

ESSTRA INDUSTRIES INC.

NOTICE OF ANNUAL GENERAL MEETING AND MANAGEMENT INFORMATION CIRCULAR with respect to the Annual General Meeting of Shareholders to be held on November 16, 2020

October 9, 2020

ESSTRA INDUSTRIES INC.

NOTICE OF ANNUAL GENERAL MEETING OF THE SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT the annual general meeting (the "**Meeting**") of the shareholders of Esstra Industries Inc. (the "**Corporation**") will be held via teleconference, dial in number 1-833-529-0229 on Monday, November 16, 2020 at 11:00 AM (Pacific) for the following purposes:

1. To receive and consider the consolidated financial statements of the Corporation as at and for the year ended May 31, 2020, together with the report of the auditors thereon. Refer to "Particulars of Matters to be Acted Upon – Financial Statements" set forth in the accompanying management information circular and proxy statement (the "**Management Proxy Circular**");
2. to fix the number of directors of the Corporation to be elected at the Meeting. Refer to "**Election of Directors**" in the accompanying Management Proxy Circular;
3. to elect the directors of the Corporation for the ensuing year. Refer to "**Election of Directors**" in the accompanying Management Proxy Circular;
4. to appoint the auditors of the Corporation for the ensuing year and to authorize the directors of the Corporation to determine the remuneration to be paid to the auditors. Refer to "**Appointment of Auditors**" in the accompanying Management Proxy Circular;
5. to consider and, if deemed advisable, pass an ordinary resolution, ratifying, adopting and re-approving the stock option plan of the Corporation and authorizing the Corporation's board of directors to make any amendments thereto that may be required for the purpose of obtaining the approval of applicable securities regulatory authorities or stock exchanges. Refer to "**Particulars of Matters to be Acted Upon – Ratification and Re-Approval of Stock Option Plan**" in the accompanying Management Proxy Circular; and
6. to transact such other business as may properly come before the Meeting.

Information relating to matters to be acted upon by the shareholders at the Meeting is set forth in the accompanying Management Proxy Circular.

Shareholders are requested to date, sign and return the accompanying instrument of proxy, or other appropriate form of proxy, in accordance with the instructions set forth in the accompanying Management Proxy Circular. An instrument of proxy will not be valid unless it is deposited at the offices of Computershare Investor Services (Attention: Proxy Department) at 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, not less than 48 hours (excluding Saturdays, Sundays and statutory holidays) before the time of the Meeting, or any adjournment or postponements thereof at which the proxy is to be used. An instrument of proxy may also be voted using a touch tone telephone at 1-866-732-VOTE (8683). Alternatively, a registered shareholder can complete internet voting by logging on at www.investorvote.com and entering the CONTROL NUMBER located on the address box of the shareholder's instrument of proxy.

Given the significant uncertainty relating to the coronavirus ("**COVID-19**") pandemic, its public health impact and the associated current restrictions on and the risk in attending large group gatherings, the Corporation has made arrangements to hold the Meeting as a completely virtual meeting, which will be conducted via teleconference, where all shareholders regardless of geographic location and equity ownership will have an equal opportunity to attend the Meeting. Shareholders will not be able to attend the Meeting in person due to COVID-19 and are encouraged to vote their shares prior to the Meeting.

Only shareholders of record as at the close of business on October 9, 2020 are entitled to receive notice of and vote at the Meeting.

SHAREHOLDERS ARE CAUTIONED THAT THE USE OF THE MAIL TO TRANSMIT PROXIES IS AT EACH SHAREHOLDER'S RISK.

DATED at Vancouver, British Columbia as of October 9, 2020

ON BEHALF OF THE BOARD OF DIRECTORS

/s/ "Virginia Olnick"

Virginia Olnick

Chief Executive Officer, Corporate Secretary and Director

ESSTRA INDUSTRIES INC.

Management Information Circular and Proxy Statement

(Unless otherwise stated, information contained herein is given as of October 9, 2020). All references to dollar amounts herein are references to Canadian dollars unless otherwise indicated.

INFORMATION REGARDING PROXIES AND VOTING AT THE MEETING

Solicitation of Proxies

This management information circular and proxy statement (the "**Management Proxy Circular**") is furnished in connection with the solicitation of proxies by the management of Esstra Industries Inc. (the "**Corporation**") for use at the annual general meeting (the "**Meeting**") of the holders (the "**Shareholders**") of common shares ("Common Shares") of the Corporation to be held via teleconference, dial in number 1-833-529-0229, on Monday, November 16, 2020 at 11:00 AM (Pacific), for the purposes set forth in the notice of annual general meeting (the "**Notice**") accompanying this Management Proxy Circular. Solicitation of proxies will be primarily by mail, but may also be undertaken by way of telephone, internet, facsimile or oral communication by the directors, officers and regular employees of the Corporation, at no additional compensation. Costs associated with the solicitation of proxies will be borne by the Corporation.

Appointment of Proxyholders

Accompanying this Management Proxy Circular is an instrument of proxy for use at the Meeting. Shareholders who are unable to attend the Meeting in person and wish to be represented by proxy are required to date and sign the enclosed instrument of proxy and return it in the enclosed return envelope. **All properly executed instruments of proxy for Shareholders must be mailed so as to reach or be deposited at the offices of Computershare Investor Services (Attention: Proxy Department) at 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1 not later than 48 hours (excluding Saturdays, Sundays and statutory holidays in the Province of British Columbia) prior to the time set for the Meeting or any adjournment thereof.** An instrument of proxy may also be voted using a touch tone telephone at 1-866-732-VOTE (8683). Alternatively, a registered shareholder can complete internet voting by logging on at www.investorvote.com and entering the CONTROL NUMBER located on the address box of the Shareholder's instrument of proxy.

The persons designated in the instrument of proxy are officers and directors of the Corporation. **A Shareholder has the right to appoint a person (who need not be a Shareholder) other than the persons designated in the accompanying instrument of proxy, to attend at and represent the Shareholder at the Meeting.** To exercise this right, a Shareholder should insert the name of the designated representative in the blank space provided on the instrument of proxy and strike out the names of management's nominees. Alternatively, a Shareholder may complete another appropriate instrument of proxy.

Signing of Proxy

The instrument of proxy must be signed by the Shareholder or the Shareholder's duly appointed attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal or by a duly authorized officer or attorney of the Corporation. An instrument of proxy signed by a person acting as attorney or in some other representative capacity (including a representative of a corporate Shareholder) should indicate that person's capacity (following his or her signature) and should be accompanied by the appropriate instrument evidencing qualification and authority to act (unless such instrument has previously been filed with the Corporation).

Revocability of Proxies

A Shareholder who has submitted an instrument of proxy may revoke it at any time prior to the exercise thereof. In addition to any manner permitted by law, a proxy may be revoked by instrument in writing executed by the Shareholder or by his or her duly authorized attorney or, if the Shareholder is a corporation, under its corporate seal

or executed by a duly authorized officer or attorney of the corporation and deposited either: (i) at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting, or any adjournments thereof, at which the instrument of proxy is to be used; or (ii) with the Chairman of the Meeting on the day of the Meeting, or any adjournment thereof. In addition, an instrument of proxy may be revoked: (i) by the Shareholder personally attending the Meeting and voting the securities represented thereby or, if the Shareholder is a corporation, by a duly authorized representative of the corporation attending at the Meeting and voting such securities; or (ii) in any other manner permitted by law.

Voting of Proxies and Exercise of Discretion by Proxyholders

All Common Shares represented at the Meeting by properly executed proxies will be voted on any ballot that may be called for and, where a choice with respect to any matter to be acted upon has been specified in the instrument of proxy, the Common Shares represented by the instrument of proxy will be voted in accordance with such instructions. The management designees named in the accompanying instrument of proxy will vote or withhold from voting the Common Shares in respect of which they are appointed in accordance with the direction of the Shareholder appointing him or her on any ballot that may be called for at the Meeting. **In the absence of such direction, such Common Shares will be voted "FOR" the proposed resolutions at the Meetings. The accompanying instrument of proxy confers discretionary authority upon the persons named therein with respect to amendments of or variations to the matters identified in the accompanying Notice and with respect to other matters that may properly be brought before the Meeting.** In the event that amendments or variations to matters identified in the Notice are properly brought before the Meeting or any further or other business is properly brought before the Meeting, it is the intention of the management designees to vote in accordance with their best judgment on such matters or business. At the time of printing this Management Proxy Circular, the management of the Corporation knows of no such amendment, variation or other matter to come before the Meeting other than the matters referred to in the accompanying Notice.

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

Except as disclosed in this Management Proxy Circular, none of the directors or senior officers of the Corporation at any time since the beginning of the Corporation's last financial year, nor any proposed nominee for election as a director of the Corporation, nor any associate or affiliate of any of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on, other than the election of directors.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

Voting Shares, Record Date and Principal Shareholders

As at the date of this Management Proxy Circular, the authorized share capital of the Corporation consists of an unlimited number of Common Shares without par value. The record date for the determination of Shareholders entitled to receive notice of, and to vote at, the Meeting is October 9, 2020 (the "**Record Date**"). As at the Record Date, there were 8,202,501 Common Shares issued and outstanding as fully paid and non-assessable, each carrying the right to one vote.

To the knowledge of the directors and executive officers of the Corporation, no one beneficial owner or person exercised control or direction over Common Shares carrying more than 10% of the outstanding voting rights as of the Record Date.

Shareholder	No. of Shares Beneficially Owned, Controlled or Directed	Percentage of Outstanding Shares
Peter Damouni	986,500	12.03%
Glenn Olnick	946,000	11.53%
Wynne Olnick	975,000	11.89%

Common Shares

The holders of Common Shares are entitled to notice of and to vote at all annual general and special meetings of shareholders (except meetings at which only holders of a specified class or series of shares are entitled to vote) and are entitled to one vote per Common Share. The holders of Common Shares are entitled to receive such dividends as the board of directors of the Corporation (the "**Board of Directors**" or the "**Board**") declares and, upon liquidation, to receive such assets of the Corporation as are distributable to holders of Common Shares.

Voting of Common Shares – General

Only Shareholders whose names are entered in the Corporation's register of shareholders at the close of business on the Record Date will be entitled to receive notice of and to vote at the Meeting, provided that, to the extent that: (i) a registered Shareholder has transferred the ownership of any Common Shares subsequent to the Record Date; and (ii) the transferee of those Common Shares produces properly endorsed share certificates, or otherwise establishes that he or she owns the Common Shares and demands, not later than ten days before the Meeting, that his or her name be included on the Shareholder list before the Meeting, in which case the transferee shall be entitled to vote his or her Common Shares at the Meeting.

Voting of Common Shares – Advice to Non-Registered Holders

Only registered holders of Common Shares, or the persons they appoint as their proxies, are permitted to attend and vote at the Meeting. However, in many cases, Common Shares beneficially owned by a holder (a "**Non-Registered Holder**") are registered either:

- a) In the name of an intermediary (an "**Intermediary**") that the Non-Registered Holder deals with in respect of the Common Shares. Intermediaries include banks, trust companies, securities dealers or brokers, and trustees or administrators of self-administered RRSPs, RRI's, RESPs and similar plans; or
- b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited or "**CDS**").

In accordance with the requirements of National Instrument 54-101 of the Canadian Securities Administrators, the Corporation has distributed copies of the Notice, Management Proxy Circular and the instrument of proxy (collectively, the "**Meeting Materials**") to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders.

Intermediaries are required to forward meeting materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Typically, Intermediaries will use a service corporation (such as Broadridge Financial Solutions, Inc. ("**Broadridge**")) to forward meeting materials to Non-Registered Holders.

Generally, Non-Registered Holders who have not waived the right to receive meeting materials will:

- a) Have received as part of the Meeting Materials a voting instruction form which must be completed, signed and delivered by the Non-Registered Holder in accordance with the directions on the voting instruction form; voting instruction forms sent by Broadridge permit the completion of the voting instruction form by telephone or through Internet based voting procedures; or
- b) less typically, be given a proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature) which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Holder but which is otherwise uncompleted. This form of proxy need not be signed by the Non-Registered Holder. In this case, the Non-Registered Holder who wishes to submit a proxy should otherwise properly complete the form of proxy and deposit it with Computershare Investor Services at the address referred to above.

The purpose of these procedures is to permit Non-Registered Holders to direct the voting of the Common Shares they beneficially own. Should a Non-Registered Holder wish to attend and vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should strike out the names of the persons named in the proxy and insert the Non-Registered Holder's (or such other person's) name in the blank space provided or, in the case of a voting instruction form, follow the corresponding instructions on the form. **In either case, Non-Registered Holders should carefully follow the instructions of their intermediaries and their service companies.**

Only registered Shareholders have the right to revoke a proxy. Non-Registered Holders who wish to change their vote must in sufficient time in advance of the Meeting, arrange for their respective Intermediaries to change their vote and if necessary revoke their proxy in accordance with the revocation procedures set above.

ELECTION OF DIRECTORS

Advance Notice

The Corporation's Articles provide for advance notice (the "**Advance Notice**") to the Corporation in circumstances where nominations of persons for election to the Board of Directors are made by Shareholders of the Corporation other than pursuant to (i) a requisition of a meeting made pursuant to the provisions of the *Business Corporations Act* (British Columbia) or (ii) a shareholder proposal made pursuant to the provisions of the *Business Corporations Act* (British Columbia).

The purpose of the Advance Notice is to ensure that all Shareholders - including those participating in a meeting by proxy rather than in person - receive adequate notice of the nominations to be considered at a meeting and can thereby exercise their voting rights in an informed manner. Among other things, the Advance Notice fixes a deadline by which holders of Common Shares must submit director nominations to the Corporation prior to any annual or special meeting of Shareholders and sets forth the minimum information that a Shareholder must include in the notice to the Corporation for the notice to be in proper written form.

The foregoing is merely a summary of the Advance Notice provisions in the Corporation's Articles, is not comprehensive and is qualified by the full text of such Articles which are available under the Corporation's SEDAR profile at www.sedar.com.

As of the date of the Management Proxy Circular, the Corporation has not received notice of a nomination in compliance with the Advance Notice.

Fixing the Number of Directors

At the Meeting, the Shareholders will be asked to fix the number of directors of the Corporation to be elected at 3 members. Approval of the number of directors will require the affirmative votes of the holders of not less than a simple majority of the votes cast in respect thereof by Shareholders present in person or by proxy at the Meeting. Unless otherwise directed, the management designees named in the accompanying instrument of proxy intend to vote in favour of fixing the number of directors at 3.

Nominees

The persons named below are the nominees of management for election as directors. The term of office of each of the present directors expires at the Meeting. Management of the Corporation proposes to nominate the persons named below for election as directors of the Corporation at the Meeting to serve until the next annual meeting of the Shareholders of the Corporation, unless their office is earlier vacated. All of the nominees are currently members of the Board of Directors of the Corporation.

Approval of the election of directors will require the affirmative votes of the holders of not less than a simple majority of the votes cast in respect thereof by Shareholders present in person or by proxy at the Meeting. **Unless otherwise directed, the management designees named in the accompanying instrument of proxy intend to vote in favour of the election, as directors, of the nominees whose names are set forth below.** In the event that prior to the Meeting, any vacancies occur on the slate of nominees submitted herewith, it is intended that discretionary authority will be granted to vote proxies solicited by or on behalf of management for the election of any other person or persons as directors. Management is not currently aware that any such nominees would not be willing to serve as director if elected.

The following information concerning the proposed nominees has been furnished by each of them:

Name, Province or State and Country of Residence	Principal Occupation or Employment ⁽¹⁾	Director Since	Term of Office ⁽²⁾	Number of Common Shares Beneficially Owned or Controlled and percentage of total issued and outstanding ⁽³⁾
DICKSON, Peter G. ⁽⁴⁾ Alberta, Canada	Self-employed Management Consultant; former President, CEO and director of the Corporation.	May 30, 1997	N/A	648,500 7.91%
OLNICK, Virginia ⁽⁴⁾ British Columbia, Canada	Businesswoman, CEO and Corporate Secretary of the Corporation	January 18, 2019	N/A	500,000 6.10%
ATKINSON, David ⁽⁴⁾ British Columbia, Canada	Chief Financial Officer of the Corporation, President and CEO of Earthworks Industries	January 18, 2019	N/A	25,000 0.30%

Notes:

- Includes occupations for preceding five years unless the director was elected at the previous Annual General Meeting and was shown as a nominee for election as a director in the management information circular for that meeting.
- The Corporation does not have set terms of office for directors; rather, all directors who are elected hold office until the next annual general meeting of the Corporation.
- The information, as of the Record Date, as to the number of Common Shares, carrying the right to vote in all circumstances, beneficially owned, directly or indirectly, or over which control or direction is exercised, has been furnished by the respective nominees. These figures do not include any securities that are convertible into or exercisable for Common Shares. No director, together with that director's associates and affiliates beneficially owns, directly or indirectly, or exercises control or direction over more than 10% of the Common Shares.
- Member of the Audit Committee.

Corporate Cease Trade Orders

Other than as set forth below, no director or proposed director of the Corporation is, or has been within the past ten years, a director, chief executive officer or chief financial officer of any other corporation that, while such person was acting in that capacity:

- (i) Was the subject of a cease trade order, an order similar to a cease trade order or an order that denied the corporation access to any exemptions under securities legislation, and that was in effect for a period of more than 30 consecutive days; or
- (ii) was the subject of a cease trade order, an order similar to a cease trade order or an order that denied the corporation access to any exemptions under securities legislation, that was issued after that individual ceased to be a director or chief executive officer or chief financial officer and which resulted from an event that occurred while such person was acting in a capacity as a director, chief executive officer or chief financial officer.

Ms. Virginia Olnick was a director of Charlotte Resources (CNSX – CHT) ("**Charlotte**") from July 3, 2014 until February 15, 2018. Charlotte failed to file year-end financial statements and MD&A for December 31, 2014 and a cease trade order was issued by the BC Securities Commission on May 8, 2015.

Corporate Bankruptcies

No director or proposed director of the Corporation is, or has been within the past ten years, a director or executive officer of any other corporation that, while such person was acting in that capacity, or within a year of that individual 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.

Individual Bankruptcies

No director or proposed director of the Corporation is or has, within the ten years prior to the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

Penalties or Sanctions

No director or proposed director of the Corporation has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or have entered into a settlement agreement with a securities regulatory authority. No director or proposed director of the Corporation has been subject to any other 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.

Conflicts of Interest

The directors and officers of the Corporation may, from time to time, be involved with the business and operations of other asset management issuers, in which case a conflict of interest may arise between their duties as officers and directors of the Corporation and as officer and directors of such other companies. Such conflicts must be disclosed in accordance with, and are subject to such procedures and remedies, as applicable, under the *Business Corporations Act* (British Columbia).

STATEMENT OF EXECUTIVE COMPENSATION

In accordance with the requirements of National Instrument 51-102 *Continuous Disclosure Obligations*, the Canadian Securities Administrators have issued guidelines on executive compensation disclosure for venture issuers as set out in Form 51-102F6V. The objective of the disclosure is to communicate the compensation the Corporation paid, made payable, awarded, granted, gave or otherwise provided to each named executive officer and director for the financial year, and the decision-making process relating to compensation. The disclosure will provide insight into executive compensation as a key aspect of the overall stewardship and governance of the Corporation and will help Shareholders understand how decisions about executive compensation are made. The Corporation's approach to executive compensation is set forth below.

Director and Named Executive Officer Compensation

Executive compensation is required to be disclosed for each (i) Chief Executive Officer (or individual who served in a similar capacity during the most recently completed financial year), (ii) each Chief Financial Officer (or individual who served in a similar capacity during the most recently completed financial year), (iii) the most highly compensated executive officer (other than the Chief Executive Officer and the Chief Financial Officer) who were serving as executive officers at the end of the most recently completed fiscal year whose total compensation was, individually, more than \$150,000; and (iv) each individual who would meet the definition set forth in (iii) but for the fact that the individual was neither an executive officer of the Corporation, nor acting in a similar capacity, at the end of that financial year (the "**Named Executive Officers**" or "**NEO's**").

Director and Named Executive Officer Compensation, Excluding Compensation Securities

The following table sets forth all compensation paid or accrued, payable, awarded, granted, given or otherwise provided, directly or indirectly, by the Corporation or any subsidiary thereof, to each Named Executive Officer and director of the Corporation, for each of the two most recently completed financial years ended May 31, 2020 and 2019.

Table of compensation excluding compensation securities							
Name and position ⁽¹⁾	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$) ⁽¹⁾	Value of all other compensation (\$) ⁽²⁾	Total compensation (\$)
DICKSON, Peter G. ⁽⁴⁾ <i>Director and Former CEO and President and Director</i>	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	\$3,697 ⁽⁸⁾	Nil	Nil	Nil	Nil	Nil

Table of compensation excluding compensation securities							
Name and position ⁽¹⁾	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$) ⁽¹⁾	Value of all other compensation (\$) ⁽²⁾	Total compensation (\$)
LEWIS, Sharon ⁽⁵⁾ <i>Former CEO and Corporate Secretary</i>	2020	\$3,875	Nil	Nil	Nil	Nil	Nil
	2019	\$20,100	Nil	Nil	Nil	Nil	Nil
ATKINSON, David ⁽⁶⁾ <i>CFO</i>	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
OLNICK, Virginia ⁽⁷⁾ <i>CEO and Corporate Secretary</i>	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

1. If an individual is an NEO and a director, both positions have been listed. Directors do not receive compensation for acting as directors other than compensation securities.
2. Includes perquisites provided to an NEO or director that are not generally available to all employees and that, in aggregate, are greater than (a) \$15,000, if the NEO or director's total compensation for the financial year is \$150,000 or less; (b) 10% of the NEO or director's salary for the financial year, if the NEO or director's total compensation for the financial year is greater than \$150,000 but less than \$500,000; (c) \$50,000, if the NEO or director's total for the financial year is \$500,000 or greater.
3. No form of other compensation paid or payable equals or exceeds 25% of the total value of other compensation paid or payable to the director or Named Executive Officer other than compensation securities.
4. Mr. Dickson resigned as President and CEO of the Corporation on March 11, 2019, he remains a director.
5. Ms. Lewis resigned as CFO and Corporate Secretary of the Corporation on October 16, 2019.
6. Mr. Atkinson was appointed a director of the Corporation on January 19, 2019 and CFO of the Corporation on October 16, 2019.
7. Ms. Olnick was appointed a director of the Corporation on January 19, 2019, CEO of the Corporation on March 11, 2019 and Corporate Secretary of the Corporation on July 17, 2020.
8. As at May 31, 2019, \$3,697 was included in accounts payable and accrued liabilities owing to Mr. Dickson. The liabilities are non-interest bearing and repayable on demand.

External Management Companies

Please refer to "Employment, Consulting and Management Agreements" below for disclosure relating to any external management company employing, or retaining individuals, acting as Named Executive Officers of the Corporation, or that provide the Corporation's executive management services and allocate compensation paid to any Name Executive Officer or director.

Stock Options and Other Compensation Securities

There were no compensation securities granted or issued by the Corporation, or any subsidiary thereof, to any director or Named Executive Officer in the most recently completed financial year ended May 31, 2020. Furthermore, there were no compensation securities exercised, by any director or Named Executive Officer in the most recently completed financial year ended May 31, 2020.

Stock Option Plans and Other Incentive Plans

The following is a summary of the Corporation's stock option plan (the "**Option Plan**"), which is the only incentive plan in place available to the Named Executive Officers and Directors.

The Option Plan was established to provide an incentive to the directors, officers, employees, consultants and other personnel of the Corporation to achieve the longer-term objectives of the Corporation, to give suitable recognition to the ability and industry of such persons who contribute materially to the success of the Corporation and to attract to and retain in the employ of the Corporation, persons of experience and ability, by providing them with the opportunity to acquire an increased proprietary interest in the Corporation.

The following is a summary of the material terms of the Option Plan and is qualified in its entirety by the full text of the Option Plan, which is attached hereto as Schedule "B":

- The number of Common Shares to be reserved and authorized for issuance pursuant to options granted under the Option Plan shall not exceed ten percent (10%) of the total number of issued and outstanding shares in the Corporation.
- Under the Option Plan, the aggregate number of optioned Common Shares granted to any one director or Named Executive Officer, together with all other Common Share compensation arrangements, must not exceed 5% of the Corporation's issued and outstanding shares in a 12 month period unless the Corporation has obtained disinterested shareholder approval.
- The exercise price for options granted under the Option Plan will set by the Board of Directors at such time as the option is allocated under the Option Plan and cannot be less than the discounted market price permitted by the policies of the stock exchange on which the Corporation's Common Shares are listed for trading.
- Options can be exercisable for a maximum of up to 10 years, subject to earlier termination in the event of the optionee's death or the cessation of the optionee's services to the Corporation.
- Options granted under the Option Plan will not be assignable or transferable, except in the case of the death of an optionee; any vested option held by such individual at the date of death will become exercisable by the optionee's lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such optionee and the date of expiration of the term otherwise applicable to such option.

Employment, Consulting and Management Agreements

The Corporation does not have any employment, consulting or management agreements in place with its Name Executive Officers or directors.

Oversight and Description of Director and Named Executive Officer Compensation

Director Compensation

The Corporation has no standard arrangement pursuant to which directors are compensated by the Corporation for their services in their capacity as directors, except for the granting from time to time of incentive stock options in accordance with the policies of the stock exchange on which the Corporation's Common Shares are listed for trading and the Option Plan.

Named Executive Officer Compensation

As the Corporation does not have a compensation committee, the functions of a compensation committee are performed by the Board of Directors as a whole and the compensation of the Named Executive Officers is reviewed and approved annually by the Board of Directors.

The objective of the Board of Directors in setting compensation levels is to attract and retain individuals of high caliber to serve the Corporation, to motivate their performance in order to achieve the Corporation's strategic objectives and to align the interests of the Named Executive Officers with the long-term interests of the Shareholders. These objectives are designed to ensure that the Corporation's business continues to grow and develop.

The Board of Directors sets the compensation received by the Named Executive Officers so as to be generally competitive with the compensation received by persons with similar qualifications and responsibilities who are engaged by other companies of corresponding size and stage of development having similar assets, number of employees and market capitalization.

The Corporation compensates its Named Executive Officers based on their skill and experience levels and the existing stage of development of the Corporation. Named Executive Officers are rewarded on the basis of the skill and level of responsibility involved in their position, the individual's experience and qualifications, the Corporation's resources, industry practice, and regulatory guidelines regarding executive compensation levels.

The Board of Directors has implemented three levels of compensation to align the interests of the executive officers with those of the shareholders. First, Named Executive Officers are paid a monthly consulting fee or salary determined by the Board of Directors, if appropriate; second, the Board of Directors awards Named Executive Officers long term incentives in the form of stock options, if appropriate. Finally and only in special circumstances, the Board of Directors may award cash or share bonuses for exceptional performance that results in a significant increase in shareholder value.

The base compensation of the Named Executive Officers is reviewed and set annually by the Board of Directors. The Chief Executive Officer has substantial input in setting annual compensation levels. The Chief Executive Officer is directly responsible for the financial resources and operations of the Corporation. In addition, the Chief Executive Officer and Board of Directors from time to time determine the stock option grants to be made pursuant to the Option Plan. Previous grants of stock options are taken into account when considering new grants. The Board of Directors awards bonuses at its sole discretion. The Board of Directors has not set any performance criteria or objectives.

The Board of Directors considers the implications of the risks associated with the Corporation's compensation policies and practices when determining rewards for its Named Executive Officers and ensures that those policies do not encourage management to take inappropriate or excessive risks. The Board of Directors does not believe that there are any risks arising from the compensation programs that would be reasonably likely to have a material adverse effect on the Corporation.

Neither Named Executive Officers nor directors are permitted to take any derivative or speculative positions in the Corporation's securities. This is to prevent the purchase of financial instruments that are designed to hedge or offset any decrease in the market value of the Corporation's securities.

Compensation for the most recently completed financial year should not be considered as an indicator of expected compensation levels in future periods. All compensation is subject to and dependent on the Corporation's financial resources and prospects.

Pension Disclosure

The Corporation does not have any defined benefit or defined contribution pension plans in place which provide for payments or benefits at, following, or in connection with retirement of its directors or Named Executive Officers.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out information as at the end of the Corporation's most recently completed financial year ended May 30, 2020 with respect to the Option Plan, which is the only compensation plan under which equity securities of the Corporation are authorized for issuance.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders	Nil	N/A	670,250 ⁽¹⁾
Equity compensation plans not approved by securityholders	Nil	N/A	Nil
Total	Nil	N/A	670,250

Notes:

1. The Option Plan provides that the aggregate number of securities reserved for issuance under the Option Plan may not exceed 10% of the issued and outstanding shares of the Corporation at the time of granting the options. As at the Record Date, there were 8,202,501 Common Shares issued and outstanding and no outstanding options, with the result that 820,250 options were available to the Corporation to be granted.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the directors and officers of the Corporation, any proposed management nominee for election as a director of the Corporation or any associate of any director, officer or proposed management nominee is or has been indebted to the Corporation at any time during the last completed financial year.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed in this Management Proxy Circular to the knowledge of management of the Corporation, none of the informed persons of the Corporation (as defined in National Instrument 51-102), nor any proposed nominee for election as a director of the Corporation, nor any person who beneficially owns, directly or indirectly, shares carrying more than 10% of the voting rights attached to the issued shares of the Corporation, nor any associate or affiliate of the foregoing persons has any material interest, direct or indirect, in any transaction since the

commencement of the Corporation's most recently completed financial year or in any proposed transaction which, in either case, has or will materially affect the Corporation and none of such persons has any material interest in any transaction proposed to be undertaken by the Corporation that will materially affect the Corporation.

CORPORATE GOVERNANCE

In accordance with the requirements of National Instrument 58-101 *Disclosure of Corporate Governance Practices* the Canadian Securities Administrators have issued guidelines on corporate governance disclosure for venture issuers as set out in Form 58-101F2. The disclosure addresses matters relating to constitution and independence of directors, the functions to be performed by the directors of a corporation, their committees and effectiveness and evaluation of proposed corporate governance guidelines and best practices. The Corporation's approach to corporate governance is set forth below.

Board of Directors

In determining whether a director is independent, the Corporation primarily considers whether the director has a relationship which could or could be perceived to interfere with the director's exercise of independent judgement. For the purposes of this disclosure, a director is independent if he or she would be independent within the meaning of section 1.4 of National Instrument 52-110 *Audit Committees*.

The following table sets forth the nominees for appointment to the Board, their independence or non-independence and the basis for that determination:

Name	Independent	Basis for Determination of Independence ⁽¹⁾
OLNICK, Virginia	No	Material relationship - Chief Executive Officer and Corporate Secretary of the Corporation
DICKSON, Peter	No	Former President and CEO of the Corporation ⁽²⁾
ATKINSON, David	Yes	Material relationship - CFO of the Corporation

Notes:

1. Individuals who are, or have been within the last three years, an employee or executive officer of the Corporation, are considered to have or have had, a material relationship with the Corporation, therefore these individuals do not satisfy the meaning of independence as set forth in section 1.4 of National Instrument 52-110 *Audit Committees*.
2. Mr. Dickson resigned as President and CEO of the Corporation on March 11, 2019; he will not be deemed to be an independent director until March 12, 2022.

Directorships in Other Reporting Issuers

Certain current and proposed directors of the Corporation are also directors of other reporting issuers (or the equivalent) in a jurisdiction or a foreign jurisdiction as set forth in the following table:

Name	Name of Reporting Issuers
OLNICK, Virginia	eShippers Management Ltd. Nevado Resources Corporation
DICKSON, Peter	International Antarex Metals Ltd.
ATKINSON, David	Nevado Resources Corporation Earthworks Industries Inc

Orientation and Continuing Education

The Corporation has not developed an official orientation or training program for new directors, but they are encouraged to communicate with other directors, officers and employees as needed. New directors will have the opportunity to become familiar with the Corporation with full access to records, meeting with legal counsel, the auditors and various technical consultants. Orientation activities are tailored to the needs and expertise of each director and the overall needs of the Board. The Corporation does not have a formal program of continuing education for its directors but encourages its directors to attend continuing education seminars at the Corporation's expense, subject to prior approval by management of the Corporation. The Corporation also liaises with its legal counsel, auditors and other advisors to keep apprised of any developments and material changes to corporate governance and reporting policies affecting the Corporation and makes the directors aware of any such developments and changes.

Ethical Business Conduct

The Board encourages, monitors and promotes a culture of ethical business conduct of the Corporation and ensures that the Board complies with applicable legal and regulatory requirements, such as those of relevant securities commissions and stock exchanges. The Board has found that the fiduciary duties placed on individual directors by the Corporation's governing corporate legislation and the common law, as well as the restrictions placed by applicable corporate legislation on the individual director's participation in decisions of the Board in which the director has an interest, have been sufficient to ensure that the Board operates independently of management and in the best interests of the Corporation.

The Corporation does not currently have a formal code of business conduct or policy in place for its directors, officers, employees and consultants. The Board believes that the Corporation's size facilitates informal review of and discussions with employees and consultants.

Nomination of Directors

The Board has not appointed a nominating committee as the Board fulfills these functions. When the Board identifies the need to fill a position, either due to a vacancy or as required to carry out the Board's duties effectively and maintain a breadth of experience, the Board requests that current directors put forward potential candidates for consideration.

Compensation

The Board has not appointed a compensation committee; rather, management of the Corporation is responsible for making recommendations to the Board with respect to compensation for the directors and the CEO. The Board has the ability to adjust and approve such compensation.

Market comparisons, as well as evaluation of similar positions in different industries in the same geography, along with individuals experience and the diversity such individual brings to the Corporation's Board, are the criteria used in determining compensation.

Other Board Committees

The Board does not currently have any committees other than the Audit Committee.

Assessments

The Board takes responsibility for monitoring and assessing its effectiveness and the performance of individual directors, its Audit Committees including reviewing the Board's decision-making processes and the quality of information provided by management.

AUDIT COMMITTEE

In accordance with the requirements of National Instrument 52-110 *Audit Committees*, the Canadian Securities Administrators have issued guidelines on annual disclosure for venture issuers, as set out in Form 52-110F2, concerning the constitution of the Corporation's Audit Committee and the relationship with its independent auditors. The Corporation's approach to its Audit Committee is set forth below.

Audit Committee Charter

The Charter of the Corporation's Audit Committee is attached to this Management Proxy Circular as Schedule "A".

Composition of the Audit Committee

The following table sets forth the members of the Audit Committee as of the Record Date, their independence or non-independence and the basis for that determination:

Name	Independent ⁽¹⁾	Financially Literate ⁽²⁾
OLNICK, Virginia	Material relationship - Chief Executive Officer and Corporate Secretary of the Corporation	Yes
DICKSON, Peter	Former President and CEO of the Corporation ⁽³⁾	Yes
ATKINSON, David	Material relationship - CFO of the Corporation	Yes

Notes:

1. Individuals who are, or have been within the last three years, an employee or executive officer of the Corporation, are considered to have or have had, a material relationship with the Corporation, therefore these individuals do not satisfy the meaning of independence as set forth in section 1.4 of National Instrument 52-110 *Audit Committees*.
2. Individual are financially literate if they have 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.
3. Mr. Dickson resigned as President and CEO of the Corporation on March 11, 2019; he will not be deemed to be an independent director until March 12, 2022.

Relevant Education and Experience

Each member of the Audit Committee brings unique education and experience relevant to the performance of their responsibilities and duties as an Audit Committee member. This includes, but is not limited to, an understanding of the accounting principles used by the Corporation to prepare its financial statements; the ability to assess the general application of accounting principles in connection with the accounting for estimates, accruals and provisions; experience preparing, auditing, analyzing or evaluating financial statements covering a breadth and level of complexity relative to the Corporation or experience actively supervising one or more individuals engaged in such activities; and an understanding of internal controls and procedures for financial reporting.

The following sets forth the relevant education and experience of the members of the Audit Committee:

Name	Education	Experience
OLNICK, Virginia	B.SC, University of British Columbia	Current and former director, officer and Audit Committee member of, and investor in, various publicly traded companies during the course of which she has reviewed and analyzed numerous financial statements.
DICKSON, Peter	Studied at University of Manitoba CDN & FAA ATPL Licenses	Self-employed Management Consultant and former President and CEO of the Corporation. Real Estate, Finance, Aviation and Sales background.
ATKINSON, David	Business Administration, Keyano College, Ft. McMurray, Alberta Canadian Securities, Canadian Investment Finance I & II, Vancouver, BC	30 years in investment industry finance with an increasing involvement with public companies in the field of waste management and renewable energy.

Audit Committee Oversight

At no time since the commencement of the Corporation's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board of Directors.

Reliance on Certain Exemptions

At no time since the commencement of the Corporation's most recently completed financial year has the Corporation relied on:

- (a) The exemption in Section 2.4 of NI 52-110 (*De Minimis Non-audit Services*);
- (b) the exemption in Subsection 6.1.1(4) (*Circumstance Affecting the Business or Operations of the Venture Issuer*);
- (c) the exemption in Subsection 6.1.1(5) (*Events Outside Control of Member*);
- (d) the exemption in Subsection 6.1.1(6) (*Death, Incapacity or Resignation*); or
- (e) an exemption from NI 52-110, in whole or in part, granted under Part 8 (*Exemption*).

Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services as described below under the heading "External Auditor Service Fees (By Category)"; however, such engagement is within the mandate of the Audit Committee.

External Auditor Service Fees (By Category)

The aggregate fees billed by the Corporation's external auditors in each of the last two fiscal years for audit, audit-related, tax and all other fees are as follows:

Financial Year Ending	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
2020	\$13,285.13	Nil	Nil	Nil
2019	\$12,261.85	Nil	Nil	Nil

Exemption

As a “venture issuer”, the Corporation is relying on the exemption provided in Section 6.1 of NI 52-110.

APPOINTMENT OF AUDITORS

Unless otherwise directed, management designees named in the accompanying instrument of proxy intend to vote in favor of the appointment of Davidson & Company LLP, Chartered Professional Accountants as auditors of the Corporation, to hold office until the close of the next annual meeting, at a remuneration to be determined by the Board of Directors. Davidson & Company LLP have been the Corporations auditors since November 28, 2019. Approval of the appointment of the auditors will require the affirmative votes of the holders of not less than a simple majority of the votes cast in respect thereof by Shareholders present in person or represented by proxy at the Meeting. **Unless instructed otherwise, the management designees in the accompanying Instrument of Proxy intend to vote FOR the resolution.** Davidson & Company LLP were appointed auditors for the Corporation on November 28, 2019 following the resignation of Carlton & Company, Chartered Professional Accountants (“**Charlton**”), at the Corporation’s request. In accordance with Section 4.11 of National Instrument 51-102 Continuous Disclosure Obligations (“**NI 51-102**”), attached to this information circular as Schedule “C” is a Notice of Change of Auditor advising that the Corporation appointed Davidson & Company LLP as auditors of the Corporation on November 28, 2019 for the balance of the ensuing year to fill the vacancy caused by the resignation of Charlton on November 28, 2019. The Notice of Change of Auditor states that there have been no reservations in the auditors’ reports nor have there been any reportable events, as defined by NI 51-102. The recommendation to appoint Davidson & Company LLP to fill the vacancy in the position of auditor was approved by the directors of the Corporation. Letters from Davidson & Company LLP and Charlton confirming their agreement with the Notice of Change of Auditor are attached to the Notice of Change of Auditor in Schedule “C”.

MANAGEMENT CONTRACTS

Other than as set forth in this Management Proxy Circular, at no time since the start of the Corporation’s most recently completed financial year, were any management functions of the Corporation or any subsidiary of the Corporation to any substantial degree performed by a person or company other than the directors or executive officers of the Corporation.

PARTICULARS OF MATTERS TO BE ACTED UPON

Financial Statements

The audited consolidate financial statements of the Corporation for the year ended May 31, 2020 and the auditors' report thereon will be placed before the Shareholders at the Meeting for their consideration. Shareholders who wish to receive annual and interim financial statements are encouraged to send the enclosed notice, in the addressed envelope to Computershare Investor Services. No formal action will be taken at the Meeting to approve the financial statements, which have been approved by the Board of Directors of the Corporation in accordance with applicable corporate and securities legislation. Any questions regarding the financial statements may be brought forward at the Meeting.

Ratification and Re-Approval of Stock Option Plan

For a summary of the Option Plan, please refer to the section within this Management Proxy Circular entitled "Stock Option Plans and Other Incentive Plans" or refer to Schedule "C" hereto where the text of the Option Plan is attached in its entirety. The Option Plan was previously approved by the Corporation's shareholders at the Annual General Meeting held April 10, 2019.

The approval by Shareholders requires a favourable vote of a majority of the Common Shares voted in respect thereof at the Meeting. Options to purchase Common Shares that were previously granted to directors, officers and employees of the Corporation will be deemed to be granted under the Option Plan. **Unless instructed otherwise, the management designees in the accompanying instrument of proxy intend to vote FOR the resolution to ratify, adopt and re-approve the Option Plan.**

The text of the resolution regarding this matter is as follows:

"BE IT RESOLVED THAT:

1. The stock option plan (the "**Option Plan**") of the Corporation, as described in the management information circular and proxy statement of the Corporation dated October 9, 2020, as may be amended by the board of directors as required by applicable securities regulatory authorities or stock exchanges, is hereby ratified, adopted and re-approved;
2. the form of the Option Plan may be amended in order to satisfy the requirements or requests of any regulatory authorities without requiring further approval of the shareholders of the Corporation; and
3. any one director or officer of the Corporation is authorized, on behalf of the Corporation, to execute and deliver all documents and do all things as such person may determine to be necessary or advisable to give effect to this resolution."

OTHER MATTERS TO BE ACTED UPON

As of the date of this Management Proxy Circular, management knows of no matters to come before the Meeting other than the matters referred to in the Notice of Meeting. However, if any other matters properly come before the Meeting, the accompanying proxy will be voted on such matters in the best judgment of the person or persons voting the proxy.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available through the internet on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) which can be accessed at www.sedar.com. Financial information concerning the Corporation is provided in the comparative annual consolidated financial statements and management's discussion and analysis ("**MD&A**") of the Corporation for its most recently completed financial year which can also be accessed at www.sedar.com or Shareholders may contact the Corporation to request copies of the financial statements and MD&A at lhodges@benchmarkgovernance.com.

SCHEDULE "A"

CHARTER OF THE AUDIT COMMITTEE

CHARTER OF THE AUDIT COMMITTEE

ESSTRA INDUSTRIES INC. (the “Company”)

Mandate

The primary function of the audit committee (the “Committee”) is to assist the board of directors (the “Board”) in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Corporation to regulatory authorities and shareholders, the Corporation’s systems of internal controls regarding finance and accounting, and the Corporation’s auditing, accounting and financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Corporation’s policies, procedures and practices at all levels. The Committee’s primary duties and responsibilities are to:

- serve as an independent and objective party to monitor the Corporation’s financial reporting and internal control systems and review the Corporation’s financial statements;
- review and appraise the performance of the Corporation’s external auditors; and
- provide an open avenue of communication among the Corporation’s auditors, financial and senior management and the Board.

Composition

The Committee shall be comprised of three directors as determined by the Board, the majority of whom shall be free from any relationship that, in the opinion of the Board, would reasonably interfere with the exercise of his or her independent judgment as a member of the Committee. At least one member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Audit Committee’s Charter, the definition of “financially literate” is 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 presumably be expected to be raised by the Corporation’s financial statements. The members of the Committee shall be elected by the Board at its first meeting following the annual shareholders’ meeting.

Meetings

The Committee shall meet at least four times annually, or more frequently as circumstances dictate.

Responsibilities and Duties

To fulfill its responsibilities and duties, the Committee shall:

Documents/Reports Review

- a) Review and update this Charter annually.
- b) Review the Corporation’s financial statements, MD&A and any annual and interim earnings, press releases before the Corporation publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.

- c) Confirm 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.

External Auditors

- a) Review annually, the performance of the external auditors who shall be ultimately accountable to the Board and the Committee as representatives of the shareholders of the Corporation.
- b) Obtain annually, a formal written statement of the external auditors setting forth all relationships between the external auditors and the Corporation, consistent with the Independence Standards Board Standard 1.
- c) Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors.
- d) Take, or recommend that the full Board of Directors, take appropriate action to oversee the independence of the external auditors.
- e) Recommend to the Board the selection and compensation and, where applicable, the replacement of the external auditors nominated annually for shareholder approval.
- f) At each meeting, consult with the external auditors, with the presence of management, about the quality of the Corporation's accounting principles, internal controls and the completeness and accuracy of the Corporation's financial statements.
- g) Review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Corporation.
- h) Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.
- i) Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Corporation's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:
 - (i) the aggregate amount of all such non-audit services provided to the Corporation constitutes not more than five percent of the total amount of fees paid by the Corporation to its external auditors during the fiscal year in which the non-audit services are provided;
 - (ii) such services were not recognized by the Corporation at the time of the engagement to be non-audit services; and
 - (iii) such services are promptly brought to the attention of the Committee by the Corporation and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board to whom authority to grant such approvals has been delegated by the Committee. Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval, such authority may be delegated by the Committee to one or more independent members of the Committee.

Financial Reporting Processes

- a) In consultation with the external auditors, review with management the integrity of the Corporation's financial reporting process, both internal and external.

- b) Consider the external auditors' judgments about the quality and appropriateness of the Corporation's accounting principles as applied in its financial reporting.
- c) Consider and approve, if appropriate, changes to the Corporation's auditing and accounting principles and practices as suggested by the external auditors and management.
- d) Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments.
- e) Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
- f) Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.
- g) Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.
- h) Review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters.
- i) Review certification process.
- j) Establish a procedure for the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

Other

Review any related-party transactions.

SCHEDULE "B"

STOCK OPTION PLAN

ESSTRA INDUSTRIES INC.
(the “Company”)

SHARE OPTION PLAN

ARTICLE 1
PURPOSE AND INTERPRETATION

Purpose

1.1 The purpose of this Plan is to advance the interests of the Company by encouraging equity participation in the Company through the acquisition of Common Shares of the Company. It is the intention of the Company that this Plan will at all times be in compliance with TSX Venture Policies (or, if applicable, NEX Policies) and any inconsistencies between this Plan and TSX Venture Policies (or, if applicable, NEX Policies) will be resolved in favour of the latter.

Definitions

1.2 In this Plan

- (a) **Affiliate** means a company that is a parent or subsidiary of the Company, or that is controlled by the same entity as the Company;
- (b) **Associate** has the meaning set out in the Securities Act;
- (c) **Black-out Period** means an interval of time during which the Company has determined that one or more Participants may not trade any securities of the Company because they may be in possession of undisclosed material information pertaining to the Company, or when in anticipation of the release of quarterly or annual financials, to avoid potential conflicts associated with a company’s insider-trading policy or applicable securities legislation, (which, for greater certainty, does not include the period during which a cease trade order is in effect to which the Company or in respect of an Insider, that Insider, is subject);
- (d) **Board** means the board of directors of the Company or any committee thereof duly empowered or authorized to grant Options under this Plan;
- (e) **Change of Control** includes situations where after giving effect to the contemplated transaction and as a result of such transaction:
 - (i) any one Person holds a sufficient number of voting shares of the Company or resulting company to affect materially the control of the Company or resulting company, or,
 - (ii) any combination of Persons, acting in concert by virtue of an agreement, arrangement, commitment or understanding, holds in total a sufficient number of voting shares of the Company or its successor to affect materially the control of the Company or its successor, where such Person or combination of Persons did not previously hold a sufficient number of voting shares to materially affect control of the Company or its successor and, in the absence of evidence to the contrary, any Person or combination of Persons acting in concert by virtue of an agreement, arrangement, commitment or understanding, holding more than 20% of the voting shares of the Company or resulting company is deemed to materially affect control of the Company or resulting company;

- (f) **Common Shares** means the common shares without par value in the capital of the Company providing such class is listed on the TSX Venture (or, NEX, as the case may be);
- (g) **Company** means the company named at the top hereof and includes, unless the context otherwise requires, all of its Affiliates and successors according to law;
- (h) **Consultant** means an individual or Consultant Company, other than an Employee, Officer or Director that:
- (i) provides on an ongoing bona fide basis, consulting, technical, managerial or like services to the Company or an Affiliate of the Company, other than services provided in relation to a Distribution;
 - (ii) provides the services under a written contract between the Company or an Affiliate and the individual or the Consultant Company;
 - (iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the business and affairs of the Company or an Affiliate of the Company; and
 - (iv) has a relationship with the Company or an Affiliate of the Company that enables the individual or Consultant Company to be knowledgeable about the business and affairs of the Company;
- (i) **Consultant Company** means for an individual consultant, a company or partnership of which the individual is an employee, shareholder or partner;
- (j) **Directors** means the directors of the Company as may be elected from time to time;
- (k) **Discounted Market Price** has the meaning assigned by Policy 1.1 of the TSX Venture Policies;
- (l) **Disinterested Shareholder Approval** means approval by a majority of the votes cast by all the Company's shareholders at a duly constituted shareholders' meeting, excluding votes attached to Common Shares beneficially owned by Insiders who are Service Providers or their Associates;
- (m) **Distribution** has the meaning assigned by the Securities Act, and generally refers to a distribution of securities by the Company from treasury;
- (n) **Effective Date** for an Option means the date of grant thereof by the Board;
- (o) **Employee** means:
- (i) an individual who is considered an employee under the *Income Tax Act* Canada (i.e. for whom income tax, employment insurance and CPP deductions must be made at source);
 - (ii) an individual who works full-time for the Company or a subsidiary thereof providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source; or
 - (iii) an individual who works for the Company or its subsidiary on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions need not be made at source;

- (p) **Exchange Hold Period** has the meaning assigned by Policy 1.1 of the TSX Venture Policies;
- (q) **Exercise Price** means the amount payable per Common Share on the exercise of an Option, as determined in accordance with the terms hereof;
- (r) **Expiry Date** means the day on which an Option lapses as specified in the Option Commitment therefor or in accordance with the terms of this Plan;
- (s) **Insider** means an insider as defined in the TSX Venture Policies or as defined in securities legislation applicable to the Company;
- (t) **Investor Relations Activities** has the meaning assigned by Policy 1.1 of the TSX Venture Policies;
- (u) **Management Company Employee** means an individual employed by a Person providing management services to the Company which are required for the ongoing successful operation of the business enterprise of the Company, but excluding a Person engaged in Investor Relations Activities;
- (v) **Market Price** has the meaning assigned by Policy 1.1 of the TSX Venture Policies;
- (w) **NEX** means a separate board of the TSX Venture for companies previously listed on the TSX Venture or the Toronto Stock Exchange which have failed to maintain compliance with the ongoing financial listing standards of those markets;
- (x) **NEX Issuer** means a company listed on NEX;
- (y) **NEX Policies** means the rules and policies of NEX as amended from time to time;
- (z) **Officer** means a Board appointed officer of the Company;
- (aa) **Option** means the right to purchase Common Shares granted hereunder to a Service Provider;
- (bb) **Option Commitment** means the notice of grant of an Option delivered by the Company hereunder to a Service Provider and substantially in the form of Schedule A attached hereto;
- (cc) **Optioned Shares** means Common Shares that may be issued in the future to a Service Provider upon the exercise of an Option;
- (dd) **Optionee** means the recipient of an Option hereunder;
- (ee) **Outstanding Shares** means at the relevant time, the number of issued and outstanding Common Shares of the Company from time to time;
- (ff) **Participant** means a Service Provider that becomes an Optionee;
- (gg) **Person** includes a company, any unincorporated entity, or an individual;
- (hh) **Plan** means this share option plan, the terms of which are set out herein or as may be amended;
- (ii) **Plan Shares** means the total number of Common Shares which may be reserved for issuance as Optioned Shares under the Plan as provided in §2.2;
- (jj) **Regulatory Approval** means the approval of the TSX Venture and any other securities regulatory authority that has lawful jurisdiction over the Plan and any Options issued hereunder;

(kk) **Securities Act** means the Securities Act, R.S.B.C. 1996, c. 418, or any successor legislation;

(ll) **Service Provider** means a Person who is a bona fide Director, Officer, Employee, Management Company Employee, Consultant or Company Consultant, and also includes a company, 100% of the share capital of which is beneficially owned by one or more Service Providers;

(mm) **Share Compensation Arrangement** means any Option under this Plan but also includes any other stock option, stock option plan, employee stock purchase plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Common Shares to a Service Provider;

(nn) **Shareholder Approval** means approval by a majority of the votes cast by eligible shareholders of the Company at a duly constituted shareholders' meeting;

(oo) **Take Over Bid** means a take over bid as defined in Multilateral Instrument 62-104 (Take-over Bids and Issuer Bids) or the analogous provisions of securities legislation applicable to the Company;

(pp) **TSX Venture** means the TSX Venture Exchange and any successor thereto; and

(qq) **TSX Venture Policies** means the rules and policies of the TSX Venture as amended from time to time.

Other Words and Phrases

1.3 Words and phrases used in this Plan but which are not defined in the Plan, but are defined in the TSX Venture Policies (and, if applicable, the NEX Policies), will have the meaning assigned to them in the TSX Venture Policies (and, if applicable, NEX Policies).

Gender

1.4 Words importing the masculine gender include the feminine or neuter, words in the singular include the plural, words importing a corporate entity include individuals, and vice versa.

ARTICLE 2 SHARE OPTION PLAN

Establishment of Share Option Plan

2.1 The Plan is hereby established to recognize contributions made by Service Providers and to create an incentive for their continuing assistance to the Company and its Affiliates.

Maximum Plan Shares

2.2 The maximum aggregate number of Plan Shares that may be reserved for issuance under the Plan at any point in time is 10% of the Outstanding Shares at the time Plan Shares are reserved for issuance as a result of the grant of an Option, less any Common Shares reserved for issuance under share options granted under Share Compensation Arrangements other than this Plan, unless this Plan is amended pursuant to the requirements of the TSX Venture Policies (and, if applicable, NEX Policies).

Eligibility

2.3 Options to purchase Common Shares may be granted hereunder to Service Providers of the Company, or its affiliates, from time to time by the Board. Service Providers that are not individuals will be required to undertake in writing not to effect or permit any transfer of ownership or option of any of its securities, or to issue

more of its securities (so as to indirectly transfer the benefits of an Option), as long as such Option remains outstanding, unless the written permission of the TSX Venture and the Company is obtained.

Options Granted Under the Plan

2.4 All Options granted under the Plan will be evidenced by an Option Commitment in the form attached as Schedule A, or in such other form as may be or have been approved by the directors from time to time, showing the number of Optioned Shares, the term of the Option, a reference to vesting terms, if any, and the Exercise Price.

2.5 Subject to specific variations approved by the Board, all terms and conditions set out herein will be deemed to be incorporated into and form part of an Option Commitment made hereunder.

Limitations on Issue

2.6 Subject to §2.10, the following restrictions on issuances of Options are applicable under the Plan:

- (a) no Service Provider can be granted an Option if that Option would result in the total number of Options, together with all other Share Compensation Arrangements granted to such Service Provider in the previous 12 months, exceeding 5% of the Outstanding Shares, unless the Company has obtained Disinterested Shareholder Approval to do so;
- (b) the aggregate number of Options granted to all Service Providers conducting Investor Relations Activities in any 12-month period cannot exceed 2% of the Outstanding Shares, calculated at the time of grant, without the prior consent of the TSX Venture (or NEX, as the case may be); and
- (c) the aggregate number of Options granted to any one Consultant in any 12 month period cannot exceed 2% of the Outstanding Shares, calculated at the time of grant, without the prior consent of the TSX Venture.

Options Not Exercised

2.7 In the event an Option granted under the Plan expires unexercised or is terminated by reason of dismissal of the Optionee for cause or is otherwise lawfully cancelled prior to exercise of the Option, the Optioned Shares that were issuable thereunder will be returned to the Plan and will be eligible for re-issuance.

Powers of the Board

2.8 The Board will be responsible for the general administration of the Plan and the proper execution of its provisions, the interpretation of the Plan and the determination of all questions arising hereunder. Without limiting the generality of the foregoing, the Board has the power to

- (a) allot Common Shares for issuance in connection with the exercise of Options;
- (b) grant Options hereunder;
- (c) subject to any necessary Regulatory Approval, amend, suspend, terminate or discontinue the Plan, or revoke or alter any action taken in connection therewith, except that no general amendment or suspension of the Plan will, without the prior written consent of all Optionees, alter or impair any Option previously granted under the Plan unless the alteration or impairment occurred as a result of a change in the TSX Venture Policies or the Company's tier classification thereunder;
- (d) delegate all or such portion of its powers hereunder as it may determine to one or more committees of the Board, either indefinitely or for such period of time as it may specify, and thereafter each such

committee may exercise the powers and discharge the duties of the Board in respect of the Plan so delegated to the same extent as the Board is hereby authorized so to do; and

- (e) amend this Plan (except for previously granted and outstanding Options) to reduce the benefits that may be granted to Service Providers (before a particular Option is granted) subject to the other terms hereof.

Amendment of the Plan by the Board of Directors

2.9 Subject to the requirements of the TSX Venture Policies and the prior receipt of any necessary Regulatory Approval, the Board may in its absolute discretion, amend or modify the Plan or any Option granted as follows:

- (a) it may make amendments which are of a typographical, grammatical, clerical, or housekeeping nature only;
- (b) it may change the vesting provisions of an Option granted hereunder, subject to prior written approval of the TSX Venture, if applicable;
- (c) it may amend the exercise price of an Option granted hereunder, subject to §2.10 and the prior written approval of the TSX Venture, if applicable;
- (d) it may change the termination provision of an Option granted hereunder which does not entail an extension beyond the maximum period permitted under the TSX Venture Policies;
- (e) it may make amendments necessary as a result in changes in laws applicable to the Company;
- (f) if the Company becomes listed or quoted on a stock exchange or stock market senior to the TSX Venture, it may make such amendments as may be required by the policies of such senior stock exchange or stock market; and
- (g) it may make such amendments as reduce, and do not increase, the benefits of this Plan to Service Providers.

Amendments Requiring Disinterested Shareholder Approval

2.10 The Company will be required to obtain Disinterested Shareholder Approval prior to any of the following actions becoming effective:

- (a) the Plan, together with all of the Company's other previous Share Compensation Arrangements, could result at any time in:
 - (i) the aggregate number of Common Shares reserved for issuance under Options granted to Insiders exceeding 10% of the Outstanding Shares in the event that this Plan is amended to reserve for issuance more than 10% of the Outstanding Shares;
 - (ii) the number of Optioned Shares issued to Insiders within a one-year period exceeding 10% of the Outstanding Shares in the event that this Plan is amended to reserve for issuance more than 10% of the Outstanding Shares; or,
 - (iii) the issuance to any one Optionee, within a 12-month period, of a number of Common Shares exceeding 5% of the Outstanding Shares; or
- (b) any reduction in the Exercise Price of an Option previously granted to an Insider.

Options Granted Under the Company's Previous Share Option Plans

2.11 Any option granted pursuant to a stock option plan previously adopted by the Board which is outstanding at the time this Plan comes into effect shall be deemed to have been issued under this Plan and shall, as of the date this Plan comes into effect, be governed by the terms and conditions hereof.

ARTICLE 3 TERMS AND CONDITIONS OF OPTIONS

Exercise Price

3.1 The Exercise Price of an Option will be set by the Board at the time such Option is allocated under the Plan, and cannot be less than the Discounted Market Price.

Term of Option

3.2 An Option can be exercisable for a maximum of 10 years from the Effective Date.

Option Amendment

3.3 Subject to §2.10(b), the Exercise Price of an Option may be amended only if at least six (6) months have elapsed since the later of the date of commencement of the term of the Option, the date the Common Shares commenced trading on the TSX Venture, or the date of the last amendment of the Exercise Price.

3.4 An Option must be outstanding for at least one year before the Company may extend its term, subject to the limits contained in §3.2.

3.5 Any proposed amendment to the terms of an Option must be approved by the TSX Venture prior to the exercise of such Option.

Vesting of Options

3.6 Subject to §3.7, vesting of Options shall be at the discretion of the Board and, with respect to any particular Options granted under the Plan, in the absence of a vesting schedule being specified at the time of grant, all such Options shall vest immediately. Where applicable, vesting of Options will generally be subject to:

- (a) the Service Provider remaining employed by or continuing to provide services to the Company or any of its Affiliates as well as, at the discretion of the Board, achieving certain milestones which may be defined by the Board from time to time or receiving a satisfactory performance review by the Company or any of its Affiliates during the vesting period; or
- (b) the Service Provider remaining as a Director of the Company or any of its Affiliates during the vesting period.

Vesting of Options Granted to Consultants Conducting Investor Relations Activities

3.7 Notwithstanding §3.6, Options granted to Consultants conducting Investor Relations Activities will vest:

- (a) over a period of not less than 12 months as to 25% on the date that is three months from the date of grant, and a further 25% on each successive date that is three months from the date of the previous vesting; or

- (b) such longer vesting period as the Board may determine.

Effect of Take Over Bid

3.8 If a Take Over Bid is made to the shareholders generally then the Company shall immediately upon receipt of notice of the Take Over Bid, notify each Optionee currently holding an Option of the Take Over Bid, with full particulars thereof whereupon such Option may, notwithstanding §3.6 and §3.7 or any vesting requirements set out in the Option Commitment, be immediately exercised in whole or in part by the Optionee, subject to approval of the TSX Venture (or the NEX, as the case may be) for vesting requirements imposed by the TSX Venture Policies.

Acceleration of Vesting on Change of Control

3.9 In the event of a Change of Control occurring, Options granted and outstanding, which are subject to vesting provisions, shall be deemed to have immediately vested upon the occurrence of the Change of Control.

Extension of Options Expiring During Blackout Period

3.10 Should the Expiry Date for an Option fall within a Blackout Period, or within nine (9) Business Days following the expiration of a Blackout Period, such Expiry Date shall, subject to approval of the TSX Venture (or the NEX, as the case may be), be automatically extended without any further act or formality to that day which is the tenth (10th) Business Day after the end of the Blackout Period, such tenth Business Day to be considered the Expiry Date for such Option for all purposes under the Plan. Notwithstanding §2.8, the tenth Business Day period referred to in this §3.10 may not be extended by the Board.

Optionee Ceasing to be Director, Employee or Service Provider

3.11 Options may be exercised after the Service Provider has left his/her employ/office or has been advised by the Company that his/her services are no longer required or his/her service contract has expired, until the term applicable to such Options expires, except as follows:

- (a) in the case of the death of an Optionee, any vested Option held by him at the date of death will become exercisable by the Optionee's lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such Optionee and the date of expiration of the term otherwise applicable to such Option;
- (b) an Option granted to any Service Provider will expire 90 days (or such other time, not to exceed one year, as shall be determined by the Board as at the date of grant or agreed to by the Board and the Optionee at any time prior to expiry of the Option) after the date the Optionee ceases to be employed by or provide services to the Company, and only to the extent that such Option was vested at the date the Optionee ceased to be so employed by or to provide services to the Company; and
- (c) in the case of an Optionee being dismissed from employment or service for cause, such Optionee's Options, whether or not vested at the date of dismissal will immediately terminate without right to exercise same.

Non Assignable

3.12 Subject to §3.11(a), all Options will be exercisable only by the Optionee to whom they are granted and will not be assignable or transferable.

Adjustment of the Number of Optioned Shares

3.13 The number of Common Shares subject to an Option will be subject to adjustment in the events and in the manner following:

- (a) in the event of a subdivision of Common Shares as constituted on the date hereof, at any time while an Option is in effect, into a greater number of Common Shares, the Company will thereafter deliver at the time of purchase of Optioned Shares hereunder, in addition to the number of Optioned Shares in respect of which the right to purchase is then being exercised, such additional number of Common Shares as result from the subdivision without an Optionee making any additional payment or giving any other consideration therefor;
- (b) in the event of a consolidation of the Common Shares as constituted on the date hereof, at any time while an Option is in effect, into a lesser number of Common Shares, the Company will thereafter deliver and an Optionee will accept, at the time of purchase of Optioned Shares hereunder, in lieu of the number of Optioned Shares in respect of which the right to purchase is then being exercised, the lesser number of Common Shares as result from the consolidation;
- (c) in the event of any change of the Common Shares as constituted on the date hereof, at any time while an Option is in effect, the Company will thereafter deliver at the time of purchase of Optioned Shares hereunder the number of shares of the appropriate class resulting from the said change as an Optionee would have been entitled to receive in respect of the number of Common Shares so purchased had the right to purchase been exercised before such change;
- (d) in the event of a capital reorganization, reclassification or change of outstanding equity shares (other than a change in the par value thereof) of the Company, a consolidation, merger or amalgamation of the Company with or into any other company or a sale of the property of the Company as or substantially as an entirety at any time while an Option is in effect, an Optionee will thereafter have the right to purchase and receive, in lieu of the Optioned Shares immediately theretofore purchasable and receivable upon the exercise of the Option, the kind and amount of shares and other securities and property receivable upon such capital reorganization, reclassification, change, consolidation, merger, amalgamation or sale which the holder of a number of Common Shares equal to the number of Optioned Shares immediately theretofore purchasable and receivable upon the exercise of the Option would have received as a result thereof. The subdivision or consolidation of Common Shares at any time outstanding (whether with or without par value) will not be deemed to be a capital reorganization or a reclassification of the capital of the Company for the purposes of this §3.13;
- (e) an adjustment will take effect at the time of the event giving rise to the adjustment, and the adjustments provided for in this section are cumulative;
- (f) the Company will not be required to issue fractional shares in satisfaction of its obligations hereunder. Any fractional interest in a Common Share that would, except for the provisions of this §3.13, be deliverable upon the exercise of an Option will be cancelled and not be deliverable by the Company; and
- (g) if any questions arise at any time with respect to the Exercise Price or number of Optioned Shares deliverable upon exercise of an Option in any of the events set out in this §3.13, such questions will be conclusively determined by the Company's auditors, or, if they decline to so act, any other firm of Chartered Accountants, in Vancouver, British Columbia (or in the city of the Company's principal executive office) that the Company may designate and who will be granted access to all appropriate records and such determination will be binding upon the Company and all Optionees.

ARTICLE 4 COMMITMENT AND EXERCISE PROCEDURES

Option Commitment

4.1 Upon grant of an Option hereunder, an authorized officer of the Company will deliver to the Optionee an Option Commitment detailing the terms of such Options and upon such delivery the Optionee will be subject to the Plan and have the right to purchase the Optioned Shares at the Exercise Price set out therein subject to the terms and conditions hereof, including any additional requirements contemplated with respect to the payment of required withholding taxes on behalf of Optionees.

Manner of Exercise

4.2 An Optionee who wishes to exercise his Option may do so by delivering

- (a) a written notice to the Company specifying the number of Optioned Shares being acquired pursuant to the Option; and
- (b) a certified cheque, wire transfer or bank draft payable to the Company for the aggregate Exercise Price for the Optioned Shares being acquired, plus any required withholding tax amount subject to §4.3.

Tax Withholding and Procedures

4.3 Notwithstanding anything else contained in this Plan, the Company may, from time to time, implement such procedures and conditions as it determines appropriate with respect to the withholding and remittance of taxes imposed under applicable law, or the funding of related amounts for which liability may arise under such applicable law. Without limiting the generality of the foregoing, an Optionee who wishes to exercise an Option must, in addition to following the procedures set out in §4.2 and elsewhere in this Plan, and as a condition of exercise:

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

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

Delivery of Optioned Shares and Hold Periods

4.4 As soon as practicable after receipt of the notice of exercise described in §4.2 and payment in full for the Optioned Shares being acquired, the Company will direct its transfer agent to issue to the Optionee the appropriate number of Optioned Shares. If the Exercise Price is set below the then current market price of the Common Shares on the TSX Venture at the time of grant, the certificate representing the Optioned Shares or written notice in the case of uncertificated shares will include a legend stipulating that the Optioned Shares issued are subject to a four-month Exchange Hold Period commencing the date of the Option Commitment.

ARTICLE 5 GENERAL

Employment and Services

5.1 Nothing contained in the Plan will confer upon or imply in favour of any Optionee any right with respect to office, employment or provision of services with the Company, or interfere in any way with the right of the Company to lawfully terminate the Optionee's office, employment or service at any time pursuant to the arrangements pertaining to same. Participation in the Plan by an Optionee is voluntary.

No Representation or Warranty

5.2 The Company makes no representation or warranty as to the future market value of Common Shares issued in accordance with the provisions of the Plan or to the effect of the *Income Tax Act* (Canada) or any other taxing statute governing the Options or the Common Shares issuable thereunder or the tax consequences to a Service Provider. Compliance with applicable securities laws as to the disclosure and resale obligations of each Participant is the responsibility of each Participant and not the Company.

Interpretation

5.3 The Plan will be governed and construed in accordance with the laws of the Province of British Columbia.

Continuation of Plan

5.4 The Plan will become effective from and after April 10, 2019, and will remain effective provided that the Plan, or any amended version thereof receives Shareholder Approval at each annual general meeting of the holders of Common Shares of the Company subsequent to April 10, 2019.

Amendment of the Plan

5.5 The Board reserves the right, in its absolute discretion, to at any time amend, modify or terminate the Plan with respect to all Common Shares in respect of Options which have not yet been granted hereunder. Any amendment to any provision of the Plan will be subject to any necessary Regulatory Approvals unless the effect of such amendment is intended to reduce (but not to increase) the benefits of this Plan to Service Providers.

SCHEDULE A

SHARE OPTION PLAN

OPTION COMMITMENT

Notice is hereby given that, effective this _____ day of _____, _____ (the "Effective Date") **ESSTRA INDUSTRIES INC.** (the "Company") has granted to _____ (the "Optionee"), an Option to acquire _____ Common Shares ("Optioned Shares") up to 5:00 p.m. Vancouver Time on the _____ day of _____, _____ (the "Expiry Date") at an Exercise Price of Cdn\$_____ per share.

Optioned Shares are to vest immediately.

OR

Optioned Shares will vest [INSERT VESTING SCHEDULE AND TERMS]

The Option shall expire _____ days after the Optionee ceases to be employed by or provide services to the Company.

The grant of the Option evidenced hereby is made subject to the terms and conditions of the Plan, which are hereby incorporated herein and form part hereof.

To exercise your Option, deliver a written notice specifying the number of Optioned Shares you wish to acquire, together with a certified cheque, wire transfer or bank draft payable to the Company for the aggregate Exercise Price, plus any required withholding tax amount. A certificate, or written notice in the case of uncertificated shares, for the Optioned Shares so acquired will be issued by the transfer agent as soon as practicable thereafter and may bear a minimum four month non-transferability legend from the date of this Option Commitment, the text of which is as follows. *[Note: A Company may grant stock options without a hold period, provided the exercise price of the options is set at or above the market price of the Company's shares. If a four month hold period is applicable, the following legend must be placed on the certificate or the written notice in the case of uncertificated shares.]*

"WITHOUT PRIOR WRITTEN APPROVAL OF THE TSX VENTURE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL 12:00 A.M. (MIDNIGHT) ON [insert date 4 months from the date of grant]".

The Company and the Optionee represent that the Optionee under the terms and conditions of the Plan is a bona fide Service Provider (as defined in the Plan), entitled to receive Options under TSX Venture Policies.

The Optionee also acknowledges and consents to the collection and use of Personal Information (as defined in the Policies of the TSX Venture Exchange) by both the Company and the TSX Venture (or the NEX, as the case may be) as more particularly set out in the Acknowledgement - Personal Information in use by the TSX Venture (or the NEX, as the case may be) on the date of this Option Commitment.

ESSTRA INDUSTRIES INC.

Authorized Signatory

[insert name of optionee]

Signature of Optionee

SCHEDULE "C"

NOTICE OF CHANGE OF AUDITOR

ESSTRA INDUSTRIES INC.
NOTICE OF CHANGE OF AUDITOR PURSUANT TO
SECTION 4.11 OF NATIONAL INSTRUMENT 51-102

November 28, 2019

British Columbia Securities Commission
Alberta Securities Commission
TSX Venture Exchange
Charlton & Company, Chartered Professional Accounts
Davidson & Company LLP, Chartered Professional Accountants

Dear Sirs/Mesdames:

Re: Notice Regarding Proposed Change of Auditor Pursuant to Section 4.11 of National Instrument 51-102 – *Continuous Disclosure Obligations* ("NI 51-102")

Notice is hereby given of a change of auditor of Esstra Industries Inc. (the "Company") pursuant to NI 51-102. On November 25, 2019 the Company requested that Charlton & Company, Chartered Professional Accounts ("Charlton") resigned as the Company's auditor, and the directors of the Company (the "Board") resolved to appoint Davidson & Company LLP, Chartered Professional Accountants ("Davidson"), as the Company's successor auditor, subject to compliance with all applicable statutory requirements.

The decision to request Charlton's resignation did not occur because of any reportable disagreement or unresolved issue involving the Company, or any consultation with Davidson and was considered, approved and recommended by the Audit Committee of the Company's Board.

The decision to appoint Davidson as successor auditor was also considered, approved and recommended by the Audit Committee of the Company's Board.

In the opinion of the Company, there have been no: (i) reservations in Charlton's auditor reports on any of the Company's financial statements relating to the "relevant period" as that term is defined in Section 4.11 of NI 51-102; or (ii) any "reportable event" as that term is defined in Section 4.11 of NI 51-102.

The contents of this Notice have been reviewed and approved by the Company's Board.

BY ORDER OF THE BOARD OF DIRECTORS OF
ESSTRA INDUSTRIES INC.

/s/ "Virginia Olnick"

Virginia Olnick
CEO

December 2, 2019

British Columbia Securities Commission

PO Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, BC
V7Y 1L2

Alberta Securities Commission

600, 250 – 5th Street SW
Calgary, AB
T2P 0R4

Dear Sirs / Mesdames:

Re: Esstra Industries Inc. (the "Company")
Notice Pursuant to NI 51-102 - Change of Auditor

As required by the National Instrument 51-102 and in connection with our proposed engagement as auditor of the Company, we have reviewed the information contained in the Company's Notice of Change of Auditor, dated November 28, 2019, and agree with the information contained therein, based upon our knowledge of the information relating to the said notice and of the Company at this time.

Yours very truly,



DAVIDSON & COMPANY LLP

Chartered Professional Accountants

cc: TSX Venture Exchange



p | 604.683.3277
f | 604.684.8464

SUITE 1735, TWO BENTALL CENTRE
555 BURNARD STREET
BOX 243
VANCOUVER, BC V7X 1M9



charlton & company
CHARTERED PROFESSIONAL ACCOUNTANTS

November 28, 2019

British Columbia Securities Commission
P.O. Box 10142, Pacific Centre
9th Floor – 701 West Georgia Street
Vancouver, B.C. V7Y 1L2

Alberta Securities Commission
Suite 600, 250 – 5th Street S.W
Calgary, A.B. T2P 0R4

TSX Venture Exchange
650 W Georgia St
Vancouver, B.C. V6B 4N9

Dear Sirs/Mesdames:

**Re: Esstra Industries Inc. (the “Company”)
- Notice of Change of Auditor**

As required by National Instrument 51-102, we confirm that we have reviewed the information contained in the Notice of Change of Auditors ("the Notice") issued on November 28, 2019 by Esstra Industries Inc. ("the Company") and, based on our knowledge of such information at this time, we agree with the information contained in the Notice.

Yours truly,

CHARLTON & COMPANY

Per: Signed “Robert G. Charlton”