”) and to appoint a person or company other than the person designated in the Proxy, who need not be a Shareholder, to attend and act for you and on your behalf at the Meeting. You may do so either by inserting the name of that other person in the blank space provided in the Proxy or by completing and delivering another suitable form of Proxy. Registered shareholders (“**Registered Shareholders**”) electing to submit a Proxy may do so by:

- (i) Completing, dating and signing the enclosed Proxy and returning it to the Corporation’s transfer agent, Marrelli Trust Company Limited, by fax in North America at 416-360-7812; or
- (ii) By emailing info@marrellitrust.ca; or
- (iii) By mail or hand delivery at Marrelli Trust Company Limited, c/o Marrelli Transfer Services Corp., 82 Richmond Street East Toronto, ON M5C 1P1 Canada; or
- (iv) Using the internet through the website of Marrelli at www.voteproxy.ca. Registered Shareholders who choose this option must follow the instructions that appear on the screen and refer to the enclosed Proxy for the Registered Shareholder’s account number and the proxy control number.

In all cases you should ensure the Proxy is received at least 48 hours before the Meeting or the adjournment thereof at which the Proxy is to be used.

A Shareholder forwarding the enclosed form of proxy may indicate the manner in which the appointee is to vote with respect to any specific item by checking the appropriate space. If the Shareholder giving the proxy wishes to confer a discretionary authority with respect to any item of business, then the space opposite the item is to be left blank. The votes attached to the common shares of the Corporation (“**Common Shares**”) represented by the form of proxy submitted by a Shareholder will be voted in accordance with the directions, if any, given in the form of proxy.

To be valid, a form of proxy must be executed by a Shareholder or a Shareholder’s attorney duly authorized in writing or, if the Shareholder is a body corporate, under its corporate seal or, by a duly authorized officer or attorney.

Revocation of Proxies

A proxy given pursuant to this solicitation may be revoked at any time prior to its use. A Shareholder who has given a proxy may revoke the proxy at any time prior to use by:

- (i) completing and signing a proxy bearing a later date and depositing it with Marrelli at the address provided herein;
- (ii) depositing an instrument in writing, including another completed form of proxy, executed by such Shareholder or by his or her attorney duly authorized in writing, or, if the Shareholder is a body corporate, by a duly authorized officer or attorney, either (a) with Marrelli at any time up to and including the last business day preceding the day of the Meeting or any adjournment(s) or postponement(s) thereof, or (b) with the Chairman of the Meeting on the day of the Meeting or any adjournment(s) or postponement(s) thereof; or
- (iii) in any other manner permitted by law.

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 respective Intermediaries to revoke the Proxy on their behalf. If you are a Non-Registered Shareholder, see “Voting by Non-Registered Shareholders” below for further information on how to vote your Common Shares.

Voting of Proxies

The voting rights attached to the Common Shares represented by proxies will be voted or withheld from voting in accordance with the instructions indicated therein. **If no instructions are given, the voting rights attached to said Common Shares will be exercised by those persons designated in the form of proxy and will be voted IN FAVOUR of all the matters described therein.**

The enclosed form of proxy confers discretionary voting authority upon the persons named therein with respect to amendments to matters identified in the Notice of Meeting, and with respect to such matters as may properly come before the Meeting. As of the date hereof, management of the Corporation knows of no such amendments or other matters to come before the Meeting.

Voting by Non-Registered Shareholders

The information set forth in this section is of significant importance to many Shareholders as a substantial number of Shareholders do not hold their Common Shares in their own name and are considered non-registered beneficial Shareholders. Only registered Shareholders or the persons they appoint as their proxies are permitted to vote at the Meeting. Most Shareholders are “non-registered” Shareholders (“**Non-Registered Shareholders**”) because the Common 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 they purchased the Common Shares. Common Shares beneficially owned by a Non-Registered Shareholder are registered either: (i) in the name of an intermediary (“**Intermediary**”) (including, among others, banks, trust companies, securities dealers, brokers and trustees or administrators or self-administered RRSPs, RRIFs, RESPs, TFSAs and similar plans) that the Non-Registered Shareholder deals with in respect of the Common Shares; or (ii) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc. (“**CDS**”)) of which the Intermediary is a participant. Non-Registered Shareholders should note that only proxies deposited by Shareholders whose names appear on the records of the Corporation as the registered holders of Common Shares can be recognized and acted upon at the Meeting. In accordance with applicable securities law requirements, the Corporation will have distributed copies of the Notice Package to the clearing agencies and Non-Registered Shareholders, or Intermediaries for onward distribution to Non-Registered Shareholders, as applicable. If you are a Non-Registered Shareholder, your Intermediary will be the entity legally entitled to vote your Common Shares at the Meeting. Common Shares held by an Intermediary can only be voted upon the instructions of the Non-Registered Shareholder. Without specific instructions, Intermediaries are prohibited from voting Common Shares.

Intermediaries are required to forward the Meeting Materials to Non-Registered Shareholders unless a Non-Registered Shareholder has waived the right to receive them. Intermediaries often use service companies to forward the Meeting Materials to Non-Registered Shareholders. Generally, Non-Registered Shareholders who have not waived the right to receive Meeting Materials will either:

- (i) be given a voting instruction form **which is not signed by the Intermediary** and which, when properly completed and signed by the Non-Registered Shareholder and returned to the Intermediary or its service company, will constitute voting instructions (often called a “voting instruction form”) which the Intermediary must follow. Typically, the voting instruction form will consist of a one page pre-printed form. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”) in Canada. Broadridge typically prepares a machine-readable voting instruction form, mails those forms to Non-Registered Shareholders and asks Non-Registered Shareholders to return the forms or otherwise communicate voting instructions to Broadridge (by way of the Internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of the shares to be represented at the Meeting. Sometimes, instead of the one-page pre-printed form, the voting instruction form will consist of a regular printed proxy form accompanied by a page of instructions containing a removable label with a bar-code and other information. In order for this form of proxy to validly constitute a voting instruction form, the Non-Registered Shareholder must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company. **A Non-Registered Shareholder who receives a voting instruction form cannot use that form to vote his or her Common Shares at the Meeting;** or
- (ii) be given a form of proxy **which has already been signed by the Intermediary** (typically by a facsimile, stamped signature), which is restricted as to the number of shares beneficially owned by the Non-Registered Shareholder but which is otherwise not completed by the Intermediary. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Shareholder when submitting the proxy. In this case, the Non-Registered Shareholder who wishes to submit a proxy should properly complete the form of proxy and deposit it with Marrelli the address provided herein.

In either case, the purpose of these procedures is to permit Non-Registered Shareholders to direct the voting of the Common Shares they beneficially own. Should a Non-Registered Shareholder who receives one of the above forms wish to vote at the Meeting, or any adjournment(s) or postponement(s) thereof, (or have another person attend and vote on behalf of the Non-Registered Shareholder), the Non-Registered Shareholder should strike out the persons named in the voting instruction form and insert the Non-Registered Shareholder or such other person’s name in the blank space provided. **In either case, Non-Registered Shareholders should carefully follow the instructions of their Intermediary, including those regarding when and where the voting instruction form is to be delivered.**

Non-Registered Shareholders who have not objected to their Intermediary disclosing certain ownership information about themselves to the Corporation are referred to as “NOBOs”. Non-Registered Shareholders who have objected to their Intermediary disclosing the ownership information about themselves to the Corporation are referred to as “OBOs”. The Corporation is relying on the notice-and-access delivery procedures set out in NI 54-101 to distribute copies of Meeting Materials in connection with the Meeting. See “Notice and Access” above. In accordance with the requirements of NI 54-101, the Corporation is sending the Notice Package directly to the NOBOs and, indirectly, through Intermediaries to the OBOs. These securityholder materials are being sent to both registered and non-registered owners of the securities. If you are a Non-Registered Shareholder, and the issuer or its agent has sent these materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf. By choosing to send these materials to you directly, the Corporation (and not the Intermediary holding on your behalf) has assumed responsibility for: (i) delivering these materials to you; and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions. The Corporation has determined to pay the fees and costs of Intermediaries for their services in delivering the Notice Package to OBOs in accordance with NI 54-101.

A Non-Registered Shareholder may revoke a voting instruction form or a waiver of the right to receive Meeting Materials and to vote which has been given to an Intermediary at any time by written notice to the Intermediary provided that an Intermediary is not required to act on a revocation of a voting instruction form or of a waiver of the right to receive Meeting Materials and to vote, which is not received by the Intermediary at least seven days prior to the Meeting.

All references to Shareholders in this Circular and the instrument of proxy and Notice of Meeting are to registered Shareholders unless specifically stated otherwise.

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

Except as described elsewhere in this Circular, management of the Corporation is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of (a) any director or executive officer of the Corporation who has held such position at any time since the beginning of the Corporation’s last financial year, (b) any proposed nominee for election as a director of the Corporation, and (c) any associates or affiliates of any of the persons or companies listed in (a) and (b), in any matter to be acted on at the Meeting.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The authorized share capital of the Corporation consists of an unlimited number of Common Shares without par value. As at the date hereof, there are 85,859,673 Common Shares issued and outstanding. Each Common Share entitles the holder thereof to one vote on all matters to be acted upon at the Meeting.

The record date for the determination of Shareholders entitled to receive notice of the Meeting and vote at the Meeting has been fixed at February 12, 2024 (the “**Record Date**”). All holders of record of Common Shares on the Record Date are entitled either to attend and vote their Common Shares at the Meeting, or, provided a completed and executed proxy shall have been delivered to the Corporation’s transfer agent, Marrelli Trust Company Limited, within the time specified in the attached Notice of Meeting, to attend the Meeting and vote their Common Shares by proxy.

To the knowledge of the directors and officers of the Corporation, as at the date of this Circular, no person or corporation beneficially owns, directly or indirectly, or exercises control or direction over, voting securities of the Corporation carrying more than 10% of the voting rights attached to any class of voting securities of the Corporation as of the date of this Circular, other than Jacqueline Claire Lupo who directly or indirectly beneficially owns, or exercise control or direction over, an aggregate of 11,000,000 Common Shares.

BUSINESS OF THE MEETING

To the knowledge of the board of directors of the Corporation (the “**Board**”), the only matters to be brought before the Meeting are those matters set forth in the Notice of Meeting.

1. Presentation of Financial Statements

The audited consolidated financial statements of the Corporation for the fiscal year ended March 31, 2023, and the report of the auditors thereon will be submitted to the Meeting. Receipt at the Meeting of these financial statements and the auditor’s report thereon will not constitute approval or disapproval of any matter referred to therein. Shareholder approval is not required in relation to the financial statements.

2. Number of Directors

Under the Corporation's Articles and pursuant to the *Business Corporations Act* (British Columbia), the number of directors may be set by ordinary resolution but shall not be fewer than three. The Corporation currently has five (5) directors. All of the current directors are being put forward by management of the Corporation for election at the Meeting.

Unless otherwise instructed, the persons named in the enclosed proxy or voting instruction form intend to vote such proxy or voting instruction form FOR the resolution setting the number of directors at four (4).

The directors of the Corporation recommend that Shareholders vote in favour of the resolution setting the number of directors at four (4). To be adopted, this resolution is required to be passed by the affirmative vote of a majority of the votes cast at the Meeting.

3. Election of Directors

The Board currently consists of five (5) directors. Management propose to nominate four (4) directors for election at the Meeting. Each director elected at the Meeting will hold office until the next annual meeting or until his successor is duly elected or appointed.

Shareholders have the option to (i) vote for all of the directors of the Corporation listed in the table below; (ii) vote for some of the directors and withhold for others; or (iii) withhold for all of the directors. **Unless otherwise instructed, proxies and voting instructions given pursuant to this solicitation by the management of the Corporation will be voted FOR the election of each of the proposed nominees set forth in the table below.**

Management has no reason to believe that any of the nominees will be unable to serve as a director. **However, if any proposed nominee is unable to serve as a director, the individuals named in the enclosed form of proxy will be voted in favour of the remaining nominees, and may be voted in favour of a substitute nominee unless the Shareholder has specified in the proxy that the Common Shares represented thereby are to be withheld from voting in respect of the election of directors.**

The following table states the name of each person nominated by management for election as directors, such person's principal occupation or employment, period of service as a director of the Corporation, and the approximate number of voting securities of the Corporation that such person beneficially owns, or over which such person exercises direction or control:

Name, Province and Country of Residence	Principal Occupation, Business or Employment ⁽¹⁾	Director Since	Common Shares Owned or Controlled ⁽¹⁾
Jacqueline Claire Lupo Ontario, Canada	CEO, Lophos Holdings Inc. Principal Consultant, Canalytica Corp. QA Manager, Northern Green Canada QAP, CannTrust	December 23, 2021	11,000,000 12.81%
John Karagiannidis ⁽²⁾ Quebec, Canada	Dealing Representative, EMD Financial Inc.	New nominee	3,600,000 4.19%
Jeremy Pestun ⁽²⁾ British Columbia, Canada	Territory Sales Manager. Harting Inc. Global Sales and Business Development Executive, Portable Electronic Ltd. Strategic Partnerships Executive, Abbott Laboratories	November 1, 2022	Nil
Evan Stawnyczy ⁽²⁾ Ontario, Canada	Application Security Manager, goeasy Ltd. Application Security Consultant, Ethoca Corp.	November 1, 2022	755 0.00%

Notes:

- Information about principal occupation, business or employment and number of Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised is not within the direct knowledge of management and has been furnished by the respective nominees.
- Member of the Audit Committee.

John Karagiannidis was born and raised in Montréal, Québec, and has been involved in over 300 transactions including emerging private and public companies with a total value in excess of \$2 billion. He is also co-founder of Pharmather (CSE:PHRM) and Pharmala (CSE:MDMA).

Mr. Karagiannidis is currently a dealing representative at EMD Financial Inc. Prior to EMD, Mr. Karagiannidis worked at Marquest Capital Markets, Industrial Alliance Securities, and Desjardins Securities. Mr. Karagiannidis is an MBA graduate of the Ivey Business School (University of Western Ontario), obtained his LL.B from the University of Montréal and is a member of the Québec Bar Association.

Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Except as disclosed below, no proposed director of the Corporation is, as at the date hereof, or has been, within the previous 10 years, a director, chief executive officer or chief financial officer, of any company (including the Corporation) that:

- (a) while that person was acting in the capacity was the subject of a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;
- (b) was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer of such company and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; or
- (c) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Except as disclosed below, no proposed director of the Corporation (or any personal holding company of any such individual):

- (a) is at the date hereof, or has been within the previous 10 years, a director or executive officer of any corporation that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver manager or trustee appointed to hold its assets;
- (b) has, within 10 years before 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 such individual; or
- (c) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

4. Appointment of Auditors

Unless such authority is withheld, the persons named in the enclosed form of proxy intend to vote for the appointment of Clearhouse LLP, Chartered Professional Accountants as auditors of the Corporation for the fiscal year, and to authorize the directors to fix their remuneration.

Clearhouse LLP, Chartered Professional Accountants, has served as the Corporation's auditors since 2022.

Unless otherwise instructed, the persons named in the enclosed proxy or voting instruction form intend to vote such proxy or voting instruction form FOR the appointment of Clearhouse LLP as auditor of the Corporation to hold office until the next annual meeting of Shareholders or until a successor is appointed, and the authorization of the directors of the Corporation to fix their remuneration.

The directors of the Corporation recommend that Shareholders vote in favour of the appointment of Clearhouse and the authorization of the directors of the Corporation to fix their remuneration. To be adopted, this resolution is required to be passed

by the affirmative vote of a majority of the votes cast at the Meeting.

5. Approval of Stock Option Plan

The Canadian Securities Exchange (the “**Exchange**”) requires all listed companies with a 10% rolling stock option plan to obtain shareholder approval of such plan within three years after institution and within every three years thereafter. Shareholders will be asked at the Meeting to vote on a resolution to approve the stock option plan as described below (the “**Stock Option Plan**”). All capitalized terms used in this section have the meaning ascribed to them in the Stock Option Plan attached as Schedule “A” of this Circular.

The Stock Option Plan, which was approved by the Board on January 31, 2023, provides that the Board or a Committee may from time to time, in its discretion, grant to directors, officers, employees and consultants of the Corporation, or any subsidiary of the Corporation, options to purchase shares (“**Options**”). The Stock Option Plan provides for a maximum limit of 10% of the issued and outstanding shares from time to time, as permitted by the policies of the Exchange. As at the date hereof, this represents 8,585,967 shares available under the Stock Option Plan. As at the date hereof, Options to purchase a total of 4,325,000 shares have been issued to directors, officers, employee and consultants of the Corporation.

The maximum number of Options which may be granted within a 12 month period to Employees or Consultants engaged in Investor Relations Activities must not exceed 1% of the issued and outstanding shares (as such terms are defined in the policies of the Exchange). The Committee determines the price per Common Share and the number of shares that may be allotted to each director, officer, employee and consultant and all other terms and conditions of the options, subject to the rules of the Exchange. The price per Common Share set by the Committee is subject to minimum pricing restrictions set by the Exchange.

In the event that the option holder holds his or her option as an Employee or Consultant and such Option Holder ceases to hold such position other than by reason of death or Disability, the Expiry Date of the Option shall be, unless otherwise determined by the Committee and expressly provided for in the Option Certificate or subject to the Committee’s discretion to extend such period for up to one (1) year, or prior to the Expiry Time on the Expiry Date in respect thereof, whichever is sooner, the 30th day following the date the Option Holder ceases to hold such position, unless the Option Holder ceases to hold such position as a result of: (i) termination for cause; (ii) resigning his or her position; or (iii) an order made by any Regulatory Authority having jurisdiction to so order, in which case the Expiry Date shall be the date the Option Holder ceases to hold such position.

In the event that the Option Holder ceases to hold the position of Executive, Employee or Consultant for which the Option was originally granted, but comes to hold a different position as an Executive, Employee or Consultant prior to the expiry of the Option, the Committee may, in its sole discretion, choose to permit the Option to stay in place for that Option Holder with such Option then to be treated as being held by that Option Holder in his or her new position and such will not be considered to be an amendment to the Option in question.

In the event of the Option Holder's death, any Options held by such Option Holder shall pass to the Personal Representative of the Option Holder and shall be exercisable by the Personal Representative on or before the date which is the earlier of one year following the date of death and the applicable Expiry Date.

If the employment or engagement of an Option Holder as an Employee or Consultant or the position of an Option Holder as a director or officer of the Company or a Subsidiary is terminated by the Company by reason of such Option Holder's Disability, any Options held by such Option Holder shall be exercisable by such Option Holder or by the Personal Representative on or before the date which is the earlier of one year following the termination of employment, engagement or appointment as a director or officer and the applicable Expiry Date.

At the Meeting, Shareholders will be asked to consider, and, if deemed advisable, to approve, with or without variation, an ordinary resolution approving the Stock Option Plan. The text of the ordinary resolution which management intends to place before the Meeting for the approval of the Stock Option Plan is as follows:

“BE IT RESOLVED THAT:

1. the stock option plan of the Corporation, substantially in the form attached as Schedule “A” (the “Option Plan”) to the management information circular of the Corporation dated February 21, 2024, be and is hereby approved as the stock option plan of the Corporation;
2. the form of the Option Plan may be amended in order to satisfy the requirements or requests of any regulatory authorities without requiring further approval of the shareholders of the Corporation; and
3. any one director or officer of the Corporation is authorized and directed, on behalf of the Corporation, to take all

necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things (whether under corporate seal of the Corporation or otherwise) that may be necessary or desirable to give effect to this ordinary resolution.”

Unless otherwise instructed, the persons named in the enclosed proxy or voting instruction form intend to vote such proxy or instructions FOR the approval of the Stock Option Plan. The directors of the Corporation recommend that the Shareholders vote in favour of the approval of the Stock Option Plan. To be adopted, this resolution is required to be passed by the affirmative vote of a majority of the votes cast at the Meeting.

6. Other Matters

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

EXECUTIVE COMPENSATION

Named Executive Officers

“**Named Executive**” or “**NEO**” means each of the following individuals:

- (a) each individual who, in respect of the Corporation, during any part of the most recently completed financial year, served as chief executive officer, including an individual performing functions similar to a chief executive officer;
- (b) each individual who, in respect of the Corporation, during any part of the most recently completed financial year, served as chief financial officer, including an individual performing functions similar to a chief financial officer;
- (c) in respect of the Corporation and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) above at the end of the most recently completed financial year whose total compensation was more than \$150,000;
- (d) each individual who would be a named executive officer under paragraph (c) above, but for the fact that the individual was not an executive officer of the Corporation, and was not acting in a similar capacity, at the end of that financial year;

The Named Executives who are the subject of this Statement of Executive Compensation are Chief Executive Officer, Jacqueline Claire Lupo and Chief Financial Officer, Remantra Sheopaul.

Compensation Discussion and Analysis

To date, the Board of Directors have not adopted any formal policies to determine executive compensation. Executive compensation is currently determined by the independent directors of the Board that has general oversight of compensation of employees and executive officers.

In carrying out its duties and responsibilities in relation to compensation and utilizing industry comparable salaries and bonuses, the Board sets annual performance objectives that are aligned to the overall objectives of the Corporation and assess the attainment of the corporate goals to determine the amount of performance bonus compensation paid. In determining the appropriate level of compensation, the Board may consider comparative data for the Corporation’s peer group, which are accumulated from a number of external sources, including independent consultants. The Board will consider implementing formal compensation policies in the future should circumstances warrant.

Currently, the long-term compensation available to the NEOs consists of the stock options granted under the Corporation’s Stock Option Plan, which is administered by the Board and is designed to give each option holder an interest in preserving and maximizing Shareholder value in the longer term, to enable the Corporation to attract and retain individuals with experience and ability, and to reward individuals for current performance and expected future performance. The Board considers stock option grants when reviewing each NEO’s compensation package as a whole.

The allocation of stock options is regarded as an important element to attract and retain NEOs for the long term and it aligns their interests with Shareholders.

Base Salary

The base salaries paid to the Corporation's Named Executives are based upon the Corporation's assessment of the salaries required to attract and retain the caliber of executives it needs to achieve its desired growth and performance targets.

Stock Options

The Corporation's Stock Option Plan is intended to assist in attracting, retaining and motivating directors, officers, employees and service providers of the Corporation to closely align the personal interests of such directors, officers, employees and service providers with those of the Shareholders by providing them with the opportunity, through options, to acquire Common Shares.

An aggregate of 4,325,000 stock options were granted during the fiscal year ended March 31, 2023. The decision to grant stock options is made by the board of directors and is done so in compliance with the Stock Option Plan. When the board of directors of the Corporation considers granting stock options, the board will take into consideration (i) the relative contributions of the individuals who are eligible to receive options; and (ii) the availability of options for issuance, general market conditions, and the Corporation's recent share performance.

Risk Oversight

In carrying out its mandate, the Board reviews from time to time the risk implications of the Corporation's compensation policies and practices, including those applicable to the Corporation's executives. This review of the risk implications ensures that compensation plans, in their design, structures, and application have a clear link between pay and performance and do not encourage excessive risk taking. Key considerations regarding risk management include the following:

- design of the compensation program to ensure all executives are compensated equally based on the same or, depending on the mandate and term of appointment of that particular executive, substantially equivalent performance goals;
- balance of short-term performance incentives with equity-based awards that vest overtime;
- ensuring overall expense to the Corporation of the compensation program does not represent a disproportionate percentage of the Corporation's revenues, after giving consideration to the development stage of the Corporation; and
- utilizing compensation policies that do not rely solely on the accomplishment of specific tasks without consideration to longer term risks and objectives.

For reasons set forth above, the Board believes that the Corporation's current executive compensation policies and practices achieve an appropriate balance in relation to the Corporation's overall business strategy and do not encourage executives to expose the Corporation to inappropriate or excessive risks.

Non-Equity Incentives

Non-equity incentives are a variable element of the total compensation package, and though there is no formal plan in place at the current time and no non-equity incentive compensation (other than salary) was paid to Named Executives or directors of the Corporation during the fiscal year ended March 31, 2023.

Summary Compensation Table

The following table sets forth all compensation for services rendered in all capacities to the Corporation for the fiscal years ended March 31, 2023 and 2022 in respect of the Named Executives of the Corporation. The Corporation had no other executive officers, or individuals acting in a similar capacity, whose total compensation during the fiscal year ended March 31, 2023, exceeded \$150,000.

Name and Principal Position	Year	Salary (\$)	Share based awards (\$)	Option based awards (\$) ⁽¹⁾	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans ⁽²⁾			
Jacqueline Claire Lupo Chief Executive Officer	2023	123,931	Nil	167,306 ⁽⁵⁾	Nil	N/A	N/A	93,502 ⁽³⁾	384,739
	2022	41,538	Nil	Nil	Nil	N/A	N/A	43,681 ⁽³⁾	85,219
Remantra Sheopaul Chief Financial Officer	2023	Nil	Nil	22,686 ⁽⁶⁾	Nil	N/A	N/A	46,837 ⁽⁴⁾	69,523
	2022	Nil	Nil	Nil	Nil	N/A	N/A	7,953 ⁽⁴⁾	7,953

Notes:

- (1) Grant date fair value calculations are based on the Black-Scholes Option Pricing Model and weighted average assumptions. Option-pricing models require the use of highly subjective estimates and assumptions including the expected stock price volatility. Changes in the underlying assumptions can materially affect the fair value estimates and therefore, in management’s opinion, existing models do not necessarily provide a reliable measure of the fair value of the Corporation’s share and option-based awards. The fair value of the stock options was estimated to be \$490,574 using the Black-Scholes valuation model on the following assumptions: dividend yield 0%; volatility 100%; risk-free interest rate 3.04%; and an expected life of 5 years.
- (2) “Long term incentive plan” means any plan that provides compensation intended to motivate performance to occur over a period greater than one fiscal year, but does not include option or share-based awards.
- (3) Canalytica Corp., a company controlled by Jacqueline Claire Lupo, provides certain regulatory consulting services to the Corporation. These services were incurred in the normal course of operations for qualified person in charge (QPIC) services. The amount of such services for the fiscal period ended March 31, 2023 was \$93,502. The amount of such services for the fiscal period ended March 31, 2022 was \$43,681. The corporation expects to continue to pay for QPIC services, including the services of Giselle Barona, as QPIC, until the end of the current fiscal year, ending March 31, 2024, or until such time as a new QPIC is appointed and the contract with Canalytica is terminated.
- (4) Mr. Sheopaul, the CFO, is a Financial Analyst with Marrelli Support Services Inc. (“MSSI”). During the period from incorporation to March 31, 2022, and for the year ended March 31, 2023 the Corporation incurred professional fees of \$7,953 and \$46,837 to MSSI, respectively. These services were incurred in the normal course of operations for general accounting and financial reporting matters. Mr. Sheopaul does not receive any personal or direct compensation from the Company, other than incentive stock options. The Corporation expects to continue to pay MSSI for general accounting and financial reporting matters, including the services of Remantra Sheopaul as CFO, until the end of the current fiscal year ending March 31, 2024, until such time as a either a new CFO is appointed by the Board of Directors or the contract with MSSI is terminated.
- (5) Mrs. Lupo holds 1,475,000 options, at an exercise price of \$0.15 per share, expiring on January 31, 2028.
- (6) Mr. Sheopaul holds 200,000 options, at an exercise price of \$0.15 per share, expiring on January 31, 2028.

Director and Named Executive Officer Stock Options and Other Compensation Securities

Other than as disclosed above and under the heading *Incentive Plan Awards to NEOs* below, no stock options or other compensation securities were granted or issued to the Named Executives of the Corporation during the year ended March 31, 2023. There are no share-based awards outstanding for any of the Named Executives or directors of the Corporation. No stock options or other compensation securities were exercised by any Named Executive of director of the Corporation during the fiscal year ended June 30, 2023.

Please refer to the heading *Director’s Compensation* below for a discussion regarding the compensation paid to directors of the Corporation.

Incentive Plan Awards – Value Vested or Earned During the Year

Other than as disclosed under the headings *Incentive Plan Awards to NEOs* and *Director’s Compensation* below, no option-based incentive plan awards vested and no non-equity incentive plan compensation was earned during the financial year ended March 31, 2023.

Employment Contracts

Consulting Agreement with Canalytica Corp.

On December 17, 2021, the Corporation entered into a consulting agreement with Canalytica Corp. (the “**Canalytica Consulting Agreement**”), a company controlled by Jacqueline Claire Lupo (CEO of the Corporation) to provide QPIC services and regulatory consultation services. The amount of such services for the fiscal period ended March 31, 2023 was \$93,502. The corporation expects to continue to pay for QPIC services, including the services of Giselle Barona , as QPIC, until the end of the current fiscal year, ending March 31, 2024, or until such time as a new QPIC is appointed and the contract with Canalytica Corp. is terminated. The agreement may be terminated at any time.

MSSI Consulting Agreement

On January 6, 2022, the Company entered into a consulting agreement with MSSI (the “**MSSI Consulting Agreement**”) which provides for the several services to be rendered by MSSI, including the services of Mr. Remantra Sheopaul as CFO of the Corporation. The agreement is for an indeterminate period of time, however it may be terminated by either party with 30 days’ written notice. The consulting agreement with MSSI was renewed and re-signed on February 7, 2023. During the period from incorporation to March 31, 2022, and for the year ended March 31, 2023 the Corporation incurred professional fees of \$46,837 and \$7,953 to MSSI, respectively. The Corporation expects to continue to pay MSSI for general accounting and financial reporting matters, including the services of Remantra Sheopaul as CFO, until the end of the current fiscal year ending March 31, 2024, or until such time as a either a new CFO is appointed by the Board of Directors or the contract with MSSI is terminated.

Incentive Plan Awards to NEOs

Outstanding Option-Based and Share-Based Awards

The table below reflects all option-based awards for each NEO outstanding as at March 31, 2023 (including option-based awards granted to a NEO before such fiscal year). The Corporation does not have any other equity incentive plans other than its Stock Option Plan.

<u>Name of Named Executive Officer</u>	<u>Number of Securities Underlying Unexercised Options</u>	<u>Option Exercise Price (CDN\$/Security)</u>	<u>Option Expiration Date</u>	<u>Value of Unexercised In-the-Money Options (CDN\$) ⁽²⁾</u>
Jacqueline Claire Lupo Chief Executive Officer	1,475,000 ⁽¹⁾	0.15	01.31.28	-
Remantra Sheopaul Chief Financial Officer	200,000 ⁽¹⁾	0.15	01.31.28	-

Notes:

1. These options were granted on January 31, 2023.
2. All of the options will be fully vested on January 31, 2024. The options were issued on the basis of 12 months quarterly vesting. This column contains the aggregate value of in-the-money unexercised options as at March 31, 2023, calculated based on the difference between the market price of the Common Shares underlying the options as at the close of day on March 31, 2023, being \$0.04, and the exercise price of the options.

Value Vested or Earned During the Year

The following table provides information regarding the value vested or earned on incentive plan awards for each NEO during the financial year ended March 31, 2023.

Name of Named Executive Officer	Option-based awards – Value vested during the year (\$)⁽¹⁾	Share-Based awards- value vested (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Jacqueline Claire Lupo	N/A	N/A	N/A
Remantra Sheopaul	N/A	N/A	N/A

Pension Plan Benefits

As at the date of this Circular, the Corporation does not have a pension plan.

Termination and Change of Control Benefits

There are no agreements, compensation plans, contracts or arrangements whereby a NEO is entitled to receive payments from the Corporation in the event of the resignation, retirement or other termination of the NEO's employment with the Corporation, change of control of the Corporation or a change in the NEO's responsibilities following a change in control.

Director's Compensation

Individual Director Compensation

The following table provides a summary of all amounts of compensation provided to the directors of the Corporation during the fiscal year ended March 31, 2023. Except as otherwise disclosed below, the Corporation did not pay any fees or compensation to directors for serving on the Board (or any subcommittee) beyond reimbursing such directors for travel and related expenses and the granting of stock options under the Stock Option Plan.

Name	Fee Earned (\$)	Option-Based Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	All Other Compensation (\$)	Total (\$)
Solomon Elimimian	Nil	28,357	Nil	Nil	Nil
Elyssia Patterson	Nil	28,357	Nil	Nil	Nil
Jeremy Pestun	Nil	28,357	Nil	Nil	Nil
Evan Stawnyczy	Nil	28,357	Nil	Nil	Nil

Director Outstanding Option-Based Awards

The table below reflects all option-based awards for each director outstanding as at March 31, 2023 (including option-based awards granted to a director before each such fiscal year). The Corporation does not have any equity incentive plan other than the Stock Option Plan.

Name of Director	Number of Securities Underlying Unexercised Options	Option Exercise Price (\$/Security)	Option Expiration Date	Value of Unexercised In-the-Money Options (\$) ⁽¹⁾
Solomon Elimimian	250,000	0.15	01/31/2028	-
Elyssia Patterson	250,000	0.15	01/31/2028	-
Jeremy Pestun	250,000	0.15	01/31/2028	-
Evan Stawnyczy	250,000	0.15	01/31/2028	-

Note:

1. These options were granted on January 31, 2023 and will be fully vested on January 31, 2024. The options were issued on the basis of 12 months quarterly vesting. This column contains the aggregate value of in-the-money unexercised options as at March 31, 2023, calculated based on the difference between the market price of the Common Shares underlying the options as at the close of day on March 31, 2023, being \$0.04, and the exercise price of the options.

Value Vested or Earned During the Year

No option-based incentive plan awards vested and no non-equity incentive plan compensation was earned during the financial year ended March 31, 2023.

Securities Authorized for Issuance under Equity Compensation Plans

The following table sets forth the Corporation's equity compensation plans under which equity securities are authorized for issuance as at March 31, 2023, the end of the most recently completed financial year.

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans
Stock Option Plan	4,325,000	\$0.15	3,643,666
Equity compensation plans not approved by security holders	N/A	N/A	N/A
Total	4,325,000		7,968,666

Note:

1. The Corporation's incentive stock option plan is a "rolling" stock option plan which reserves for issuance a maximum of 10% of the issued and outstanding shares at the time of the Option grant.

Summary of Stock Option Plan

The Board adopted the Corporation's rolling Stock Option Plan on January 31, 2023. The number of Common Shares reserved for issuance under the Stock Option Plan may not exceed 10% of the total number of Common Shares issued and outstanding from time to time. As of March 31, 2023, an aggregate of 79,686,667 Common Shares were issued and outstanding. As at March 31, 2023, there were 4,325,000 outstanding stock options under the Option Plan and 3,643,666 stock options remained eligible for issuance under the Stock Option Plan. All capitalized terms used in this section have the meaning ascribed to them in the Stock Option Plan attached as Schedule "A" of this Circular.

The purpose of the Stock Option Plan is to provide the Corporation with a share-related mechanism to attract, retain and motivate qualified Executives, Employees and Consultants to contribute toward the long term goals of the Corporation, and to encourage such individuals to acquire Common Shares of the Corporation as long term investment. The Stock Option Plan is administered by the Administrator with oversight by the Committee.

The following description of the material features of the Stock Option Plan:

- The maximum number of Options which may be granted within a 12 month period to Employees or Consultants engaged in Investor Relations Activities must not exceed 1% of the Outstanding Issue.
- The Committee shall, from time to time in its sole discretion, grant Options to such Persons or Entities and on such terms and conditions as are permitted under the Plan.
- The Option Certificate will include a legend stipulating that the Option is and the Common Shares upon the exercise of the Option are subject to a four-month hold period commencing on the date of distribution of the Option.
- The number of Common Shares which will be available for purchase pursuant to Options granted pursuant to the Stock Option Plan, plus any other outstanding incentive stock options of the Corporation granted pursuant to a previous stock option plan or agreement, will not exceed 10% of the number of Common Shares which will be available for purchase pursuant to Options granted pursuant to the Stock Option Plan, plus any other outstanding incentive stock options of the Corporation granted pursuant to a previous stock option plan or agreement, will not exceed 10% of the Outstanding Issue from time to time.
- In the event that the option holder holds his or her option as an Employee or Consultant and such Option Holder ceases to hold such position other than by reason of death or Disability, the Expiry Date of the Option shall be, unless otherwise determined by the Committee and expressly provided for in the Option Certificate or subject to the Committee's discretion to extend such period for up to one (1) year, or prior to the Expiry Time on the Expiry Date in respect thereof, whichever is sooner, the 30th day following the date the Option Holder ceases to hold such position, unless the Option Holder ceases to hold such position as a result of: (i) termination for cause; (ii) resigning his or her position; or (iii) an order made by any Regulatory Authority having jurisdiction to so order, in which case the Expiry Date shall be the date the Option Holder ceases to hold such position.
- In the event that the Option Holder ceases to hold the position of Executive, Employee or Consultant for which the Option was originally granted, but comes to hold a different position as an Executive, Employee or Consultant prior to the expiry of the Option, the Committee may, in its sole discretion, choose to permit the Option to stay in place for that Option Holder with such Option then to be treated as being held by that Option Holder in his or her new position and such will not be considered to be an amendment to the Option in question.
- In the event of the Option Holder's death, any Options held by such Option Holder shall pass to the Personal Representative of the Option Holder and shall be exercisable by the Personal Representative on or before the date which is the earlier of one year following the date of death and the applicable Expiry Date.
- If the employment or engagement of an Option Holder as an Employee or Consultant or the position of an Option Holder as a director or officer of the Company or a Subsidiary is terminated by the Company by reason of such Option Holder's Disability, any Options held by such Option Holder shall be exercisable by such Option Holder or by the Personal Representative on or before the date which is the earlier of one year following the termination of employment, engagement or appointment as a director or officer and the applicable Expiry Date.
- Unless otherwise excepted out by a provision of the Stock Option Plan, if an Option expires, terminates or is cancelled within or immediately after a Black-Out, the Holder may elect for the term of such Option to be extended to the date which is ten (10) business days after the last day of the Black-Out.
- Subject to any required Regulatory Approvals, the Committee may from time to time amend any existing Option or the Stock Option Plan provided that where such amendment relates to an existing Option and it would: (i) materially decrease the rights or benefits accruing to an Option Holder; or (ii) materially increase the obligations of an Option Holder, then, unless otherwise excepted out by a provision of the Stock Option Plan, the Committee must also obtain the written consent of the Option Holder in question to such amendment.

- Subject to any necessary Regulatory Approvals, the Committee may terminate or suspend the Plan. Unless earlier terminated as provided in this section 11, the Plan shall terminate on, and no more Options shall be granted under the Plan after, the tenth anniversary of the date of the Exchange's acceptance of the Plan.
- The vesting schedule for an Option, if any, shall be determined by the Committee and shall be set out in the Option Certificate issued in respect of the Option. The Committee may elect, at any time, to accelerate the vesting schedule of one or more Options including, without limitation, on a Triggering Event, and such acceleration will not be considered an amendment to the Option in question.

For further details on the Stock Option Plan please see Schedule "A" of this Circular.

STATEMENT OF CORPORATE GOVERNANCE

The description of the Corporation's current corporate governance practices is provided in accordance with Form 58-101F2 of National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("NI 58-101").

Board of Directors

NI 58-101 defines an "independent director" as a director who has no direct or indirect "material relationship" with the issuer. A "material relationship" is as a relationship that could be, in the view of the Board, be reasonably expected to interfere with the exercise of a member's independent judgment. The Board maintains the exercise of independent supervision over management by ensuring that the majority of its directors are independent.

The Board is currently composed of five directors, being Jacqueline Claire Lupo, Solomon Elimimian, Elyssia Patterson, Jeremy Pestun and Evan Stawnyczy. The Board has determined that each of Elyssia Patterson and Jeremy Pestun are independent within the meaning of NI 58-101. Jacqueline Claire Lupo is not independent within the meaning of NI 58-101 because she is an executive officer (as such term is defined in NI 58-101), Evan Stawnyczy is not independent as he is the spouse of the CEO of the Corporation and Solomon Elimimian is not independent as he is a former executive officer of the Corporation. The proposed Board will be composed of four directors, being Jacqueline Claire Lupo, Jeremy Pestun, Evan Stawnyczy and John Karagiannidis. The Board has determined that Messrs. Karagiannidis and Pestun are independent within the meaning of NI 58-101.

The Board believes that it functions independently of management and reviews its procedures on an ongoing basis to ensure that it is functioning independently of management. The Board meets without management present, as circumstances require. When conflicts arise, interested parties are precluded from voting on matters in which they may have an interest. In light of the suggestions contained in National Policy 58-201 – *Corporate Governance Guidelines*, the Board convenes meetings of the independent directors as deemed necessary, at which non-independent directors and members of management are not in attendance.

Other Public Corporation Directorships

None of the directors currently serve on any other board of directors.

Orientation and Continuing Education of Board Members

While the Corporation does not currently have a formal orientation and education program for new members of the Board, the Corporation provides such orientation and education on an ad hoc and informal basis. The CEO and/or the CFO are responsible for providing an orientation for new directors. Director orientation and ongoing training includes presentations by senior management to familiarize directors with the Corporation's strategic plans, its significant financial, accounting and risk management issues, its compliance programs, its principal officers and its internal and independent auditors. On occasions where it is considered advisable, the Board provides individual directors with information regarding topics of general interest, such as fiduciary duties and continuous disclosure obligations. The Board ensures that each director is up to date with current information regarding the business of the Corporation, the role the director is expected to fulfill and basic procedures and operations of the Board. The Board members are given access to management and other employees and advisors, who can answer any questions that may arise. Regular technical presentations are made to the directors to keep them informed of the Corporation's operations. The directors believe that these procedures are a practical and effective approach in light of the Corporation's particular circumstances, including the size of the Corporation, the number, experience and expertise of its directors.

Ethical Business Conduct

The directors maintain that the Corporation must conduct and be seen to conduct its business dealings in accordance with all applicable laws and the highest ethical standards. The Corporation's reputation for honesty and integrity amongst its Shareholders and other stakeholders is key to the success of its business. No employee or director will be permitted to achieve results through violation of laws or regulations, or through unscrupulous dealings.

Any director with a conflict of interest or who is capable of being perceived as being in conflict of interest with respect to the Corporation must abstain from discussion and voting by the board of directors or any committee of the board of directors on any motion to recommend or approve the relevant agreement or transaction. The board of directors must comply with conflict of interest provisions of the *Business Corporations Act* (British Columbia).

Nomination of Directors

The Board does not have a nominating committee. The Board will consider its size each year when it passes a resolution determining the number of directors to be appointed at each annual general meeting of shareholders. The Board determined that the configuration of four (4) directors is the appropriate number of directors, taking into account the number required to carry out duties effectively while maintaining a diversity of views and experience. The Board will evaluate new nominees to the Board, although a formal process has not been adopted. The nominees will generally be the result of recruitment efforts by the Board, including both formal and informal discussions among Board members, the Chairman of the Board, if any and CEO. The Board monitors but will not formally assess the performance of individual Board members or committee members or their contributions.

Compensation

The Board is directly responsible for determining compensation of directors and management. The Board does not currently have a compensation committee. The Board reviews the remuneration of directors and management annually, including base salaries, bonuses, and stock option plans including the Option Plan and grants thereunder, and other forms of compensation. For more information on the Corporation's compensation practices, please see the section of this Circular entitled "*Executive Compensation*".

Other Board Committees

The Board has no standing committees other than the Audit Committee.

Assessments

The Board does not consider formal assessments useful given the stage of the Corporation's business and operations. However, the directors believe that nomination to the Board is not open ended and that directorships should be reviewed carefully for alignment with the strategic needs of the Corporation. To this extent, the directors constantly review (i) individual director performance and the performance of the board of directors as a whole, including processes and effectiveness; and (ii) the performance of the Chairman, if any, of the Board. A more formal assessment process will be instituted if and when the Board considers it to be advisable.

AUDIT COMMITTEE INFORMATION

National Instrument 52-110 – *Audit Committees* ("NI 52-110") requires the Corporation, as a venture issuer, to disclose annually in its information circular certain information concerning the constitution of its Audit Committee and its relationship with its independent auditor.

The audit committee of the Corporation's board of directors ("**Audit Committee**") is responsible for monitoring the Corporation's systems and procedures for financial reporting and internal control, reviewing certain public disclosure documents and monitoring the performance and independence of the Corporation's external auditors. The committee is also responsible for reviewing the Corporation's annual audited financial statements, unaudited quarterly financial statements and management's discussion and analysis of financial results of operations for both annual and interim financial statements and review of related operations prior to their approval by the full board of directors.

Audit Committee Charter

The full text of the charter of the Audit Committee is attached hereto as Schedule "B".

Composition of the Audit Committee

The members of the Audit Committee are Jeremy Pestun (Chair), Evan Stawnyczy and John Karagiannidis. Jeremy Pestun and John Karagiannidis are considered independent within the meaning of NI 52-110. Evan Stawnyczy is not considered independent (as such term is defined in NI 52-110) because he is the spouse of the CEO of the Corporation. Each member of the Audit Committee is considered to be financially literate within the meaning of NI 52-110, which includes the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the Corporation's financial statements.

Relevant Education and Experience

The following table summarizes the relevant education and experience of the members of the Audit Committee:

Jeremy Pestun (Chair) – Jeremy Pestun is a global business leader, entrepreneur and investor with experience in startup businesses to Fortune 500 companies across various industries including laboratory information management systems, renewable energy and environmental resources. Mr. Pestun holds a Bachelor of Management degree from the University of Lethbridge.

Evan Stawnyczy – Evan Stawnyczy is a Software and IT Engineer with over a decade of experience in technology and financial companies. He is the co-founder of Canalytica Corp. a private consulting firm and serves as the Chairman of the Board. Evan also served as Head of Development and was a Board Member of DX Storm (CSE:DXX, 1999).

John Karagiannidis – Mr. Karagiannidis was born and raised in Montréal, Québec, and has been involved in over 300 transactions including emerging private and public companies with a total value in excess of \$2 billion. He is also co-founder of Pharmather (CSE:PHRM) and Pharmala (CSE:MDMA).

Mr. Karagiannidis is currently a dealing representative at EMD Financial Inc. Prior to EMD, Mr. Karagiannidis worked at Marquest Capital Markets, Industrial Alliance Securities, and Desjardins Securities. Mr. Karagiannidis is an MBA graduate of the Ivey Business School (University of Western Ontario), obtained his LL.B from the University of Montréal and is a member of the Québec Bar Association.

External Auditor Matters

Since the commencement of the Corporation's most recently completed financial year, the Corporation's directors have not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor and the Corporation has not relied on the exemptions contained in sections 2.4 or 8 of NI 52-110. Section 2.4 provides an exemption from the requirement that the Audit Committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the financial year in which the non-audit services were provided. Part 8 permits a Corporation to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by the Corporations directors and, where applicable, the Audit Committee, on a case-by-case basis.

The following table discloses the service fees billed to the Corporation by its external auditor during the last two completed financial years:

Financial Year Ending	Audit Fees⁽¹⁾	Audit Related Fees⁽²⁾	Tax Fees⁽³⁾	All Other Fees⁽⁴⁾
March 31, 2023	\$32,250	\$27,875	\$4,359	\$17,192
March 31, 2022	\$47,298	\$nil	\$10,400	\$nil

Notes:

1. The aggregate fees billed for professional services rendered by the auditor for the audit of the Corporation's annual financial statements as well as services provided in connection with statutory and regulatory filings.
2. The aggregate fees billed for professional services rendered by the auditor and consisted primarily of file quality review fees and fees for the review of quarterly financial statements and related documents.
3. Aggregate fees billed for tax compliance, tax advice and tax planning professional services. These services included reviewing tax returns and assisting in responses to government tax authorities.

4. No other fees were billed by the auditor of the Corporation other than those listed in the other columns.

Exemption

Since the Corporation 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 U.S., or a market outside of Canada and the U.S.), it is exempt from the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

During the year ended March 31, 2023, no director, executive officer, or associate of any director or executive officer of the Corporation was indebted to the Corporation, nor were any of these individuals indebted to any other entity which indebtedness was the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by the Corporation, including under any securities purchase or other program.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

None of the informed persons (as such term is defined in NI 51-102) of the Corporation, any proposed director of the Corporation, or any associate or affiliate of any informed person or proposed director, has had any material interest, direct or indirect, in any transaction of the Corporation since the commencement of the Corporation’s most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries.

ADDITIONAL INFORMATION

Additional information relating to the Corporation may be found under the Corporation’s profile on SEDAR+ at www.sedarplus.ca. Additional financial information is provided in the Corporation’s comparative financial statements and management’s discussion and analysis for the year ended March 31, 2023, which are also available on SEDAR+. Inquiries, including requests for copies of the Corporation’s financial statements and management’s discussion and analysis for the year ended March 31, 2023, may be directed to the Corporation by calling 1-833-206-5222 or by emailing the Corporation at info@lophos.com.

APPROVAL

The contents of this Circular and the sending thereof to the Shareholders have been approved by the Board.

DATED this 21st day of February, 2024

**BY ORDER OF THE BOARD OF DIRECTORS OF
LOPHOS HOLDINGS INC.**

(signed) “Jacqueline Claire Lupo”
Jacqueline Claire Lupo
Chief Executive Officer

SCHEDULE "A"
LOPHOS HOLDINGS INC.
STOCK OPTION PLAN

See attached.

**LOPHOS HOLDINGS INC.
STOCK OPTION PLAN**

Dated for reference January 31, 2023

Approved by the Board of Directors on January 31, 2023.

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STOCK OPTION PLAN

SECTION 1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

As used herein, unless there is something in the subject matter or context inconsistent therewith, the following terms shall have the meanings set forth below:

- (a) “**Administrator**” means such Executive or Employee of the Company as may be designated as Administrator by the Committee from time to time, or, if no such person is appointed, the Committee itself.
- (b) “**Associate**” means, where used to indicate a relationship with any person:
 - (i) any relative, including the spouse of that person or a relative of that person's spouse, where the relative has the same home as the person;
 - (ii) any partner, other than a limited partner, of that person;
 - (iii) any trust or estate in which such person has a substantial beneficial interest or as to which such person serves as trustee or in a similar capacity; and
 - (iv) any corporation of which such person beneficially owns or controls, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all outstanding voting securities of the corporation.
- (c) “**Black-Out**” means a restriction imposed by the Company on all or any of its directors, officers, employees, insiders or persons in a special relationship whereby they are to refrain from trading in the Company's securities until the restriction has been lifted by the Company.
- (d) “**Board**” means the board of directors of the Company.
- (e) “**CSE**” means the Canadian Securities Exchange.
- (f) “**Change of Control**” means an occurrence when either:
 - (i) a Person or Entity, other than the current “control person” of the Company (as that term is defined in the *Securities Act*), becomes a “control person” of the Company; or
 - (ii) a majority of the directors elected at any annual or extraordinary general meeting of shareholders of the Company are not individuals nominated by the Company's then-incumbent Board.

- (g) “**Committee**” means a committee of the Board to which the responsibility of approving the grant of stock options has been delegated, or if no such committee is appointed, the Board itself.
- (h) “**Company**” means Lophos Holdings Inc.;
- (i) “**Consultant**” means an individual who:
 - (i) is engaged to provide, on an ongoing bona fide basis, consulting, technical, management or other services to the Company or any Subsidiary other than services provided in relation to a “distribution” (as that term is described in the *Securities Act*);
 - (ii) provides the services under a written contract between the Company or any Subsidiary and the individual or a Consultant Entity (as defined in clause (i)(v) below);
 - (iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or any Subsidiary; and
 - (iv) has a relationship with the Company or any Subsidiary that enables the individual to be knowledgeable about the business and affairs of the Company or is otherwise permitted by applicable Regulatory Rules to be granted Options as a Consultant or as an equivalent thereof,and includes:
 - (v) a corporation of which the individual is an employee or shareholder or a partnership of which the individual is an employee or partner (a “**Consultant Entity**”); or
 - (vi) an RRSP or RRIF established by or for the individual under which he or she is the beneficiary.
- (j) “**Disability**” means a medically determinable physical or mental impairment expected to result in death or to last for a continuous period of not less than 12 months, and which causes an individual to be unable to engage in any substantial gainful activity, or any other condition of impairment which cannot be accommodated under applicable human rights laws without imposing undue hardship on the Company or any Subsidiary employing or engaging the Person, that the Committee, acting reasonably, determines constitutes a disability.
- (k) “**Employee**” means:
 - (i) an individual who works full-time or part-time for the Company or any Subsidiary and such other individual as may, from time to time, be

permitted by applicable Regulatory Rules to be granted Options as an employee or as an equivalent thereto; or

- (ii) an individual who works for the Company or any Subsidiary either full-time or on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Company or any Subsidiary over the details and methods of work as an employee of the Company or any Subsidiary, but for whom income tax deductions are not made at source,

and includes:

- (iii) a corporation wholly-owned by such individual; and
 - (iv) any RRSP or RRIF established by or for such individual under which he or she is the beneficiary.
- (l) **“Exchange”** means the stock exchange upon which the Company’s shares principally trade.
 - (m) **“Executive”** means an individual who is a director or officer of the Company or a Subsidiary, and includes:
 - (i) a corporation wholly-owned by such individual; and
 - (ii) any RRSP or RRIF established by or for such individual under which he or she is the beneficiary.
 - (n) **“Exercise Notice”** means the written notice of the exercise of an Option, in the form set out as Schedule B hereto, or by written notice in the case of uncertificated Shares, duly executed by the Option Holder.
 - (o) **“Exercise Period”** means the period during which a particular Option may be exercised and is the period from and including the Grant Date through to and including the Expiry Time on the Expiry Date provided, however, that the Option has Vested pursuant to the terms and conditions of this Plan and any additional terms and conditions imposed by the Committee, and that no Option can be exercised unless and until all necessary Regulatory Approvals have been obtained.
 - (p) **“Exercise Price”** means the price at which an Option is exercisable as determined in accordance with section 5.3.
 - (q) **“Expiry Date”** means the date the Option expires as set out in the Option Certificate or as otherwise determined in accordance with sections 5.4, 6.2, 6.3, 6.4 or 11.4.
 - (r) **“Expiry Time”** means the time the Option expires on the Expiry Date, which is 4:00 p.m. local time in Vancouver, British Columbia on the Expiry Date.

- (s) **“Grant Date”** means the date on which the Committee grants a particular Option, which is the date the Option comes into effect provided however that no Option can be exercised unless and until all necessary Regulatory Approvals have been obtained.
- (t) **“Insider”** means an insider as that term is defined in the *Securities Act*.
- (u) **“Investor Relations Activities”** means any activities, by or on behalf of the Company or shareholder of the Company, that promote or reasonably could be expected to promote the purchase or sale of securities of the Company, but does not include:
 - (i) the dissemination of information provided, or records prepared, in the ordinary course of business of the Company
 - (A) to promote the sale of products or services of the Company, or
 - (B) to raise public awareness of the Company,that cannot reasonably be considered to promote the purchase or sale of securities of the Company;
 - (ii) activities or communications necessary to comply with the requirements of:
 - (A) applicable securities laws;
 - (B) Exchange requirements or the by-laws, rules or other regulatory instruments of any other self-regulatory body or exchange having jurisdiction over the Company;
 - (iii) communications by a publisher of, or writer for, a newspaper, magazine or business or financial publication, that is of general and regular paid circulation, distributed only to subscribers to it for value or to purchasers of it, if:
 - (A) the communication is only through the newspaper, magazine or publication, and
 - (B) the publisher or writer receives no commission or other consideration other than for acting in the capacity of publisher or writer; or
 - (iv) activities or communications that may be otherwise specified by the Exchange.
- (v) **“Market Value”** means the market value of the Shares as determined in accordance with section 5.3.
- (w) **“NI 45-106”** means National Instrument 45-106—*Prospectus Exemptions*.

- (x) **“Option”** means an incentive share purchase option granted pursuant to this Plan entitling the Option Holder to purchase Shares of the Company.
- (y) **“Option Certificate”** means the certificate, in substantially the form set out as Schedule A hereto, evidencing the Option.
- (z) **“Option Holder”** means a Person or Entity who holds an unexercised and unexpired Option or, where applicable, the Personal Representative of such person.
- (aa) **“Outstanding Issue”** means the number of Shares that are outstanding (on a non-diluted basis) immediately prior to the Share issuance or grant of Option in question.
- (bb) **“Person or Entity”** means an individual, natural person, corporation, government or political subdivision or agency of a government, and where two or more persons act as a partnership, limited partnership, syndicate or other group for the purpose of acquiring, holding or disposing of securities of an issuer, such partnership, limited partnership, syndicate or group shall be deemed to be a Person or Entity.
- (cc) **“Personal Representative”** means:
 - (i) in the case of a deceased Option Holder, the executor or administrator of the deceased duly appointed by a court or public authority having jurisdiction to do so; and
 - (ii) in the case of an Option Holder who for any reason is unable to manage his or her affairs, the person entitled by law to act on behalf of such Option Holder.
- (dd) **“Plan”** means this stock option plan as from time to time amended.
- (ee) **“Regulatory Approvals”** means any necessary approvals of the Regulatory Authorities as may be required from time to time for the implementation, operation or amendment of this Plan or for the Options granted from time to time hereunder.
- (ff) **“Regulatory Authorities”** means all organized trading facilities on which the Shares are listed, and all securities commissions or similar securities regulatory bodies having jurisdiction over the Company, this Plan or the Options granted from time to time hereunder.
- (gg) **“Regulatory Rules”** means all corporate and securities laws, regulations, rules, policies, notices, instruments and other orders of any kind whatsoever which may, from time to time, apply to the implementation, operation or amendment of this Plan or the Options granted from time to time hereunder including, without limitation, those of the applicable Regulatory Authorities.
- (hh) **“Related Entity”** means a Person that is controlled by the Company. For the purposes of this Plan, a Person (first person) is considered to control another Person

(second person) if the first Person, directly or indirectly, has the power to direct the management and policies of the second person by virtue of

- (i) ownership of or direction over voting securities in the second Person,
 - (ii) a written agreement or indenture,
 - (iii) being the general partner or controlling the general partner of the second Person, or
 - (iv) being a trustee of the second Person.
- (ii) **“Related Person”** means:
- (i) a Related Entity of the Company;
 - (ii) a partner, director or officer of the Company or Related Entity;
 - (iii) a promoter of or Person who performs Investor Relations Activities for the Company or Related Entity; and
 - (iv) any Person that beneficially owns, either directly or indirectly, or exercises voting control or direction over at least 10% of the total voting rights attached to all voting securities of the Company or Related Entity.
- (jj) **“Securities Act”** means the *Securities Act* (British Columbia), RSBC 1996, c.418 as from time to time amended.
- (kk) **“Share”** or **“Shares”** means, as the case may be, one or more common shares without par value in the capital stock of the Company.
- (ll) **“Subsidiary”** means a wholly-owned or controlled subsidiary corporation of the Company.
- (mm) **“Triggering Event”** means:
- (i) the proposed dissolution, liquidation or wind-up of the Company;
 - (ii) a proposed merger, amalgamation, arrangement or reorganization of the Company with one or more corporations as a result of which, immediately following such event, the shareholders of the Company as a group, as they were immediately prior to such event, are expected to hold less than a majority of the outstanding capital stock of the surviving corporation;
 - (iii) the proposed acquisition of all or substantially all of the issued and outstanding shares of the Company by one or more Persons or Entities;
 - (iv) a proposed Change of Control of the Company;

- (v) the proposed sale or other disposition of all or substantially all of the assets of the Company; or
 - (vi) a proposed material alteration of the capital structure of the Company which, in the opinion of the Committee, is of such a nature that it is not practical or feasible to make adjustments to this Plan or to the Options granted hereunder to permit the Plan and Options granted hereunder to stay in effect.
- (nn) “**Vest**”, “**Vesting**” or “**Vested**” means that a portion of the Option granted to the Option Holder which is available to be exercised by the Option Holder at any time and from time to time.

1.2 **Choice of Law**

The Plan is established under, and the provisions of the Plan shall be subject to and interpreted and construed solely in accordance with, the laws of the Province of British Columbia and the laws of Canada applicable therein without giving effect to the conflicts of laws principles thereof and without reference to the laws of any other jurisdiction. The Company and each Option Holder hereby attorn to the jurisdiction of the Courts of British Columbia.

1.3 **Headings**

The headings used herein are for convenience only and are not to affect the interpretation of the Plan.

SECTION 2 GRANT OF OPTIONS

2.1 **Grant of Options**

The Committee shall, from time to time in its sole discretion, grant Options to such Persons or Entities and on such terms and conditions as are permitted under this Plan.

2.2 **Record of Option Grants**

The Committee shall be responsible to maintain a record of all Options granted under this Plan and such record shall contain, in respect of each Option:

- (a) the name and address of the Option Holder;
- (b) the category (Executive, Employee or Consultant) under which the Option was granted to him, her or it;
- (c) the Grant Date and Expiry Date of the Option;
- (d) the number of Shares which may be acquired on the exercise of the Option and the Exercise Price of the Option;
- (e) the vesting and other additional terms, if any, attached to the Option; and

(f) the particulars of each and every time the Option is exercised.

2.3 **Effect of Plan**

All Options granted pursuant to the Plan shall be subject to the terms and conditions of the Plan notwithstanding the fact that the Option Certificates issued in respect thereof do not expressly contain such terms and conditions but instead incorporate them by reference to the Plan. The Option Certificates will be issued for convenience only and in the case of a dispute with regard to any matter in respect thereof, the provisions of the Plan and the records of the Company shall prevail over the terms and conditions in the Option Certificate, save and except as noted below. Each Option will also be subject to, in addition to the provisions of the Plan, the terms and conditions contained in the schedules, if any, attached to the Option Certificate for such Option. Should the terms and conditions contained in such schedules be inconsistent with the provisions of the Plan, such terms and conditions will supersede the provisions of the Plan.

2.4 **Hold Period**

Pursuant to the Exchange's applicable policies, where a hold period is applicable, the Option Certificate will include a legend stipulating that the Option is and the Shares upon the exercise of the Option are subject to a four-month hold period commencing on the date of distribution of the Option.

SECTION 3 PURPOSE AND PARTICIPATION

3.1 **Purpose of Plan**

The purpose of the Plan is to provide the Company with a share-related mechanism to attract, retain and motivate qualified Executives, Employees and Consultants to contribute toward the long term goals of the Company, and to encourage such individuals to acquire Shares of the Company as long term investments.

3.2 **Participation in Plan**

The Committee shall, from time to time and in its sole discretion, determine those Executives, Employees and Consultants to whom Options are to be granted.

3.3 **Limits on Option Grants**

The Company shall only grant Options under this Plan in accordance with section 10 hereof and, for greater certainty, may not grant any Options under this Plan unless an applicable prospectus exemption is available.

3.4 **Limits on Option Grants for Investor Relations Activities**

The maximum number of Options which may be granted within a 12 month period to Employees or Consultants engaged in Investor Relations Activities must not exceed 1% of the Outstanding Issue.

3.5 **Notification of Grant**

Following the granting of an Option, the Administrator shall, within a reasonable period of time, notify the Option Holder in writing of the grant and shall enclose with such notice the Option Certificate representing the Option so granted. In no case will the Company be required to deliver an Option Certificate to an Option Holder until such time as the Company has obtained all necessary Regulatory Approvals for the grant of the Option.

3.6 **Copy of Plan**

Each Option Holder, concurrently with the notice of the grant of the Option, shall be provided with a copy of the Plan. A copy of any amendment to the Plan shall be promptly provided by the Administrator to each Option Holder.

3.7 **Limitation on Service**

The Plan does not give any Option Holder that is an Executive the right to serve or continue to serve as an Executive of the Company or any Subsidiary, nor does it give any Option Holder that is an Employee or Consultant the right to be or to continue to be employed or engaged by the Company or any Subsidiary.

3.8 **No Obligation to Exercise**

Option Holders shall be under no obligation to exercise Options.

3.9 **Agreement**

The Company and every Option Holder granted an Option hereunder shall be bound by and subject to the terms and conditions of this Plan. By accepting an Option granted hereunder, the Option Holder has expressly agreed with the Company to be bound by the terms and conditions of this Plan. In the event that the Option Holder receives his, her or its Options pursuant to an oral or written agreement with the Company or a Subsidiary, whether such agreement is an employment agreement, consulting agreement or any other kind of agreement of any kind whatsoever, the Option Holder acknowledges that in the event of any inconsistency between the terms relating to the grant of such Options in that agreement and the terms attaching to the Options as provided for in this Plan, the terms provided for in this Plan shall prevail and the other agreement shall be deemed to have been amended accordingly.

3.10 **Notice**

Any notice, delivery or other correspondence of any kind whatsoever to be provided by the Company to an Option Holder will be deemed to have been provided if provided to the last home

address, fax number or email address of the Option Holder in the records of the Company and the Company shall be under no obligation to confirm receipt or delivery.

3.11 **Representation**

As a condition precedent to the issuance of an Option, the Company must be able to represent to the Exchange as of the Grant Date that the Option Holder is a *bona fide* Executive, Employee or Consultant of the Company or any Subsidiary.

SECTION 4 NUMBER OF SHARES UNDER PLAN

4.1 **Committee to Approve Issuance of Shares**

The Committee shall approve by resolution the issuance of all Shares to be issued to Option Holders upon the exercise of Options, such authorization to be deemed effective as of the Grant Date of such Options regardless of when it is actually done. The Committee shall be entitled to approve the issuance of Shares in advance of the Grant Date, retroactively after the Grant Date, or by a general approval of this Plan.

4.2 **Number of Shares**

Subject to adjustment as provided for herein, the number of Shares which will be available for purchase pursuant to Options granted pursuant to this Plan, plus any other outstanding incentive stock options of the Company granted pursuant to a previous stock option plan or agreement, will not exceed 10% of the Outstanding Issue from time to time. If any Option is exercised, expires or otherwise terminates for any reason without having been exercised in full, the number of Shares in respect of such exercised, expired or terminated Option shall again be available for the purposes of granting Options pursuant to this Plan.

4.3 **Fractional Shares**

No fractional shares shall be issued upon the exercise of any Option and, if as a result of any adjustment, an Option Holder would become entitled to a fractional share, such Option Holder shall have the right to purchase only the next lowest whole number of Shares and no payment or other adjustment will be made for the fractional interest.

SECTION 5 TERMS AND CONDITIONS OF OPTIONS

5.1 **Exercise Period of Option**

Subject to sections 5.4, 6.2, 6.3, 6.4 and 11.4, the Grant Date and the Expiry Date of an Option shall be the dates fixed by the Committee at the time the Option is granted and shall be set out in the Option Certificate issued in respect of such Option.

5.2 **Number of Shares Under Option**

The number of Shares which may be purchased pursuant to an Option shall be determined by the Committee and shall be set out in the Option Certificate issued in respect of the Option.

5.3 **Exercise Price of Option**

The Exercise Price at which an Option Holder may purchase a Share upon the exercise of an Option shall be determined by the Committee and shall be set out in the Option Certificate issued in respect of the Option. Notwithstanding the foregoing, the Exercise Price shall not be less than the Market Value of the Shares as of the Grant Date. The Market Value of the Shares for a particular Grant Date shall be determined as follows:

- (a) if the Company's Shares are listed on the CSE, Market Value will be the greater of the closing trading price of the Shares on (i) the trading day prior to the Grant Date and (ii) the Grant Date;
- (b) subject to subparagraph (a) above, for each organized trading facility on which the Shares are listed, Market Value will be the closing trading price of the Shares on the day immediately preceding the Grant Date, and may be less than this price if it is within the discounts permitted by the applicable Regulatory Authorities;
- (c) if the Company's Shares are listed on more than one organized trading facility, the Market Value shall be the Market Value as determined in accordance with subparagraphs (a) or (b) above for the primary organized trading facility on which the Shares are listed, as determined by the Committee, subject to any adjustments as may be required to secure all necessary Regulatory Approvals;
- (d) subject to subparagraph (a), if the Company's Shares are listed on one or more organized trading facilities but have not traded during the ten trading days immediately preceding the Grant Date, then the Market Value will be, subject to any adjustments as may be required to secure all necessary Regulatory Approvals, such value as is determined by the Committee; and
- (e) if the Company's Shares are not listed on any organized trading facility, then the Market Value will be, subject to any adjustments as may be required to secure all necessary Regulatory Approvals, such value as is determined by the Committee to be the fair value of the Shares, taking into consideration all factors that the Committee deems appropriate, including, without limitation, recent sale and offer prices of the Shares in private transactions negotiated at arms' length. Notwithstanding anything else contained herein, in no case will the Market Value be less than the minimum prescribed by each of the organized trading facilities that would apply to the Company on the Grant Date in question.

5.4 **Termination of Option**

Subject to such other terms or conditions that may be attached to Options granted hereunder, an Option Holder may exercise an Option in whole or in part at any time and from time to time during

the Exercise Period. Any Option or part thereof not exercised within the Exercise Period shall terminate and become null, void and of no effect as of the Expiry Time on the Expiry Date. The Expiry Date of an Option shall be the earlier of the date so fixed by the Committee at the time the Option is granted as set out in the Option Certificate and the date established, if applicable, in paragraphs (a) or (b) below or sections 6.2, 6.3, 6.4, or 11.4 of this Plan:

- (a) *Ceasing to Hold Office* - In the event that the Option Holder holds his or her Option as an Executive and such Option Holder ceases to hold such position other than by reason of death or Disability, the Expiry Date of the Option shall be, unless otherwise determined by the Committee and expressly provided for in the Option Certificate or subject to the Committee's discretion to extend such period for up to one (1) year, or prior to the Expiry Time on the Expiry Date in respect thereof, whichever is sooner, the 30th day following the date the Option Holder ceases to hold such position unless the Option Holder ceases to hold such position as a result of:
- (i) ceasing to meet the qualifications set forth in the corporate legislation applicable to the Company;
 - (ii) a special resolution having been passed by the shareholders of the Company removing the Option Holder as a director of the Company or any Subsidiary; or
 - (iii) an order made by any Regulatory Authority having jurisdiction to so order,

in which case the Expiry Date shall be the date the Option Holder ceases to hold such position; OR

- (b) *Ceasing to be Employed or Engaged* - In the event that the Option Holder holds his or her Option as an Employee or Consultant and such Option Holder ceases to hold such position other than by reason of death or Disability, the Expiry Date of the Option shall be, unless otherwise determined by the Committee and expressly provided for in the Option Certificate or subject to the Committee's discretion to extend such period for up to one (1) year, or prior to the Expiry Time on the Expiry Date in respect thereof, whichever is sooner, the 30th day following the date the Option Holder ceases to hold such position, unless the Option Holder ceases to hold such position as a result of:
- (i) termination for cause;
 - (ii) resigning his or her position; or
 - (iii) an order made by any Regulatory Authority having jurisdiction to so order,

in which case the Expiry Date shall be the date the Option Holder ceases to hold such position.

In the event that the Option Holder ceases to hold the position of Executive, Employee or Consultant for which the Option was originally granted, but comes to hold a different position as an Executive, Employee or Consultant prior to the expiry of the Option, the Committee may, in its sole discretion, choose to permit the Option to stay in place for that Option Holder with such Option then to be treated as being held by that Option Holder in his or her new position and such will not be considered to be an amendment to the Option in question. Notwithstanding anything else contained herein, in no case will an Option be exercisable later than the Expiry Date of the Option.

5.5 **Vesting of Option and Acceleration**

The vesting schedule for an Option, if any, shall be determined by the Committee and shall be set out in the Option Certificate issued in respect of the Option. The Committee may elect, at any time, to accelerate the vesting schedule of one or more Options including, without limitation, on a Triggering Event, and such acceleration will not be considered an amendment to the Option in question.

5.6 **Additional Terms**

Subject to all applicable Regulatory Rules and all necessary Regulatory Approvals, the Committee may attach additional terms and conditions to the grant of a particular Option, such terms and conditions to be set out in a schedule attached to the Option Certificate. The Option Certificates will be issued for convenience only, and in the case of a dispute with regard to any matter in respect thereof, the provisions of this Plan and the records of the Company shall prevail over the terms and conditions in the Option Certificate, save and except as noted below. Each Option will also be subject to, in addition to the provisions of the Plan, the terms and conditions contained in the schedules, if any, attached to the Option Certificate for such Option. Should the terms and conditions contained in such schedules be inconsistent with the provisions of the Plan, such terms and conditions will supersede the provisions of the Plan.

SECTION 6 TRANSFERABILITY OF OPTIONS

6.1 **Non-transferable**

Except as provided otherwise in this section 6, Options are non-assignable and non-transferable.

6.2 **Death of Option Holder**

In the event of the Option Holder's death, any Options held by such Option Holder shall pass to the Personal Representative of the Option Holder and shall be exercisable by the Personal Representative on or before the date which is the earlier of one year following the date of death and the applicable Expiry Date.

6.3 **Disability of Option Holder**

If the employment or engagement of an Option Holder as an Employee or Consultant or the position of an Option Holder as a director or officer of the Company or a Subsidiary is terminated by the Company by reason of such Option Holder's Disability, any Options held by such Option Holder shall be exercisable by such Option Holder or by the Personal Representative on or before the date which is the earlier of one year following the termination of employment, engagement or appointment as a director or officer and the applicable Expiry Date.

6.4 **Disability and Death of Option Holder**

If an Option Holder has ceased to be employed, engaged or appointed as a director or officer of the Company or a Subsidiary by reason of such Option Holder's Disability and such Option Holder dies within one year after the termination of such engagement, any Options held by such Option Holder that could have been exercised immediately prior to his or her death shall pass to the Personal Representative of such Option Holder and shall be exercisable by the Personal Representative on or before the date which is the earlier of one year following the death of such Option Holder and the applicable Expiry Date.

6.5 **Vesting**

Unless the Committee determines otherwise, Options held by or exercisable by a Personal Representative shall, during the period prior to their termination, continue to vest in accordance with any vesting schedule to which such Options are subject.

6.6 **Deemed Non-Interruption of Engagement**

Employment or engagement by the Company shall be deemed to continue intact during any military or sick leave or other *bona fide* leave of absence if the period of such leave does not exceed 90 days or, if longer, for so long as the Option Holder's right to re-employment or re-engagement by the Company is guaranteed either by statute or by contract. If the period of such leave exceeds 90 days and the Option Holder's re-employment or re-engagement is not so guaranteed, then his or her employment or engagement shall be deemed to have terminated on the ninety-first day of such leave.

SECTION 7 EXERCISE OF OPTION

7.1 **Exercise of Option**

An Option may be exercised only by the Option Holder or the Personal Representative of any Option Holder. An Option Holder or the Personal Representative of any Option Holder may exercise an Option in whole or in part at any time and from time to time during the Exercise Period up to the Expiry Time on the Expiry Date by delivering to the Administrator the required Exercise Notice, or by written notice in the case of uncertificated Shares, the applicable Option Certificate and a certified cheque or bank draft or wire transfer payable to the Company or its legal counsel in an amount equal to the aggregate Exercise Price of the Shares then being purchased pursuant to

the exercise of the Option. Notwithstanding anything else contained herein, Options may not be exercised during a Black-Out unless the Committee determines otherwise.

7.2 **Black Out Period**

If an Option expires, terminates or is cancelled (other than an expiry, termination or cancellation pursuant to section 5.4(a)(i), (ii) or (iii) or section 5.4(b)(i), (ii) or (iii) above) within or immediately after a Black-Out, the Holder may elect for the term of such Option to be extended to the date which is ten (10) business days after the last day of the Black-Out; provided, that, the expiration date as extended by this section 7.2 will not in any event be beyond the later of: (i) December 31 of the calendar year in which the Option was otherwise due to expire; and (ii) the 15th day of the third month following the month in which the Option was otherwise due to expire.

7.3 **Issue of Share Certificates**

As soon as reasonably practicable following the receipt of the notice of exercise as described in section 7.1 and payment in full for the Optioned Shares being acquired, the Administrator will direct its transfer agent to issue to the Option Holder the appropriate number of Shares in either certificate form or on an uncertificated basis pursuant to the instructions given by the Option Holder to the Administrator. If the number of Shares so purchased is less than the number of Shares subject to the Option Certificate surrendered, the Administrator shall also provide a new Option Certificate for the balance of Shares available under the Option to the Option Holder concurrent with delivery of the Shares.

7.4 **No Rights as Shareholder**

Until the date of the issuance of the certificate for the Shares purchased pursuant to the exercise of an Option, no right to vote or receive dividends or any other rights as a shareholder shall exist with respect to such Shares, notwithstanding the exercise of the Option, unless the Committee determines otherwise. In the event of any dispute over the date of the issuance of the Shares, the decision of the Committee shall be final, conclusive and binding.

7.5 **Tax Withholding and Procedures**

Notwithstanding anything else contained in this Plan, the Company may, from time to time, implement such procedures and conditions as it determines appropriate with respect to the withholding and remittance of taxes imposed under applicable law, or the funding of related amounts for which liability may arise under such applicable law. Without limiting the generality of the foregoing, an Option Holder who wishes to exercise an Option must, in addition to following the procedures set out in section 7.1 and elsewhere in this Plan, and as a condition of exercise:

- (a) deliver a certified cheque, wire transfer or bank draft payable to the Company for the amount determined by the Company to be the appropriate amount on account of such taxes or related amounts; or
- (b) otherwise ensure, in a manner acceptable to the Company (if at all) in its sole and unfettered discretion, that the amount will be securely funded;

- (c) and must in all other respects follow any related procedures and conditions imposed by the Company.

SECTION 8 ADMINISTRATION

8.1 Board or Committee

The Plan shall be administered by the Administrator with oversight by the Committee.

8.2 Powers of Committee

The Committee shall have the authority to do the following:

- (a) oversee the administration of the Plan in accordance with its terms;
- (b) appoint or replace the Administrator from time to time;
- (c) determine all questions arising in connection with the administration, interpretation and application of the Plan, including all questions relating to the Market Value;
- (d) correct any defect, supply any information or reconcile any inconsistency in the Plan in such manner and to such extent as shall be deemed necessary or advisable to carry out the purposes of the Plan;
- (e) prescribe, amend, and rescind rules and regulations relating to the administration of the Plan;
- (f) determine the duration and purposes of leaves of absence from employment or engagement by the Company which may be granted to Option Holders without constituting a termination of employment or engagement for purposes of the Plan;
- (g) do the following with respect to the granting of Options:
 - (i) determine the Executives, Employees or Consultants to whom Options shall be granted, based on the eligibility criteria set out in this Plan;
 - (ii) determine the terms of the Option to be granted to an Option Holder including, without limitation, the Grant Date, Expiry Date, Exercise Price and vesting schedule (which need not be identical with the terms of any other Option);
 - (iii) determine when Options shall be granted; and
 - (iv) determine the number of Shares subject to each Option;
- (h) accelerate the vesting schedule of any Option previously granted; and

- (i) make all other determinations necessary or advisable, in its sole discretion, for the administration of the Plan.

8.3 **Administration by Committee**

All determinations made by the Committee in good faith shall be final, conclusive and binding upon all persons. The Committee shall have all powers necessary or appropriate to accomplish its duties under this Plan.

8.4 **Interpretation**

The interpretation by the Committee of any of the provisions of the Plan and any determination by it pursuant thereto shall be final, conclusive and binding and shall not be subject to dispute by any Option Holder. No member of the Committee or any person acting pursuant to authority delegated by it hereunder shall be personally liable for any action or determination in connection with the Plan made or taken in good faith and each member of the Committee and each such person shall be entitled to indemnification with respect to any such action or determination in the manner provided for by the Company.

SECTION 9 APPROVALS AND AMENDMENT

9.1 **Shareholder Approval of Plan**

If required by a Regulatory Authority or by the Committee, this Plan may be made subject to the approval of the shareholders of the Company as prescribed by the Regulatory Authority. If shareholder approval is required, any Options granted under this Plan prior to such time will not be exercisable or binding on the Company unless and until such shareholder approval is obtained.

9.2 **Amendment of Plan**

Subject to any required Regulatory Approvals, the Committee may from time to time amend any existing Option or the Plan provided that where such amendment relates to an existing Option and it would:

- (a) materially decrease the rights or benefits accruing to an Option Holder; or
- (b) materially increase the obligations of an Option Holder;

then, unless otherwise excepted out by a provision of this Plan, the Committee must also obtain the written consent of the Option Holder in question to such amendment.

SECTION 10
CONDITIONS PRECEDENT TO ISSUANCE OF OPTIONS AND SHARES

10.1 Compliance with Laws

An Option shall not be granted or exercised, and Shares shall not be issued pursuant to the exercise of any Option, unless the grant and exercise of such Option and the issuance and delivery of such Shares comply with all applicable Regulatory Rules, and such Options and Shares will be subject to all applicable trading restrictions in effect pursuant to such Regulatory Rules and the Company shall be entitled to legend the Option Certificates and the certificates for the Shares or the written notice in the case of uncertificated Shares representing such Shares accordingly.

10.2 Regulatory Approvals

In administering this Plan, the Committee will seek any Regulatory Approvals which may be required. The Committee will not permit any Options to be granted without first obtaining the necessary Regulatory Approvals unless such Options are granted conditional upon such Regulatory Approvals being obtained. The Committee will make all filings required with the Regulatory Authorities in respect of the Plan and each grant of Options hereunder. No Option granted will be exercisable or binding on the Company unless and until all necessary Regulatory Approvals have been obtained. The Committee shall be entitled to amend this Plan in order to secure any necessary Regulatory Approvals and such amendment will not require the consent of the Option Holders under section 9.2 of this Plan.

10.3 Inability to Obtain Regulatory Approvals

The Company's inability to obtain Regulatory Approval from any applicable Regulatory Authority, which Regulatory Approval is deemed by the Committee to be necessary to complete the grant of Options hereunder, the exercise of those Options or the lawful issuance and sale of any Shares pursuant to such Options, shall relieve the Company of any liability with respect to the failure to complete such transaction.

SECTION 11
ADJUSTMENTS AND TERMINATION

11.1 Termination of Plan

Subject to any necessary Regulatory Approvals, the Committee may terminate or suspend the Plan. Unless earlier terminated as provided in this section 11, the Plan shall terminate on, and no more Options shall be granted under the Plan after, the tenth anniversary of the date of the Exchange's acceptance of the Plan.

11.2 No Grant During Suspension of Plan

No Option may be granted during any suspension, or after termination, of the Plan. Suspension or termination of the Plan shall not, without the consent of the Option Holder, alter or impair any rights or obligations under any Option previously granted.

11.3 **Alteration in Capital Structure**

If there is a material alteration in the capital structure of the Company and the Shares are consolidated, subdivided, converted, exchanged, reclassified or in any way substituted for, the Committee shall make such adjustments to this Plan and to the Options then outstanding under this Plan as the Committee determines to be appropriate and equitable under the circumstances, so that the proportionate interest of each Option Holder shall, to the extent practicable, be maintained as before the occurrence of such event. Such adjustments may include, without limitation:

- (a) a change in the number or kind of shares of the Company covered by such Options; and
- (b) a change in the Exercise Price payable per Share provided, however, that the aggregate Exercise Price applicable to the unexercised portion of existing Options shall not be altered, it being intended that any adjustments made with respect to such Options shall apply only to the Exercise Price per Share and the number of Shares subject thereto.

For purposes of this section 11.3, and without limitation, neither:

- (c) the issuance of additional securities of the Company in exchange for adequate consideration (including services); nor
- (d) the conversion of outstanding securities of the Company into Shares shall be deemed to be material alterations of the capital structure of the Company. Any adjustment made to any Options pursuant to this section 11.3 shall not be considered an amendment requiring the Option Holder's consent for the purposes of section 9.2 of this Plan.

11.4 **Triggering Events**

Subject to the Company complying with section 11.5 and any necessary Regulatory Approvals and notwithstanding any other provisions of this Plan or any Option Certificate, the Committee may, without the consent of the Option Holder or Holders in question:

- (a) cause all or a portion of any of the Options granted under the Plan to terminate upon the occurrence of a Triggering Event; or
- (b) cause all or a portion of any of the Options granted under the Plan to be exchanged for incentive stock options of another corporation upon the occurrence of a Triggering Event in such ratio and at such exercise price as the Committee deems appropriate, acting reasonably.

Such termination or exchange shall not be considered an amendment to the Options.

11.5 **Notice of Termination by Triggering Event**

In the event that the Committee wishes to cause all or a portion of any of the Options granted under this Plan to terminate on the occurrence of a Triggering Event, it must give written notice to the Option Holders in question not less than 10 days prior to the consummation of a Triggering Event so as to permit the Option Holder the opportunity to exercise the vested portion of the Options prior to such termination. Upon the giving of such notice and subject to any necessary Regulatory Approvals, all Options or portions thereof granted under the Plan which the Company proposes to terminate shall become immediately exercisable notwithstanding any contingent vesting provision to which such Options may have otherwise been subject. Furthermore, if any of the Options granted under this Plan are cancelled prior to their Expiry Date, the Company shall not grant new Options to the same Persons or Entities until thirty (30) days have lapsed from the date of cancellation.

11.6 **Determinations to be Made By Committee**

Adjustments and determinations under this section 11 shall be made by the Committee, whose decisions as to what adjustments or determination shall be made, and the extent thereof, shall be final, binding, and conclusive.

SCHEDULE A

[Include legends prescribed by Regulatory Authorities, if required.]

LOPHOS HOLDINGS INC.

STOCK OPTION PLAN - OPTION CERTIFICATE

This Option Certificate is issued pursuant to the provisions of the Stock Option Plan (the “**Plan**”) of Lophos Holdings Inc. (the “**Company**”) and evidences that ●[Name of Option Holder] is the holder (the “**Option Holder**”) of an option (the “**Option**”) to purchase up to ● common shares (the “**Shares**”) in the capital stock of the Company at a purchase price of Cdn.\$ ● per Share (the “**Exercise Price**”). This Option may be exercised at any time and from time to time from and including the following Grant Date through to and including up to 4:00 p.m. local time in Vancouver, British Columbia (the “**Expiry Time**”) on the following Expiry Date:

- (a) the Grant Date of this Option is ●; and
- (b) subject to sections 5.4, 6.2, 6.3, 6.4 and 11.4 of the Plan, the Expiry Date of this Option is ●.

To exercise this Option, the Option Holder must deliver to the Administrator of the Plan, prior to the Expiry Time on the Expiry Date, an Exercise Notice, in the form provided in the Plan, or written notice in the case of uncertificated Shares, which is incorporated by reference herein, together with the original of this Option Certificate and a certified cheque or bank draft payable to the Company or its legal counsel in an amount equal to the aggregate of the Exercise Price of the Shares in respect of which this Option is being exercised.

This Option Certificate and the Option evidenced hereby is not assignable, transferable or negotiable and is subject to the detailed terms and conditions contained in the Plan. This Option Certificate is issued for convenience only and in the case of any dispute with regard to any matter in respect hereof, the provisions of the Plan and the records of the Company shall prevail. This Option is also subject to the terms and conditions contained in the schedules, if any, attached hereto.

[Include legends on the certificate or the written notice in the case of uncertificated shares prescribed by Regulatory Authorities, if required.]

If the Option Holder is a resident or citizen of the United States of America at the time of the exercise of the Option, the certificate(s) representing the Shares will be endorsed with the following or a similar legend:

“The securities represented hereby have not been registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”) or the securities laws of any state of the United States. The holder hereof, by purchasing such securities, agrees for the benefit of the Company that such securities may be offered, sold or otherwise transferred only (a) to the Company; (b) outside the United States in accordance with Rule 904 of Regulation S under the U.S. Securities Act; (c) in accordance with the exemption from registration under the U.S. Securities Act provided by Rule 144 thereunder, if available, and in compliance with any applicable state securities laws; or (d) in a transaction that does not require registration under the U.S. Securities Act and any applicable state securities laws, and, in the case of paragraph (c) or (d), the seller furnishes to the Company an opinion of counsel of recognized standing in form and substance satisfactory to the Company to such effect.

The presence of this legend may impair the ability of the holder hereof to effect “good delivery” of the securities represented hereby on a Canadian stock exchange.”

LOPHOS HOLDINGS INC.
by its authorized signatory:

The Option Holder acknowledges receipt of a copy of the Plan and represents to the Company that the Option Holder is familiar with the terms and conditions of the Plan, and hereby accepts this Option subject to all of the terms and conditions of the Plan. The Option Holder agrees to execute, deliver, file and otherwise assist the Company in filing any report, undertaking or document with respect to the awarding of the Option and exercise of the Option, as may be required by the Regulatory Authorities. The Option Holder further acknowledges that if the Plan has not been approved by the shareholders of the Company on the Grant Date, this Option is not exercisable until such approval has been obtained.

Signature of Option Holder:

Signature

Date signed:

Print Name

Address

OPTION CERTIFICATE – SCHEDULE

[Complete the following additional terms and any other special terms, if applicable, or remove the inapplicable terms or this schedule entirely.]

The additional terms and conditions attached to the Option represented by this Option Certificate are as follows:

1. The Options will not be exercisable unless and until they have vested and then only to the extent that they have vested. The Options will vest in accordance with the following:
 - (a) ● Shares (●%) will vest and be exercisable on or after the Grant Date;
 - (b) ● additional Shares (●%) will vest and be exercisable on or after ● [date];
 - (c) ● additional Shares (●%) will vest and be exercisable on or after ● [date];
 - (d) ● additional Shares (●%) will vest and be exercisable on or after ● [date];

2. Upon the Option Holder ceasing to hold a position with the Company, other than as a result of the events set out in paragraphs 5.4(a) or 5.4(b) of the Plan, the Expiry Date of the Option shall be ● **[Insert date desired that is longer or shorter than the standard 30 days as set out in the Plan]** following the date the Option Holder ceases to hold such position.

SCHEDULE B

LOPHOS HOLDINGS INC.

STOCK OPTION PLAN

NOTICE OF EXERCISE OF OPTION

TO: The Administrator, Stock Option Plan
Lophos Holdings Inc.
● [Address]
(or such other address as the Company may advise)

The undersigned hereby irrevocably gives notice, pursuant to the Stock Option Plan (the “**Plan**”) of Lophos Holdings Inc. (the “**Company**”), of the exercise of the Option to acquire and hereby subscribes for (**cross out inapplicable item**):

- (a) all of the Shares; or
- (b) of the Shares;

which are the subject of the Option Certificate attached hereto (**attach your original Option Certificate**). The undersigned tenders herewith a certified cheque or bank draft (**circle one**) payable to the Company or to ● in an amount equal to the aggregate Exercise Price of the aforesaid Shares and directs the Company to issue a certificate OR a written notice in the case of uncertificated Shares evidencing said Shares in the name of the undersigned to be issued to the undersigned [in the case of issuance of a share certificate, at the following address (**provide full complete address**)]:

The undersigned acknowledges the Option is not validly exercised unless this Notice is completed in strict compliance with this form and delivered to the required address with the required payment prior to 4:00 p.m. local time in Vancouver, BC on the Expiry Date of the Option.

DATED the day ____ of _____, 20__ .

Signature of Option Holder

**SCHEDULE “B”
CHARTER OF THE AUDIT COMMITTEE
OF THE BOARD OF DIRECTORS**

1. PURPOSE AND PRIMARY RESPONSIBILITY

- 1.1. This charter sets out the Audit Committee’s purpose, composition, member qualification, member appointment and removal, responsibilities, operations, manner of reporting to the Board of Directors (the “**Board**”) of Lophos Holdings Inc. (the “**Company**”), annual evaluation and compliance with this charter.
- 1.2. The primary responsibility of the Audit Committee is that of oversight of the financial reporting process on behalf of the Board. This includes oversight responsibility for financial reporting and continuous disclosure, oversight of external audit activities, oversight of financial risk and financial management control, and oversight responsibility for compliance with tax and securities laws and regulations as well as whistle blowing procedures. The Audit Committee is also responsible for the other matters as set out in this charter and/or such other matters as may be directed by the Board from time to time. The Audit Committee should exercise continuous oversight of developments in these areas.

2. MEMBERSHIP

- 2.1. At least a majority of the Audit Committee must be comprised of independent directors of the Company as defined in sections 1.4 and 1.5 of National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”), provided that should the Company become listed on a senior exchange, each member of the Audit Committee will also satisfy the independence requirements of such exchange.
- 2.2. The Audit Committee will consist of at least two members, all of whom shall be financially literate, provided that an Audit Committee member who is not financially literate may be appointed to the Audit Committee if such member becomes financially literate within a reasonable period of time following his or her appointment. Upon graduating to a more senior stock exchange, if required under the rules or policies of such exchange, the Audit Committee will consist of at least three members, all of whom shall meet the experience and financial literacy requirements of such exchange and of NI 52-110.
- 2.3. The members of the Audit Committee will be appointed annually (and from time to time thereafter to fill vacancies on the Audit Committee) by the Board. An Audit Committee member may be removed or replaced at any time at the discretion of the Board and will cease to be a member of the Audit Committee on ceasing to be an independent director.
- 2.4. The Chair of the Audit Committee will be appointed by the Board.

3. AUTHORITY

- 3.1. In addition to all authority required to carry out the duties and responsibilities included in this charter, the Audit Committee has specific authority to:
 - a) engage, set and pay the compensation for independent counsel and other advisors as it determines necessary to carry out its duties and responsibilities, and any such consultants or professional advisors so retained by the Audit Committee will report directly to the Audit Committee;
 - b) communicate directly with management and any internal auditor, and with the external auditor without management involvement; and
 - c) incur ordinary administrative expenses that are necessary or appropriate in carrying out its duties, which expenses will be paid for by the Company.

4. DUTIES AND RESPONSIBILITIES

4.1. The duties and responsibilities of the Audit Committee include:

- a) recommending to the Board the external auditor to be nominated by the Board;
- b) recommending to the Board the compensation of the external auditor to be paid by the Company in connection with (i) preparing and issuing the audit report on the Company's financial statements, and (ii) performing other audit, review or attestation services;
- c) reviewing the external auditor's annual audit plan, fee schedule and any related services proposals (including meeting with the external auditor to discuss any deviations from or changes to the original audit plan, as well as to ensure that no management restrictions have been placed on the scope and extent of the audit examinations by the external auditor or the reporting of their findings to the Audit Committee);
- d) overseeing the work of the external auditor;
- e) ensuring that the external auditor is independent by receiving a report annually from the external auditors with respect to their independence, such report to include disclosure of all engagements (and fees related thereto) for non-audit services provided to the Company;
- f) ensuring that the external auditor is in good standing with the Canadian Public Accountability Board by receiving, at least annually, a report by the external auditor on the audit firm's internal quality control processes and procedures, such report to include any material issues raised by the most recent internal quality control review, or peer review, of the firm, or any governmental or professional authorities of the firm within the preceding five years, and any steps taken to deal with such issues;
- g) ensuring that the external auditor meets the rotation requirements for partners and staff assigned to the Company's annual audit by receiving a report annually from the external auditors setting out the status of each professional with respect to the appropriate regulatory rotation requirements and plans to transition new partners and staff onto the audit engagement as various audit team members' rotation periods expire;
- h) reviewing and discussing with management and the external auditor the annual audited and quarterly unaudited financial statements and related Management Discussion and Analysis ("MD&A"), including the appropriateness of the Company's accounting policies, disclosures (including material transactions with related parties), reserves, key estimates and judgements (including changes or variations thereto) and obtaining reasonable assurance that the financial statements are presented fairly in accordance with IFRS and the MD&A is in compliance with appropriate regulatory requirements;
- i) reviewing and discussing with management and the external auditor major issues regarding accounting principles and financial statement presentation including any significant changes in the selection or application of accounting principles to be observed in the preparation of the financial statements of the Company and its subsidiaries;
- j) reviewing and discussing with management and the external auditor the external auditor's written communications to the Audit Committee in accordance with generally accepted auditing standards and other applicable regulatory requirements arising from the annual audit and quarterly review engagements;

- k) reviewing and discussing with management and the external auditor all earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies prior to such information being disclosed;
- l) reviewing the external auditor's report to the shareholders on the Company's annual financial statements;
- m) reporting on and recommending to the Board the approval of the annual financial statements and the external auditor's report on those financial statements, the quarterly unaudited financial statements, and the related MD&A and press releases for such financial statements, prior to the dissemination of these documents to shareholders, regulators, analysts and the public;
- n) satisfying itself on a regular basis through reports from management and related reports, if any, from the external auditors, that adequate procedures are in place for the review of the Company's disclosure of financial information extracted or derived from the Company's financial statements that such information is fairly presented;
- o) overseeing the adequacy of the Company's system of internal accounting controls and obtaining from management and the external auditor summaries and recommendations for improvement of such internal controls and processes, together with reviewing management's remediation of identified weaknesses;
- p) reviewing with management and the external auditors the integrity of disclosure controls and internal controls over financial reporting;
- q) reviewing and monitoring the processes in place to identify and manage the principal risks that could impact the financial reporting of the Company and assessing, as part of its internal controls responsibility, the effectiveness of the over-all process for identifying principal business risks and report thereon to the Board;
- r) satisfying itself that management has developed and implemented a system to ensure that the Company meets its continuous disclosure obligations through the receipt of regular reports from management and the Company's legal advisors on the functioning of the disclosure compliance system, (including any significant instances of non-compliance with such system) in order to satisfy itself that such system may be reasonably relied upon;
- s) resolving disputes between management and the external auditor regarding financial reporting;
- t) establishing procedures for: (i) the receipt, retention and treatment of complaints received by the Company from employees and others regarding accounting, internal accounting controls or auditing matters and questionable practises relating thereto; and (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters;
- u) reviewing and approving the Company's hiring policies with respect to partners or employees (or former partners or employees) of either a former or the present external auditor;
- v) pre-approving all non-audit services to be provided to the Company or any subsidiaries by the Company's external auditor;
- w) overseeing compliance with regulatory authority requirements for disclosure of external auditor services and Audit Committee activities;
- x) establishing procedures for: (i) reviewing the adequacy of the Company's insurance coverage, including the Directors' and Officers' insurance coverage; (ii) reviewing activities, organizational

structure, and qualifications of the Chief Financial Officer (“CFO”) and the staff in the financial reporting area and ensuring that matters related to succession planning within the Company are raised for consideration at the Board; (iii) obtaining reasonable assurance as to the integrity of the Chief Executive Officer (“CEO”) and other senior management and that the CEO and other senior management strive to create a culture of integrity throughout the Company; (iv) reviewing fraud prevention policies and programs, and monitoring their implementation; (v) reviewing regular reports from management and others (e.g., external auditors, legal counsel) with respect to the Company’s compliance with laws and regulations having a material impact on the financial statements including:

- a. Tax and financial reporting laws and regulations;
 - b. Legal withholding requirements;
 - c. Environmental protection laws and regulations; and
 - d. Other laws and regulations which expose directors to liability.
- 4.2. A regular part of Audit Committee meetings involves the appropriate orientation of new members as well as the continuous education of all members. Items to be discussed include specific business issues as well as new accounting and securities legislation that may impact the organization. The Chair of the Audit Committee will regularly canvass the Audit Committee members for continuous education needs and in conjunction with the Board education program, arrange for such education to be provided to the Audit Committee on a timely basis.
- 4.3. On an annual basis the Audit Committee shall review and assess the adequacy of this charter taking into account all applicable legislative and regulatory requirements as well as any best practice guidelines recommended by regulators or stock exchanges with whom the Company has a reporting relationship and, if appropriate, recommend changes to the Audit Committee charter to the Board for its approval.

5. MEETINGS

- 5.1. The quorum for a meeting of the Audit Committee is a majority of the members of the Audit Committee.
- 5.2. The Chair of the Audit Committee shall be responsible for leadership of the Audit Committee, including scheduling and presiding over meetings, preparing agendas, overseeing the preparation of briefing documents to circulate during the meetings as well as pre-meeting materials, and making regular reports to the Board. The Chair of the Audit Committee will also maintain regular liaison with the CEO, CFO, and the lead external audit partner.
- 5.3. The Audit Committee will meet in camera separately with each of the CEO and the CFO of the Company at least annually to review the financial affairs of the Company.
- 5.4. The Audit Committee will meet with the external auditor of the Company in camera at least once each year, at such time(s) as it deems appropriate, to review the external auditor’s examination and report.
- 5.5. The external auditor must be given reasonable notice of, and has the right to appear before and to be heard at, each meeting of the Audit Committee.
- 5.6. Each of the Chair of the Audit Committee, members of the Audit Committee, Chair of the Board, external auditor, CEO, CFO or secretary shall be entitled to request that the Chair of the Audit Committee call a meeting which shall be held within 48 hours of receipt of such request to consider any matter that such individual believes should be brought to the attention of the Board or the shareholders.

6. REPORTS

- 6.1. The Audit Committee will report, at least annually, to the Board regarding the Audit Committee's examinations and recommendations.
- 6.2. The Audit Committee will report its activities to the Board to be incorporated as a part of the minutes of the Board meeting at which those activities are reported.

7. MINUTES

- 7.1. The Audit Committee will maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board.

8. ANNUAL PERFORMANCE EVALUATION

- 8.1. The Board will conduct an annual performance evaluation of the Audit Committee, taking into account the Charter, to determine the effectiveness of the Committee.