

MJ INNOVATION CAPITAL CORP.

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

- AND -

MANAGEMENT INFORMATION CIRCULAR

MONDAY, NOVEMBER 30, 2020

10:00 A.M. (TORONTO TIME)

Circular dated October 23, 2020

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MJ INNOVATION CAPITAL CORP.

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual and special meeting (the “**Meeting**”) of the holders of the common shares (collectively, the “**Shareholders**” or individually, a “**Shareholder**”) of MJ Innovation Capital Corp. (the “**Corporation**”) will be held at the offices of Aird & Berlis LLP, Brookfield Place, Suite 1800, 181 Bay Street, Toronto, Ontario, M5J 2T9 on Monday, November 30, 2020 at the hour of 10:00 a.m. (Toronto time) for the following purposes:

1. to receive the audited financial statements of the Corporation for the financial year ended June 30, 2020, together with the report of the auditor thereon;
2. to elect the directors of the Corporation;
3. to appoint MNP LLP as auditor of the Corporation for the ensuing year and to authorize the directors of the Corporation to fix its remuneration;
4. to consider and, if thought appropriate, pass, with or without variation, a resolution approving the Corporation’s rolling stock option plan, as more fully described in the accompanying management information circular dated October 23, 2020 (the “**Circular**”); and
5. to transact such other business as may properly be brought before the Meeting or any adjournment or adjournments thereof.

Accompanying this Notice of Annual and Special Meeting of Shareholders is the Circular and a form of proxy (the “**Proxy**”).

Registered Shareholders may choose one of the following options to submit their Proxy: (a) complete, date and sign the Proxy and return it to the Corporation’s transfer agent, TSX Trust Company, by fax at 1-416-595-9593, or by mail to 301 - 100 Adelaide Street West, Toronto, ON M5H 4H1; or (b) log on to TSX Trust’s website at www.voteproxyonline.com, on or before 10:00 a.m. on Thursday, November 26, 2020, or if the Meeting is adjourned, not later than 48 hours, excluding Saturdays, Sundays or holidays, preceding the time of such adjourned Meeting, or in either case by such later date and time as the board of directors of the Corporation (the “**Board**”) may determine in its sole discretion. Registered shareholders must follow the instructions provided on the website and refer to the enclosed Proxy for the holder’s account number and the proxy access number.

The record date for the determination of those Shareholders entitled to receive the Notice of Annual and Special Meeting of Shareholders and to vote at the Meeting was the close of business on Friday, October 23, 2020.

The Corporation is actively monitoring the ongoing COVID-19 situation and is sensitive to public health concerns and protocols put in place by federal, provincial and municipal governments. The Corporation will be severely restricting physical access to the Meeting and only registered Shareholders and formally appointed proxyholders will be allowed to attend. In order to comply with government orders concerning maximum size of public gatherings and required physical distancing parameters, the Corporation may be unable to admit shareholders to the Meeting. The Corporation strongly encourages registered Shareholders and proxyholders not to attend the Meeting in person, and Shareholders are encouraged to vote using one of the methods described in the accompanying Circular. To further mitigate the risk of the spread of the virus, the Meeting will be audio-cast live at 10:00 a.m. (Toronto time) on November 30, 2020 and can be accessed by conference call at 647-723-3930 (Toronto local) or 1-800-369-4319 (toll free), participant code: 8657734. This call will be listen-only and Shareholders will not be able to vote or speak at, or otherwise participate in the Meeting via the conference call. Given the restrictions in place, the Board and auditors do not plan to attend the Meeting in person.

Changes to the Meeting date, time, location and/or means of holding the Meeting may be announced by way of press release. Please monitor the Corporation's press releases for updated information. We do not intend to prepare or mail an amended Circular in the event of changes to the Meeting format.

DATED at Toronto, Ontario this 23rd day of October, 2020.

BY ORDER OF THE BOARD

"Bryan Van Engelen"

Bryan Van Engelen
Chief Executive Officer, Chief Financial Officer and Director

MJ INNOVATION CAPITAL CORP.

MANAGEMENT INFORMATION CIRCULAR

SOLICITATION OF PROXIES

This Circular is furnished in connection with the solicitation of proxies by the management of MJ Innovation Capital Corp. (the “**Corporation**”) for use at the annual and special meeting (the “**Meeting**”) of holders (collectively, the “**Shareholders**” or individually, a “**Shareholder**”) of common shares in the capital of the Corporation (“**Common Shares**”) to be held at the time and place and for the purposes set forth in the attached Notice of Annual and Special Meeting of Shareholders (the “**Notice**”). The solicitation will be primarily by mail, but proxies may also be solicited personally or by telephone by regular employees of the Corporation. The cost of solicitation will be borne by the Corporation.

Except as noted below, the Corporation has distributed or made available for distribution, copies of the Notice, the Circular and Proxy or voting instruction form (if applicable) (collectively, the “**Meeting Materials**”) to clearing agencies, securities dealers, banks and trust companies or their nominees (collectively, the “**Intermediaries**”) for distribution to Beneficial Shareholders (as defined below) whose Common Shares are held by or in custody of such Intermediaries. Such Intermediaries are required to forward such documents to Beneficial Shareholders unless a Beneficial Shareholder has waived the right to receive them. The Corporation has elected to pay for the delivery of the Meeting Materials to objecting Beneficial Shareholders by the Intermediaries. The Corporation is sending proxy-related materials directly to non-objecting Beneficial Shareholders, through the services of its transfer agent and registrar, TSX Trust Company. The solicitation of proxies from Beneficial Shareholders will be carried out by the Intermediaries or by the Corporation if the names and addresses of the Beneficial Shareholders are provided by Intermediaries. The Corporation will pay the permitted fees and costs of Intermediaries incurred in connection with the distribution of the Meeting Materials. The Corporation is not relying on the notice-and-access provisions of securities laws for delivery of the Meeting Materials to registered Shareholders or Beneficial Shareholders.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the enclosed Proxy are officers and/or directors of the Corporation. **A Shareholder has the right to appoint a person (who need not be a Shareholder) to attend and act for such Shareholder and on his, her or its behalf at the Meeting other than the persons designated in the enclosed Proxy.** Such right may be exercised by inserting in the blank space provided for that purpose the name of the desired person or by completing another proper form of proxy and, in either case, delivering the completed and executed Proxy to the Corporation’s transfer agent, TSX Trust Company, by fax at 1-416-595-9593, or by mail to 301 - 100 Adelaide Street West, Toronto, ON M5H 4H1; or (b) log on to TSX Trust’s website at www.voteproxyonline.com, on or before 10:00 a.m. on Thursday, November 26, 2020, or if the Meeting is adjourned, not later than 48 hours, excluding Saturdays, Sundays or holidays, preceding the time of such adjourned Meeting, or in either case by such later date and time as the Board may determine in its sole discretion. Registered shareholders must follow the instructions provided on the website and refer to the enclosed proxy for the holder’s account number and the proxy access number.

Proxies given by Shareholders for use at the Meeting may be revoked prior to their use:

- (a) by depositing an instrument in writing executed by the Shareholder or by such Shareholder’s attorney duly authorized in writing or, if the Shareholder is a corporation, by an officer or attorney thereof duly authorized indicating the capacity under which such officer or attorney is signing:

- (i) at the registered office, 181 Bay Street, Suite 1800, Toronto, Ontario, M5J 2T9, at any time up to and including Friday, November 27, 2020; or
 - (ii) with the chairman of the Meeting on the day of the Meeting or any adjournment thereof; or
- (b) in any other manner permitted by law.

EXERCISE OF DISCRETION BY PROXIES

The persons named in the accompanying Proxy will vote the Common Shares in respect of which they are appointed in accordance with the direction of the Shareholders appointing them. **In the absence of such direction, such Common Shares will be voted in favour of the passing of the matters set out in the Notice. The Proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice and with respect to other matters which may properly come before the Meeting or any adjournment thereof.** At the time of the printing of this Circular, the management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting other than the matters referred to in the Notice. **However, if any other matters which at present are not known to the management of the Corporation should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgment of the named proxies.**

ADVICE TO BENEFICIAL SHAREHOLDERS

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, or non-objecting beneficial owners whose names have been provided to the Corporation's registrar and transfer agent, can be recognized and acted upon at the Meeting. The information set forth in this section is therefore of significant importance to a substantial number of Shareholders who do not hold their Common Shares in their own name (referred to in this section as "**Beneficial Shareholders**"). If Common Shares are listed in an account statement provided to a Shareholder by an Intermediary, then in almost all cases those Common Shares will not be registered in such Shareholder's name on the records of the Corporation. Such Common Shares will more likely be registered under the name of the Shareholder's Intermediary or an agent of that Intermediary. In Canada, the vast majority of such Common Shares are registered under the name of CDS & Co., as nominee for CDS Clearing and Depository Services Inc., which acts as a depository for many Canadian Intermediaries. Common Shares held by Intermediaries or their nominees can only be voted for or against resolutions upon the instructions of the Beneficial Shareholder. Without specific instructions, Intermediaries are prohibited from voting Common Shares for their clients.

Applicable regulatory policy requires Intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every Intermediary has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. Often the form of proxy supplied to a Beneficial Shareholder by its Intermediary is identical to the form of proxy provided by the Corporation to the Intermediaries. However, its purpose is limited to instructing the Intermediary how to vote on behalf of the Beneficial Shareholder. The majority of Intermediaries now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically mails the voting instruction forms or proxy forms to the Beneficial Shareholders and asks the Beneficial Shareholders to return the voting instruction forms or proxy forms to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. A Beneficial Shareholder receiving a proxy or voting instruction form from Broadridge cannot use that proxy to vote Common Shares directly at the Meeting -

the proxy must be returned to Broadridge well in advance of the Meeting in order to have the Common Shares voted.

Although Beneficial Shareholders may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of their Intermediary, a Beneficial Shareholder may attend the Meeting as proxyholder for the Intermediary and vote their Common Shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their own Common Shares as proxyholder for the Intermediary should enter their own names in the blank space on the management Proxy or voting instruction form provided to them and return the same to their Intermediary (or the agent of such Intermediary) in accordance with the instructions provided by such Intermediary or agent well in advance of the Meeting. **Beneficial Shareholders should carefully follow the instructions of their Intermediaries and their service companies.**

All references to shareholders in this Circular and the accompanying Proxy and Notice are to Shareholders of record unless specifically stated otherwise.

NOTE TO NON-OBJECTING BENEFICIAL OWNERS

The Meeting Materials are being sent to both registered and Beneficial Shareholders. If you are a Beneficial Shareholder, and the Corporation or its agent has sent the Meeting Materials directly to you, your name and address and information about your holdings of Common Shares, have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf. By choosing to send the Meeting Materials to you directly, the Corporation (and not the Intermediary holding on your behalf) has assumed responsibility for (i) delivering the Meeting Materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

COVID-19 NOTICE

The Corporation is actively monitoring the ongoing COVID-19 situation and is sensitive to public health concerns and protocols put in place by federal, provincial and municipal governments. The Corporation will be severely restricting physical access to the Meeting and only registered Shareholders and formally appointed proxyholders will be allowed to attend. In order to comply with government orders concerning maximum size of public gatherings and required physical distancing parameters, the Corporation may be unable to admit shareholders to the Meeting. The Corporation strongly encourages registered Shareholders and proxyholders not to attend the Meeting in person, and Shareholders are encouraged to vote using one of the methods described in the accompanying Circular. To further mitigate the risk of the spread of the virus, the Meeting will be audio-cast live at 10:00 a.m. (Toronto time) on November 30, 2020 and can be accessed by conference call at 647-723-3930 (Toronto local) or 1-800-369-4319 (toll free), participant code: 8657734. This call will be listen-only and Shareholders will not be able to vote or speak at, or otherwise participate in the Meeting via the conference call. Given the restrictions in place, the Board and auditors do not plan to attend the Meeting in person.

Changes to the Meeting date, time, location and/or means of holding the Meeting may be announced by way of press release. Please monitor the Corporation's press releases for updated information. We do not intend to prepare or mail an amended Circular in the event of changes to the Meeting format. All Shareholders are strongly encouraged to vote prior to the Meeting by any of the means described above.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The Corporation has fixed the close of business on Friday, October 23, 2020 as the record date (the “**Record Date**”) for the purposes of determining Shareholders entitled to receive the Notice and vote at the Meeting. As at the Record Date, 3,050,000 Common Shares carrying the right to one vote per share at the Meeting were issued and outstanding.

In accordance with the provisions of the *Business Corporations Act* (Ontario), the Corporation will prepare a list of the holders of Common Shares on the Record Date. Each holder of Common Shares named on the list will be entitled to vote the Common Shares shown opposite his, her or its name on the list at the Meeting.

To the knowledge of the directors and executive officers of the Corporation, as at the date of this Circular, no person beneficially owns, or controls or directs, directly or indirectly, voting securities of the Corporation carrying 10% or more of the voting rights attached to the Common Shares, except for the following:

Name of Shareholder	Number of Common Shares Beneficially Owned Directly or Indirectly	Percentage of Common Shares Held
Jennifer Mallick	450,000	14.75%

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

In this section “**Named Executive Officer**” means: (a) each individual who served as the Chief Executive Officer or the Chief Financial Officer of the Corporation, or an individual who acted in a similar capacity during the financial year ended June 30, 2020, regardless of the amount of compensation of that individual; (b) each of the Corporation's most highly compensated executive officers, other than the Chief Executive Officer and Chief Financial Officer, who were serving as executive officers, or acting in a similar capacity, as at June 30, 2020 and whose total compensation, individually, amounted to \$150,000 or more for the financial year ended June 30, 2020; and (c) any additional individual who would have been included under (b) but for the fact that the individual was neither an executive officer of the Corporation, nor acting in a similar capacity, as at June 30, 2020. The only Named Executive Officer is Bryan Van Engelen, who serves as both the Chief Executive Officer and Chief Financial Officer of the Corporation.

The Corporation is a Capital Pool Company, as defined in the TSXV Policy 2.4 - *Capital Pool Companies* (“**Policy 2.4**”), and as such, it has not commenced commercial operations and has no assets other than cash. Except as specifically contemplated in Policy 2.4, until the completion of a Qualifying Transaction (as defined in Policy 2.4), the Corporation will not carry on business other than the identification and evaluation of companies, businesses or assets with a view to completing a Qualifying Transaction.

As at the date of this Circular, the Corporation had not yet completed a Qualifying Transaction pursuant to Policy 2.4. Accordingly, the Named Executive Officer was not paid any compensation during the fiscal years ended June 30, 2020 and June 30, 2019 (other than a grant of incentive stock options, as described below), as the Policy 2.4 prohibits directors and officers from receiving remuneration while the Corporation is a capital pool company.

Pursuant to the Policy 2.4, prior to the completion of a Qualifying Transaction, no payment of any kind has been made, or will be made, directly or indirectly, by the Corporation to a Non-Arm's Length Party (as defined in the policies of the TSXV) of the Corporation or a Non-Arm's Length Party to a proposed Qualifying Transaction, or to any person engaged in investor relations activities in respect of the securities of the Corporation or any resulting issuer by any means, including remuneration such as salaries, consulting fees and directors' fees.

Option-Based Awards

The Corporation's Named Executive Officer and directors are all eligible to receive stock options pursuant to the Corporation's stock option plan (the "**Option Plan**"). For a summary of the stock options granted under the Option Plan, see "*Options and Other Compensation Securities*". The Corporation's granting of stock options to its directors and Named Executive Officer under the Option Plan is a method of compensation which is used to attract and retain personnel and to provide an incentive to participate in the long-term development of the Corporation and to increase shareholder value.

For a summary of the main terms and conditions of the Option Plan, see "*Particulars of Matters to be Acted Upon - Approval of Option Plan*".

Stock Option and Other Compensation Securities

The following table sets forth all compensation securities granted to the Named Executive Officer and the directors of the Corporation for the year ended June 30, 2020.

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)⁽¹⁾	Closing price of security or underlying security at year end (\$)	Expiry date
Bryan Van Engelen, Chief Executive Officer, Chief Financial Officer and Director	Options	20,000	August 9, 2019	0.20	0.10	0.06	August 9, 2029
Richard Kimel, Director	Options	140,000	August 9, 2019	0.20	0.10	0.06	August 9, 2029
Sherri Altshuler, Director	Options	5,000	August 9, 2019	0.20	0.10	0.06	August 9, 2029
Scott Rasenberg, Director	Options	140,000	August 9, 2019	0.20	0.10	0.06	August 9, 2029

Note:

(1) The Common Shares have been listed on the TSXV since August 9, 2019. Therefore, the price indicated refers to the offering price in the Corporation's final prospectus dated July 26, 2019.

Exercise of Compensation Securities by Named Executive Officers and Directors

No Named Executive Officer or director of the Corporation has exercised a compensation security during the most recently completed fiscal year ended June 30, 2020.

Stock Option Plans and Other Incentive Plans

The Corporation was a CPC during the year ended June 30, 2020. Accordingly, except for the stock option grants described herein, no compensation was paid by the Corporation to the Named Executive Officer or the directors in their capacity as executive officers of the Corporation, in their capacity as members of the Board, or as consultants or experts during the Corporation's most recently completed financial year. The stock options issued to the Named Executive Officer and directors of the Corporation were issued pursuant to the Option Plan which is being presented for approval at this year's Meeting. Please see "*Business of the Meeting - Approval of Option Plan*" for specific details concerning the Option Plan.

Employment, Consulting and Management Agreements

There is no employment contract, compensatory plan or other arrangement in place with the Named Executive Officer, nor is there any agreement between the Corporation and the Named Executive Officer that provides for payment to the Named Executive Officer in connection with any termination, resignation, retirement, change in control of the Corporation or change in responsibilities of the Named Executive Officer.

Oversight and Description of Director and Named Executive Officer Compensation

The determination of director and Named Executive Officer compensation and how and when such compensation is to be determined is subject to the consideration of the Board. During the financial year ended June 30, 2020, the Corporation did not provide any compensation to its Named Executive Officer and directors except for the stock option grants described herein.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The only compensation plan of the Corporation under which securities are currently authorized for issuance is the Option Plan. The following table summarizes information relating to the Common Shares reserved for issuance under the Option Plan as of the date of the Circular.

Plan Category	Number of Common Shares to be issued upon exercise of outstanding grants and awards	Weighted-average exercise price of outstanding options	Number of Common Shares remaining available for future issuance under equity compensation plans
Equity compensation plans approved by security holders	-	-	-
Equity compensation plans not approved by security holders	305,000	\$0.20	-
Total	305,000	-	-

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at the date of this Circular, no individual who is an executive officer, director, employee or former executive officer, director or employee of the Corporation or any of its subsidiaries is indebted to the Corporation or any of its subsidiaries pursuant to the purchase of securities or otherwise.

No individual who is, or at any time during the financial year ended June 30, 2020 was, a director or executive officer of the Corporation, a proposed management nominee for election as a director of the Corporation, or an associate of any such director, executive officer or proposed nominee, was indebted to the Corporation or any of its subsidiaries during the financial year ended June 30, 2020 or as at the date of this Circular in connection with security purchase programs or other programs.

REPORT ON CORPORATE GOVERNANCE

Maintaining a high standard of corporate governance is a priority for the Board and the Corporation’s management as both believe that effective corporate governance will help create and maintain shareholder value in the long term. A description of the Corporation’s corporate governance practices, which addresses the matters set out in National Instrument 58-101 – *Disclosure of Corporate Governance Practices*, is set out at Schedule “A” to this Circular.

AUDIT COMMITTEE DISCLOSURE

Audit Committee’s Charter

The charter (the “**Audit Committee Charter**”) of the Corporation’s Audit Committee is reproduced as Schedule “C”.

Composition of Audit Committee

The Audit Committee is composed of Bryan Van Engelen, Richard Kimel and Scott Rasenberg, each of whom is a director of the Corporation. In accordance with TSXV Policy 3.1 - *Directors, Officers, Other Insiders & Personnel and Corporate Governance*, the majority of the Audit Committee are not employees, Control Persons (as defined by the rules and policies of the TSXV) or officers of the Corporation.

The Corporation is of the opinion that all three members of the Audit Committee are “financially literate” as such term is defined in National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”).

Relevant Education and Experience

All the members of the Audit Committee have the education and/or practical experience required to understand and evaluate financial statements that present a breadth and level of complexity of accounting

issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Corporation's financial statements.

Bryan Van Engelen – Chief Executive Officer, Chief Financial Officer and Director

Mr. Van Engelen is a senior digital marketing specialist at Sun Life Financial. Mr. Van Engelen works with numerous public companies on email campaigns and updates to client-facing websites. Mr. Van Engelen was a senior digital marketing analyst at Blackberry Limited (formerly known as Research In Motion) and continues to be active in the application of technology. Mr. Van Engelen received his B.Sc. at the University of Guelph.

Richard Kimel – Director

Mr. Kimel is a partner at the law firm of Aird & Berlis LLP. Mr. Kimel practices in the areas of corporate finance and corporate/commercial law with experience in mergers and acquisitions (cross-border and domestic) of both public and private corporations, public offerings (both initial and secondary), private placement financings (including debt and equity offerings), hedge fund formations and financings, corporate governance matters, and the formation and completion of qualifying transactions for companies established under the TSXV Capital Pool Company (CPC) program. Mr. Kimel acts as corporate counsel for numerous companies listed on the Toronto Stock Exchange and the TSXV. Mr. Kimel also acts as a director or officer for a number of his publicly listed clients. Mr. Kimel received his LL.B. from the University of Toronto and an Honours degree in Business Administration from the Richard Ivey School of Business at Western University in London, Ontario.

Scott Rasenberg – Director

Mr. Rasenberg is the President of the multi-faceted advisory and consulting firm, the Rasenberg-Group Limited, which focuses on accounting, consulting and eCommerce. Mr. Rasenberg practices in the areas of corporate finance and corporate taxation with experience in mergers and acquisitions (cross-border and domestic) of both public and private corporations across a wide variety of sectors, including manufacturing, retail, transportation, financial and investment services, real estate, mining, agribusiness and a diverse range of service industries. Mr. Rasenberg was the Vice- President of Finance and Administration for Exeter, Ontario-based JMR Electric Ltd., a leading full-service electrical and mechanical contractor. Prior to joining JMR, he was a Taxation Partner at MNP LLP, one of the largest chartered accountancy and advisory firms in Canada. Scott has also lectured and was a tutorial leader for CPA Canada. He holds an Economics degree from the University of Western Ontario, an honours degree in Business Administration from the University of Windsor, and a professional designation as a Chartered Professional Accountant. Mr. Rasenberg also acts as a director of TSXV-listed California Gold Mining Inc.

Audit Committee Oversight

At no time since the commencement of the Corporation's most recently completed financial year have any recommendations by the Audit Committee respecting the nomination and/or compensation of the Corporation's external auditors not been adopted by the Board.

Reliance on Certain Exemptions

At no time since the commencement of the Corporation's most recently completed financial year has the Corporation relied on exemptions in relation to "De Minimis Non-audit Services" or any exemption provided by Part 8 of NI 52-110.

Pre-Approval Policies and Procedures

Pursuant to the terms of the Audit Committee Charter, the Audit Committee shall pre-approve all non-audit services to be provided to the Corporation or its subsidiary entities by the Corporation's external auditor.

External Auditor Service Fees (By Category)

Audit Fees – The Corporation's external auditor invoiced approximately \$10,000 for the financial year ended June 30, 2020, and \$13,000 for the financial year ended June 30, 2019.

Audit-Related Fees – The Corporation's external auditor invoiced approximately \$2,000 for the financial year ended June 30, 2020, and nil for the financial year ended June 30, 2019.

Tax Fees – The Corporation's external auditor invoiced nil for the financial year ended June 30, 2020, and nil for the financial year June 30, 2019.

All Other Fees – The Corporation did not pay any other fees during the financial years ended June 30, 2020 and 2019 respectively, for services other than those reported above.

Venture Issuer Exemption

The Corporation is relying upon the exemption in section 6.1 of NI 52-110.

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as disclosed herein, no "informed person" (as such term is defined in National Instrument 51-102 – *Continuous Disclosure Obligations* ("NI 51-102")) or proposed nominee for election as a director of the Corporation or any associate or affiliate of the foregoing has any material interest, direct or indirect, in any transaction in which the Corporation has participated since the commencement of the Corporation's most recently completed financial year or in any proposed transaction which has materially affected or will materially affect the Corporation.

PARTICULARS OF MATTERS TO BE ACTED UPON

1. Election of Directors

The Board presently consists of four directors, namely, Bryan Van Engelen, Richard Kimel, Sherri Altshuler and Scott Rasenberg. Each director elected will hold office until the next annual meeting of shareholders or until his or her successor is duly elected or appointed pursuant to the by-laws of the Corporation. The enclosed Proxy permits Shareholders to vote for all nominees together or for each nominee on an individual basis.

COMMON SHARES REPRESENTED BY PROXIES IN FAVOUR OF MANAGEMENT NOMINEES WILL BE VOTED IN FAVOUR OF EACH OF THE PROPOSED NOMINEES UNLESS A SHAREHOLDER HAS SPECIFIED IN HIS, HER OR ITS PROXY THAT HIS, HER OR ITS COMMON SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT OF ANY PARTICULAR NOMINEE OR NOMINEES. MANAGEMENT DOES NOT CONTEMPLATE THAT ANY OF SUCH NOMINEES WILL BE UNABLE TO SERVE AS DIRECTORS. HOWEVER, IF FOR ANY REASON, ANY OF THE PROPOSED NOMINEES DO NOT STAND FOR ELECTION OR ARE UNABLE TO SERVE AS SUCH, PROXIES IN FAVOUR OF MANAGEMENT NOMINEES WILL BE VOTED FOR ANOTHER NOMINEE IN THEIR DISCRETION UNLESS THE SHAREHOLDER HAS SPECIFIED IN HIS, HER OR ITS PROXY

THAT HIS, HER OR ITS COMMON SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT OF ANY PARTICULAR NOMINEE OR NOMINEES.

Director Nominee Profiles

The following tables set out certain information as of the date of this Circular (unless otherwise indicated) with respect to the persons being nominated at the Meeting for election as directors. Information regarding Common Shares owned by each director of the Corporation is presented to the best knowledge of management of the Corporation and has been furnished to management of the Corporation by such directors.

BRYAN VAN ENGELEN			Principal Occupation and Biographical Information		
Ontario, Canada Director Since: December 31, 2018 NOT INDEPENDENT		Mr. Van Engelen is a senior digital marketing specialist at Sun Life Financial. Mr. Van Engelen works with numerous public companies on email campaigns and updates to client-facing websites. Mr. Van Engelen was a senior digital marketing analyst at Blackberry Limited (formerly known as Research In Motion) and continues to be active in the application of technology. Mr. Van Engelen received his B.Sc. at the University of Guelph.			
Current Board/Committee Membership		Number of Common Shares Beneficially Owned, Controlled or Directed		Other Public Board Memberships	
Member of the Board Member of the Audit Committee		225,000		N/A	

RICHARD KIMEL			Principal Occupation and Biographical Information		
Ontario, Canada Director Since: November 13, 2018 NOT INDEPENDENT		Mr. Kimel is a partner at the law firm of Aird & Berlis LLP. Mr. Kimel practices in the areas of corporate finance and corporate/commercial law with experience in mergers and acquisitions (cross-border and domestic) of both public and private corporations, public offerings (both initial and secondary), private placement financings (including debt and equity offerings), hedge fund formations and financings, corporate governance matters, and the formation and completion of qualifying transactions for companies established under the TSXV Capital Pool Company program. Mr. Kimel acts as corporate counsel for numerous companies listed on the Toronto Stock Exchange and the TSXV. Mr. Kimel also acts as a director or officer for a number of his publicly listed clients. Mr. Kimel received his LL.B. from the University of Toronto and an Honours degree in Business Administration from the Richard Ivey School of Business at Western University in London, Ontario.			
Current Board/Committee Membership		Number of Common Shares Beneficially Owned, Controlled or Directed		Other Public Board Memberships	
Member of the Board Member of the Audit Committee		50,000		N/A	

SHERRI ALTSHULER			Principal Occupation and Biographical Information		
Ontario, Canada Director Since: June 28, 2019 NOT INDEPENDENT		Sherri Altshuler is a partner at Aird & Berlis LLP and a member of the firm's Capital Markets, Corporate/Commercial and Cannabis Groups. Ms. Altshuler's practice focuses on public and private financings, go-public transactions (initial public offerings, reverse takeovers and qualifying transactions), listing on the TSX, TSXV and CSE, mergers, acquisitions, continuous disclosure, corporate governance and ongoing corporate matters. In 2017, Ms. Altshuler was recognized as one of Lexpert magazine's Rising Stars: Canada's Leading Lawyers Under 40. She is a member of the Ontario Securities Commission Small and Medium Enterprises Committee and a member of the TSX Venture Exchange Ontario Advisory Committee. Ms. Altshuler also instructs Corporate Finance at Windsor Law School.			
Current Board/Committee Membership		Number of Common Shares Beneficially Owned, Controlled or Directed		Other Public Board Memberships	
Member of the Board		50,000		Harborside Inc.(CSE)	

SCOTT RASENBERG			Principal Occupation and Biographical Information		
Ontario, Canada Director Since: December 31, 2018 INDEPENDENT		Mr. Rasenberg is the President of the multi-faceted advisory and consulting firm, the Rasenberg-Group Limited, which focuses on accounting, consulting and eCommerce. Mr. Rasenberg practices in the areas of corporate finance and corporate taxation with experience in mergers and acquisitions (cross-border and domestic) of both public and private corporations across a wide variety of sectors, including manufacturing, retail, transportation, financial and investment services, real estate, mining, agribusiness and a diverse range of service industries. Mr. Rasenberg was the Vice- President of Finance and Administration for Exeter, Ontario-based JMR Electric Ltd., a leading full-service electrical and mechanical contractor. Prior to joining JMR, he was a Taxation Partner at MNP LLP, one of the largest chartered accountancy and advisory firms in Canada. Scott has also lectured and was a tutorial leader for CPA Canada. He holds an Economics degree from the University of Western Ontario, an honours degree in Business Administration from the University of Windsor, and a professional designation as a Chartered Professional Accountant.			
Current Board/Committee Membership		Number of Common Shares Beneficially Owned, Controlled or Directed		Other Public Board Memberships	
Member of the Board Member of the Audit Committee		50,000		N/A	

Corporate Cease Trade Orders

Except as described below, to the knowledge of the Corporation, no proposed director is, as at the date of this Circular, or has been, within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Corporation) that:

- (a) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under applicable securities legislation, and which in all cases was in effect for a period of more than 30 consecutive days (an “**Order**”), which Order was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer of such company; or
- (b) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer of such company.

Sherri Altshuler is currently a director of Harborside Inc. (“**Harborside**”). On June 8, 2020, the Ontario Securities Commission (the “**OSC**”) issued a cease trade order against Harborside in connection with Harborside’s refiling of certain historical financial statements of FLRish for the fiscal years ended December 31, 2017 and 2018 and the interim period ended March 31, 2019, and financial statements and related management’s discussion and analysis for the interim periods ended June 30, 2019 and September 30, 2019 due primarily to changes in the application of accounting treatments related to certain transactions by FLRish. On June 16, 2020, the OSC issued a management cease trade order (“**MCTO**”) against Harborside in respect of the delayed filing of its financial statements for the year ended December 31, 2019 and related management’s discussion and analysis. The MCTO was subsequently revoked and, on July 15, 2020, the OSC issued a cease trade order against Harborside in connection with its failure to file its financial statements for the year ended December 30, 2019 and corresponding management’s discussion and analysis by the prescribed deadline. The cease trade orders were revoked on August 31, 2020.

The foregoing information, not being within the knowledge of the Corporation, has been furnished by the proposed directors.

Bankruptcies, or Penalties or Sanctions

To the knowledge of the Corporation, no proposed director:

- (a) is, as at the date of this Circular, or has been within 10 years before the date of this Circular, a director or executive officer of any company (including the 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, 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 his assets;
- (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

- (d) has been subject to any penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

The foregoing information, not being within the knowledge of the Corporation, has been furnished by the proposed directors.

2. Appointment of Auditor

Management proposes to nominate MNP LLP (“MNP”) as auditor of the Corporation to hold office until the next annual meeting of Shareholders. MNP was appointed as auditor of the Corporation effective January 1, 2019.

COMMON SHARES REPRESENTED BY PROXIES IN FAVOUR OF MANAGEMENT NOMINEES WILL BE VOTED IN FAVOUR OF THE APPOINTMENT OF MNP LLP AS AUDITOR OF THE CORPORATION AND THE AUTHORIZING OF THE DIRECTORS TO FIX ITS REMUNERATION, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS COMMON SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT THEREOF.

3. Approval of Option Plan

Summary of Option Plan

The policies of the TSXV provide that the Board may from time to time, in its discretion, and in accordance with the TSXV requirements, grant to directors, officers and employees of the Corporation and its Affiliates and to consultants and management company employees, non-transferable options to purchase Common Shares for a period of up to ten years from the date of the grant, provided that the number of Common Shares reserved for issuance may not exceed 10% of the total issued and outstanding Common Shares at the date of the grant.

The purpose of the option plan (the “**Option Plan**”) established by the Corporation, pursuant to which it may grant incentive stock options, is to promote the profitability and growth of the Corporation by facilitating the efforts of the Corporation to obtain and retain key individuals. The Option Plan provides an incentive for and encourages ownership of the Common Shares by its key individuals so that they may increase their stake in the Corporation and benefit from increases in the value of the Common Shares.

Pursuant to the Option Plan, the maximum number of Common Shares reserved for issuance in any 12 month period to any one optionee other than a consultant may not exceed 5% of the issued and outstanding Common Shares at the date of the grant. The maximum number of Common Shares reserved for issuance in any 12 month period to any consultant may not exceed 2% of the issued and outstanding Common Shares at the date of the grant and the maximum number of Common Shares reserved for issuance in any 12 month period to all persons engaged in investor relations activities may not exceed 2% of the issued and outstanding number of Common Shares at the date of the grant.

Incentive stock options may be exercised until the greater of 12 months after the completion of the Qualifying Transaction and 90 days following the date the optionee ceases to be a director, officer or employee of the Corporation or its Affiliates or a consultant or a management company employee, provided that if the cessation of such position or arrangement was by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option.

Notwithstanding the terms of the Option Plan described above, Policy 2.4 imposes certain restrictions on incentive stock options during the period that the Corporation remains a CPC. Such restrictions shall remain in place until the TSXV issues the Final Exchange Bulletin (such bulletin indicating that the Resulting Issuer (as defined in Policy 2.4) will not be considered a CPC). Under Policy 2.4, the Corporation, while it remains a CPC, is limited to granting incentive stock options to only directors, officers and technical consultants of the Corporation. In addition, the total number of Common Shares reserved under option for issuance pursuant to the Option Plan may not exceed 10% of the issued and outstanding Common Shares. The maximum number of Common Shares reserved under option for issuance to any individual officer or director may not exceed 5% of the issued and outstanding Common Shares. The maximum number of Common Shares reserved under option for issuance to all technical consultants may not exceed 2% of the issued and outstanding Common Shares. In addition, while the Corporation is a CPC, it is prohibited from granting incentive stock options to any person providing investor relations activities, promotional or market making services. The exercise price per Common Share under any incentive stock option granted by the Corporation while it is a CPC may not be less than the greater of \$0.10 and the Discounted Market Price (as defined under TSXV policies). Any Common Shares acquired pursuant to the exercise of incentive stock options prior to the completion of the Qualifying Transaction, must be deposited in escrow and will be subject to escrow until the Final Exchange Bulletin is issued.

As at the date of this Circular, a total of 305,000 Common Shares were issuable pursuant to options granted under the Stock Option Plan, representing 10% of the issued and outstanding Common Shares.

Approval of the Option Plan

As the Stock Option Plan provides for a rolling maximum number of Common Shares which may be issuable upon the exercise of options granted under the Stock Option Plan, TSXV Policy 4.4 – *Incentive Stock Options* requires that the Option Plan receive shareholder approval each year at the annual shareholders' meeting. Accordingly, Shareholders will be asked to consider and, if thought appropriate, pass a resolution approving the Option Plan. A copy of the Option Plan is attached as Schedule "B" to this Circular.

The Board has unanimously approved the Option Plan and recommends that Shareholders vote **FOR** the resolution regarding the Option Plan. An affirmative vote of a majority of the votes cast at the Meeting is sufficient to pass the resolution approving the resolution regarding the Option Plan.

The complete text of the resolution which management intends to place before the Meeting for approval, confirmation and adoption, with or without modification, is as follows:

"WHEREAS the policies of the TSX Venture Exchange require annual shareholder approval for the continuation of the rolling stock option plan of the Corporation (the **"Option Plan"**);

RESOLVED THAT:

1. the Stock Option Plan, in the form attached as Schedule "B" to the management information circular of the Corporation dated October 23, 2020, is hereby authorized and approved; and
2. any one officer and director of the Corporation be and is hereby authorized for and on behalf of the Corporation to execute and deliver all such instruments and documents and to perform and do all such acts and things as may be deemed advisable in such individual's discretion for the purpose of giving effect to this resolution, the execution of any such

document or the doing of any such other act or thing being conclusive evidence of such determination.”

COMMON SHARES REPRESENTED BY PROXIES IN FAVOUR OF MANAGEMENT NOMINEES WILL BE VOTED IN FAVOUR OF THE RESOLUTION TO APPROVE THE OPTION PLAN IN THE ABSENCE OF DIRECTION TO THE CONTRARY FROM THE SHAREHOLDER APPOINTING THEM. AN AFFIRMATIVE VOTE OF A MAJORITY OF THE VOTES CAST BY SHAREHOLDERS AT THE MEETING IS SUFFICIENT FOR THE APPROVAL OF THE OPTION PLAN.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except as otherwise disclosed in this Circular, no person who has been a director or executive officer of the Corporation since the beginning of the last financial year, no proposed nominee for election as a director of the Corporation and no associate or affiliate of any such director or executive officer has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available under the Corporation’s profile on SEDAR at www.sedar.com. Financial information is provided in the Corporation’s audited financial statements and Management’s Discussion and Analysis (“**MD&A**”) for the year ended June 30, 2020. In addition, copies of the Corporation’s annual financial statements and MD&A and this Circular may be obtained upon request to the Corporation. The Corporation may require the payment of a reasonable charge if the request is made by a person who is not a shareholder of the Corporation.

APPROVAL OF BOARD OF DIRECTORS

The contents of this Circular and the sending of it to each director of the Corporation, to the auditor of the Corporation, to the Shareholders and to the appropriate governmental agencies, have been approved by the directors of the Corporation.

Dated: October 23, 2020.

“Bryan Van Engelen”

Bryan Van Engelen
Chief Executive Officer, Chief Financial Officer and Director

SCHEDULE "A"
STATEMENT OF GOVERNANCE PRACTICES

Governance Disclosure Requirement Under the Corporate Governance National Instrument 58-101 ("NI 58-101")	Comments
Board of Directors	
1. Board of Directors—Disclose how the board of directors (the “ Board ”) of MJ Innovation Capital Corp. (the “ Corporation ”) facilitates its exercise of independent supervision over management, including (i) the identity of directors that are independent, and (ii) the identity of directors who are not independent, and the basis for that determination.	The proposed Board shall consist of a total of four directors of which Scott Rasenberg is considered “independent”. Mr. Kimel and Ms. Altshuler are not considered independent as they are partners in a law firm which acts as legal counsel to the Corporation. Bryan Van Engelen is not considered independent as he is an executive officer of the Corporation.
2. Directorships—If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.	Please refer to the accompanying management information circular dated October 23, 2020 (the “ Circular ”) under the heading “ <i>Particulars of Matters to be Acted Upon - Election of Directors</i> ”.
Orientation and Continuing Education	
3. Describe what steps, if any, the Board takes to orient new Board members, and describe any measures the Board takes to provide continuing education for directors.	Each director ultimately assumes responsibility for keeping themselves informed about the Corporation’s business and relevant developments outside the Corporation that affect its business. Management assists directors by providing them with regular updates on relevant developments and other information that management considers of interest to the Board. Directors may also attend other Board committee meetings if they are not active members, to broaden their knowledge base and receive additional information on the Corporation’s business and developments in areas where they are not commonly exposed.
Ethical Business Conduct	
4. Describe what steps, if any, the Board takes to encourage and promote a culture of ethical business conduct.	The Board is responsible for promoting an ethical business culture and fostering an environment that places an emphasis on compliance. The Board monitors compliance, including through receipt by the Audit Committee of reports of unethical behaviour. To ensure that an ethical business culture is maintained and promoted, directors are encouraged to exercise their independent judgment. If a director has a material interest in any transaction or agreement that the Corporation proposes to enter into, such director is expected to disclose such interest to the Board in compliance with the applicable laws, rules and policies which govern conflicts of interest in connection with such transaction or agreement. Further, any director who has a material interest in any proposed transaction or agreement will be excluded from the portion of the Board meeting concerning such matters and will be further precluded from voting on such matters.

Governance Disclosure Requirement Under the Corporate Governance National Instrument 58-101 (“NI 58-101”)	Comments
Nomination of Directors	
5. Disclose what steps, if any, are taken to identify new candidates for Board nomination, including: (i) who identifies new candidates, and (ii) the process of identifying new candidates.	The Board is responsible for the identification and assessment of potential directors. While no formal nomination procedures are in place to identify new candidates, the Board does review the experience and performance of nominees for election to the Board. Members of the Board are canvassed with respect to the qualifications of a prospective candidate and each candidate is evaluated with respect to his or her experience and expertise, with particular attention paid to those areas of expertise that could complement and enhance current management. The Board also assesses any potential conflicts, independence or time commitment concerns that the candidate may present.
Compensation	
6. Disclose what steps, if any, are taken to determine compensation for the directors and officers, including: (i) who determines compensation, and (ii) the process of determining compensation.	The process undertaken by the Board in respect of compensation is more fully described in “ <i>Executive Compensation</i> ” of the accompanying Circular.
Other Board Committees	
7. If the Board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.	The Board does not have any standing committees other than the Audit Committee.
Assessments	
8. Disclose what steps, if any, that the Board takes to satisfy itself that the Board, its committees, and its individual directors are performing effectively.	The Board is currently responsible for assessing the effectiveness of the Board, the individual directors and the Audit Committee.

SCHEDULE "B" STOCK OPTION PLAN

1. Purpose of the Plan

The purpose of the Plan is to provide the Participants with an opportunity to purchase Common Shares and benefit from the appreciation thereof. This proprietary interest in the Corporation will provide an increased incentive for the Participants to contribute to the future success and prosperity of the Corporation, thus enhancing the value of the Common Shares for the benefit of all the shareholders and increasing the ability of the Corporation and its Subsidiaries to attract and retain individuals of exceptional skill.

2. Defined Terms

2.1 Where used herein, the following terms shall have the following meanings (all other capitalized terms used and not defined herein shall have the meanings ascribed to them in the TSX Venture Exchange Corporate Finance Manual):

- (a) **“Acceleration Right”** means the Participant’s right, in certain circumstances, to exercise its outstanding Option as to all or any of the Common Shares in respect of which such Option has not previously been exercised and which the Participant is entitled to exercise, including in respect of Common Shares not otherwise vested at such time;
- (b) **“Board”** means the board of directors of the Corporation;
- (c) **“Business Day”** means each day other than a Saturday, Sunday or statutory holiday in Ontario, Canada;
- (d) **“Common Shares”** means the common shares in the capital of the Corporation or, in the event of an adjustment contemplated by Article 8 hereof, such shares to which a Participant may be entitled upon the exercise of an Option as a result of such adjustment;
- (e) **“Corporation”** means MJ Innovation Capital Corp., and includes any successor corporation thereof;
- (f) **“Exchange”** means the TSX Venture Exchange or, if the Common Shares are not then listed and posted for trading on the TSX Venture Exchange, then on any stock exchange in Canada on which such shares are listed and posted for trading or any other regulatory body having jurisdiction as may be selected for such purpose by the Board;
- (g) **“Exercise Notice”** means the notice in writing signed by the Participant or the Participant’s legal personal representatives addressed to the Corporation specifying an intention to exercise all or a portion of the Option;
- (h) **“Expiry Time”** means the time at which the Options will expire, being 4:00 p.m. (Toronto time) on a date to be fixed by the Board at the time the Option is granted, which date will not be more than ten years from the date of grant;
- (i) **“Fair Market Value”** means, for the purposes of sections 4.5 and 9.4 hereof, at any date in respect of the Common Shares, the closing price of the Common Shares as reported by the Toronto Stock Exchange on the last trading day immediately preceding such date or, if the Common Shares are not listed on any stock exchange, a price determined by the Board;

- (j) **“Insider”** has the meaning ascribed thereto in the Exchange Corporate Finance Manual;
- (k) **“Option”** means an option to purchase Common Shares from treasury granted by the Corporation to a Participant, subject to the provisions contained herein;
- (l) **“Option Price”** means the price per share at which Common Shares may be purchased under the Option, as the same may be adjusted herein;
- (m) **“Participants”** means the directors, officers and employees of, and consultants to, the Corporation or its Subsidiaries, as defined by the relevant Exchange and, subject to compliance with the applicable requirements of the Exchange, the Personal Holding Companies of such persons, to whom an Option has been granted by the Board pursuant to the Plan and which Option or a portion thereof remains unexercised;
- (n) **“Personal Holding Company”** means a company of which 100% of the voting shares are beneficially owned, directly or indirectly, by a director, officer or employee of, or consultant to, the Corporation or its Subsidiaries and such entity shall be bound by the Plan in the same manner as if the Options were held directly;
- (o) **“Plan”** means this stock option plan of the Corporation, as the same may be amended or varied from time to time;
- (p) **“Subsidiary”** means any corporation that is a subsidiary of the Corporation, as such term is defined under the *Business Corporations Act* (Ontario), as such provision is from time to time amended, varied or re-enacted, or a “related entity” as defined in section 2.22 of National Instrument 45-106; and
- (q) **“Take-Over Bid”** has the meaning ascribed thereto in the *Securities Act* (Ontario), as such provision is from time to time amended, varied or re-enacted.

3. Administration of the Plan

3.1 The Board shall administer this Plan. Options granted under the Plan shall be granted in accordance with determinations made by the Board pursuant to the provisions of the Plan as to: (a) the Participants to whom and the time or times at which the Options will be granted; the number of Common Shares which shall be the subject of each Option; (b) any vesting provisions attaching to the Option; and (c) the terms and provisions of the respective stock option agreements, provided however, that each director, officer, employee or consultant shall have the right not to participate in the Plan and any decision not to participate therein shall not affect the employment by or engagement with the Corporation. The Board shall ensure that Participants under the Plan are eligible to participate under the Plan, and, if required by the Exchange, shall represent and confirm that the Participant is a bona fide employee, consultant or management company employee (as defined in the policies of the Exchange).

3.2 The Board may, from time to time, adopt such rules and regulations for administering the Plan as it may deem proper and in the best interests of the Corporation and may, subject to applicable law, delegate its powers hereunder to administer the Plan to a committee of the Board (the **“Committee”**). The Committee shall be comprised of two or more members of the Board who shall serve at the pleasure of the Board. Vacancies occurring on the Committee shall be filled by the Board.

3.3 The Committee (or the Board where the Committee has not been constituted) shall have the power to delegate to any member of the Board or officer so designated (the **“Administrator”**), the power to

determine which Participants are to be granted Options and to grant such Options, the number of Common Shares purchasable under each Option, the Option Price and the time or times when and the manner in which Options are exercisable, and the Administrator shall make such determinations in accordance with the provisions of this Plan and with applicable securities and stock exchange regulatory requirements, subject to final approval by the Committee or Board.

4. Granting of Option

4.1 Participants may be granted Options from time to time. The grant of Options will be subject to the conditions contained herein and may be subject to additional conditions determined by the Board from time to time. Each Option granted hereunder shall be evidenced by an agreement in writing, signed on behalf of the Corporation and by the Participant, in such form as the Board shall approve from time to time. Each such agreement shall recite that it is subject to the provisions of this Plan.

4.2 The aggregate number of Common Shares of the Corporation allocated and made available to be granted to Participants under the Plan shall not exceed 10% of the issued and outstanding Common Shares of the Corporation as at the date of grant (on a non-diluted basis). Any issuance of Common Shares from treasury pursuant to the exercise of Options shall automatically replenish the number of Common Shares available for Option grants under the Plan. Common Shares in respect of which Options are cancelled or not exercised prior to expiry, for any reason, shall be available for subsequent Option grants under the Plan. No fractional shares may be purchased or issued hereunder.

4.3 The Corporation shall at all times, during the term of the Plan, reserve and keep available such number of Common Shares as will be sufficient to satisfy the requirements of the Plan.

4.4 Any grant of Options under the Plan shall be subject to the following restrictions:

- (a) the aggregate number of Common Shares reserved for issuance pursuant to Options granted to any one Participant, other than a consultant, in any 12 month period may not exceed 5% of the Corporation's total issued and outstanding Common Shares, unless disinterested shareholder approval is obtained;
- (b) the aggregate number of Common Shares issuable pursuant to Options granted to Insiders pursuant to the Plan and other security based compensation arrangements may not exceed 10% of the Corporation's total issued and outstanding Common Shares, unless disinterested shareholder approval is obtained;
- (c) the aggregate number of Common Shares issued to Insiders pursuant to the Plan and other security based compensation arrangements in any 12 month period may not exceed 10% of the Corporation's total issued and outstanding Common Shares, unless disinterested shareholder approval is obtained;
- (d) no more than 2% of the total issued and outstanding Common Shares at the time of grant may be granted to any one consultant in any 12 month period; and
- (e) no more than an aggregate of 2% of the total issued and outstanding Common Shares at the time of grant may be granted to all persons engaged to conduct Investor Relations Activities in any 12 month period.

4.5 Provided that the Corporation is listed on the Toronto Stock Exchange (the "TSX") and is in compliance with applicable TSX requirements, the Board may grant Options which allow a Participant to

elect to exercise its Option on a “cashless basis”, whereby the Participant, instead of making a cash payment for the aggregate exercise price, shall be entitled to be issued such number of Common Shares equal to the number which results when: (i) the difference between the aggregate Fair Market Value of the Common Shares underlying the Option and the aggregate exercise price of such Option is divided by (ii) the Fair Market Value of each Common Share. For greater certainty, the Options may not be exercised on a “cashless basis” while the Common Shares are listed on the Exchange.

4.6 All Options granted pursuant to this Plan shall be subject to rules and policies of the Exchange and any other regulatory body having jurisdiction.

4.7 A Participant who has been granted an Option may, if otherwise eligible, and if permitted under the policies of the Exchange, be granted an additional Option if the Board so determines.

5. Option Price

5.1 Subject to applicable Exchange approval, the Option Price shall be fixed by the Board at the time the Option is granted to a Participant. In no event shall the price be less than the Discounted Market Price (as defined in the policies of the Exchange). If a press release fixing the price is not issued, the Discounted Market Price is the closing price per Common Share on the Exchange on the last trading day preceding the date of grant on which there was a closing price (less the applicable discount) or, if the Common Shares are not listed on any stock exchange, a price determined by the Board; provided that, if the Board, in its sole discretion, determines that the closing price on the last trading day preceding the date of grant would not be representative of the market price of the Common Shares, then the Board may base the price on the greater of the closing price and the weighted average price per share for the Common Shares for five (5) consecutive trading days ending on the last trading day preceding the date of grant on which there was a closing price on the Exchange. The weighted average price shall be determined by dividing the aggregate sale price of all Common Shares sold on the Exchange during the said five (5) consecutive trading days, by the total number of Common Shares so sold.

5.2 Once the Option Price has been determined by the Board, accepted by the Exchange and the Option has been granted, if the Participant is an Insider, the Option Price may only be reduced if disinterested shareholder approval is obtained; provided that such disinterested shareholder approval is then a requirement of the Exchange or other regulatory body having jurisdiction.

6. Term of Option

6.1 The term of the Option shall be a period of time fixed by the Board, not to exceed ten years from the date of grant. Unless the Board determines otherwise, Options shall be exercisable in whole or in part at any time during this period in accordance with such vesting provisions, conditions or limitations (including applicable hold periods) as are herein contained or as the Board may from time to time impose, or as may be required by the Exchange or under applicable securities law.

6.2 Each Option and all rights thereunder shall be expressed to expire at the Expiry Time, but shall be subject to earlier termination in accordance with Section 12 hereof.

6.3 Subject to any specific requirements of the Exchange, the Board shall determine the vesting period or periods within the Option term, during which a Participant may exercise an Option or a portion thereof.

6.4 In addition to any resale restriction under securities laws, an Option may be subject to a four month Exchange hold period commencing on the date the Option is granted.

6.5 Except in the case of a Participant's Option that terminates pursuant to section 12.4 below, in the event that the term of any Option expires within or immediately following a "blackout period" imposed by the Corporation, the Option shall expire on the date (the "**Blackout Expiration Date**") that is ten Business Days following the end of such blackout period. The Blackout Expiration Date shall not be subject to the discretion of the Board.

7. Exercise of Option

7.1 Subject to the provisions of the Plan and the terms of any stock option agreement, an Option or a portion thereof may be exercised, from time to time, by delivery of the Exercise Notice to the Corporation's principal office in Toronto, Ontario. The Exercise Notice shall state the intention of the Participant or the Participant's legal personal representative to exercise the said Option or a portion thereof and specify the number of Common Shares in respect of which the Option is then being exercised, and shall be accompanied by the full purchase price of the Common Shares which are the subject of the exercise. Such Exercise Notice shall contain the Participant's undertaking to comply, to the satisfaction of the Corporation, with all applicable requirements of the Exchange and any applicable regulatory authorities.

8. Adjustments in Shares

8.1 If the outstanding shares of the Corporation are increased, decreased, changed into or exchanged for a different number or kind of shares or securities of the Corporation through a re-organization, plan of arrangement, merger, re-capitalization, re-classification, stock dividend, subdivision or consolidation, an appropriate and proportionate adjustment shall be made by the Board, in its discretion, in the number or kind of shares optioned and the exercise price per share with respect to: (a) previously granted and unexercised Options or portions thereof; and (b) Options which may be granted subsequent to any such change in the Corporation's capital.

8.2 Determinations by the Board as to what adjustments shall be made, and the extent thereof, shall be final, binding and conclusive. The Corporation shall not be obligated to issue fractional securities in satisfaction of any of its obligations hereunder.

9. Accelerated Vesting

9.1 In the event that certain events such as a liquidation or dissolution of the Corporation or a re-organization, plan of arrangement, merger or consolidation of the Corporation with one or more corporations, as a result of which the Corporation is not the surviving corporation, or the sale by the Corporation of all or substantially all of the property and assets of the Corporation to another corporation prior to the Expiry Time, are proposed or contemplated, the Board may, notwithstanding the terms of this Plan or any stock option agreements issued hereunder, exercise its discretion, by way of resolution, to permit accelerated vesting of Options on such terms as the Board sees fit at that time. If the Board, in its sole discretion, determines that the Common Shares subject to any Option granted hereunder shall vest on an accelerated basis, all Participants entitled to exercise an unexercised portion of Options then outstanding shall have the right at such time, upon written notice being given by the Corporation, to exercise such Options to the extent specified and permitted by the Board and within the time period specified by the Board, which shall not extend past the Expiry Time.

9.2 An Option may provide that whenever the Corporation's shareholders receive a Take-Over Bid and the Corporation supports this bid, pursuant to which the "offeror" would, as a result of such Take-Over Bid being successful, beneficially own in excess of 50% of the outstanding Common Shares, the Participant may exercise the Acceleration Right. The Acceleration Right shall commence on the date of the mailing of the Board circular recommending acceptance of the Take-Over Bid and end on the earlier of:

- (a) the Expiry Time; and
- (b) (i) in the event the Take-Over Bid is unsuccessful, the expiry date of the Take-Over Bid; and (ii) in the event the Take-Over Bid is successful, the tenth (10th) day following the expiry date of the Take-Over Bid.

9.3 At the time of the termination of the Acceleration Right, the original vesting terms of the Options shall be reinstated with respect to the Common Shares issuable thereunder which were not acquired by the holders of such Options pursuant to the terms thereof. Notwithstanding the foregoing, the Acceleration Right may be extended for such longer period as the Board may resolve.

9.4 Provided that the Corporation is listed on the TSX and is in compliance with applicable TSX requirements, the Corporation may satisfy any obligations to a Participant hereunder by paying to the Participant in cash the difference between the exercise price of all unexercised Options granted hereunder and the Fair Market Value of the Common Shares to which the Participant would be entitled upon exercise of all unexercised Options, regardless of whether all conditions of exercise relating to continuous employment have been satisfied.

10. Capital Pool Company Restrictions

As long as the Corporation is classified as a Capital Pool Company (as defined in Policy 2.4 of the Exchange) (a “CPC”), the terms and conditions of the Plan will remain subject to the following specific restrictions:

1. Options granted by the CPC may only entitle the Participant to acquire Common Shares of the CPC. Options may only be granted to a director or officer of the CPC, and where permitted by applicable securities legislation, a technical consultant whose particular industry expertise in relation to the business of the Vendors 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, directly and indirectly, by such a director, officer or technical consultant. The total number of Common Shares reserved for issuance pursuant to Options may not exceed 10% of the Common Shares outstanding as at the closing of the CPC’s initial public offering (the “IPO”).
2. The number of Common Shares reserved for issuance pursuant to Options to any individual director or officer may not exceed 5% of the Common Shares outstanding as at the closing of the IPO. The number of Common Shares reserved for issuance pursuant to Options to all technical consultants may not exceed 2% of the Common Shares outstanding as at the closing of the IPO. Options granted by a CPC are subject to the percentage limitations set forth in Policy 4.4 of the Exchange.
3. The CPC is prohibited from granting Options to any person providing Investor Relations Activities, promotional or market-making services.
4. The exercise price per Common Share under any Option granted by a CPC cannot be less than the greater of the IPO Share price and the Discounted Market Price.

11. Decisions of the Board

All decisions and interpretations of the Board respecting the Plan or Options granted thereunder shall be conclusive and binding on the Corporation and the Participants and their respective

legal personal representatives and on all directors, officers, employees and consultants of the Corporation who are eligible to participate under the Plan.

12. Ceasing to be a Director, Officer, Employee or Consultant

12.1 Subject to the terms of the applicable stock option agreements and subject to sections 12.2 and 12.5 hereof, in the event of the Participant ceasing to be a director, officer, employee or consultant of the Corporation or a Subsidiary for any reason other than death, including the resignation or retirement of the Participant or the termination by the Corporation or a Subsidiary of the employment of the Participant, prior to the Expiry Time, such Option (including an Option held by a Participant's Personal Holding Company) may be exercised as to such Common Shares in respect of which the Option has not previously been exercised (and as the Participant would have been entitled to exercise) at any time up to and including (but not after) the earlier of: (a) the Expiry Time; and (b) a date that is ninety (90) days (or such other period as may be determined by the Board, provided that such period is not more than one year) following the effective date of such resignation or retirement or a date that is ninety (90) days (or such other period as may be determined by the Board, provided that such period is not more than one year) following the date notice of termination of employment is given by the Corporation or a Subsidiary, whether such termination is with or without reasonable notice, and subject to such shorter period as may be otherwise specified in the stock option agreement, after which date the Option shall forthwith expire and terminate and be of no further force or effect whatsoever.

12.2 Options granted to any Participant while the Corporation is a CPC that does not continue as a director, officer, technical consultant or employee of the Resulting Issuer (being the Issuer that was formerly a CPC, which exists upon issuance of the Exchange Bulletin following closing of the Qualifying Transaction) (the "**Resulting Issuer**"), have a maximum term of the later of 12 months after the Completion of the Qualifying Transaction (as defined in Exchange Policy 2.4) and 90 days after the Participant ceases to be a director, officer, technical consultant or employee of the Resulting Issuer. Any Common Shares acquired on exercise of Options prior to the Completion of the Qualifying Transaction (as defined in Exchange Policy 2.4) must be deposited in escrow and will be subject to escrow until the Final Exchange Bulletin (as defined in Exchange Policy 2.4) is issued.

12.3 In consideration of the Option hereby granted, in the event of the resignation or retirement of the Participant or the termination of employment by the Corporation without cause, the Participant hereby covenants not to sue the Corporation for damages arising from the loss of rights granted hereunder and releases the Corporation from any damages.

12.4 Notwithstanding the foregoing, in the event of termination for cause, such Option (including an Option held by a Participant's Personal Holding Company) shall expire and terminate immediately at the time of delivery of notice of termination of employment for cause to the Participant by the Corporation or a Subsidiary and shall be of no further force or effect whatsoever as to the Common Shares in respect of which an Option has not previously been exercised.

12.5 In the event of the death of a Participant on or prior to the Expiry Time, such Option (including an Option held by a Participant's Personal Holding Company) may be exercised as to such of the Common Shares in respect of which such Option has not previously been exercised (and as the Participant would have been entitled to purchase), by the legal personal representatives of the Participant at any time up to and including (but not after) a date one (1) year from the date of death of the Participant, after which date the Option shall forthwith expire and terminate and be of no further force or effect whatsoever.

12.6 Options shall not be affected by any change of employment of the Participant where the Participant continues to be employed by the Corporation or any of its Subsidiaries.

13. Transferability

All benefits, rights and options accruing to any Participant in accordance with the terms and conditions of the Plan shall not be transferable or assignable unless specifically provided herein or to the extent, if any, permitted by the Exchange.

14. Amendment or Discontinuance of Plan

(a) The approval of the Board and the requisite approval from the Exchange and the shareholders shall be required for any of the following amendments to be made to the Plan:

- (i) any increase to the fixed maximum percentage of Common Shares issuable under the Plan;
- (ii) a reduction in the exercise price or purchase price of an Option (other than for standard anti-dilution purposes) held by or benefiting an Insider;
- (iii) an increase in the maximum number of Common Shares that may be issued to Insiders within any one year period or that are issuable to Insiders at any time;
- (iv) an extension of the term of an Option held by or benefiting an Insider;
- (v) any change to the definition of "Participants" which would have the potential of broadening or increasing Insider participation;
- (vi) the addition of any form of financial assistance;
- (vii) any amendment to a financial assistance provision which is more favourable to Participants;
- (viii) provided that the Corporation is listed on the TSX, the addition of a cashless exercise feature, payable in cash or securities which does not provide for a full deduction of the number of underlying securities from the Plan reserve;
- (ix) the addition of a deferred or restricted share unit or any other provision which results in Participants receiving securities while no cash consideration is received by the Corporation; and
- (x) any other amendments that may lead to significant or unreasonable dilution in the Corporation's outstanding securities or may provide additional benefits to Participants, especially Insiders, at the expense of the Corporation and its existing shareholders.

(b) The Board may, without shareholder approval but subject to receipt of requisite approval as required by the Exchange, in its sole discretion make all other amendments to the Plan that are not of the type contemplated in subsection 14(a) above including, without limitation:

- (i) amendments of a housekeeping nature;
- (ii) a change to the vesting provisions of an Option or the Plan;

- (iii) a change to the termination provisions of an Option or the Plan which does not entail an extension beyond the original expiry date, except as contemplated in Section 6.5 above; and
- (iv) the addition of a cashless exercise feature, payable in cash or securities, which provides for a full deduction of the number of underlying securities from the Plan reserve.

15. Participants' Rights

15.1 A Participant shall not have any rights as a shareholder of the Corporation until the issuance of a certificate for Common Shares upon the exercise of an Option or a portion thereof, and then only with respect to the Common Shares represented by such certificate or certificates.

15.2 Nothing in the Plan or any Option shall confer upon any Participant any rights to continue in the employ of the Corporation or any Subsidiary or affect in any way the right of the Corporation or any such Subsidiary to terminate the employment of the Participant at any time; nor shall anything in the Plan or any Option be deemed or construed to constitute an agreement, or an expression of intent, on the part of the Corporation or any such Subsidiary to extend the employment of any Participant beyond the time such Participant would normally retire pursuant to the provisions of any present or future retirement plan of the Corporation or any Subsidiary, or beyond the time at which he would otherwise be retired pursuant to the provisions of any contract of employment with the Corporation or any Subsidiary.

16. Approvals

16.1 The Plan shall be subject, if applicable, to the approval of the Exchange or other regulatory body having jurisdiction at that time and, if so required thereby, to the approval of the shareholders of the Corporation.

16.2 Any Options granted prior to such approval and acceptance shall be conditional upon such approval and acceptance being given and no such Options may be exercised unless such approval and acceptance is given.

17. Government Regulation

17.1 The Corporation's obligation to issue and deliver Common Shares under any Option is subject to:

- (a) the satisfaction of all requirements under applicable securities laws in respect thereof and obtaining all regulatory approvals as the Corporation shall determine to be necessary or advisable in connection with the authorization, issuance or sale thereof;
- (b) the admission of such Common Shares to listing on any stock exchange on which such Common Shares may then be listed; and
- (c) the receipt from the Participant of such representations, warranties, agreements and undertakings as to future dealings in such Common Shares as the Corporation determines to be necessary or advisable in order to safeguard against the violation of the securities laws of any jurisdiction.

17.2 In this regard, the Corporation shall take all reasonable steps to obtain such approvals and registrations as may be necessary for the issuance of such Common Shares and for the listing of such

Common Shares on the Exchange, in compliance with applicable securities laws. If any shares cannot be issued to any Participant for whatever reason, the obligation of the Corporation to issue such shares shall terminate and the Option Price paid to the Corporation will be returned to the Participant.

18. Costs

The Corporation shall pay all costs of administering the Plan.

19. Interpretation

This Plan shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

20. Compliance with Applicable Law

If any provision of the Plan or any Option contravenes any law or any order, policy, bylaw or regulation of any regulatory body or the Exchange, then such provision shall be deemed to be amended to the extent required to bring such provision into compliance therewith.

Adopted by the Board on April 8, 2019.

SCHEDULE "C"
AUDIT COMMITTEE CHARTER

MJ INNOVATION CAPITAL CORP.
(the "Corporation")

AUDIT COMMITTEE CHARTER

(Implemented pursuant to National Instrument 52-110 – *Audit Committees*)

National Instrument 52-110 – *Audit Committees* (the "**Instrument**") relating to the composition and function of audit committees was implemented for reporting issuers and, accordingly, applies to every TSX Venture Exchange ("**TSXV**") listed company, including the Corporation. The Instrument requires all affected issuers to have a written audit committee charter which must be disclosed, as stipulated by Form 52-110F2, in the management information circular of the Corporation wherein management solicits proxies from the security holders of the Corporation for the purpose of electing directors to the board of directors. The Corporation, as a TSXV-listed company is, however, exempt from certain requirements of the Instrument.

This Charter has been adopted by the board of directors of the Corporation (the "**Board**") in order to comply with the Instrument and to more properly define the role of the Committee in the oversight of the financial reporting process of the Corporation. Nothing in this Charter is intended to restrict the ability of the Board or the Committee to alter or vary procedures in order to comply more fully with the Instrument or any other such requirement of the TSXV, as applicable from time to time.

PART 1

Purpose:

The purpose of the Committee is to:

- (a) improve the quality of the Corporation's financial reporting;
- (b) assist the Board to properly and fully discharge its responsibilities;
- (c) provide an avenue of enhanced communication between the directors and external auditors;
- (d) enhance the external auditor's independence;
- (e) ensure the credibility and objectivity of financial reports; and
- (f) strengthen the role of the directors by facilitating in depth discussions between directors, management and external auditors.

1.1 Definitions

"**accounting principles**" has the meaning ascribed to it in National Instrument 52-107 – *Acceptable Accounting Principles, Auditing Standards and Reporting Currency*;

"**Affiliate**" means a Corporation that is a subsidiary of another Corporation or companies that are controlled by the same entity;

“**audit services**” means the professional services rendered by the Corporation's external auditor for the audit and review of the Corporation’s financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements;

“**Charter**” means this audit committee charter;

“**Committee**” means the Audit Committee established by and among certain members of the Board for the purpose of overseeing the accounting and financial reporting processes of the Corporation and audits of the financial statements of the Corporation;

“**Control Person**” means any individual or company that holds or is one of a combination of individuals or companies that holds a sufficient number of any of the securities of the Corporation so as to affect materially the control of the Corporation, or that holds more than 20% of the outstanding voting shares of the Corporation except where there is evidence showing that the holder of those securities does not materially affect the control of the Corporation;

“**financially literate**” has the meaning set forth in Section 1.2;

“**immediate family member**” means a person’s spouse, parent, child, sibling, mother or father-in-law, son or daughter-in-law, brother or sister-in-law, and anyone (other than an employee of either the person or the person's immediate family member) who shares the individual’s home;

“**Instrument**” means National Instrument 52-110 – *Audit Committees*;

“**MD&A**” has the meaning ascribed to it in National Instrument 51-102;

“**Member**” means a member of the Committee;

“**National Instrument 51-102**” means National Instrument 51-102 – *Continuous Disclosure Obligations*; and

“**non-audit services**” means services other than audit services.

1.2 Meaning of Financially Literate

For the purposes of this Charter, an individual is financially literate if he or she has 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 issues that can reasonably be expected to be raised by the Corporation’s financial statements.

PART 2

2.1 Audit Committee

The Board has hereby established the Committee for, among other purposes, compliance with the Instrument.

2.2 Relationship with External Auditors and Other Parties

The Corporation will require its external auditor to report directly to the Committee and its Members shall ensure that such is the case.

Each Member shall be entitled, to the fullest extent permitted by law, to rely on the integrity of those persons and organizations within and outside the Corporation from whom he or she receives information, and the accuracy of the information provided to the Corporation by such other persons or organizations.

2.3 Committee Responsibilities

1. The Committee shall be responsible for making the following recommendations to the Board of directors:
 - (a) the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation; and
 - (b) the compensation of the external auditor.

2. The Committee shall be directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditor regarding financial reporting. This responsibility shall include:
 - (a) reviewing the audit plan with management and the external auditor;
 - (b) making appropriate inquiries of management and the head of internal audit, if applicable, whether there is inappropriate scope or resource limitations;
 - (c) reviewing with management and the external auditor before the filing of financial statements, all critical accounting policies and any proposed changes in major accounting policies, the presentation and impact of significant risks and uncertainties, and key estimates, alternative treatments and judgements of management that may be material to financial reporting;
 - (d) questioning management and the external auditor regarding significant financial reporting issues discussed during the fiscal period and the method of resolution;
 - (e) reviewing any problems experienced by the external auditor in performing the audit, including any restrictions imposed by management or significant accounting issues on which there was a disagreement with management;
 - (f) reviewing audited financial statements, in conjunction with the report of the external auditor, and obtaining and reviewing an explanation from management of all significant variances between comparative reporting periods;
 - (g) reviewing the differences that were noted or proposed by the auditors but were passed as immaterial or otherwise and any management or internal control letter, containing the recommendations of the external auditor, and management's response and subsequent follow up to any identified weakness;
 - (h) reviewing interim unaudited financial statements before release to the public;

- (i) reviewing all public disclosure documents containing audited or unaudited financial information before release, including any prospectus, the annual report and management's discussion and analysis;
 - (j) reviewing the evaluation of internal controls by the external auditor, together with management's response;
 - (k) reviewing the terms of reference of the internal auditor, if any;
 - (l) reviewing the reports issued by the internal auditor, if any, and management's response and subsequent follow up to any identified weaknesses;
 - (m) reviewing the appointments of the chief financial officer, the Corporation's head of internal audit, if any, and any key financial executives involved in the financial reporting process, as applicable;
 - (n) reviewing annually the Charter and annually obtain approval from the Board; and
 - (o) if an internal auditor is appointed, reviewing and annually approving the internal audit charter and the risk based internal audit plan.
3. The Committee shall pre-approve all non-audit services to be provided to the Corporation or its subsidiary entities by the Corporation's external auditor.
 4. The Committee shall review the Corporation's financial statements, MD&A, and annual and interim earnings press releases before the Corporation publicly discloses this information.
 5. The Committee shall review and discuss the quality of the Corporation's accounting principles, internal controls, and financial statements.
 6. The Committee shall review and assess the adequacy of risk management policies, procedures, and processes and review updates on risks.
 7. The Committee shall ensure that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, and shall periodically assess the adequacy of those procedures.
 8. When there is to be a change of auditor, the Committee shall review all issues related to the change, including the information to be included in the notice of change of auditor called for under National Instrument 51-102, and the planned steps for an orderly transition.
 9. The Committee shall review all reportable events, including disagreements, unresolved issues and consultations, as defined in National Instrument 51-102, on a routine basis, whether or not there is to be a change of auditor.
 10. The Committee shall, as applicable, establish procedures for:
 - (a) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and
 - (b) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

11. The responsibilities outlined in this Charter are not intended to be exhaustive. Members should consider any additional areas which may require oversight when discharging their responsibilities.
12. While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Corporation's financial statements and disclosures are complete and accurate and in accordance with generally accepted accounting principles and applicable rules and regulations, each of which is the responsibility of management and the Corporation's external auditors.

2.4 De Minimis Non-Audit Services

The Committee shall satisfy the pre-approval requirement in subsection 2.3(3) of National Instrument 52-110 – *Audit Committees* (“NI 52-110”) if:

- (a) the aggregate amount of all the non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent (5%) of the total amount of fees paid by the Corporation and its subsidiary entities to the Corporation's external auditor during the financial year in which the services are provided;
- (b) the Corporation or the subsidiary of the Corporation, as the case may be, did not recognize the services as non-audit services at the time of the engagement; and
- (c) the services are promptly brought to the attention of the Committee and approved by the Committee or by one or more of its members to whom authority to grant such approvals has been delegated by the Committee, prior to the completion of the audit.

2.5 Delegation of Pre-Approval Function

1. The Committee may delegate to one or more independent Members the authority to pre-approve non-audit services in satisfaction of the requirement in subsection 2.3(3) of NI 52-110.
2. The pre-approval of non-audit services by any Member to whom authority has been delegated pursuant to subsection 2.5(1) of NI 52-110 must be presented to the Committee at its first scheduled meeting following such pre-approval.

PART 3

3.1 Composition

1. The Committee shall be composed of a minimum of three Members.
2. Every Member shall be a director of the Corporation.
3. A majority of the Members shall not be employees, Control Persons or executive officers of the Corporation or any affiliate of the Corporation.
4. If practicable, given the composition of the Board, every Member shall be financially literate.
5. If practicable, given the composition of the Board, every Member shall be independent.
6. The Board shall appoint or re-appoint the Members after each annual meeting of shareholders of the Corporation.

PART 4

4.1 Authority

Until the replacement of this Charter, the Committee shall have the authority to:

- (a) engage independent legal counsel and other advisors as it determines necessary to carry out its duties;
- (b) set and pay the compensation for any advisors employed by the Committee;
- (c) communicate directly with the internal and external auditors; and
- (d) recommend the amendment or approval of audited and interim financial statements to the Board.

PART 5

5.1 Disclosure in Information Circular

If management of the Corporation solicits proxies from the security holders of the Corporation for the purpose of electing directors to the Board, the Corporation shall include in its management information circular the disclosure required by Form 52-110F2 (Disclosure by Venture Issuers).

PART 6

6.1 Meetings

1. Meetings of the Committee shall be scheduled to take place at regular intervals and, in any event, not less frequently than quarterly.
2. Opportunities shall be afforded periodically to the external auditor, the internal auditor and to members of senior management to meet separately with the Members .
3. Minutes shall be kept of all meetings of the Committee.
4. The quorum for meetings shall be a majority of the Members, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak to and to hear each other. No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present.

Currency of this Charter

This Charter was last approved by the Board on April 8, 2019.