

**AADIRECTION CAPITAL CORP.**  
(the “Issuer”)

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**INCENTIVE ROLLING STOCK OPTION PLAN**  
(CPC)

December 1, 2020

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## 1. DEFINITIONS AND INTERPRETATION

### 1.1 Defined Terms

For the purposes of this Plan, the following terms shall have the following meanings:

- (a) "Affiliate" has the meaning ascribed thereto by the Policies the Exchange;
- (b) "Board" means the Board of Directors of the Issuer or, as applicable, a committee consisting of not less than 3 Directors of the Issuer duly appointed to administer this Plan;
- (c) "Common Shares" means the common shares of the Issuer;
- (d) "Company" has the meaning ascribed thereto by the Policies the Exchange;
- (e) "Completion of the Qualifying Transaction" has the meaning ascribed thereto by the Policies of the Exchange;
- (f) "Consultant" means in relation to the Issuer, an individual (other than an Employee or a Director of the Issuer) who:
  - (i) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Issuer or to an Affiliate of the Issuer other than services provided in relation to a Distribution;
  - (ii) provides the services under a written contract between the Issuer or the Affiliate and the individual or the Company, as the case may be;
  - (iii) in the opinion of the Issuer, spends or will spend a significant amount of time and attention on the business and affairs of the Issuer or an Affiliate of the Issuer; and
  - (iv) has a relationship with the Issuer or an Affiliate that enables the individual to be knowledgeable about the business and affairs of the Issuer or the Affiliate;but does not include investor relations service providers, or persons carrying on Investor Relations Activities until Completion of the Qualifying Transaction by the Issuer;
- (g) "CPC Stock Option" means a stock option that may only entitle the holder to acquire Common Shares of the Issuer and may only be granted to a director or senior officer of the Issuer, and where permitted by Securities Laws, a technical consultant whose particular industry expertise in relation to the business of the vendor(s) or the target company, as the case may be, is required to evaluate the proposed Qualifying Transaction, or a Company, all of whose securities are owned by such a director, senior officer or technical consultant;
- (h) "CPC Stock Optioned Shares" means Common Shares acquired by a CPC Stock Option holder exercising a CPC Stock Option granted pursuant to this Plan;
- (i) "Director" means a director, senior officer or Management Company Employee of the Issuer or of an unlisted Company seeking a listing on the Exchange, or a director, senior

officer or Management Company Employee of an Issuer's or an unlisted Company's subsidiaries;

- (j) "Discounted Market Price" has the meaning ascribed to it in Exchange Policy 1.1;
- (k) "Disinterested Shareholder Approval" has the meaning ascribed thereto by the Exchange in "Policy 4.4 – Incentive Stock CPC Stock Options" of the Exchange's corporate finance manual;
- (l) "Distribution" has the meaning ascribed thereto by the Exchange;
- (m) "Eligible Person" means a Director, Employee or Consultant, and includes an issuer all the voting securities of which are owned by Eligible Persons;
- (n) "Employee" means:
  - (i) an individual who is considered an employee of the Issuer or its subsidiary under the Income Tax Act (Canada) (and for whom income tax, employment insurance and Canada Pension Plan deductions must be made at source);
  - (ii) an individual who works full-time for the Issuer or its subsidiary providing services normally provided by an employee and who is subject to the same control and direction by the Issuer over the details and method of work as an employee of the Issuer or the Affiliate, but for whom income tax deductions are not made at source, or
  - (iii) an individual who works for the Issuer or its subsidiary on a continuing and regular basis for a minimum amount of time per week (the number of hours should be disclosed in the submission) providing services normally provided by an employee and who is subject to the same control and direction by the Issuer over the details and method of work as an employee of the Issuer, but for whom income tax deductions are not made at source;
- (o) "Exchange" means the TSX Venture Exchange and any successor entity;
- (p) "Expiry Date" means the last day of the term for a CPC Stock Option, as set by the Board at the time of grant and, if applicable, as amended from time to time with the consent of the optionee;
- (q) "Insider" has the meaning ascribed thereto by the Policies of the Exchange;
- (r) "Investor Relations Activities" has the meaning ascribed thereto by the Policies of the Exchange;
- (s) "IPO" means the initial public offering of Common Shares by the Issuer through the facilities of the Exchange;
- (t) "Issuer" means AADirection Capital Corp., and as the case may be, a subsidiary thereof;
- (u) "Management Company Employee" means an individual who is employed by a Person providing management services to the Issuer which are required for the ongoing

successful operation of the business enterprise of the Issuer, but excluding a Person engaged in Investor Relations Activities;

- (v) “Market Price” has the meaning ascribed thereto by the Policies of the Exchange;
- (w) “Material Change” means the definition prescribed by applicable Securities Laws.
- (x) “Material Fact” means the definition prescribed by applicable Securities Laws.
- (y) “Material Information” means a Material Fact and/or Material Change as defined by applicable Securities Laws and Exchange Policy.
- (z) "Other Share Compensation Arrangement" means, other than this Plan and any CPC Stock Options, any stock option plan, stock options, employee stock purchase plan or other compensation or incentive mechanism involving the issuance or potential issuance of Common Shares, including but not limited to a purchase of Common Shares from treasury which is financially assisted by the Issuer by way of loan, guarantee or otherwise;
- (aa) "Participant" means an Eligible Person who has been granted a CPC Stock Option;
- (bb) “Person” has the meaning ascribed thereto by the Policies of the Exchange;
- (cc) "Plan" means this rolling stock option plan;
- (dd) “Policy” means a policy of the Exchange as contained in its corporate finance manual, and the meanings of capitalized terms that are stated herein to have “Exchange ascribed meanings” are found in the applicable Policies of the Exchange, particularly Policy 1.1;
- (ee) “Qualifying Transaction” has the meaning ascribed thereto by the Policies of the Exchange;;
- (ff) “Securities Laws” means securities legislation, securities regulation and securities rules, as amended, and the policies, notices, instruments and blanket orders in force from time to time that are applicable to an Issuer;
- (gg) “Seed Share Price” means the price at which the Directors of Issuer collectively purchased a minimum of \$100,000 of seed shares from the Issuer in order to meet Exchange requirements under the Policy; and
- (hh) “Termination Date” means the date upon which an Eligible Person ceases to qualify as an Eligible Person as that term is defined above.

## **1.2 Interpretation**

References to the outstanding Common Shares at any point in time shall be computed on a non-diluted basis.

## **2. ESTABLISHMENT OF PLAN**

### **2.1 Purpose**

The purpose of this Plan is to advance the interests of the Issuer, through the grant of CPC Stock Options, by:

- (a) providing an incentive mechanism to foster the interest of Eligible Persons in the success of the Issuer and its Affiliates;
- (b) encouraging Eligible Persons to remain with the Issuer or its Affiliates; and
- (c) attracting new Directors, Employees and Consultants.

### **2.2 Shares Reserved**

- (a) The aggregate number of Common Shares that may be reserved for issuance pursuant to CPC Stock Options under the Plan shall not exceed 10% of the outstanding Common Shares:
  - a. as at the closing of the IPO until Completion of the Qualifying Transaction by the Issuer; and
  - b. after Completion of the Qualifying Transaction, as at the time of the granting of a CPC Stock Option,  
  
LESS the aggregate number of Common Shares then reserved for issuance pursuant to any Other Share Compensation Arrangement.
- (b) If a CPC Stock Option is surrendered, terminated or expires without being exercised, the Common Shares reserved for issuance pursuant to such CPC Stock Option shall be available for new CPC Stock Options granted under this Plan.
- (b) If there is a change in the outstanding Common Shares by reason of any share consolidation or split, reclassification or other capital reorganization, or a stock dividend, arrangement, amalgamation, merger or combination, or any other change to, event affecting, exchange of or corporate change or transaction affecting the Common Shares, the Board shall make, as it shall deem advisable and subject to the requisite approval of the relevant regulatory authorities, appropriate substitution and/or adjustment in:
  - (i) the number and kind of shares or other securities or property reserved or to be allotted for issuance pursuant to this Plan;
  - (ii) the number and kind of shares or other securities or property reserved or to be allotted for issuance pursuant to any outstanding unexercised CPC Stock Options, and in the exercise price for such shares or other securities or property; and
  - (iii) the vesting of any CPC Stock Options, including the accelerated vesting thereof on conditions the Board deems advisable,

and if the Issuer undertakes an arrangement or is amalgamated, merged or combined with another corporation, the Board shall make such provision for the protection of the rights of Participants as it shall deem advisable.

- (c) No fractional Common Shares shall be reserved for issuance under this Plan and the Board may determine the manner in which a CPC Stock Option, insofar as it relates to the acquisition of a fractional Common Share, shall be treated.
- (d) The Issuer shall, at all times while this Plan is in effect, reserve and keep available such number of Common Shares as will be sufficient to satisfy the requirements of this Plan.

### **2.3 Non-Exclusivity**

Nothing contained herein shall prevent the Board from adopting such other incentive or compensation arrangements as it shall deem advisable.

### **2.4 Effective Date**

This Plan shall be subject to the approval of the Exchange and such other applicable regulatory authority and shall be effective as at the date such approvals are obtained. Any CPC Stock Options granted under this Plan prior to such approvals being obtained shall be conditional upon such approvals being obtained, and no such CPC Stock Options may be exercised unless and until such approvals are obtained.

## **3. ADMINISTRATION OF PLAN**

### **3.1 Administration**

- (a) This Plan shall be administered by the Board. Subject to adhering to the provisions of this Plan, the Board shall have the authority:
  - (i) to determine the Eligible Persons to whom CPC Stock Options are granted, to grant such CPC Stock Options, and to determine any terms and conditions, limitations and restrictions in respect of any particular CPC Stock Option grant, including but not limited to the nature and duration of the restrictions, if any, to be imposed upon the acquisition, sale or other disposition of Common Shares acquired upon exercise of the CPC Stock Option, and the nature of the events and the duration of the period, if any, in which any Participant's rights in respect of a CPC Stock Option or Common Shares acquired upon exercise of a CPC Stock Option may be forfeited; and
  - (ii) to interpret the terms of this Plan, to make all such determinations and take all such other actions in connection with the implementation, operation and administration of this Plan, and to adopt, amend and rescind such administrative guidelines and other rules and regulations relating to this Plan, as it shall from time to time deem advisable, including without limitation for the purpose of ensuring compliance with Section 3.3 hereof.
- (b) The Board's interpretations, determinations, guidelines, rules and regulations shall be conclusive and binding upon the Issuer, Eligible Persons, Participants and all other persons.

### **3.2 Amendment, Suspension and Termination**

The Board may amend, subject to the approval of any regulatory authority whose approval is required, suspend or terminate this Plan or any portion thereof. No such amendment, suspension or termination shall alter or impair any outstanding unexercised CPC Stock Options or any rights without the consent of such Participant. If this Plan is suspended or terminated, the provisions of this Plan and any administrative guidelines, rules and regulations relating to this Plan shall continue in effect for the duration of such time as any CPC Stock Option remains outstanding.

### **3.3 Compliance with Legislation & Hold Periods**

- (a) This Plan, the grant and exercise of CPC Stock Options hereunder and the Issuer's obligation to sell, issue and deliver any Common Shares upon exercise of CPC Stock Options shall be subject to all applicable federal, provincial and foreign laws, policies, rules and regulations, to the policies, rules and regulations of any stock exchanges or other markets on which the Common Shares are listed or quoted for trading and to such approvals by any governmental or regulatory agency as may, in the opinion of counsel to the Issuer, be required. The Issuer shall not be obligated by the existence of this Plan or any provision of this Plan or the grant or exercise of CPC Stock Options hereunder to sell, issue or deliver Common Shares upon exercise of CPC Stock Options in violation of such laws, policies, rules and regulations or any condition or requirement of such approvals.
- (b) Common Shares sold, issued and delivered to Participants pursuant to the exercise of CPC Stock Options shall be subject to restrictions on resale and transfer under applicable securities laws and the requirements of any stock exchanges or other markets on which the Common Shares are listed or quoted for trading, and any certificates representing such Common Shares shall bear, as required, a restrictive legend in respect thereof.
- (c) The Issuer will comply with the current Policy of the Exchange to impose a four (4) month hold period running from the date of grant with respect to any exercise of CPC Stock Options at an exercise price granted below Market Price where a hold period is not otherwise required under applicable Securities Laws.

### **3.4 Tax Withholdings**

Notwithstanding any other provision contained herein, in connection with the exercise of a CPC Stock Option by a Participant from time to time, as a condition to such exercise the Issuer shall require such Participant to pay to the Issuer an amount as necessary so as to ensure that the Issuer is in compliance with the applicable provisions of any federal, provincial or local Laws relating to the withholding of tax or other required deductions relating to the exercise of such CPC Stock Options. In addition, the Issuer shall be entitled to withhold from any amount payable to a Participant, either under this Plan or otherwise, such amount as may be necessary so as to ensure that the Issuer is in compliance with the applicable provisions of any federal, provincial or local laws relating to the withholding of tax or other required deductions relating to the exercise of such CPC Stock Options.

## **4. OPTION GRANTS**

### **4.1 Eligibility and Multiple Grants**

CPC Stock Options shall only be granted to Eligible Persons. An Eligible Person may receive CPC Stock Options on more than one occasion and may receive separate CPC Stock Options, with differing terms, on any one or more occasions.

### **4.2 CPC Stock Option Agreement**

Every CPC Stock Option shall be evidenced by a CPC Stock Option agreement or certificate, in the form as approved from time to time by the Board, which shall, if the Participant is an Employee, Consultant or Management Issuer Employee, confirm such Participant is a bona fide Employee, Consultant or Management Issuer Employee, as the case may be, of the Issuer. In the event of any discrepancy between this Plan and an option agreement, the provisions of this Plan shall govern.

### **4.3 Limitation on Grants and Exercises**

Subject to Section 2.2(a), the limitations on grants and exercises of stock options under the Plan are as follows:

- (a) To any one person. The number of Common Shares reserved for issuance to any one person in any 12 month period under this Plan shall not exceed 5% of the outstanding Common Shares as at:
  - a. the closing of the IPO until Completion of the Qualifying Transaction by the Issuer; and
  - b. the time of the grant, after Completion of the Qualifying Transaction by the Issuer, unless the Issuer has obtained Disinterested Shareholder Approval to exceed such limit.
- (b) To Consultants. The number of Common Shares reserved for issuance to:
  - a. all Consultants, until Completion of the Qualifying Transaction by the Issuer, is 2% of the outstanding Common Shares as at the closing of the IPO; and
  - b. following Completion of the Qualifying Transaction by the Issuer, any one Consultant in any 12 month period under this Plan shall not exceed 2% of the outstanding Common Shares at the time of the grant.
- (c) To persons conducting Investor Relations Activities. Until Completion of the Qualifying Transaction by the Issuer, no Common Shares will be reserved for issuance to persons conducting Investor Relations Activities. Following Completion of the Qualifying Transaction, the aggregate number of Common Shares reserved for issuance to all persons conducting Investor Relations Activities in any 12 month period under this Plan shall not exceed 2% of the outstanding Common Shares at the time of the grant.
- (d) To Insiders. Unless the Issuer has received Disinterested Shareholder Approval to do so:

- (i) the aggregate number of Common Shares reserved for issuance to Insiders under this Plan shall not exceed 10% of the outstanding Common Shares as at the date of the IPO, until Completion of the Qualifying Transaction by the Issuer, and thereafter shall not exceed 10% of the outstanding Common Shares as at the time of the grant; and
- (ii) following Completion of the Qualifying Transaction by the Issuer, the aggregate number of Common Shares reserved for issuance to Insiders in any 12 month period under this Plan shall not exceed 10% of the outstanding Common Shares at the time of the grant.

## **5. OPTION TERMS**

### **5.1 Exercise Price**

The exercise price per Common Share for a CPC Stock Option shall not be less than:

- (a) the lowest price at which Seed Shares were issued by the CPC prior to the closing of the IPO;
- (b) after closing of the IPO, the greater of the IPO Common Share price and the Discounted Market Price, until the Completion of the Qualifying Transaction by the Issuer; and
- (c) after the Completion of the Qualifying Transaction by the Issuer, the Discounted Market Price.

The exercise price is normally fixed by way of the Issuer disseminating a news release announcing a grant of CPC Stock Options.

### **5.2 Expiry Date**

Every CPC Stock Option shall have a maximum term of 10 years from the date of grant except:

- (a) if the optionee does not continue as a Director, officer, technical Consultant or Employee of the Issuer after the Completion of the Qualifying Transaction, the maximum term of such CPC Stock Options shall be the later of 12 months after the Completion of the Qualifying Transaction and 90 days after the optionee ceases to be a Director, officer, technical Consultant or Employee of the Issuer; and
- (b) where the Issuer or an optionee, who is exercising a CPC Stock Option, is subject to a cease trade order (or similar order under Securities Laws), an automatic extension to the expiry date of a CPC Stock Option will apply if the Issuer has formally imposed a freeze on trading, including CPC Stock Option exercises, by optionees (a "blackout period") as a result of the bona fide existence of undisclosed Material Information prior to the original expiry date of a CPC Stock Option. Such extension will be effective until 10 business days after the expiry of the blackout period.

### **5.3 Vesting**

- (a) Subject to the subsection (b) herein and otherwise in compliance with the Policies of the Exchange, the Board shall determine the manner in which a CPC Stock Option shall vest and become exercisable.

- (b) CPC Stock Options granted to Consultants performing Investor Relations Activities shall vest over a minimum of 12 months with no more than 1/4 of such CPC Stock Options vesting in any 3 month period.

#### **5.4 Non-Assignability**

CPC Stock Options may not be assigned or transferred.

#### **5.5 Ceasing to be Eligible Person**

- (a) If a Participant who is a Director, Employee or Consultant is terminated for cause, each CPC Stock Option held by such Participant shall terminate and shall therefore cease to be exercisable upon such termination for cause.
- (b) If a Participant dies prior to otherwise ceasing to be an Eligible Person, each CPC Stock Option held by such Participant shall terminate and shall therefore cease to be exercisable no later than the earlier of the Expiry Date and the date which is six months after the date of the Participant's death, always provided that the Board may, in its discretion, extend the date of such termination and the resulting period in which such CPC Stock Option remains exercisable to a date not exceeding the earlier of the Expiry Date and the date which is twelve months after the date of the Participant's death.
- (c) If a Participant ceases to be an Eligible Person for any reason whatsoever other than death, each CPC Stock Option held by the Participant other than a Participant who is involved in investor relations activities will cease to be exercisable on the earlier of the Expiry Date and one (1) year after the Termination Date. For Participants involved in investor relations activities, CPC Stock Options shall cease to be exercisable on the earlier of the Expiry Date and 90 days after the Termination Date.
- (d) If any portion of a CPC Stock Option is not vested at the time a Participant ceases, for any reason whatsoever, to be an Eligible Person, such unvested portion of the CPC Stock Option may not be thereafter exercised by the Participant or its legal representative, as the case may be, always provided that the Board may, in its discretion, permit the Participant or its legal representative, as the case may be, to exercise all or any part of such unvested portion of the CPC Stock Option.

### **6. EXERCISE PROCEDURE**

#### **6.1 Exercise Procedure**

A CPC Stock Option may be exercised from time to time, and shall be deemed to be validly exercised by the Participant only upon the Participant's delivery to the Issuer at its registered office:

- (a) a written notice of exercise addressed to the Corporate Secretary of the Issuer, specifying the number of Common Shares with respect to which the CPC Stock Option is being exercised;
- (b) the originally signed option agreement or option certificate with respect to the CPC Stock Option being exercised (or if the Issuer is holding such original, confirmation of same);

- (c) a certified cheque or bank draft made payable to the Issuer for the aggregate exercise price for the number of Common Shares with respect to which the CPC Stock Option is being exercised plus any tax withholding required by the Issuer; and
- (d) documents containing such representations, warranties, agreements and undertakings, including such as to the Participant's future dealings in such Common Shares, as counsel to the Issuer reasonably determines to be necessary or advisable in order to comply with or safeguard against the violation of the laws of any jurisdiction;

and within 5 business days following, the Participant shall be deemed to be a holder of record of the Common Shares with respect to which the CPC Stock Option is being exercised, and the Issuer shall, within a reasonable amount of time as required to address Exchange requirements, cause a share certificate or the equivalent for such Common Shares to be issued and delivered to the Participant **provided however, all CPC Stock Optioned Shares acquired prior to Completion of the Qualifying Transaction by the Issuer will be escrowed as prescribed by Exchange Policy 2.4.**

## **7. AMENDMENT OF OPTIONS**

### **7.1 Consent to Amend**

The Board may amend any CPC Stock Option with the consent of the affected Participant and, where required, the Exchange, including any shareholder approval required by the Exchange. For greater certainty, Disinterested Shareholder Approval is required for any reduction in the exercise price of a CPC Stock Option if the Participant is an Insider at the time of the proposed amendment.

### **7.2 Amendment Subject to Approval**

If the amendment of a CPC Stock Option requires regulatory or shareholder approval, such amendment may be made prior to such approvals being given, but no such amended CPC Stock Options may be exercised unless and until such approvals are given.

## **8. MISCELLANEOUS**

### **8.1 No Rights as Shareholder**

Nothing in this Plan or any CPC Stock Option shall confer upon a Participant any rights as a shareholder of the Issuer with respect to any of the Common Shares underlying a CPC Stock Option unless and until such Participant shall have become the holder of such Common Shares upon exercise of such CPC Stock Option in accordance with the terms of the Plan.

### **8.2 No Right to Employment**

Nothing in this Plan or any CPC Stock Option shall confer upon a Participant any right to continue in the employ of the Issuer or any Affiliate or affect in any way the right of the Issuer or any Affiliate to terminate the Participant's employment, with or without cause, at any time; nor shall anything in the Plan or any CPC Stock Option be deemed or construed to constitute an agreement, or an expression of intent, on the part of the Issuer or any Affiliate to extend the employment of any Participant beyond the time which the Participant would normally be retired pursuant to the provisions of any present or future retirement plan of the Issuer or any Affiliate, or beyond the time at which he would otherwise be retired pursuant to the provisions of any contract of employment with the Issuer or any Affiliate.

### **8.3 Governing Law**

This Plan, all option agreements, the grant and exercise of CPC Stock Options hereunder, and the sale, issue and delivery of Common Shares hereunder upon exercise of CPC Stock Options shall be, as applicable, governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein. The Courts of the Province of British Columbia shall have the exclusive jurisdiction to hear and decide any disputes or other matters arising herefrom.