

WILDPACK BEVERAGE INC.
(the “Company”)

STATEMENT OF EXECUTIVE COMPENSATION

General

All references to “\$” herein are referring to Canadian Dollars, unless otherwise noted.

For the purpose of this Statement of Executive Compensation:

“**CEO**” means each individual who acted as chief executive officer of the Company or acted in a similar capacity for any part of the most recently completed financial year;

“**CFO**” means each individual who acted as chief financial officer of the Company or acted in a similar capacity for any part of the most recently completed financial year; and

“**Named Executive Officer**” or “**NEO**” means: (a) a CEO; (b) a CFO; (c) the Company’s most highly compensated executive officer other than the CEO and CFO, but including an executive officer of any of the Company’s subsidiaries, at the end of the most recently completed financial year and whose total compensation was, individually, more than C\$150,000 as determined in accordance with Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers*, for that financial year; and (d) each individual who would be a NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity at the end of the most recently completed financial year.

During the year ended December 31, 2022, the Company had five (5) Named Executive Officers, namely Mitch Barnard, CEO of the Company, Ryan Mason, CFO of the Company, Thomas Walker, Chief Growth Officer of the Company, Charles Zadlo, former Chief Operating Officer of the Company, and Stephen Fader, former Chief Execution Officer of the Company.

Compensation Discussion and Analysis

Interpretation

The NEOs who are the subject of this Compensation Discussion and Analysis are Mitch Barnard, CEO of the Company, Ryan Mason, CFO of the Company, Thomas Walker, Chief Growth Officer of the Company, Charles Zadlo, former Chief Operating Officer of the Company, and Stephen Fader, former Chief Execution Officer of the Company.

Compensation Program Objectives

On May 17, 2021, the Company completed the acquisition of all of the issued and outstanding securities of Wildpack Beverage Alberta Inc. constituting a Qualifying Transaction within the meaning of the policies of the TSX Venture Exchange (the “**Qualifying Transaction**”) and changed its name to Wildpack Beverage Inc.

Following the completion of the Qualifying Transaction, the Company established the Nominating, Compensation & Corporate Governance Committee (the “**NCG Committee**”), consisting of Jeffrey Mason (Chair), Sean Clark and Matthew Dwyer. The NCG Committee has been mandated to oversee and recommend for approval to the board of directors of the Company (the “**Board**”), the remuneration, compensation plans or policies applicable to executive officers, including those whose compensation is set forth under the heading “*Summary Compensation Table*” below.

The Company’s policy regarding executive compensation has the following objectives:

- to align compensation policies with the Company’s business objectives;
- to attract and retain talented, high performing executives; and
- to ensure that executives’ interests are consistent with the objectives of the Board and the Company’s shareholders.

Elements of the Compensation Program

The compensation package for the executive officers of the Company is principally composed of the following elements:

- base salary and benefits;
- a short-term incentive program of cash bonuses linked to the Company’s financial and operating performance in the short term and other initiatives that enhance the intrinsic value of the Company in the short term; and
- a long-term equity incentive program, comprising of equity incentive grants under the Company’s current omnibus incentive plan (the “**Omnibus Plan**”), as more particularly described herein, that link Company’s financial and operating performance in the long term and other initiatives that enhance the intrinsic value of the Company in the long term.

Purpose of Each Element of the Executive Compensation Program

The base salary and benefits of a NEO are intended to attract and retain talented executives by providing a reasonable amount of non-contingent remuneration. In addition to a fixed base salary, the incentive program exists to motivate NEOs to achieve short-term goals. The Omnibus Plan is intended to provide long-term incentives to the Company’s officers and employees to advance the Company’s strategy and execution and to enhance shareholder value. While the specifics of each NEO’s compensation plan may be distinctly unique, the intent is to allow a compensation program that is competitive, given similar roles and responsibilities, and considering the specifics of the business, market and industry. The specific metrics, and targets of each NEO’s compensation plan, have so far been developed and set through discussion with the Board; however, with the creation of the NCG Committee, this process is intended to become more structural over the coming year.

Risks of Compensation Policies and Practices

The Company’s compensation program is designed to provide executive officers incentives for the achievement of near-term and long-term objectives, without motivating them to take unnecessary risk.

As part of its review and discussion of executive compensation, the Board noted the following facts that discourage the Company’s executives from taking unnecessary or excessive risk:

- the Company’s business strategy and related compensation philosophy; and
- the effective balance, in each case, between near-term and long-term focus, corporate and individual performance, and financial and non-financial performance.

Based on this review, the Board believes that the Company’s total executive compensation program does not encourage executive officers to take unnecessary or excessive risk.

Omnibus Plan

Under the Omnibus Plan, the maximum number of common shares in the capital of the Company (“**Common Shares**”) that may reserved for the issuance for equity incentives, is equal to 22,208,262, which comprise of stock options (“**Options**”), Restricted Share Units (“**RSUs**”), Performance Share Units (“**PSUs**”) and Deferred Share Units (“**DSUs**”, and individually, or collectively with the Options, RSUs or PSUs, an “**Award**”).

To date, equity incentive grants have been made on the basis of the number of Awards currently held, position, overall individual performance, anticipated contribution to the Company’s future success and the individual’s ability to influence corporate and business performance. The purpose of granting equity incentives has been to assist the Company in compensating, attracting, retaining and motivating the officers, directors and employees of the Company and to closely align the personal interests of such persons to the interest of the shareholders.

The recipients of Awards and the terms of the Awards granted have been determined from time to time with the oversight and approval of the Board. See disclosure under heading “*Description of Omnibus Equity Incentive Plan*”.

Summary Compensation Table

The following table sets forth the compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, to each NEO during the Company’s most recently completed financial years ended December 31, 2022, 2021, and 2020. The following table is presented in US Dollars.

| Name and principal position | Year/Period | Salary (US\$) | Share-based awards (US\$) | Option-based awards (US\$) | Non-equity incentive plan compensation (US\$) | | Pension value (US\$) | All other compensation (US\$) ⁽⁸⁾ | Total compensation (US\$) |
|--|-------------|---------------|---------------------------|----------------------------|---|---------------------------|----------------------|--|---------------------------|
| | | | | | Annual incentive plans | Long-term incentive plans | | | |
| Mitch Barnard, Director and CEO ⁽¹⁾ | Dec. 2022 | 315,206 | Nil | 2,893 ⁽⁹⁾ | 181,817 | Nil | Nil | Nil | 499,916 |
| | Dec. 2021 | 167,687 | Nil | 186,603 ⁽²⁾ | Nil | Nil | Nil | Nil | 354,290 |
| | Dec. 2020 | 55,883 | Nil | 12,667 ⁽³⁾ | Nil | Nil | Nil | Nil | 68,550 |
| Ryan Mason, CFO | Dec. 2022 | 322,849 | Nil | 2,893 ⁽⁹⁾ | 181,817 | Nil | Nil | Nil | 507,559 |
| | Dec. 2021 | 167,803 | Nil | 186,603 ⁽²⁾ | Nil | Nil | Nil | Nil | 354,406 |
| | Dec. 2020 | 55,883 | Nil | 12,667 ⁽³⁾ | Nil | Nil | Nil | Nil | 68,550 |
| Thomas Walker, CGO ⁽⁴⁾ | Dec. 2022 | 315,154 | Nil | 2,893 ⁽⁹⁾ | 181,817 | Nil | 20,500 | Nil | 520,364 |
| | Dec. 2021 | 163,520 | Nil | 186,603 ⁽²⁾ | Nil | Nil | Nil | Nil | 350,123 |
| | Dec. 2020 | 55,883 | Nil | 12,667 ⁽³⁾ | Nil | Nil | Nil | Nil | 68,550 |

| | | | | | | | | | |
|---|-----------|---------|-----|------------------------|-----------------------|-----|--------|---------|---------|
| Charles Zadlo, Former COO ⁽⁵⁾ | Dec. 2022 | 267,524 | Nil | Nil | 40,119 | Nil | 11,947 | Nil | 319,590 |
| | Dec. 2021 | 107,196 | Nil | Nil | 25,000 ⁽⁶⁾ | Nil | Nil | Nil | 132,196 |
| | Dec. 2020 | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Stephen Fader, Director and Former Chief Execution Officer ⁽⁷⁾ | Dec. 2022 | Nil | Nil | Nil | Nil | Nil | Nil | 156,199 | 156,199 |
| | Dec. 2021 | 172,055 | Nil | 186,603 ⁽²⁾ | Nil | Nil | Nil | Nil | 358,658 |
| | Dec. 2020 | 63,644 | Nil | 20,267 ⁽³⁾ | Nil | Nil | Nil | Nil | 83,911 |

Notes:

- (1) On February 16, 2021, Mitch Barnard was appointed as Chief Executive Officer and director of Wildpack Beverage Alberta Inc. ("**Wildpack Alberta**"), and on May 17, 2021 was appointed as Chief Executive Officer of the Company upon completion of the reverse takeover (the "**RTO**") of Wildpack Alberta by Ponderous Panda Capital Corp. (the reporting issuer which is now the Company).
- (2) Options granted on May 19, 2021, vesting ¼ every six (6) months, over a two (2) year period. Based on a valuation of \$0.55 per option, determined using the Black-Scholes Model.
- (3) Options granted on July 25, 2020, vesting ¼ every six (6) months, over a two (2) year vesting period. Options have a four (4) year term. Based on a valuation of \$0.51 per option, determined using the Black-Scholes Model.
- (4) On May 24, 2021, Thomas Walker was appointed as Chief Growth Officer ("**CGO**") of the Company. Previously he was Chief Operating Officer of Wildpack Alberta.
- (5) On May 24, 2021, Charles Zadlo was appointed as Chief Operating Officer of the Company. On June 2, 2022, Charles Zadlo resigned as Chief Operating Officer of the Company.
- (6) Charles Zadlo was awarded a cash bonus in 2021.
- (7) On February 16, 2021, Stephen Fader was appointed as Chief Execution Officer and director of Wildpack Alberta, and on May 17, 2021 was appointed as Chief Execution Officer of the Company upon completion of the RTO. On December 31, 2021, Stephen Fader resigned as the Chief Execution Officer of the Company. Stephen was paid severance on departure which is recorded under the heading "All other compensation" in the table above.
- (8) Company provided ordinary course health benefits to the NEOs.
- (9) Options granted on July 5, 2022, vesting ¼ every six (6) months, over a two (2) year vesting period. Options Expire on December 25, 2025. Based on a valuation determined using the Black-Scholes Model.

Outstanding Share-based Awards and Option-based Awards

The following table provides a summary of all outstanding share-based awards and option-based awards held by each of the Named Executive Officers as at December 31, 2022. The following table is presented in US Dollars.

| Name | Option-Based Awards | | | | Share-based Awards | | |
|---------------------------------------|---|---|------------------------|---|---|--|--|
| | Number of securities underlying unexercised options (#) ⁽¹⁾⁽³⁾ | Option exercise price (US\$) ⁽¹⁾ | Option expiration date | Value of unexercised in-the-money options (US\$) ⁽²⁾ | Number of shares or units of shares that have not vested (#) ⁽³⁾ | Market or payout value of share-based awards that have not vested (US\$) | Market or payout value of vested share-based awards not paid out or distributed (US\$) |
| Mitch Barnard, Director and CEO | 284,000 | 0.84 | Dec. 25, 2025 | Nil | Nil | Nil | Nil |
| | 337,000 | 0.74 | May 19, 2025 | | | | |
| | 83,188 | 0.34 | July 25, 2024 | | | | |
| Ryan Mason, CFO | 284,000 | 0.84 | Dec. 25, 2025 | Nil | Nil | Nil | Nil |
| | 337,000 | 0.74 | May 19, 2025 | | | | |
| | 83,188 | 0.34 | July 25, 2024 | | | | |
| Thomas Walker, CGO | 284,000 | 0.84 | Dec. 25, 2025 | Nil | Nil | Nil | Nil |
| | 337,000 | 0.74 | May 19, 2025 | | | | |
| | 83,188 | 0.34 | July 25, 2024 | | | | |

| | Option-Based Awards | | | | Share-based Awards | | | |
|--|---------------------|--------------|-------------------------------|-----|--------------------|-----|-----|--|
| | | | | | | | | |
| Charles Zadlo, Former COO | 284,000 200,000 | 0.84 0.97 | Dec. 2, 2022 May 19, 2025 | Nil | Nil | Nil | Nil | |
| Stephen Fader, Former Chief Execution Officer | 337,000 133,100 | 0.74 0.34 | May 19, 2025 July 25, 2024 | Nil | Nil | Nil | Nil | |

Notes:

- (1) The Option exercise prices are set in Canadian dollars and for the purposes of the table above, have been converted from Canadian to US dollars at the spot rate on the respective grant date. The Option exercise prices in Canadian and US dollars are as follows: C\$1.10 (US\$0.84), C\$1.17 (US\$0.97), C\$0.90 (US\$0.74), and C\$0.55 (\$0.34).
- (2) Value of unexercised in-the-money option calculated using the market price of C\$0.13 per share, reflecting the market price.
- (3) Options vest in four equal tranches every six months from date of issuance.

Director Compensation

Director Compensation Table

The following table sets forth the compensation paid, payable, awarded granted, given or otherwise provided, directly or indirectly, to each director of the Company during the Company's most recently completed financial year ended December 31, 2022. The Company does not compensate management directors for their services in their capacity as directors. The following table is presented in US Dollars.

| Name | Fees Earned (US\$) | Share-based awards (US\$) | Option-based awards (US\$) | Non-equity incentive plan compensation (US\$) | Pension value (US\$) | All other compensation (US\$) | Total compensation (US\$) |
|---|--------------------|---------------------------|----------------------------|---|----------------------|-------------------------------|---------------------------|
| Jeffrey Mason, Director, Chair | Nil | 34,516 ⁽¹⁾ | Nil | Nil | Nil | Nil | 34,516 |
| Sean Clark, Director | Nil | 6,196 ⁽¹⁾ | Nil | Nil | Nil | Nil | 6,196 |
| Joseph Bubel, Director | Nil | 6,196 ⁽¹⁾ | Nil | Nil | Nil | Nil | 6,196 |
| Matthew Dwyer, Director | Nil | 6,007 ⁽¹⁾ | Nil | Nil | Nil | Nil | 6,007 |
| Emma (Sara) Coyle, Director | Nil | 6,196 ⁽¹⁾ | Nil | Nil | Nil | Nil | 6,196 |
| Izhar Basha, Director ⁽²⁾ | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Kim Murray, Former Director ⁽³⁾ | 150,000 | Nil | Nil | Nil | 13,500 | Nil | 163,500 |
| Kirpal Mann, Former Director ⁽⁴⁾ | Nil | 8,100 ⁽¹⁾ | Nil | Nil | Nil | Nil | 8,100 |

Notes:

- (1) On July 5, 2022, the directors of the Company were compensated with RSUs. Jeffrey Mason was granted 310,358 RSUs, Sean Clark and Joseph Bubel each granted 55,714 RSUs, Matthew Dwyer was granted 54,643 RSUs, and Emma (Sara) Coyle was granted 94,603 RSUs. On June 17, 2022, Kirpal Mann was granted 45,000 RSUs. The values of RSUs granted are calculated based on the share price of the stock at date of grant.
- (2) Izhar Basha was appointed as a director of the Company on May 16, 2023.

- (3) Kim Murray was appointed as a management director on December 15, 2021; she did not receive any compensation in 2022 for her services as a director of the Company. Kim Murray resigned from the Board of Directors on February 10, 2023.
- (4) Kirpal Mann was appointed as a director on May 17, 2021, and was previously a director of Wildpack Alberta. Kirpal Mann resigned from the Board of Directors on May 13, 2022.

Outstanding Share-based Awards and Option-based Awards

The following table provides a summary of all outstanding share-based awards and option-based awards held by each of the non-management directors of the Company as at December 31, 2022. The following table is presented in US Dollars.

| Name | Option-Based Awards | | | | Share-based Awards | | |
|--------------------------------|---|------------------------------|-------------------------------|--|--|--|--|
| | Number of securities underlying unexercised options (#) | Option exercise price (US\$) | Option expiration date | Value of unexercised in-the-money options (US\$) | Number of shares or units of shares that have not vested (#) | Market or payout value of share-based awards that have not vested (US\$) | Market or payout value of vested share-based awards not paid out or distributed (US\$) |
| Jeffrey Mason, Director, Chair | 66,550 101,000 ⁽¹⁾ | 0.34 0.74 | July 25, 2024 May 19, 2025 | Nil | Nil | Nil | Nil |
| Sean Clark, Director | 33,275 53,500 ⁽¹⁾ | 0.34 0.74 | July 25, 2024 May 19, 2025 | Nil | Nil | Nil | Nil |
| Joseph Bubel, Director | 33,275 53,500 ⁽¹⁾ | 0.34 0.74 | July 25, 2024 May 19, 2025 | Nil | Nil | Nil | Nil |
| Matthew Dwyer, Director | 199,650 53,500 ⁽¹⁾ | 0.33 0.74 | July 25, 2024 May 19, 2025 | Nil | Nil | Nil | Nil |
| Emma (Sara) Coyle, Director | Nil | N/A | N/A | Nil | Nil | Nil | Nil |
| Izhar Basha, Director | Nil | N/A | N/A | Nil | Nil | Nil | Nil |
| Kim Murray, Former Director | Nil | N/A | N/A | Nil | Nil | Nil | Nil |
| Kirpal Mann, Former Director | 33,275 53,500 ⁽¹⁾ | 0.34 0.74 | July 25, 2024 May 19, 2025 | Nil | Nil | Nil | Nil |

Notes:

- (1) Options granted on May 19, 2021, vest in ¼ tranches every six (6) months over a two (2) year period. Based on a valuation determined using the Black-Scholes Model.

Description of Omnibus Equity Incentive Plan

The Board of Directors of the Company adopted the Omnibus Plan on December 15, 2022, which was ratified by the shareholders of the Company on January 26, 2023, pursuant to which Options, RSUs, PSUs and DSUs may be granted to key directors, executive officers, employees and consultants of the Company.

The purpose of the Omnibus Plan is to: (i) provide the Company with a mechanism to attract, retain and motivate highly qualified directors, officers, employees and consultants of the Company and its affiliates; (ii) align the interests of Participants (as defined below) with that of other shareholders of the Company generally; and (iii) enable and encourage Participants to participate in the long-term growth of the Company through the acquisition of Common Shares as long-term investments.

Under the Omnibus Plan, the maximum number of Common Shares issuable from treasury pursuant to Awards shall not exceed 22,208,262 Common Shares less the number of Common Shares issuable pursuant to any “**Share Units**” (being RSUs, PSUs or DSUs) issued under the Omnibus Plan and any other security-based compensation arrangements of the Company. The Omnibus Plan with respect to the Options is a “**fixed plan**”. Shares in respect of which Options have not been exercised and are no longer subject to being purchased pursuant to the terms of any Options shall be available for further Options under the Omnibus Plan. For so long as the Company is listed on the TSX-V:

- (a) the maximum number of Common Shares for which Awards may be issued to any one Insider (as defined by the TSX-V) shall not exceed 10% of the outstanding Common Shares at any point in time, unless the Company obtains disinterested shareholder approval as required by the policies of the TSX-V;
- (b) the maximum number of Common Shares for which Awards may be issued to Insiders as a group in any 12-month period shall not exceed 10% of the outstanding Common Shares, calculated on the date an Award is granted to the Participant, unless the Company obtains disinterested shareholder approval as required by the policies of the TSX-V;
- (c) the maximum number of Common Shares for which Awards may be issued to any one Participant in any 12-month period shall not exceed 5% of the outstanding Common Shares, calculated on the date an Award is granted to the Participant, unless the Company obtains shareholder approval as required by the policies of the TSX-V;
- (d) the aggregate number of Common Shares for which Awards may be issued to any one Consultant (as defined by the TSX-V) within any 12-month period shall not exceed 2% of the outstanding Common Shares, calculated on the date an Award is granted to the Consultant;
- (e) the aggregate number of Common Shares for which Awards may be issued to Investor Relations Service Providers (as defined by the TSX-V) as a group within any 12-month period shall not exceed 2% of the outstanding Common Shares, calculated on the date an Award is granted to the Consultant, and such Awards shall only include Options;
- (f) Options granted to Investor Relations Service Providers shall be subject to the vesting requirements set out in TSX Venture Exchange Policy 4.4, and Awards granted to all other Participants shall be subject to the vesting requirements of TSX Venture Exchange Policy 4.4; and
- (g) for any grant of an Award to a Participant that is a company, excluding Participants that are companies which are Consultants, such recipient must provide the TSX-V with a completed *Certification and Undertaking Required from a Company Granted Security Based Compensation* in the form of Schedule “A” to Form 4G - *Summary Form – Security Based Compensation*.

The Omnibus Plan provides for customary adjustments or substitutions, as applicable, in the number of Common Shares that may be issued under the Omnibus Plan in the event of a merger, arrangement, amalgamation, consolidation, reorganization, recapitalization, separation, stock dividend, extraordinary dividend, stock split, reverse stock split, split up, spin-off or other distribution of stock or property of the Company, combination of securities, exchange of securities, dividend in kind, or other like change in

capital structure or distribution (other than normal cash dividends) to the Company's shareholders, or any similar corporate event or transaction. The Omnibus Plan also provides, with respect to DSUs, PSUs and RSUs, for the payment of dividend equivalents in the amount that a Participant would have received if DSUs, PSUs and RSUs had settled for Common Shares on the record date of dividends declared by the Company provided that if the number of securities issued as dividend equivalents, together with all of the Company's other share-based compensation, would exceed 22,208,262 Common Shares (or any of the other limits set forth in TSX-V Policy 4.4, including limits on grants with respect to individuals, Insiders, Consultants and Investor Relations Service Providers) then such dividend equivalents will be paid in cash.

The Omnibus Plan will be administered by the Board, which may delegate its authority to any duly authorized committee of the Board (the "**Plan Administrator**"). The Plan Administrator has sole and complete authority, in its discretion, to:

- (a) determine the individuals (the "**Participants**") to whom grants of Awards under the Omnibus Plan may be made;
- (b) make grants of Awards under the Omnibus Plan, whether relating to the issuance of Shares or otherwise (including any combination of Options, RSUs, PSUs, DSUs or Other Share-Based Awards), in such amounts, to such Participants and, subject to the provisions of the Omnibus Plan, on such terms and conditions as it determines, including, without limitation:
 - (i) the time or times at which Awards may be granted;
 - (ii) the conditions under which: (A) Awards may be granted to Participants; or (B) Awards may be forfeited to the Company, including any conditions relating to the attainment of specified performance goals;
 - (iii) the number of Shares to be covered by any Award;
 - (iv) the price, if any, to be paid by a Participant in connection with the purchase of Shares covered by any Awards;
 - (v) whether restrictions or limitations are to be imposed on the Shares issuable pursuant to grants of any Award, and the nature of such restrictions or limitations, if any; and
 - (vi) any acceleration of exercisability or vesting, or waiver of termination regarding any Award, based on such factors as the Plan Administrator may determine;
- (c) establish the form or forms of Award Agreements (as defined in the Omnibus Plan);
- (d) cancel, amend, adjust or otherwise change any Award under such circumstances as the Plan Administrator may consider appropriate in accordance with the provisions of the Omnibus Plan;
- (e) construe and interpret the Omnibus Plan and all Award Agreements;

- (f) adopt, amend, prescribe and rescind administrative guidelines and other rules and regulations relating to the Omnibus Plan, including rules and regulations relating to sub-plans established for the purpose of satisfying applicable foreign laws or for qualifying for favourable tax treatment under applicable foreign laws;
- (g) if an Award is to be granted to Employees, Consultants, or Management Company Employees, the Plan Administrator and the Participant to whom that Award is to be granted are responsible for ensuring and confirming that the Participant is a bona fide Employee, Consultant, or Management Company Employee; and
- (h) make all other determinations and take all other actions necessary or advisable for the implementation and administration of the Omnibus Plan.

If there is a Change in Control (as defined in the Omnibus Plan), the Plan Administrator may take such steps as it deems necessary or desirable, including to cause (i) the conversion or exchange of any outstanding Awards into or for, rights or other securities of substantially equivalent value, as determined by the Plan Administrator in its discretion, in any entity participating in or resulting from a Change in Control; (ii) outstanding Awards to vest and become exercisable, realizable, or payable, or restrictions applicable to an Award to lapse, in whole or in part prior to or upon consummation of such Change in Control, and, to the extent the Plan Administrator determines, terminate upon or immediately prior to the effectiveness of such Change in Control; (iii) the termination of an Award in exchange for an amount of cash and/or property, if any, equal to the amount that would have been attained upon the exercise or settlement of such Award or realization of the Participant's rights as of the date of the occurrence of the transaction net of any exercise price payable by the Participant (and, for the avoidance of doubt, if as of the date of the occurrence of the transaction the Plan Administrator determines in good faith that no amount would have been attained upon the exercise or settlement of such Award or realization of the Participant's rights net of any exercise price payable by the Participant, then such Award may be terminated by the Company without payment); (iv) the replacement of such Award with other rights or property selected by the Board in its sole discretion; or (v) any combination of the foregoing. Any such actions taken in connection with a Change in Control must comply with the policies of the TSX-V including, without limitation, the requirement that the acceleration of vesting of Options granted to Investor Relations Service Providers shall only occur with the prior written approval of the TSX-V.

Options

Subject to the terms and conditions of the Omnibus Plan and any policies of the TSX-V, the Board may grant Options to Participants in such amounts and upon such terms (including the exercise price, duration of the Options, the number of Common Shares to which the Option pertains, and the conditions, if any, upon which an Option shall become vested and exercisable) as the Board shall determine.

The exercise price of the Options will be determined by the Board at the time any Option is granted. In no event will such exercise price be lower than the last closing price of the Common Shares on the TSX-V. Except where a Participant elects for a Net Exercise (as defined below), such price upon exercise of any Option shall be payable to the Company in full in cash, certified cheque or wire transfer.

Subject to prior approval by the Board, a Participant may elect to surrender for cancellation to the Company any vested Options in accordance with the net exercise policies of the TSX-V (a "**Net Exercise**"). In connection with a Net Exercise, the Company will issue to the Participant, as consideration of the

Options, that number of Option Shares (as defined in the Omnibus Plan) determined on a net issuance basis in accordance with the following formula below:

$$X = \frac{Y (A - B)}{A}$$

where:

- X = The number of Option Shares issuable to the Participant as consideration for respect of the exchange or surrender of an Option under Section 4.6 of the Omnibus Plan;
- Y = The number of Option Shares issuable with respect to the vested portion of the Option to be exercised by the Participant (the “**Subject Options**”);
- A = The VWAP of the Shares; and
- B = The Exercise Price of the Subject Options.

Unless otherwise specified in an Award Agreement (as defined in the Omnibus Plan), and subject to any provisions of the Plan or the applicable Award Agreement relating to acceleration of vesting of Options, Options shall vest subject to TSX-V policies (including TSX-V Policies with respect to the vesting of Options granted to person performing Investor Relations Activities (as defined in the Omnibus Plan)), and the Board may, in its sole discretion, determine the time during which an Option shall vest and the method of vesting, or that no vesting restriction shall exist.

Subject to any requirements of the TSX-V, the Board may determine the expiry date of each Option. Subject to a limited extension if an Option expires during a black-out period, Options may be exercised for a period of up to ten (10) years after the grant date, provided that: (i) upon a Participant’s termination for cause, all Options, whether vested or not, as at the date on which a Participant ceases to be eligible to participate under the Omnibus Plan (the “**Termination Date**”) as a result of termination of employment, will automatically and immediately expire and be forfeited; (ii) upon the death of a Participant, all unvested Options as at the Termination Date shall automatically and immediately vest, and all vested Options will continue to be subject to the Omnibus Plan and be exercisable until the earlier of the original expiry date of the award and 12 months after the Termination Date; (iii) in the case of the disability of a Participant, all Options shall remain and continue to vest (and are exercisable) in accordance with the terms of the Omnibus Plan for a period of 12 months after the Termination Date, provided that any Options that have not been exercised (whether vested or not) within 12 months after the Termination Date shall automatically and immediately expire and be forfeited on such date; (iv) in the case of the retirement of a Participant, all Options shall remain and continue to vest (and are exercisable) in accordance with the terms of the Omnibus Plan for a period of 12 months after the Termination Date, provided that any Options that have not been exercised (whether vested or not) within 12 months after the Termination Date shall automatically and immediately expire and be forfeited on such date; and; (v) in all other cases where a Participant ceases to be eligible under the Omnibus Plan, including a termination without cause or a voluntary resignation, unless otherwise determined by the Board, all unvested Options shall automatically and immediately expire and be forfeited as of the Termination Date, and all vested Options will continue to be subject to the Omnibus Plan and be exercisable for a period of 90 days after the Termination Date, provided that any Options that have not been exercised within 90 days after the Termination Date shall automatically and immediately expire and be forfeited on such date.

Share Units

The Board is authorized to grant RSUs, PSUs and DSUs evidencing the right to receive Common Shares (issued from treasury), cash based on the value of a Common Share or a combination thereof at some future time to eligible persons under the Omnibus Plan.

RSUs generally become vested, if at all, following a period of continuous employment. PSUs are similar to RSUs, but their vesting is, in whole or in part, conditioned on the attainment of specified performance metrics as may be determined by the Board. The terms and conditions of grants of RSUs and PSUs, including the quantity, type of award, grant date, vesting conditions, vesting periods, settlement date and other terms and conditions with respect to these Awards will be set out in the Participant’s Award Agreement.

Subject to the achievement of the applicable vesting conditions, the payout of an RSU or PSU will generally occur on the settlement date. The payout of a DSU will generally occur upon or following the Participant ceasing to be a director, executive officer, employee or consultant of the Company, subject to satisfaction of any applicable conditions.

Executive Employment Contracts

Each of the NEOs have entered into executive employment agreements with the Company, as amended from time to time (the “**Executive Employment Agreements**”).

The Executive Employment Agreements each provide for the following compensation effective January 1, 2022: (i) a base annual salary of \$406,000 and (ii) up to a 100% performance incentive (the “**Performance Incentive**”), upon achievement of certain milestones, payable in a combination of cash (50%) (the “**Cash Bonus**”) and equity incentives (50%) (the “**Equity Incentive**”), which shall be stock options or RSUs at the Company’s sole discretion. For 2022, the Company determined that the Equity Incentive shall be payable in stock options.

The Performance Incentive for 2022 had the following vesting provisions:

| | Description of Milestone | Vesting of Cash Bonus | Vesting of Options |
|--------------------|--|--|--|
| Milestone 1 | Seven (7) facilities operating or one (1) reviewed quarter establishing a US\$35M revenue run rate in 2022 | 25% of the Cash Bonus to vest on date of achievement of Milestone 1 and to be paid within 30 days of determination of achievement of Milestone 1 | 189,000 options to vest one (1) year from date of achievement of Milestone 1 95,000 options to vest two (2) years from date of achievement of Milestone 1 |
| Milestone 2 | Eight (8) facilities operating or one (1) reviewed quarter establishing a US\$45M revenue run rate in 2022 | 25% of the Cash Bonus to vest on date of achievement of Milestone 2 and to be paid within 30 days of determination of achievement of Milestone 2 | 189,000 options to vest one (1) year from date of achievement of Milestone 2 95,000 options to vest two (2) years from date of achievement of Milestone 2 |
| Milestone 3 | One (1) reviewed quarter establishing positive net income or 25% gross profit margin in 2022 | 25% of the Cash Bonus to vest on date of achievement of Milestone 3 and to be paid within 30 days of | 25% of Equity Incentive to be granted in options of which 2/3rd is to vest one (1) year from date of achievement of Milestone 3 |

| | | | |
|--------------------|--|--|---|
| | | determination of achievement of Milestone 3 | 25% of Equity Incentive to be granted in options of which 1/3rd is to vest two (2) years from date of achievement of Milestone 3 |
| Milestone 4 | Full year 2022 having positive net income or US\$75M revenue | 25% of the Cash Bonus to vest on date of achievement of Milestone 4 and to be paid within 30 days of determination of achievement of Milestone 4 | 25% of Equity Incentive to be granted in options of which 2/3rd is to vest one (1) year from date of achievement of Milestone 4 25% of Equity Incentive to be granted in options of which 1/3rd is to vest two (2) years from date of achievement of Milestone 4 |

The Executive Employment Agreements each include the following provisions:

Resignation NEO may resign from employment at any time by providing not less than one (1) month’s written notice to the Company.

Termination for cause Company may terminate NEO’s employment at any time, without notice or pay in lieu of notice, for just cause as defined at common law.

Termination without cause The Company may terminate the NEO’s employment at any time without cause by providing the NEO with one (1) month’s written notice or pay in lieu of notice and additional severance in an amount equal to one year of the then-applicable base salary plus the cash bonus achievable in that year (less any required statutory deductions and withholding), and, pursuant to the terms of the Omnibus Plan, the NEO would become fully vested in respect of all equity incentives, which equity incentives shall remain exercisable for the lesser of: (i) 90 days from the date of notice of termination; and (ii) the period ending on the original expiry date of such equity incentives.

Change of Control Payments If the NEO’s employment is terminated by the Company without cause within one hundred eighty (180) days following a Change of Control (as defined below) or by the NEO for Good Reason (as defined below) within one hundred eighty (180) days after a Change of Control, the NEO shall be entitled to one year’s base salary, plus max cash bonus achievable in that year, payable in one lump sum less any required statutory deductions and withholdings.

Pursuant to the terms of the Omnibus Plan, if the NEO’s employment is terminated by the Company without cause within 12 months following a Change of Control (as defined below) or by the NEO for Good Reason (as defined below) within 12 months after a Change of Control, the NEO would become fully vested in respect of all equity incentives, which equity incentives

shall remain exercisable for the lesser of: (i) 90 days from the date of termination without cause or resignation for Good Reason; and (ii) the period ending on the original expiry date of such equity incentives

Defined Terms

A “**Change of Control**” will be deemed to have occurred when: (a) the acquisition or aggregation of securities by any person pursuant to which such person is or becomes the beneficial owner, directly or indirectly, of securities of the Company representing greater than 50% of the combined voting power of the Company's then outstanding Common Shares; (b) there is a merger or consolidation of the Company with one or more corporations as a result of which, immediately following such merger or consolidation, the shareholders of the Company immediately prior thereto as a group will hold less than a majority of the outstanding capital stock of the surviving or resulting corporation, or less than a majority of the combined outstanding capital stock of the parent of the surviving or resulting entity in such merger or consolidation; (c) the sale of all or substantially all of the Company's assets to a person or persons other than an affiliate of the Company; or (d) a change in the composition of the Board as a result of which fewer than one-half of the incumbent directors are directors who had been directors of the Company 12 months prior to such change, with the exception of any such change in the composition of the Board.

“**Good Reason**” means: (a) a material reduction in the authority or responsibility of the employee; (b) one or more reductions in the cumulative amount of 10% or more in the base salary of the employee and or 10% reduction in his STIP and LTIP, as compared to the most recent three year moving average, or over the actual term if that term is less than three years; or (c) the Company requiring the employee to relocate his physical principal place of work by a distance of 150 kilometres or more, without allowing for reasonable remote working via electronically; or any other action by the Company which would constitute constructive dismissal at common law.

Pursuant to the Executive Employment Agreements, the estimated incremental payments triggered by, or result from, change of control, severance, termination or constructive dismissal would be as follows:

1. If a NEO's employment is terminated by the Company without cause, or within one hundred eighty (180) days after a Change of Control by the NEO for Good Reason or by the Company:
 - (a) the NEO's base salary of \$406,000 would become immediately payable; and
 - (b) the Cash Bonus of \$203,000 would become immediately payable; and
2. If a NEO's employment is terminated by the Company without cause, or within 12 months after a Change of Control by the NEO for Good Reason or by the Company:
 - (a) the Equity Incentive would vest immediately; and

- (b) all other equity incentives held by the NEO would vest immediately.

Oversight and Description of Director and Named Executive Officer Compensation

Director Compensation

The Company has no standard arrangements pursuant to which directors are compensated by the Company for their services in their capacity as directors except for the granting from time to time of equity incentives in accordance with the Omnibus Plan and the TSX-V. The granting of equity incentives provides a link between director compensation and the Company's share price. It also rewards directors for achieving results that improve Company performance and thereby increase shareholder value. In making a determination as to whether a grant of long-term equity incentives is appropriate, and if so, the number of equity incentives that should be granted, the Board will consider: the number and terms of outstanding equity incentives held by each director; the value in securities of the Company that the Board intends to award as compensation; the potential dilution to shareholders and the cost to the Company; general industry standards; and the limits imposed by the terms of the Omnibus Plan and the TSX-V. The granting of equity incentives allows the Company to reward the directors' efforts to increase value for shareholders without requiring the Company to use cash from its treasury. The terms and conditions of the Company's equity incentive grants, including vesting provisions and exercise prices, are governed by the terms of the Omnibus Plan. The directors may be reimbursed for actual expenses reasonably incurred in connection with the performance of their duties as directors.

Named Executive Officer Compensation

The Company does not have a formal compensation program. However, the NCG Committee meets annually subsequent to the annual general meeting or more frequently as determined by the Board to discuss and determine management compensation, without reference to formal objectives, criteria or analysis. The general objectives of the Company's compensation strategy are to (a) compensate management in a manner that encourages and rewards a high level of performance and outstanding results with a view to increasing long-term shareholder value; (b) align management's interests with the long-term interests of shareholders; and (c) provide a compensation package that enables the Company to attract and retain talent.

The Board generally considers three elements of compensation – a base salary for the current financial year, a discretionary cash bonus for the previously completed financial year and a grant of long-term equity incentives.

Base salary is used to provide the Named Executive Officer with a set amount of money during the year with the expectation that he will perform his responsibilities to the best of his ability and in the best interests of the Company. The Board determines what the Named Executive Officer's base salary for the upcoming year will be based on the overall performance of the Company, the performance of the Named Executive Officer and general trends in the industry.

The granting of equity incentives provides a link between management compensation and the Company's share price. It also rewards management for achieving results that improve Company performance and thereby increase shareholder value. In making a determination as to whether a grant of long-term equity incentives is appropriate, and if so, the number of equity incentives that should be granted, the Board will consider: the number and terms of outstanding equity incentives held by the Named Executive Officer; the value in securities of the Company that the Board intends to award as compensation; the potential

dilution to shareholders and the cost to the Company; general industry standards; and the limits imposed by the terms of the Omnibus Plan and the TSX-V. The Company considers the granting of equity incentives to be a particularly important element of compensation as it allows the Company to reward the Named Executive Officer's efforts to increase value for shareholders without requiring the Company to use cash from its treasury. The terms and conditions of the Company's equity incentive grants, including vesting provisions and exercise prices, are governed by the terms of the Omnibus Plan.

Finally, the Board will consider whether it is appropriate and in the best interests of the Company to award a discretionary cash bonus to the Named Executive Officer for the most recently completed financial year and if so, in what amount. A cash bonus may be awarded to reward extraordinary performance that has led to increased value for shareholders through property acquisitions or divestitures, the formation of new strategic or joint venture relationships and/or capital raising efforts. Demonstrations of extraordinary personal commitment to the Company's interests, the community and the industry may also be rewarded through a cash bonus.

Other than as described above there are no other perquisites provided to the Named Executive Officers.

Benefit, Contribution, Pension, Retirement, Deferred Compensation and Actuarial Plans

The Company currently has no defined benefit, pension, retirement, deferred compensation or actuarial plans for its Named Executive Officers or directors of the Company. The Company maintains a defined contribution plan to provide benefits to eligible employees. The Company contributes matching contributions on behalf of each participant who is eligible to share in matching contributions for the plan year equal to 100% of each eligible participant's applicable contributions of up to 4% of included compensation. The plan is designated to be qualified under the applicable requirements of the Internal Revenue Code and the provisions of the Employee Retirement Income Security Act of 1974.

Contributions are based on total income to a threshold of \$330,000, which figure is inclusive of an employee's base salary and cash bonus. In the event an employee would like to withdraw from the fund while working, they must have reached the age of 59.5 years; otherwise, termination, retirement, disability or death are the conditions that allow withdrawal from the fund. Upon reaching normal retirement age, being 65 years of age, 100% of the plan will be vested and such employee will be entitled to the amount in their account, unless such individual elects to defer vesting and payment. In the event that an employee elects to defer vesting and payment upon reaching normal retirement age, such employee's entitlements will be paid out at the time such employee reaches 70.5 years of age.

The following table sets forth the pension plan payments or benefits paid to each NEO, during the Company's most recently completed financial year ended December 31, 2022. The following table is presented in US Dollars.

| Name and principal position | Accumulated value at start of year (US\$) | Compensatory (US\$) | Accumulated value at year end (US\$) |
|--|--|----------------------------|---|
| Mitch Barnard, Director and CEO | Nil | Nil | Nil |
| Ryan Mason, CFO | Nil | Nil | Nil |
| Thomas Walker, CGO | Nil | 20,500 | 20,500 |
| Charles Zadlo, Former Chief Operating Officer | Nil | 11,947 | 11,947 |
| Stephen Fader, Director and Former Chief Execution Officer | Nil | Nil | Nil |