

INNOVOTECH INC.

**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING
OF SHAREHOLDERS**

- and -

MANAGEMENT INFORMATION CIRCULAR

Meeting to be held on Tuesday, October 10, 2023

Circular dated August 29, 2023

The TSX Venture Exchange has not in any way passed upon the merits of the transactions described herein and any representation to the contrary is an offence.

INNOVOTECH INC.

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING
OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual general and special meeting (the “**Meeting**”) of the holders (the “**Shareholders**”) of common shares (“**Shares**”) of Innovotech Inc. (“**Innovotech**”) will be via Zoom conferencing on Tuesday, October 10, 2023 at 10:00 a.m. (Alberta time) for the following purposes:

1. to receive the audited financial statements of Innovotech for the financial year ended December 31, 2022, together with the auditors' report thereon;
2. to appoint D&H Group LLP, Chartered Professional Accountants, as auditors and to authorize the board of directors to fix the auditors' remuneration;
3. to fix the size of the board of directors at six (6) members;
4. to elect the board of directors to serve until the next annual meeting of the Shareholders or until their successors are duly elected or appointed;
5. to consider, and if thought fit, to pass, with or without variation, an ordinary resolution to approve a stock option plan attached as Schedule C to this Information Circular whereby a maximum of ten (10%) percent of the Corporation's issued and outstanding Shares will be reserved for issuance from time to time; and
6. to transact such other business as may properly be brought before the Meeting, or any adjournment or adjournments thereof.

Specific details of the matters proposed to be put before the Meeting are set forth in the Information Circular, which Information Circular forms a part of this notice.

Each person who is a Shareholder of record at the close of business on August 29, 2023 (the “**Record Date**”), will be entitled to notice of, and to attend and vote at, the Meeting provided that, to the extent a Shareholder as of the Record Date transfers the ownership of any Shares after such date and the transferee of those Shares establishes that the transferee owns the Shares and demands, not later than 10 days before the Meeting, to be included in the list of Shareholders eligible to vote at the Meeting, such transferee will be entitled to vote those Shares at the Meeting.

Edmonton, Alberta
August 29, 2023

By Order of the Board Of Directors
(Signed) "Dr. James Timourian"
Chairman of the Board

THIS ANNUAL GENERAL AND SPECIAL MEETING WILL BE HELD BY TELEPHONE OR WEBCAST. DUE TO THE INHERENT TECHNICAL LIMITATIONS AND CAPACITIES OF THE WEBCAST COMMUNICATION FACILITIES, WE REGRETTABLY ADVISE VOTING AT THE MEETING IS NOT POSSIBLE; THEREFORE WE STRONGLY URGE AND ASK ALL SHAREHOLDERS TO VOTE THEIR SHARES WELL IN ADVANCE OF THE MEETING DATE.

The Meeting will be held exclusively through Zoom conferencing. Shareholders are invited to attend the Meeting using the following log in instructions:

Join Zoom Meeting

<https://us02web.zoom.us/j/85317560958?pwd=OFpVa2VxaElIMGJnTmFNNa0d4aFE5QT09>

Meeting ID: 853 1756 0958

Passcode: 951398

Call in +1-587-328-1099 (Alberta, Canada)

or find your local number at <https://us02web.zoom.us/j/kyxzyWZ7R>

YOUR VOTE IS IMPORTANT. Shareholders who held common shares of the Corporation on August 29, 2023 are entitled to receive notice and to vote on each of the matters listed above to be voted on at the Meeting. Due to the virtual nature of the Meeting, Shareholders must vote in advance by completing a form of proxy to be received by not later than 48 hours (excluding Saturdays, Sundays and holidays) before the time set for the holding of the Meeting or any adjournment thereof, as applicable, in order for such proxy to be used at the Meeting. Shareholders are requested to **COMPLETE AND SIGN THE ACCOMPANYING FORM OF PROXY** and return it to Computershare Trust Company of Canada, Proxy Dept., 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1. Alternatively, you may vote by telephone at 1-866-732-VOTE (8683) (toll free within North America) or 1-312-588-4290 (outside North America), or by internet using the 15 digit control number located at the bottom of your proxy at www.investorvote.com. All instructions are listed in the proxy form.

Shareholders are cautioned that the use of mail to transmit proxies is at each Shareholder's risk.

Shareholders who wish to receive future correspondence and documents electronically should enroll by visiting www.investorcentre.com.

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INNOVOTECH INC.

MANAGEMENT INFORMATION CIRCULAR

Unless otherwise stated herein, all capitalized terms herein shall have the meaning set forth in the Glossary of Terms.

This Information Circular is furnished to Shareholders in connection with the solicitation of proxies by the management of Innovotech for use at the Meeting and any adjournment or adjournments thereof. The Meeting has been called for the purposes set out in the accompanying notice of meeting (“Notice of Meeting”).

This Information Circular and the accompanying Notice of Meeting and form of proxy as well as other related meeting materials are being mailed or delivered to Shareholders on or about September 5, 2023. Unless otherwise indicated, information in this Information Circular is given as of August 29, 2023.

No person is authorized to give any information or to make any representation not contained in this Information Circular and, if given or made, such information or representation should not be relied upon as having been authorized. This Information Circular does not constitute an offer to sell, or a solicitation of an offer to purchase, any securities, or the solicitation of a proxy, by any person in any jurisdiction in which such an offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such an offer or solicitation of any offer or proxy solicitation. Neither delivery of this Information Circular nor any distribution of the securities referred to in this Information Circular shall, under any circumstances, create an implication that there has been no change in the information set forth herein since the date of this Information Circular.

FORWARD-LOOKING STATEMENTS

This Information Circular includes “forward-looking statements”. All statements, other than statements of historical facts, included in this Information Circular that address activities, events or developments that management of Innovotech expects or anticipates will or may occur in the future, including such things as future capital expenditures (including the amount and nature thereof), business strategies and measures to implement strategies, competitive strengths, goals, expansion and growth of the business and operations, plans and references to the future success of Innovotech, and such other matters, are forward-looking statements. These statements are based on certain assumptions and analyses made by management of Innovotech in light of their experience and their perceptions of historical trends, current conditions and expected future developments as well as other factors they believe are appropriate in the circumstances. However, whether actual results and developments will conform with the expectations and predictions of management of Innovotech is subject to a number of risks and uncertainties. Consequently, all of the forward-looking statements made in this Information Circular are qualified by these cautionary statements, and there can be no assurance that the actual results or developments anticipated by Innovotech will be realized or, even if substantially realized, that they will have the expected consequences, to, or effect on, Innovotech.

Unless otherwise specified, all dollar amounts in this Information Circular are expressed in Canadian dollars.

GLOSSARY OF TERMS

The following is a glossary of terms and abbreviations used frequently throughout this Information Circular.

“**ABCA**” means the *Business Corporations Act* (Alberta), including regulations promulgated thereunder.

“**ASC**” means the Alberta Securities Commission.

“**Board**” means the board of Directors of the Corporation.

“**Bylaws**” means By-Law No. 2 of the Corporation adopted and approved by the Board on August 25, 2003, as amended from time to time, and By-Law No. 3 approved by the Board on October 15, 2018;

“**CEO**” or “**Chief Executive Officer**” means each individual who served as chief executive officer of the Corporation or acted in a similar capacity for any part of the most recently completed financial year.

“**CFO**” or “**Chief Financial Officer**” means each individual who served as chief financial officer of the Corporation or acted in a similar capacity for any part of the most recently completed financial year.

“**COO**” or “**Chief Operating Officer**” means each individual who served as chief operating officer of the Corporation or acted in a similar capacity during the most recently completed financial year.

“**Common Shares**” or “**Shares**” means common shares in the capital of the Corporation.

“**Compensation Securities**” includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the Corporation for services provided or to be provided, directly or indirectly, to the Corporation or any of its subsidiaries, if applicable.

“**Corporation**” or “**Innovotech**” means Innovotech Inc., a corporation amalgamated under the ABCA.

“**Director**” means a member of the Board.

“**Information Circular**” means this management information circular dated August 29, 2023, including the schedules appended hereto, sent to Shareholders.

“**LTIP**” or “**Long Term Incentive Plan**” means a plan providing compensation intended to motivate performance over a period greater than one financial year. LTIPs do not include option or SAR plans or plans for compensation through shares or units that are subject to restrictions on resale.

“**Meeting**” means the annual general and special meeting of the Shareholders to be held on Tuesday, October 10, 2023 at 10:00 a.m. (Alberta time) for the purposes set forth in the Notice of Meeting.

“**Meeting Date**” means Tuesday, October 10, 2023.

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

- (a) each individual who, in respect of the Corporation, during any part of the most recently completed financial year, served as chief executive officer, including an individual performing functions similar to a chief executive officer;
- (b) each individual who, in respect of the Corporation, during any part of the most recently completed financial year, served as chief financial officer, including an individual performing functions similar to a chief financial officer;

- (c) in respect of the Corporation and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5) of Form 51-102F6V, for that financial year;
- (d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the company, and was not acting in a similar capacity, at the end of that financial year.

“Notice of Meeting” means the notice of the Meeting accompanying this Information Circular.

“Options” means stock options to purchase Shares.

“Registrar and Transfer Agent” means Computershare Trust Company of Canada, the registrar and transfer agent of the Corporation as at the date hereof.

“Record Date” means August 29, 2023.

“SEDAR” means system for electronic document analysis and retrieval.

“Shareholder” means a holder of Shares.

“Shares” or **“Common Shares”** means common shares in the capital of the Corporation.

“TSXV” means the TSX Venture Exchange.

GENERAL PROXY MATERIALS

FOR THE ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS OF INNOVOTECH INC. FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2022 TO BE HELD ON OCTOBER 10, 2023.

SOLICITATION OF PROXIES

This Information Circular is furnished in connection with the solicitation of proxies by the management of Innovotech for use at the Meeting and at any adjournment or adjournments thereof, for the purposes set forth in the accompanying Notice of Meeting. **Except as otherwise stated, the information herein is given as of August 29, 2023.**

APPOINTMENT AND REVOCATION OF PROXIES

Instruments of proxy must be addressed to the Secretary of the Corporation and reach Computershare Trust Company, not later than 48 hours before the time for the holding of the Meeting or any adjournment thereof. Only Shareholders of the Corporation at the close of business on the Record Date are entitled to receive notice of and to vote at the Meeting unless after that date a Shareholder of record transfers its Shares and the transferee, upon producing properly endorsed certificates evidencing such Shares or otherwise establishing that he owns such Shares, requests at least 10 days prior to the Meeting that the transferee's name be included in the list of Shareholders entitled to vote, in which case, such transferee is entitled to vote such Shares at the Meeting.

An instrument of proxy shall be in writing and shall be executed by the Shareholder or his attorney authorized in writing or, if the Shareholder is a Corporation, under its corporate seal or by an officer or attorney thereof duly authorized.

The individuals named in the accompanying form of proxy are directors or officers of the Corporation. A Shareholder is entitled to appoint a person to attend the meeting as the Shareholder's representative (who need not be a Shareholder of the Corporation) other than the person designated in the form of proxy furnished by the Corporation. To exercise such right, the names of the persons designated by management should be crossed out and the name of the Shareholder's appointee should be legibly printed in the blank space required.

A proxy is revocable. A Shareholder may revoke a proxy by instrument in writing executed by the Shareholder or such Shareholder's attorney authorized in writing, or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof, duly authorized, and deposited 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 adjournment or adjournments thereof at which the proxy is to be used or any adjournment or adjournments thereof.

PERSONS MAKING THE SOLICITATION

THE SOLICITATION IS MADE ON BEHALF OF THE MANAGEMENT OF THE CORPORATION. The costs incurred in the preparation and mailing of the form of proxy, the Notice of Meeting, the Annual Report and this Information Circular will be paid by the Corporation. In addition to the mailing of these materials, proxies may be solicited by personal interviews, telephone or telegraph by Directors and officers of the Corporation, who will not be remunerated therefor.

EXERCISE OF DISCRETION BY PROXY

The Shares represented by proxy in favour of management nominees shall be voted on any ballot at the Meeting and where the Shareholder specifies the choice with respect to any matter to be acted upon, the Shares shall be voted on any ballot in accordance with the specification so made.

In the absence of such specification, Shares will be voted in favour of the proposed resolution. The person appointed under the form of proxy furnished by the Corporation is conferred with discretionary authority with respect to amendments or variations of those matters specified in the form of proxy and Notice of Meeting. At the time of mailing of this Information Circular, management of the Corporation knows of no such amendment, variation or other matter.

ATTENDING THE MEETING

The Meeting will be held in a virtual-only format, which will be conducted via Zoom conferencing. Shareholders will not be able to attend the Meeting in person. Registered Shareholders and duly appointed proxyholders will be able to virtually attend the Meeting. Registered Shareholders and duly appointed proxyholders who attend the Meeting online will be able to listen to the Meeting and ask questions provided they are connected to the Internet.

Non-registered Shareholders who have not duly appointed themselves as proxyholders may still attend the Meeting as guests and will be able to listen to the Meeting.

THE ANNUAL GENERAL AND SPECIAL MEETING WILL BE HELD BY TELEPHONE OR WEBCAST. DUE TO THE INHERENT TECHNICAL LIMITATIONS AND CAPACITIES OF THE WEBCAST COMMUNICATION FACILITIES, WE REGRETTABLY ADVISE VOTING AT THE MEETING IS NOT POSSIBLE; THEREFORE WE STRONGLY URGE AND ASK ALL SHAREHOLDERS TO VOTE THEIR SHARES WELL IN ADVANCE OF THE MEETING DATE.

The Meeting will be held exclusively through Zoom conferencing. Shareholders are invited to attend the Meeting using the following log in instructions:

Join Zoom Meeting

<https://us02web.zoom.us/j/85317560958?pwd=OFpVa2VxaElmMGJnTmFNa0d4aFE5QT09>

Meeting ID: 853 1756 0958

Passcode: 951398

Call in +1-587-328-1099 (Alberta, Canada)

or find your local number at <https://us02web.zoom.us/j/kyxzyWZ7R>

*YOUR VOTE IS IMPORTANT. Shareholders who held common shares of the Corporation on August 29, 2023 are entitled to receive notice and to vote on each of the matters listed above to be voted on at the Meeting. Due to the virtual nature of the Meeting, Shareholders must vote in advance by completing a form of proxy to be received by not later than 48 hours (excluding Saturdays, Sundays and holidays) before the time set for the holding of the Meeting or any adjournment thereof, as applicable, in order for such proxy to be used at the Meeting. Shareholders are requested to **COMPLETE AND SIGN THE ACCOMPANYING FORM OF PROXY** and return it to Computershare Trust Company of Canada, Proxy Dept., 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1. Alternatively, you may vote by telephone at 1-866-732-VOTE (8683) (toll free within North America) or 1-312-588-4290 (outside North America), or by internet using the 15 digit control number located at the bottom of your proxy at www.investorvote.com. All instructions are listed in the proxy form.*

Shareholders are cautioned that the use of mail to transmit proxies is at each Shareholder's risk.

VOTING OF SHARES - ADVICE TO BENEFICIAL HOLDERS OF SECURITIES

The information set forth in this section is of significant importance to many Shareholders as a substantial number of the Shareholders hold their Shares through intermediaries such as brokers and their agents or nominees and not in their own name. Shareholders who do not hold their Shares in their own name (referred to in this Information Circular as “Beneficial Shareholders”) should note that only proxies deposited by Shareholders whose names appear on the records of the Corporation as the registered holders of the Shares can be recognized and acted upon at the Meeting. If Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those Shares will not be registered under the name of the Shareholder on the records of the Corporation. Such Shares will more likely be registered under the name of the Shareholder's broker or an agent or nominee of that broker. Shares held by brokers or their agents or nominees can only be voted for, or withheld from voting, or voted against any resolution upon the instructions of the Beneficial Shareholder. Without specific instructions, brokers their agents or nominees are prohibited from voting Shares for their clients.

Applicable regulatory policy requires intermediaries and brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary and broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their Shares are voted at the Meeting. Often, the form of proxy supplied to a Beneficial Shareholder by its broker (or agent or nominee thereof) is identical to the form of the proxy provided to registered Shareholders; however, its purpose is limited to instructing the registered Shareholder how to vote on behalf of the Beneficial Shareholder. **A Beneficial Shareholder receiving a proxy from an intermediary cannot use that proxy to vote Shares directly at the Meeting, rather the proxy must be returned to the intermediary well in advance of the Meeting in order to have the Shares voted. A Beneficial Shareholder may however request the intermediary to appoint the Beneficial Shareholder as a nominee of it as a proxyholder. A Beneficial Shareholder should contact the intermediary, broker or agents and nominees thereof, should it have any questions respecting the voting of the Shares.**

This Information Circular and related proxy materials are being sent to both registered and Beneficial Shareholders. The Corporation does not send proxy-related materials directly to Beneficial Shareholders and is not relying on the notice-and-access provisions of securities laws for delivery to either registered or Beneficial Shareholders. The Corporation has elected to pay for the delivery of its proxy-related materials to objecting Beneficial Shareholders.

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

Other than disclosed herein, management of the Corporation is not aware of any material interest, whether direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, of any Director or executive officer of the Corporation who has held that position at any time since the beginning of the Corporation's last financial year, or of any proposed nominee for election as Director of the Corporation or any associate or affiliate of any of the foregoing, other than the election of Directors or the appointment of auditors as disclosed in the section entitled "Particulars of Matters to be Acted Upon".

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Corporation is authorized to issue an unlimited number of Shares. As of August 29, 2023, 38,909,612 Common Shares were issued and outstanding, each such Common Share carrying the right to one vote on a ballot at the Meeting.

The Shareholders of record at the close of business on the Record Date are entitled to vote their Shares at the Meeting on the basis of one vote for each Share held, except to the extent that:

- a) such person transfers his Shares after the Record Date; and
- b) the transferee of those Shares produces properly endorsed share certificates or otherwise establishes his ownership to the Shares and makes a demand to the Registrar and Transfer Agent, not later than 10 days before the Meeting, that his or her name be included on the Shareholders' list.

The Bylaws of the Corporation provide that at least 2 individuals present and representing in person or by proxy not less than 10% of the total number of Shares entitled to be voted at a meeting of Shareholders constitute a quorum for the Meeting.

To the knowledge of the Directors or executive officers of the Corporation, there are no persons or companies who, beneficially own, directly or indirectly, or exercise control or direction over, voting securities carrying more than 10% of the voting rights attached to all issued and outstanding securities of the Corporation other than as follows:

Shareholder Name and Municipality of Residence	Number of Shares	Percentage of issued Shares
Alan C. Savage North Vancouver, BC	13,601,055 ⁽¹⁾	34.96%

Notes:

- (1) Of these Shares, 75,000 Shares are held directly by Mr. Savage and 13,526,055 Shares are held by Lonsdale Capital Corporation, a company of which Mr. Savage holds 100% of the voting shares.

EXECUTIVE COMPENSATION

Director and NEO Compensation, Excluding Compensation Securities

The Corporation is a venture issuer and is disclosing its executive compensation in accordance with Form 51-102F6V, Statement of Executive Compensation – Venture Issuers.

The following persons are considered the “Named Executive Officers” or “NEOs” for the purposes of the disclosure:

- (a) the Corporation's CEO, including an individual performing functions similar to a chief executive officer;
- (b) the Corporation's CFO, including an individual performing functions similar to a chief financial officer;
- (c) the most highly compensated executive officer, other than the CEO or the CFO, at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5) of Form 51-102F6V, for that financial year;
- (d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the Corporation, and was not acting in a similar capacity, at the end of that financial year.

Director and Named Executive Officer Compensation, Excluding Compensation Securities

The following table sets forth the compensation paid by the Corporation to the Named Executive Officers and Directors for the two most recently completed financial years of the Corporation, excluding Compensation Securities (see Stock Options and Other Compensation Securities).

Table of Compensation excluding Compensation Securities							
Name and Position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites (\$)	Value of all Other Compensation (\$)	Total Compensation (\$)
Dr. James Timourian ⁽¹⁾ <i>President, Chief Executive Officer, Director and Secretary</i>	2022	Nil	Nil	Nil	Nil	17,437 ⁽²⁾	17,437
	2021	Nil	Nil	Nil	Nil	18,000 ⁽²⁾	18,000
Alan C. Savage ⁽³⁾ <i>Chief Financial Officer and Director</i>	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil
Bernard Grobbelaar <i>Director</i>	2022	Nil	Nil	Nil	Nil	55,775 ⁽⁴⁾	55,775
	2021	Nil	Nil	Nil	Nil	57,650 ⁽⁴⁾	57,650

David S. Tam <i>Director</i>	2022	Nil	Nil	Nil	Nil	27,084 ⁽⁵⁾	27,084
	2021	Nil	Nil	Nil	Nil	32,669 ⁽⁵⁾	32,669
Dr. Craig Milne ⁽¹⁾ <i>Director</i>	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	6,000	6,000
Dr. Karen Farkas <i>Director</i>	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil
Dr. Gerard Tertzakian ⁽⁶⁾ <i>Director</i>	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) Dr. Timourian resigned as Chief Executive Officer of the Corporation on August 1, 2023, and was replaced by Dr. Milne.
- (2) This amount, net of GST, has been paid pursuant to a consulting agreement.
- (3) Mr. Savage will not stand for re-election at the Meeting.
- (4) Includes amounts for bookkeeping services provided by personnel of a corporation controlled by Bernard Grobbelaar.
- (5) This amount, net of GST, was paid as professional legal fees to Parlee McLaws LLP, of which David Tam is a partner, for legal services provided to the Corporation by various professionals of the firm.
- (6) Dr. Tertzakian resigned on October 11, 2022.

Stock Options and Other Compensation Securities

During the financial years ended December 31, 2022, the Corporation granted an aggregate of 175,000 stock options to the Named Executive Officers and Directors as follows:

Compensation Securities							
Name and Position	Type of Compensation Security	Number of Compensation Securities, Number of Underlying Securities, and Percentage of Class (#)	Date of Issue or Grant	Issue, Conversion or Exercise Price (\$)	Closing Price of Security or Underlying Security on Date of Grant (\$)	Closing Price of Security or Underlying Security at Year End (\$ ⁽¹⁾)	Expiry Date
Dr. James Timourian <i>President, Chief Executive Officer, Secretary and Director</i>	Stock Options	25,000	Oct. 27, 2022	\$0.16	\$0.15	\$0.135	October 11, 2027
Alan C. Savage ⁽³⁾ <i>Chief Financial Officer and Director</i>	Stock Options	25,000	Oct. 27, 2022	\$0.16	\$0.15	\$0.135	October 11, 2027
Bernard Grobbelaar <i>Director</i>	Stock Options	25,000	Oct. 27, 2022	\$0.16	\$0.15	\$0.135	October 11, 2027

Compensation Securities							
Name and Position	Type of Compensation Security	Number of Compensation Securities, Number of Underlying Securities, and Percentage of Class (#)	Date of Issue or Grant	Issue, Conversion or Exercise Price (\$)	Closing Price of Security or Underlying Security on Date of Grant (\$)	Closing Price of Security or Underlying Security at Year End (\$) ⁽¹⁾	Expiry Date
David S Tam <i>Director</i>	Stock Options	25,000	Oct. 27, 2022	\$0.16	\$0.15	\$0.135	October 11, 2027
Dr. Craig Milne <i>Director</i>	Stock Options	25,000	Oct. 27, 2022	\$0.16	\$0.15	\$0.135	October 11, 2027
Dr. Karen Farkas <i>Director</i>	Stock Options	25,000	Oct. 27, 2022	\$0.16	\$0.15	\$0.135	October 11, 2027
Dr. Gerard Tertzakian ⁽²⁾ <i>Director</i>	Stock Options	25,000	Oct. 27, 2022	\$0.16	\$0.15	\$0.135	October 11, 2027

Notes:

- (1) The closing price on December 29, 2021 was \$0.135, being the closest trading day to the Corporation's year ended December 31, 2022.
- (2) Dr. Tertzakian resigned on October 11, 2022.
- (3) Mr. Savage will not stand for re-election at the Meeting.

During the most recently completed financial year ended December 31, 2022, no stock options or compensation securities were exercised by any of the Directors or Named Executive Officers of the Corporation.

Stock Option Plans and Other Incentives

The Corporation has in place a stock option plan (the "Option Plan"). The objective of the Option Plan is to reward NEOs', employees' and directors' individual performance. The criteria used to determine eligibility for granting option based awards, including the term of each option and the vesting of each option is at the discretion of the Board, or the President if duly authorized by the Board, based upon the individual's level of responsibility, performance and comparative levels of compensation and previous grants awarded.

The Option Plan was approved by the Shareholders at the most recent meeting of the Shareholders and will be put before the Shareholders for re-approval at this Meeting.

See "Particulars of Matters to be Acted Upon – Shareholder Approval of Stock Option Plan" for a description of the Option Plan.

Employment, Consulting and Management Agreements

As at the most recently completed financial year ended December 31, 2022, there were no employment or management contracts between the Corporation or its subsidiaries under which compensation was provided in respect of services provided by any NEO or Director to the Corporation except as follows:

- i) The Corporation was a party to a consulting agreement with Sassoun Investments Ltd. for the services of Dr. James Timourian as Chief Executive Officer of the Corporation; and
- ii) The Corporation was a party to an agreement with Bernard Grobbelaar Professional Corp. (DBA: Oikonomos Chartered Accountants) for accounting services.

At the end of the Corporation's most recently completed financial year, there were no compensatory plans, contracts or arrangements in place with respect to any NEO or Director in the event of termination of employment (whether voluntary, involuntary or constructive), resignation, retirement, change of control of the

Corporation or any of its subsidiaries or a change in the responsibilities of a NEO or Director following a change in control.

Oversight and Description of Director and NEO Compensation

The Corporation does not have a defined compensation program. The Corporation awarded compensation to the Named Executive Officers based solely on a Board discussion after careful discussions and analysis without any formal implemented criteria and plan being adopted. Directors, who are not Named Executive Officers, receive no compensation for their attendance at meetings but are reimbursed for their reasonable expenses incurred in relation to attendance at meetings. A full description of the NEO and Director compensation is disclosed in the Table of Compensation excluding Compensation Securities provided above.

AUDIT COMMITTEE

The Corporation is required to have an audit committee under the ABCA and pursuant to the provisions of National Instrument 52-110, *Audit Committees* (“NI 52-110”). Pursuant to NI 52-110, the Corporation is required to have a written charter which sets out the duties and responsibilities of its audit committee.

Audit Committee Charter

The Corporation’s Audit Committee Charter is attached hereto as Schedule A.

Composition of the Audit Committee

The Audit Committee is comprised of the following members:

Name and Office, if any	Independent	Financially Literate
Dr. Karen Farkas ⁽¹⁾	Yes	Yes
Dr. James Timourian	Yes	Yes
Dr. Craig Milne	No	Yes

Note:

(1) Chairman of the Audit Committee

Relevant Education and Experience

In addition to each member’s general business experience, the education and experience of each person appointed to the Audit Committee that is relevant to the performance of his responsibilities as an Audit Committee member is as follows:

Dr. Karen Farkas

Dr. Farkas has a PhD, MS, and MBA from Cornell University, specializing in Finance, Quantitative Methods and Accounting. She is retired and has over 25 years of experience as a co-founder, COO and CFO of a multi-line wholesale health food company. Dr. Farkas has held several current and past positions as treasurer, board member and program organizer with charitable organizations. She has over five years of experience in the insurance industry and more than 19 years in post-secondary education as an assistant professor and course developer.

Dr. James Timourian

Dr. James Timourian has extensive business experience in the creation, management and financing of technology related companies. He has served as the Chief Executive Officer and Chief Financial Officer of the Corporation and is presently its Chairman. In the past he was the Chief Financial Officer of Raylo Chemicals

Inc. Dr. Timourian was for many years a mathematics professor at the University of Alberta and possesses a PhD in Mathematics.

Dr. Craig Milne

Dr. Milne is the CEO of Innovotech as of August 2023 and has served on the Board and as a member of the Audit Committee for several years. He is a serial entrepreneur with nearly twenty years of experience in leadership, strategy, operations management, and business development of high growth, technology-based companies including most recently Copperstone Technologies Ltd., a company bridging robotics, artificial intelligence and the mining industry. Dr. Milne has a PhD in stem cell biology from the University of Toronto and an MBA in Finance from the University of Alberta.

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.

Reliance on Certain Exemptions

At no time since the commencement of the Corporation's most recently completed financial year has the Corporation relied on the exemption in section 2.4 of NI 52-110 (De Minimis Non-audit Services), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110 (Exemptions).

Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services other than the general requirements under the heading "External Audit" of the Audit Committee Charter which states that the Audit Committee must pre-approve any non-audit services to the Corporation and the fees for those services.

External Auditor Service Fees (By Category)

The aggregate fees billed by the Corporation's external auditors in each of the last two financial years for audit and non-audit related services are as follows:

Financial Year	Audit Fees⁽¹⁾ (\$)	Audit Related Fees⁽²⁾ (\$)	Tax Fees⁽³⁾ (\$)	All Other Fees⁽⁴⁾ (\$)
2022	32,947	Nil	Nil	Nil
2021	27,127	Nil	Nil	Nil

Notes:

- (1) Audit fees were for professional services rendered by D&H Group LLP for the audit of the Corporation's annual financial statements.
- (2) Audit related fees were for assurance and related services rendered which reasonably related to the performance of the audit of the annual consolidated financial statements and are not reported under "Audit Fees" above. These services consisted of accounting consultations for quarterly reporting requirements.
- (3) Tax fees include tax compliance, tax advice and tax planning professional services.
- (4) Fees disclosed in the table above under the item "All Other Fees" relate to products and services other than the audit fees, audit related fees and tax fees and include fees for assistance with the transition to International Financial Standards (IFRS).

Exemption

As a venture issuer within the meaning of NI 52-110, the Corporation is relying upon the exemption provided by section 6.1 of NI 52-110, which exempts venture issuers from the requirements of Part 3, *Composition of the Audit Committee* and Part 5, *Reporting Obligations* of NI 52-110.

CORPORATE GOVERNANCE

Corporate governance refers to the structures and processes employed by the Corporation to direct and manage its business and affairs, so as to best achieve the Corporation's objectives. Disclosure of the Corporation's corporate governance practices in accordance with National Instrument 58-101 – *Disclosure of Corporate Governance Practices* is attached hereto as Schedule B.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Equity Compensation Plan Information

The following table sets forth information in respect of compensation plans under which equity securities of the Corporation are authorized for issuance as at the date hereof:

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 security holders	1,557,000 ⁽¹⁾⁽²⁾	\$0.13	2,333,961 ⁽²⁾
Equity compensation plans not approved by security holders	N/A	N/A	N/A
Total:	1,557,000	\$0.13	2,333,961

Notes:

(1) Represents shares issuable upon exercise of stock options.

(2) The Corporation can grant options to purchase no more than 3,890,961 Shares under the Option Plan, being 10% of the issued and outstanding shares as at the date hereof.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Management of the Corporation is not aware of any indebtedness outstanding to the Corporation or its subsidiaries by Directors, executive officers and employees or former executive officers, Directors and employees of the Corporation or its Subsidiary as at the end of the most recently completed financial year ended December 31, 2022 and thereafter.

The Corporation maintains directors' and officers' liability insurance covering liability, including defence costs, of Directors and Officers of the Corporation, provided that they acted honestly and in good faith with a view to the best interests of the Corporation.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as disclosed in this Information Circular, management of the Corporation is not aware of any material interest, direct or indirect, of any informed person of the Corporation, any proposed Director or any associate or affiliate of any informed person or proposed Director, in any transaction since the commencement of the Corporation's most recently completed financial year ended December 31, 2022 or in any proposed transaction which has materially affected or would materially affect Corporation:

MANAGEMENT CONTRACTS

Management functions of the Corporation are substantially performed by Directors or executive officers of the Corporation and have not been performed, to any substantial degree, by any other person with whom the Corporation has contracted.

PARTICULARS OF MATTERS TO BE ACTED UPON

ELECTION OF DIRECTORS

The affairs of the Corporation are managed by the Directors who are elected annually for a one year term at each annual general meeting of the Shareholders and hold office until the next annual general meeting, or until their successors are duly elected or appointed or until a Director vacates his office or is replaced in accordance with the by-laws of the Corporation.

The Shareholders are entitled to elect the Directors. The persons named below have been nominated for election and have consented to such nomination. At the Meeting, the Shareholders will be asked to fix the number of Directors at six (6) members.

Unless authority to vote on the election of Directors is withheld, it is the intention of the person named in the accompanying instrument of proxy to vote for the election of such nominees as Directors. In the event that a vacancy among the nominees occurs for any reason prior to the Meeting, the proxy shall not be voted with respect to such vacancy.

The following are the names, occupations, residences and number of Shares held by each of the proposed nominees for election as Directors:

Name and Place of Residence and Office Held, if any	Present Principal Occupation and Principal Occupation During Past Five (5) Years	Date First Elected as a Director	Number of Voting Shares Beneficially Owned, Directly or Indirectly, or Controlled by Proposed Director
James Timourian, PhD. ^{(1) (2) (3)} Edmonton, Alberta, Canada <i>Chairman and Secretary</i>	Mathematician; President of Integral Chemistry Inc., President of Sassoun Investments Ltd.	October 22, 2002	2,093,000 ⁽⁴⁾
Craig Milne, BSC, PhD, MBA ⁽¹⁾ Edmonton, Alberta, Canada <i>Chief Executive Officer</i>	Chief Executive Officer of Copperstone Technologies Ltd.; co-founder and former President of Stream Technologies Inc.	July 19, 2019	160,000 ⁽⁵⁾
Bernard Grobbelaar, CPA, CA ⁽²⁾ Edmonton, Alberta, Canada	Chartered Professional Accountant; President of Bernard Grobbelaar Professional Corporation and Oikonomos Management Ltd.	April 30, 2013	35,000 ⁽⁶⁾
David S. Tam ⁽³⁾ Edmonton, Alberta, Canada	Lawyer; Partner with Parlee McLaws LLP, Barristers and Solicitors, Edmonton, Alberta;	August 13, 2018	592,000 ⁽⁷⁾
Karen Farkas, PhD, MS, MBA ⁽¹⁾⁽³⁾ Sherwood Park, Alberta, Canada	PhD in Finance, retired CFO and COO of Heart Smart Foods Ltd., a private Alberta wholesale food distributor, experience on boards of various charitable organizations.	December 15, 2019	15,000 ⁽⁸⁾
Julienne (Julie) Wright San Diego, CA USA	President and founder of (W)right On Communications, Inc., a strategic communications firm since 1998.	July 17, 2023	Nil ⁽⁹⁾

Notes:

- (1) Member of the Audit Committee
- (2) Member of Corporate Governance Committee
- (3) Member of Environmental and Safety Committee

- (4) Dr. Timourian directly owns 2,063,000 Common Shares and indirectly 30,000 Common Shares, which Common Shares are owned by Sassoun Investments Ltd, a company that is owned 100% by Dr. Timourian. As well, Dr. Timourian holds Options for an additional 615,000 Common Shares, which if exercised, would raise the total number of Common Shares beneficially owned, directly or indirectly, by Dr. Timourian to 2,700,812 Common Shares.
- (5) Dr. Milne holds Options for an additional 2,970,000 Common Shares, which if exercised, would raise the total number of Common Shares beneficially owned, directly or indirectly, by Mr. Milne to 3,130,000 Common Shares.
- (6) Mr. Grobbelaar holds Options for an additional 195,000 Common Shares, which if exercised, would raise the total number of Common Shares beneficially owned, directly or indirectly, by Mr. Grobbelaar to 230,000 Common Shares.
- (7) Mr. Tam holds Options for an additional 185,000 Common Shares, which if exercised, would raise the total number of Common Shares beneficially owned, directly or indirectly, by Mr. Tam to 777,000 Common Shares.
- (8) Dr. Farkas holds Options for an additional 110,000 Common Shares, which if exercised, would raise the total number of Common Shares beneficially owned, directly or indirectly, by Ms. Farkas to 125,000 Common Shares.
- (9) Ms. Wright holds Options for 50,000 Common Shares, which if exercised, would raise the total number of Common Shares beneficially owned, directly or indirectly, by Ms. Wright to 50,000 Common Shares.

The information as to shares owned indirectly or over which control or discretion is exercised by the directors and officers, but, which are not registered in their names, not being within the knowledge of the Corporation, has been furnished by such Directors and executive officers.

Other than as set forth in the foregoing, no proposed director of the Corporation is, or within the 10 years before the date of this Information Circular has been, a director or executive officer of any company that, while that person was acting in that capacity:

- (a) is, as at the date of this Information Circular, or has been, within 10 years before the date of the Information Circular, a director, chief executive officer or chief financial officer of any company (including the Corporation) that,
 - (i) was the subject of a cease order or similar order or an order that denied the relevant company access to any exemption under securities legislation for a period of more than 30 consecutive days; or
 - (ii) was the subject to an event that resulted, after the director, chief executive officer or chief financial officer ceased to be a director, chief executive officer or chief financial officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or
- (b) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) has, within the 10 years before the date of the Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

APPOINTMENT OF AUDITOR

The management of the Corporation proposes that D&H Group LLP ("D&H") be appointed as auditors of the Corporation for the ensuing year or until their successor is appointed and that the directors be authorized to fix their remuneration. D&H was appointed auditor of Corporation effective as at October 12, 2018.

The Shareholders will be asked at the meeting to vote for the appointment of D&H as the auditors of the Corporation, for the ensuing year and to authorize the Directors to fix their remuneration. Unless otherwise directed, Shares representing proxies in favour of management nominees will be voted in favour of the appointment of D&H Group LLP, Chartered Professional Accountants, 10th Floor, 1333 West Broadway, Vancouver, British Columbia, V6H 4C1 as auditors of the Corporation, to hold office until the next annual general meeting of the Shareholders, or until their successors are duly elected or appointed, and to authorize the Board to fix their remuneration.

APPROVAL OF STOCK OPTION PLAN

The Corporation has in place a stock option plan (the "Option Plan") whereby the directors of the Corporation may allocate up to a maximum of ten percent (10%) of the Shares in the capital of the Corporation outstanding from time to time for the issuance of stock options under the Option Plan. All proposed amendments must be accepted by the TSXV prior to the time at which the amended stock option is exercised.

As the Option Plan is considered a "rolling" plan, the Corporation must obtain shareholder approval of the Option Plan at each annual meeting of shareholders in accordance with the policies of the TSXV. Therefore, management intends to seek shareholder approval of the Option Plan. A copy of the Option Plan is attached hereto as Schedule C and the highlights of the Option Plan are as follows:

1. options may be granted to directors, employees, management company employees and consultants;
2. the exercise price of options granted shall be determined by the board of directors in accordance with the policies of the TSXV;
3. the directors may allocate up to a maximum of ten percent (10%) of the Shares in the capital of the Corporation outstanding from time to time for the issuance of stock options; no single participant may be issued options representing greater than five (5%) percent of the number of outstanding Shares in any 12 month period unless the Corporation has obtained disinterested shareholder approval; the number of Shares reserved under option for issuance to any one consultant of the Corporation may not exceed two (2%) percent of the number of outstanding Shares in any 12 month period;
4. the aggregate number of options granted to persons employed in investor relation activities must not exceed two (2%) percent of the outstanding Shares in any 12 month period unless the TSXV permits otherwise. Options issued to consultants providing investor relations services must vest in stages over 12 months with no more than one quarter of the options vesting in any three month period;
5. the board of directors may determine the term of the options, but the term shall in no event be greater than ten years from the date of issuance;
6. terms of vesting of the options, the eligibility of directors, officers, employees, management company employees and consultants to receive options and the number of options issued to each participant shall be determined at the discretion of the board of directors, subject to the policies of the TSXV.

In accordance with the policies of the TSXV, the Corporation requests Shareholders to consider, and if thought fit, approve an ordinary resolution substantially in the form set forth below:

"BE IT RESOLVED THAT:

1. Subject to regulatory approval, the implementation of the Corporation's stock option plan in the form attached as Schedule C to the Information Circular is hereby approved, whereby the directors may allocate up to a maximum of ten percent (10%) of the Shares in the capital of the Corporation outstanding from time to time for the issuance of stock options under the stock option plan, provided that the number of listed securities that may be reserved for issuance under stock options granted to any one individual or insiders of the Corporation shall not exceed five percent (5%) of the Corporation's issued and outstanding listed securities unless the Corporation has obtained disinterested shareholder approval, and the same is hereby approved; and
2. Any one or more of the directors or officers of the Corporation is hereby authorized to do such acts and execute all instruments and documents necessary or desirable to carry out the foregoing."

The board unanimously recommends that each shareholder vote "for" the stock option plan resolution. Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote for the Stock Option Plan resolution.

OTHER BUSINESS

While there is no business other than that mentioned in the Notice to be presented to the Shareholders at the Meeting, it is intended that the proxies hereby solicited will be exercised upon any other matters and proposals that may properly come before the Meeting, or any adjournment(s) thereof, in accordance with the discretion of the persons authorized to act thereunder.

BOARD APPROVAL

The contents of this Information Circular have been approved, in substance, and its mailing has been authorized, by the Board.

ADDITIONAL INFORMATION

Additional information relating to the Corporation may be found on the Corporation's website at www.Innovotech.ca or on SEDAR at www.sedar.com. Financial information is provided in the Corporation's comparative financial statements and management discussion and analysis for the financial year ended December 31, 2022. In addition, Shareholders may contact the Corporation to request copies of the Corporation's financial statements and management discussion and analysis at its main telephone number at (780) 448-0585 or as follows:

Innovotech Inc.

Attention: Dr. Tyler Boone, Chief Operating Officer
Suite L131, 2011 - 94 Street
Edmonton, Alberta
T6N 1H1

Schedule A
Audit Committee Charter
(Form 52-110F1)

1. AUDIT COMMITTEE'S CHARTER:

I. Role

The Audit Committee is a committee of the Board of Directors (the "Board"). Its role is to assist the Board in its oversight of the integrity of the financial and related information of the Corporation including its financial statements, the internal controls and procedures for financial reporting and the processes for monitoring compliance with legal and regulatory requirements and to review the independence, qualifications and performance of the external auditor of the Corporation. Management is responsible for establishing and maintaining those controls, procedures and processes and the Audit Committee is appointed by the Board to review and monitor them.

While the Audit Committee shall have the responsibilities and powers set forth in this charter, it shall not be the duty of the Audit Committee to determine whether the Corporation's financial statements are complete, accurate, or in accordance with generally accepted accounting principles or to conduct audits. These are the responsibilities of management and the external auditor in accordance with their respective roles.

The responsibilities of a member of the Audit Committee shall be in addition to such member's duties as a member of the Board.

II. Authority

The Audit Committee shall have the power to conduct or authorize investigations into any matters within the Committee's scope of responsibilities. In connection with such investigations or otherwise in the course of fulfilling its responsibilities under this charter, the Audit Committee shall have the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties, to set and pay the compensation for any advisors employed by the Audit Committee and to communicate directly with the internal and external auditors. The Audit Committee shall also have unrestricted access to the Corporation's personnel and documents and will be provided with the resources to carry out its responsibilities. The Audit Committee shall have direct communication channels with the internal auditors (if any) and the external auditors to discuss and review specific issues as appropriate.

III. Membership and Meetings

The Audit Committee shall be composed of a minimum of three directors, all of whom shall be independent as that term is defined in National Instrument 52-110, Audit Committees and any other applicable requirements of Canadian securities laws. A member of the Audit Committee shall automatically cease to be a member upon ceasing to be a director of the Corporation.

Members shall serve one-year terms and may serve consecutive terms, which are encouraged to ensure continuity of experience.

The Chairperson shall be appointed by the Board of Directors for a one-year term and may serve any number of consecutive terms.

Except as may be permitted by applicable securities laws and regulatory policies, all members of the Audit Committee must be "financially literate" i.e., have the ability to read and understand a balance sheet, an income statement and a cash flow statement. At least one member of the Audit Committee should be financially sophisticated in that he or she has past employment experience in finance or accounting, requisite professional certification in accounting or other comparable experience or background which results in the individual's sophistication. This individual must have the ability to analyze and interpret a full set of financial statements including the attached notes, in accordance with Canadian generally accepted accounting principles.

The Chairman of the Audit Committee shall be appointed by the Board and the Chairman shall preside at all meetings of the Audit Committee and shall have a second and deciding vote in the event of a tie. If the Chairman is absent from a meeting, then the remaining members of the Audit Committee shall appoint one of their members to act as Chairman.

Subject to the requirements of this charter, the time(s), place and processes for calling meetings of the Audit Committee and the procedures at such meetings shall be determined by the Audit Committee.

Quorum of a meeting of the Audit Committee shall be the attendance of two (2) members thereof. A member or members of the Audit Committee may participate in a meeting of the Audit Committee by means of such telephonic, electronic or other communication facilities as permits all persons participating in the meeting to communicate adequately with each other. A member participating in such a meeting by any such means is deemed to be present at the meeting.

The minutes of the Audit Committee meetings shall accurately record the decisions reached and shall be distributed to Audit Committee members with copies to the Board of Directors, the Chief Executive Officer, the Chief Financial Officer and the external auditor.

A written resolution signed by all the members of the Audit Committee entitled to vote on that resolution at a meeting of the Audit Committee is as valid as if it had been passed at a meeting of the Audit Committee.

The Audit Committee reviews, prior to their presentation to the Board of Directors and their release, all material financial information required by securities regulations.

IV. **Responsibilities**

In carrying out its role, the Audit Committee SHALL:

A. **General**

1. Meet at least four times per year or, more frequently if circumstances or the obligations of the Audit Committee require;
2. Report to the Board on such matters as the Board may from time to time refer to the Audit Committee;
3. Annually review and reassess the adequacy of this charter and submit such evaluation to the Board and recommend any proposed changes to the Board for approval;

B. **External Auditor**

1. Require the external auditor to report directly to the Audit Committee and shall provide notice of each Audit Committee meeting to the external auditor;
2. Recommend to the Board the external auditor to be nominated for the purpose of preparing or issuing the auditor's report or performing other audit, review or attest services for the Corporation and the compensation of the external auditor, and as necessary, review and approve the discharge of the external auditor. If the event of a change of external auditor, the Audit Committee shall review all issues and provide documentation related to the change, including the information to be included in the Notice of Change of Auditors and documentation required pursuant to National Instrument 51-102 (or any successor legislation) of the Canadian Securities Administrators and the planned steps for an orderly transition period;
3. Be directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing the auditor's report or performing other audit, review or attest services for the Corporation;

4. Oversee the resolution of disagreements between management and the external auditor regarding financial reporting;
5. Pre-approve any non-audit services to be provided to the Corporation or its subsidiaries by the external auditor and the fees for those services;
6. Take reasonable steps to confirm the independence of the external auditor, which shall include, but shall not be limited to:
 - (a) ensuring receipt, at least annually, from the external auditor of a formal written statement delineating all relationships between the external auditor and the Corporation, including non-audit services provided to the Corporation, consistent with Section 5751 of the Canadian Institute of Chartered Accountants Handbook;
 - (b) considering and discussing with the external auditor any disclosed relationships or services, including non-audit services, that may impact the objectivity and independence of the external auditor; and
 - (c) enquiring into and determining the appropriate resolution of any conflict of interest in respect of the external auditor;
7. Review and approve the Corporation's hiring policies regarding the hiring of partners, employees, and former partners and employees of the Corporation's existing and former external auditor;

C. Audit and Other Review Processes

1. Consider, in consultation with the external auditor, the audit scope and plan of the external auditor;
2. Consider and review with the external auditor the matters required to be discussed by Section 5751 of the Canadian Institute of Chartered Accountants Handbook, as the same may be modified or supplemented from time to time;
3. Review and discuss with management and the external auditor, as appropriate, at the completion of the annual audit:
 - (a) the Corporation's annual audited financial statements and related footnotes, including the accompanying management's discussion and analysis prior to their release;
 - (b) the external auditor's audit of the financial statements and its report thereon;
 - (c) any significant changes required to be made in the external auditor's audit plan;
 - (d) any serious difficulties or disputes between management and the external auditor during the course of the external auditor's audit;
 - (e) any related findings and recommendations of the external auditor together with management's responses including the status of previous recommendations; and
 - (f) any other matters related to the conduct of the external audit which are to be communicated to the Audit Committee by the external auditor under Canadian generally accepted auditing standards;
4. Review and discuss with management and the external auditor, as appropriate, at the completion of each interim period, the Corporation's interim financial statements including the accompanying management's discussion and analysis prior to their release;

5. Review and discuss with management and the external auditor, as appropriate, any annual and interim earnings guidance and other press releases containing information derived from the Corporation's financial statements prior to their release;
6. Ensure that the Corporation has satisfactory procedures in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements and the Audit Committee shall periodically assess the adequacy of such procedures;
7. Review and discuss with management and the external auditor and others, as appropriate, the Corporation's internal system of audit controls established by management and the Board and the effectiveness of such controls, and inquire of management and the external auditor about significant financial risks or exposures and the steps management has taken to minimize such risks;
8. Review and discuss with management and the external auditor, as appropriate, the Corporation's financial reporting practices, including changes in, or adoptions of, accounting standards and principles and disclosure practices;
9. Review with management and the external auditor their qualitative judgments about appropriateness, not just the acceptability, of accounting principles and accounting disclosure practices used or proposed to be used, and particularly, the degree of aggressiveness or conservatism of the Corporation's accounting principles and underlying estimates;
10. Meet with the external auditor and management in separate sessions, as necessary or appropriate, to discuss any matters that the Audit Committee, the external auditor or management believe should be discussed privately with the Audit Committee, provided however that the Audit Committee may request any officer, director or employee of the Corporation, its outside legal counsel or other advisors to attend a meeting of the Audit Committee or to meet with any members of, or advisors to, the Audit Committee and to assist in any such discussions;

D. Public Disclosure Documents

1. Review all public disclosure documents, including but not limited to press releases, containing audited or unaudited financial information, any prospectuses, annual reports, annual information forms, and management's discussion and analysis prior to their public release or filing with securities regulators;

E. Risk Assessment

1. Assess significant risk areas and the Corporation's policies to manage risk including, without limitation, environmental risk, insurance coverage and other areas as determined by the Board from time to time; and

F. Procedures for Complaints

1. Establish procedures for the receipt, retention and treatment of any complaint received by the Corporation regarding accounting, internal accounting controls or auditing matters including procedures for the confidential, anonymous submissions by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

Schedule B

Corporate Governance Disclosure

Unless otherwise stated herein, all capitalized terms herein shall have the meaning set forth in the Glossary of Terms.

The Corporation strives to uphold high standards of corporate governance which meet, or exceed, the applicable rules adopted by the Canadian Securities Administrators.

Board of Directors

Director Independence

The determination of independence of a Director is made by the Board and the Nominating and Corporate Governance Committee. A Director is independent if it is determined that the Director has no material relationship with the Corporation or any affiliates or the external auditors of the Corporation, either directly or indirectly, or as a partner, shareholder or officer of an entity that has a relationship with the Corporation.

Out of the current Board of seven directors, five of the directors are independent. The following two directors are not independent: Dr. Timourian and Mr. Savage. Out of the Board which is nominated to be elected, five of the directors are independent. Dr. Milne is not considered independent because he is the Chief Executive Officer.

The Board fulfills its mandate directly and through its committees at regularly scheduled meetings and at additional meetings as required, at which a majority of the directors are present. Frequency of meetings may be increased and the nature of the agenda items may be changed depending upon the state of the Corporation's affairs and in light of the opportunities or risks which the Corporation faces. Each director is expected to attend the Board meetings and meetings of committees on which they serve although there is no official attendance policy for these meetings. The Board receives no cash compensation for attendance at these meetings. Management evaluations, various matters of general concern, financing, third party engagements and various scientific and corporate development visions and planning are typically discussed at Board meetings. To the extent that it is necessary, the results of these discussions are communicated to management.

None of the directors are presently a director of any other issuer that is a reporting issuer (or the equivalent) in a domestic or foreign jurisdiction other than as follows:

Name	Company
David S. Tam	Regent Pacific Properties Inc. Crystal Pool Capital 2.0 Inc.

Board Mandate

The Board has adopted the following written mandate:

The Board of Directors has responsibility for the overall stewardship for the Corporation, establishing the overall policies and standards for the Corporation in the operation of its business, and reviewing and approving the strategic plans. In addition, the Board monitors and assesses overall performance and progress in meeting the Corporation's goals. Day to day management is the responsibility of the Chief Executive Officer, President and senior management. To this end, the Board has adopted the following guidelines that identify the personal and professional conduct expected of the Directors and its corporate governance responsibilities.

The Board discharges its responsibilities directly through its committees, the Audit Committee, the Nominating and Corporate Governance Committee, the Compensation Committee, and the Environmental and Safety Committee. In addition to the Board's primary roles of overseeing the affairs of the Corporation, principal duties include, but are not limited to the following categories:

1. The majority of the Board and all of its committee members, with the exception of the Environmental and Safety Committee and Corporate Governance Committee, will be independent.
2. All directors will act in the best interest of the Corporation and will put the interests of the Corporation ahead of any single stakeholder, shareholder or group.
3. The Board will supervise management, not manage the business day-to-day.
4. The Board has the responsibility for approving the appointment of the Chief Executive Officer and any other officers of the Corporation, and approving the compensation of the Chief Executive Officer and management of the Corporation following a review from the Compensation Committee.
5. The Board will be responsible for reviewing, discussing and debating Innovotech's direction, choice of business opportunities and the management of the risk which these opportunities entail.
6. The Board will ensure that there are objectives for management and with its committees will regularly review performance against these objectives.
7. The Board will ensure there are plans for the orderly succession of management and that these plans are kept up to date.
8. The Board will ensure that Innovotech communicates openly and effectively with its shareholders, other stakeholders and the public.
9. The Board will approve operating and capital budgets and ensure that Innovotech has effective control and information systems to enable it to monitor progress and discharge all of its responsibilities.
10. The Board will appoint and oversee the committees it requires and ensure Innovotech reports on corporate governance in each annual report.
11. The Board is responsible for monitoring the performance and training of Management with respect to the operations of the Corporation.
12. The Board will assess each year the size, performance, and effectiveness of the Board, its committees and its members and nominate new director candidates as required, based on recommendations from the Nominating and Corporate Governance Committee.

The Board of Directors intends to review its mandate on an annual basis. This review is initiated and conducted by the Nominating and Corporate Governance Committee. The Board assists management as requested regarding specific operational matters and assists management in establishing operational and financial development, goals and objectives. Board approval is required for any major operational or financial initiative. Expectations of management by the Board include standard best efforts and ethical conduct, timely reporting, timely preparation of documents and reports in preparation for meetings, competent fiscal and regulatory management.

Position Descriptions

Chairman of the Board and Chairman of the individual committees

The Board has developed written position guidelines for the Chairman of the Board but not specifically for the chairs of each Board committee.

Chief Executive Officer

As Chief Executive Officer, Dr. Milne's employment contract provides the following responsibilities: (a) supervision and implementation of strategies to raise capital; (b) supervision and implementation of a plan to commercialize the Employer's technology, including but not restricted to the commencement, continuation and completion of clinical trials; (c) supervision and implementation of sales and marketing strategies for existing and new products; (d) supervision of development and implementation of communication and public relations strategies; (e) identification, development and implementation of new products, new business development strategies and opportunities; (f) supervision of all planning and budgeting processes and planning; (g) supervision and direction of the Chief Financial Officer and other designated employees in hiring, supervising, and training of all staff and administration of all personnel, including the development of personnel policies and procedures and salary administration; (h) dismissing personnel as required; (i) supervision and direction of production processes and all production labs and facilities; (j) direction and supervision of all financial matters of the Corporation including financial reporting to the Board; (k) providing advice and input to the Board and ensuring that the Corporation's policies, procedures and programs related to its business are compatible with all aspects of effective operations; (l) such other functions as may be necessarily related to the foregoing and such additional duties and functions as Dr. Milne and the Corporation shall, from time to time, agree upon; and (m) initiating, supervising and managing all scientific and technological endeavours of the Corporation. The Chief Executive Officer reports directly to the Board.

The responsibilities and performance goals of the Chief Executive Officer, in addition to the contractual responsibilities described above, are set annually between the Board and the Chief Executive Officer and reviewed for monitoring purposes at least quarterly by the Compensation Committee and as needed by the Nominating and Corporate Governance Committee. Since a portion of the Chief Executive Officer's annual remuneration is dependent on meeting performance goals and objectives, a detailed analysis of the Chief Executive Officer's performance in meeting these goals and objectives is conducted annually by the Compensation Committee.

Orientation and Continuing Education

New directors will be given an orientation program which includes an information package, initial and subsequent meetings with management and the Chairman of the Board, tours of the Corporation's facilities and material on the Corporation's science and potential products.

Any Director wishing to attend a continuing education course identifies to the Chairman the desire to attend such a course. The Chairman then approves or disapproves the request.

Ethical Business Conduct

The Board has adopted a written Code of Business Conduct and Ethics for the directors, officers and employees of the Corporation.

The Board is responsible for setting the standards of business conduct contained in the Code of Business Conduct and Ethics and for updating the standards as it deems appropriate to reflect changes in the legal and regulatory framework applicable to the Corporation, the business practices in the Corporation's industry, the Corporation's own business practices, and the prevailing ethical standards of the communities in which the Corporation operates. While the Chief Executive Officer of the Corporation oversees the procedures designed to implement the Code of Business Conduct and Ethics to ensure that they are operating effectively, it is the individual responsibility of each director, officer and employee to comply with the Code of Business Conduct and Ethics. Those who violate the Code of Business Conduct and Ethics will be subject to disciplinary action.

If a conflict arises at a Board meeting, the affected Director declares the conflict and refrains from discussion or voting on the matter in question. Conflict of interest guidelines are observed concerning transactions and agreements in respect of which a director or executive officer has a material interest.

A "whistleblower" policy has been adopted by the Board.

Nomination of Directors

The Nominating and Corporate Governance Committee is comprised of Dr. Timourian, Mr. Grobbelaar and Mr. Tam. The members of the Nominating and Corporate Governance Committee are all independent directors. The Nominating and Corporate Governance Committee adopted a charter in February 2006.

Pursuant to its charter, the Nominating and Corporate Governance Committee takes responsibility for establishing and reviewing the Corporation's system of corporate governance and its response to and compliance with any applicable regulatory guidelines. It is also responsible for preparing disclosure concerning corporate governance, and for developing and monitoring our general approach to corporate governance issues as they arise. Further, it assumes responsibility for assessing current members and nominating new members to the Board and ensuring that all Board members are informed of and are aware of their duties and responsibilities as directors. The Nominating and Corporate Governance Committee takes responsibility for the adoption of adequate policies and procedures to allow the Corporation to meet our continuous disclosure requirements, manage the Corporation's principal risks, review the strategic plan on a timely basis, develop and monitor corporate policies relating to trading in securities, ensuring the Board annually reviews organizational structure and succession planning, reviews areas of potential personal liability of directors and ensures reasonable protective measures are in place and causes the Board to annually review its definition of an independent director. The Nominating and Corporate Governance Committee met as needed and communicated informally from time to time.

The Board expects new directors to abide by the same standards and time commitments described above for all other directors.

The last date on which a new director was appointed was December 15, 2019. The Board does not keep a formal list of potential directors. If the directors decided that they needed a new director they would develop such a list. The core competencies of any new director would be determined by the Board on a case by case basis depending on which existing Board member was to be replaced or what perceived area of expertise needed to be addressed. Any time a potential new director is considered for nomination to the Board, that person would be interviewed by selected members of the Nominating and Corporate Governance Committee and possibly other directors to determine suitability regarding qualifications, commitment and time devotion. A consensual decision would be made. The current Board number of 6 persons is satisfactory for decision making processes.

Compensation

The Compensation Committee adopted a charter in February 2006. Under its charter, the Compensation Committee is responsible for reviewing management prepared policies and recommending to the Board on compensation policies and guidelines for senior officers and management personnel, corporate benefits, incentive plans, evaluation of the performance and compensation of the Chief Executive Officer and other senior management, compensation level for members of the Board of Directors and committee members, a succession plan for the Chief Executive Officer and key employees and any material changes in human resources policy, procedure, remuneration and benefits.

The Compensation Committee advises the Board on the administration of the Option Plan, and reviews and approves the recommendations of senior management relating to the annual salaries, bonuses and stock option grants of the executive officers. The Compensation Committee reports to the Board, which in turn gives final approval to compensation matters. The current members of the Compensation Committee are Mr. Savage and Mr. Grobbelaar.

Under the direction of the Compensation Committee, the Board is committed to the fundamental principles of pay for performance, improved shareholder returns and external competitiveness in the design, development and administration of its compensation programs. The Compensation Committee recognizes the need to attract and retain a stable and focused leadership with the capability to manage the Corporation's operations, finances and assets. As appropriate, the Compensation Committee recognizes and rewards exceptional individual contributions with highly competitive compensation. The major elements of our executive compensation program are salary, annual cash incentives and long-term incentives, through the granting of stock options.

In connection with determining base salaries, the Board maintains an administrative framework of job levels into which positions are assigned based on internal comparability and external market data. Because of a lean organizational structure and potential growth in the international arena, the Compensation Committee's goal is to provide base salaries, for its top performing employees, that are competitive with our peers and which also recognize the differentials from such peers.

The Board believes that employees should have a stake in our future and that their interest should be aligned with the interest of our stockholders. To this end, the Compensation Committee selects those executives and key employees whose decisions and actions can most directly impact business results to participate in the Option Plan. Under the Option Plan, officers, consultants, and key employees who are selected to participate are eligible to receive stock options that are granted subject to a vesting period determined by us and approved by the Board to create a long-term incentive to increase shareholder value. Awards of stock options are supplementary to the cash incentive plan and are intended to increase the pay-at-risk component for officers and key employees.

The Corporation has employment agreements or remuneration arrangements with all of its executive officers. Each agreement or arrangement provides for salary, benefits, bonuses and incentive stock option grants for the executive officer and for compensation if employment is terminated.

The Compensation Committee met as needed and communicated frequently amongst themselves as required.

The Compensation Committee reviews and approves corporate goals relevant to CEO compensation and decides if CEO compensation is based on that review. The Compensation Committee recommends to the board non-CEO officer and director compensation, incentive compensation plans and equity based plans. The committee reviews executive compensation disclosure before it is publicly disclosed. Compensation is reviewed annually for all senior executive officers. There is no minimum security ownership requirement for officers and directors. See Directors and Officers Compensation in the Information Circular.

Other Board Committees

In addition to the Audit Committee, Nominating and Corporate Governance Committee, and Compensation Committee, the Board has an Environmental and Safety Committee that was formed in November 2006 and amended in April 2007. The current members of the Environmental and Safety Committee consist of Dr. Timourian (Chairman), Dr. Farkas and Dr. Boone. Under its charter the Environmental and Safety Committee reviews, provides oversight of and monitors our environmental, health and safety policies, practices and actions; reviews, provides oversight of and monitors the social, political, and environmental trends, issues and concerns at the legislative, regulatory and judicial levels as they affect the Corporation and the industry, along with our positions and responses with respect thereto. It will also receive reports on the nature and extent of compliance or any non-compliance with relevant policies, standards and applicable legislation and will develop plans to correct deficiencies, if any. It reports to the Board on the status of such matters and reviews such other environmental matters as the Environmental and Safety Committee may consider suitable or the Board may specifically direct.

The Environmental and Safety Committee met as needed and communicated informally from time to time.

Schedule C

Directors', Management, Employees' and Consultants' Stock Option Plan

PART 1 – INTRODUCTION

1.1 Purpose

The purpose of the Plan is to secure for the Corporation and its shareholders the benefits of incentives inherent in share ownership by the directors, management, employees and consultants of the Corporation who, in the judgment of the Board, will contribute to its future growth and success. It is generally recognized that a stock option plan of the nature provided for herein aids the Corporation in retaining and encouraging directors, management, employees and consultants who are considered as potential key contributors to the success of the Corporation, by providing to them the opportunity to acquire a proprietary interest in the Corporation.

1.2 Definitions

Whenever used herein, the following words and expressions shall have the following meanings, namely:

1.2.1 "Affiliate" means the following:

a Company is an Affiliate of another Company if:

- (a) one of them is the subsidiary (as such term is described in the *Business Corporations Act* (Alberta)) of the other; or
- (b) each of them is controlled by the same Person.

In addition, a Company is "controlled" by a Person if:

- (a) voting shares of the Company are held, directly or indirectly, other than by way of security only, by or for the benefit of that Person; and
- (b) the voting shares, if voted, entitle the Person to elect a majority of the directors of the Company.

1.2.2 "Board" means the board of directors of the Corporation as it may be constituted from time to time;

1.2.3 "Consultant Company" means for an individual consultant, a company or partnership of which the individual is an employee, shareholder or partner;

1.2.4 "Company" means, unless specifically indicated otherwise, a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual;

1.2.5 "Corporation" means Innovotech Inc., a corporation incorporated under the laws of the Province of Alberta;

1.2.6 "Eligible Consultant" means, in relation to the Corporation, an individual or Consultant Company, other than an Eligible Employee or an Eligible Director of the Corporation that:

- (a) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Corporation or to an Affiliate of the Corporation, other than services provided in relation to a Distribution (as defined in the *Securities Act* (Alberta));

- (b) provides the services under a written contract between the Corporation or the Affiliate of the Corporation, and the individual or the Consulting Company;
 - (c) in the reasonable opinion of the Corporation, spends or will spend a significant amount of time and attention on the business and affairs of the Corporation or an Affiliate of the Corporation; and
 - (d) has a relationship with the Corporation or an Affiliate of the Corporation that enables the individual to be knowledgeable about the business and affairs of the Corporation;
- 1.2.7 "Eligible Director" means a director of the Corporation or a director of an Affiliate of the Corporation to whom stock options can be granted in reliance on a prospectus exemption under applicable securities laws;
- 1.2.8 "Eligible Employee" means:
- (a) an individual who is considered an employee of the Corporation or an Affiliate of the Corporation under the *Income Tax Act* (Canada) (i.e. for whom income tax, employment insurance and CPP deductions must be made at the source);
 - (b) an individual who works full-time for the Corporation or an Affiliate of the Corporation providing services normally provided by an employee and who is subject to the same control and direction by the Corporation over the details and methods of work as an employee of the Corporation, but for whom income tax deductions are not made at the source; or
 - (c) an individual who works for the Corporation or an Affiliate of the Corporation 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 Corporation over the details and methods of work as an employee of the Corporation, but for whom income tax deductions are not made at the source;
- 1.2.9 "Eligible Management Company Employee" means a Management Company Employee of the Corporation or a Management Company Employee of an Affiliate of the Corporation to whom stock options can be granted in reliance on a prospectus exemption under applicable securities laws;
- 1.2.10 "Eligible Member of Management" means any senior officer of the Corporation or a senior officer of an Affiliate of the Corporation to whom stock options can be granted in reliance on a prospectus exemption under applicable securities laws;
- 1.2.11 "Eligible Participant" means Eligible Consultants, Eligible Directors, Eligible Employees, Eligible Management Company Employees and Eligible Members of Management;
- 1.2.12 "Exchange" means any exchange upon which the Shares may be listed from time to time;
- 1.2.13 "Insider" of the Corporation means:
- (a) an insider as defined in the *Securities Act* (Alberta), other than a person who falls within that definition solely by virtue of being a director or senior officer of a subsidiary of the Corporation; and
 - (b) an Associate (as such term is defined in the *Securities Act* (Alberta)) of any person who is an Insider by virtue of subparagraph (a);
- 1.2.14 "Investor Relations Activities" means any activities by or on behalf of the Corporation or a shareholder of the Corporation, that promote or reasonably could be expected to promote the purchase or sale of securities of the Corporation, but does not include:

- (a) the dissemination of information provided, or records prepared, in the ordinary course of the Corporation:
 - (i) to promote the sale of products and services of the Corporation; or
 - (ii) to raise public awareness of the issuer;
 that cannot reasonably be considered to promote the purchase or sale of securities of the Corporation;
 - (b) activities or communications necessary to comply with the requirements of:
 - (i) applicable securities laws; or
 - (ii) the by-laws, rules, policies, or other regulatory instruments of any self-regulatory body or exchange having jurisdiction over the Corporation;
 - (c) communications by a publisher of, or writer for, a newspaper, magazine or business or financial publication, that is of general and regular paid circulation, distributed only to subscribers to it for value or to purchasers of it, if:
 - (i) the communication is only through the newspaper, magazine or publication; and
 - (ii) the publisher or writer receives no commission or other consideration other than for acting in the capacity of publisher or writer; or
 - (d) activities or communications that may be otherwise specified by any exchange having jurisdiction over the Corporation;
- 1.2.15 "Management Company Employee" means an individual employed by a Person providing management services to the Corporation, which are required for the ongoing successful operation of the business enterprise of the Corporation, but excluding a Person engaged in Investor Relations Activities;
- 1.2.16 "Option" means an option granted under the terms of the Plan;
- 1.2.17 "Option Agreement" means the form of option agreement attached hereto as Schedule "A";
- 1.2.18 "Option Period" means the period during which an Option may be exercised;
- 1.2.19 "Optionee" means an Eligible Employee, Eligible Director, Eligible Member of Management or Eligible Consultant to whom an Option has been granted under the terms of the Plan;
- 1.2.20 "Participant" means an Eligible Consultant, Eligible Director, Eligible Employee, Eligible Management Company Employee or Eligible Member of Management who elects to participate in the Plan;
- 1.2.21 "Person" means a Company or an individual;
- 1.2.22 "Plan" means the plan established and operated pursuant to the terms hereof; and
- 1.2.23 "Shares" means the common shares of the Corporation from time to time authorized by the charter documents of the Corporation.

PART 2 - STOCK OPTION PLAN

2.1 Participation

Options shall be granted only to Eligible Participants.

2.2 Determination of Option Recipients

The Board, or the President, if duly authorized by the Board, shall make all necessary or desirable determinations regarding the granting of Options to Eligible Participants and may take into consideration the present and potential contributions of a particular Eligible Participant to the success of the Corporation and any other factors which it may deem proper and relevant.

2.3 Price

The exercise price per Share shall be determined from time to time by the Board but, in any event, shall not be lower than the lowest exercise price permitted by any Exchange, if applicable.

Options granted to Insiders or with a discounted exercise price will be legended with an Exchange four (4) month hold period where and as applicable, and any Shares issued under the Options that are exercised prior to the expiry of the hold period will be legended commencing on the date the Options were granted.

Disinterested Shareholder approval will be obtained for any reduction in the exercise price if the Optionee is an insider of the Corporation at the time of the proposed amendment to reduce the exercise price.

2.4 Grant of Options

The Board, or the President, if duly authorized by the Board, may at any time authorize the granting of Options to Eligible Participants as it may select for the number of Shares that it shall designate, subject to the provisions of the Plan. The Board, or the President, if duly authorized by the Board, at its or his discretion, may grant options on such terms and conditions as it or he considers appropriate provided that such terms and conditions are not inconsistent with the Plan and the policies of the Exchange, if applicable.

Each Option granted to an Eligible Participant shall be evidenced by an Option Agreement with terms and conditions consistent with the Plan and as approved by the Board or the President if duly authorized (which terms and conditions need not be the same in each case and may be changed from time to time).

2.5 Terms of Options and Vesting

The Option Period shall be of such length as is determined by the Board but in any event shall not be greater than a period of ten (10) years after the date such Option is granted and may be reduced with respect to any such Option as provided in Section 2.8 hereof.

Subject to the other terms and conditions of this Plan, Options shall have such equitable vesting provisions as determined by the Board from time to time, provided that Options granted to Optionees who perform Investor Relations Activities must vest in stages over twelve (12) months with no more than one-quarter (1/4) of the options vesting in any three (3) month period.

Any Options remaining unexercised after they became eligible for exercise may be exercised in whole or in part at any time during the remainder of the Option Period.

Except as set forth in Section 2.8 hereof, no Option may be exercised unless the Options have been vested and the Optionee is at the time of such exercise a bona fide Eligible Participant.

No Option may be granted to an Eligible Employee, Eligible Consultant or an Eligible Management Company Employee unless such person is a bona fide Eligible Employee, Eligible Consultant or an Eligible Management Company Employee.

The exercise of any Option will be contingent upon receipt by the Corporation of payment of the full purchase price for the Shares being purchased in cash or in some other manner acceptable to the Corporation and in compliance with applicable laws. No Optionee or his legal representatives, legatees or distributees will be, or will be deemed to be, a holder of any Shares subject to an Option, unless and until certificates for such Shares are issued to him or them under the terms of the Plan.

2.6 Lapsed Option

If Options are surrendered, terminated or expire without being exercised in whole or in part, new Options may be granted covering the Shares not purchased under such lapsed Options to the extent permitted by the Exchange, if applicable.

2.7 Black-Out Period

If the Corporation self-imposes a blackout period (i.e., preceding the release of financial results) preventing an Optionee from exercising his/her Options before the end of the Option Period, the Option Period shall automatically be extended for ten (10) days following the last day of a blackout period.

2.8 Effect of Termination of Employment or Death

- 2.8.1 If an Optionee shall die while an Eligible Employee, Eligible Director, Eligible Consultant (if an individual), Eligible Member of Management or Eligible Management Company Employee, any vested Option held by him at the date of death shall be exercisable, but only by the person or persons to whom the Optionee's rights under the Option shall pass by the Optionee's will or the laws of descent and distribution. All such Options shall be exercisable only for a period of one (1) year after the date of death or prior to the expiration of the Option Period in respect thereof, whichever is sooner.
- 2.8.2 If an Optionee ceased to be an Eligible Participant for cause, no Option held by such Optionee may be exercised following the date on which such Optionee ceases to be an Eligible Participant.
- 2.8.3. If the Eligible Participant is an Eligible Director, then any vested Options held by such director may be exercised until the end of the Option Period in accordance with the Option Agreement entered into with the Eligible Director.
- 2.8.4 If an Optionee who is an Eligible Consultant ceased to be retained by the Corporation by virtue of a breach of the consulting agreement, no Option held by such Eligible Consultant may be exercised following such breach.

2.9 Effect of Takeover Bid

If a bona fide offer:

- (a) is made to all shareholders of the Corporation for the Shares, which offer, if accepted in whole or part, would result in the offeror exercising control over the Corporation within the meaning of the Securities Act (Alberta);
- (b) is made for all or substantially all of the assets of the Corporation (as such concept is interpreted under the Business Corporations Act (Alberta)); or

- (c) is made for a proposed transaction which a majority of the Board determines is reasonably likely to have a similar effect as either of the transactions referred to in Sections 2.9(a) or (b) hereof,

(collectively, the "Offer"),

then the Corporation shall, immediately upon receipt of notice of the Offer, notify each Optionee currently holding an Option of the Offer, with full particulars thereof; whereupon, notwithstanding that such Option may not be fully vested at such time in accordance with Section 2.5 hereof, such Option may be exercised in whole or in part by the Optionee so as to permit the Optionee to tender or to vote, as applicable, the Shares received upon such exercise (the "Optioned Shares") pursuant to the Offer. If:

- 2.9.1 the Offer is withdrawn by the offeror;
- 2.9.2 the Optionee does not tender the Optioned Shares pursuant to the Offer, if applicable;
- 2.9.3 all of the Optioned Shares tendered by the Optionee pursuant to the Offer are not taken up and paid for by the offeror in respect thereof, if applicable; or
- 2.9.4 the sale or reorganization does not close in accordance with its terms,

then the Optioned Shares or, in the case of Section 2.9.3 hereof, the Optioned Shares that are not taken up and paid for, shall be returned by the Optionee to the Corporation and reinstated as authorized but unissued Shares and the terms of the Option as set forth in Section 2.5 hereof shall again apply to the Option. If any Optioned Shares are returned to the Corporation under this Section, the Corporation shall refund the exercise price to the Optionee for such Optioned Shares. In no event shall the Optionee be entitled to sell the Optioned Shares otherwise than pursuant to the Offer (in the case of an Offer pursuant to Section 2.9(a) hereof) or to sell the Optioned Shares prior to the closing of any transaction (in the case of an Offer pursuant to Section 2.9(b) or (c) hereof).

2.10 Effect of Amalgamation, Consolidation or Merger

If the Corporation amalgamates, consolidates or merges with or into another corporation, any Shares receivable on the exercise of an Option shall be converted into the securities, property or cash which the Participant would have received upon such amalgamation, consolidation or merger if the Participant had exercised his Option immediately prior to the record date applicable to such amalgamation, consolidation or merger, and the Option price shall be adjusted appropriately by the Board and such adjustment shall be binding for all purposes of the Plan.

2.11 Adjustment in Shares Subject to the Plan

If there is any change in the Shares through a consolidation, subdivision or reclassification of Shares, or otherwise, the number of Shares available under the Plan, the Shares subject to any Option, and the purchase price thereof shall be adjusted appropriately by the Board and such adjustment shall be effective and binding for all purposes of the Plan.

2.12 Approval

The terms of the Options granted from time to time hereunder, and the Optionees to whom Options are granted, are subject, if applicable, to any Exchange accepting notice of such terms and proposed Optionees.

PART 3 - GENERAL

3.1 Number of Shares

The aggregate number of Shares that may be available for issuance, from time to time, under the Plan shall not exceed 10% of the issued and outstanding shares of the Corporation at the time of grant of the Options. Should the number of issued shares increase at any time after shareholder approval of this Plan, 10% of the additional shares shall be available for issuance, from time to time, under the Plan. In addition, the aggregate number of Shares so

available for issuance under the Plan to any one person in any 12 month period shall not exceed five (5%) percent of the issued Shares calculated at the time of grant of the Option, unless the Corporation has obtained disinterested shareholder approval. For Insiders, as a group, the aggregate number of Shares must not exceed ten (10%) percent of the issued Shares in any 12 month period unless the Corporation has obtained disinterested shareholder approval and a press release has been issued disclosing the grant of options. The aggregate number of Shares so available for issuance under the Plan to any one Eligible Consultant in any 12 month period shall not exceed two (2%) percent of all issued shares calculated at the time of the grant of any Option. The aggregate number of Options so available for issuance under the Plan in any 12 month period to all Eligible Employees conducting Investor Relations Activities shall not exceed two (2%) percent of all issued shares calculated at the time of the grant of the Option and a press release has been issued.

3.2 Transferability

All benefits, rights and options accruing to any Participant in accordance with the terms and conditions of the Plan shall not be assignable or transferable unless specifically provided herein. During the lifetime of a Participant all such benefits, rights and options may only be exercised by the Participant.

3.3 Employment

Nothing contained in the Plan shall confer upon any Participant any right with respect to employment or continuance of employment or any retainer with the Corporation or interfere in any way with the right of the Corporation to terminate the Participant's employment or retainer at any time.

Participation in the Plan by a Participant is voluntary.

3.4 Record Keeping

The Corporation shall maintain a register in which shall be recorded:

3.4.1 the name and address of each Participant; and

3.4.2 the number of Options granted to a Participant and the number of Options outstanding.

3.5 Necessary Approvals

The obligation of the Corporation to issue and deliver Shares in accordance with the Plan is subject to the approval of any regulatory body having jurisdiction, which may be required in connection with the authorization or issuance of such Shares by the Corporation. If any Shares cannot be issued to any Participant for any reason including, without limitation, the failure to obtain such approval, then the obligation of the Corporation to issue such Shares shall terminate and any Option price paid to the Corporation shall be returned to the Participant.

3.6 Administration of the Plan

The Board is authorized to interpret the Plan from time to time and to adopt, amend and rescind rules and regulations for carrying out the Plan. The interpretation and construction of any provision of the Plan by the Board shall be final and conclusive. Administration of the Plan shall be the responsibility of the appropriate directors and/or officers of the Corporation and all costs in respect thereof shall be paid by the Corporation.

3.7 Income Taxes

As a condition of the Plan, the Corporation will withhold from any remuneration otherwise payable to such Participant any amounts required by any taxing authority to be withheld for taxes of any kind as a consequence of such participation in the Plan.

3.8 Amendments to Plan

The Board reserves the right to amend, modify or terminate the Plan at any time if and when it is advisable in the absolute discretion of the Board. Any amendment to any provision of the Plan shall be subject to approval, if applicable and if required, by any regulatory body having jurisdiction over the securities of the Corporation and, if required, by the shareholders of the Corporation in the manner prescribed by any regulatory body having jurisdiction from time to time.

Any reduction to the exercise price of an Option held by an Insider shall require such approvals as may be required by any regulatory body having jurisdiction.

3.9 Representation or Warranty

The Corporation makes no representation or warranty as to the future market value of any Shares issued in accordance with the provisions of the Plan.

3.10 Governing Law

Except as otherwise set forth herein, the Plan shall be governed by the laws of the Province of Alberta excluding any conflicts of law, rule or principle which might refer such construction to the laws of another jurisdiction.

3.11 Interpretation

Words used herein importing the singular number include the plural and vice versa and words importing the masculine gender include the feminine and neuter genders.

3.12 Compliance with Applicable Laws

If any provision of the Plan or any agreement entered into pursuant to the Plan contravenes any law or any order, policy, by law or regulation of any Exchange, if applicable, or any regulatory body having authority over the Corporation or the Plan then such provision shall be deemed to be amended to the extent required to bring such provision into compliance therewith.

SCHEDULE "A"
(To the Stock Option Plan)

INNOVOTECH INC.
(the "Corporation")

STOCK OPTION AGREEMENT

THIS AGREEMENT made as of the ● day of ●, 200●.

BETWEEN:

●, a resident at the address set out in Part 11 hereof
(herein referred to as the "Optionee")

OF THE FIRST PART

INNOVOTECH INC., a body corporate, amalgamated under the laws of the
Province of Alberta
(herein referred to as the "Corporation")

OF THE SECOND PART

WHEREAS the Corporation has established a Stock Option Plan (hereinafter referred to as the "Plan") for the granting of stock options, a copy of which has been provided to the Optionee;

AND WHEREAS the Board of Directors of the Corporation has authorized the granting to the Optionee pursuant to the Plan of an option to purchase common shares in the authorized unissued share capital of the Corporation in the number, at the time, at and for the price and upon the other terms and conditions hereinafter contained;

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the mutual covenants and premises herein set forth, and for other good and valuable consideration (the receipt whereof is hereby acknowledged by the Corporation), the parties hereto agree as follows:

1. DEFINITIONS AND INTERPRETATION

- (a) In this Agreement, the following words and expressions, shall have the following:
 - (i) "Expiration Date" shall mean ●, 200●;
 - (ii) "Option" means the option to purchase Shares granted to the Optionee pursuant to this Agreement, and includes any portion of that option;
 - (iii) "Option Period" means the period during which an Option may be exercised;
 - (iv) "Option Shares" means the Shares the Optionee is entitled to purchase under this Agreement; and
 - (v) "Share" means a common share of the Corporation as constituted on the date hereof.

2. GRANT OF OPTION

- (a) The Corporation hereby grants to the Optionee, subject to the terms and conditions hereinafter set out, an Option to purchase up to ● Shares of the Corporation at a price of \$● per Share.

- (b) The Option is granted in accordance with and subject to the terms and conditions of the Plan.
- (c) The Option to purchase the Option Shares granted hereby may be exercised in accordance with the terms hereof and the Plan until the Expiration Date, as follows:
 - (i) the Optionee may exercise his rights as to ●% of the Shares under option, or any lesser part thereof, on or after the day that is ● (●) months from the date of the grant under this Stock Option Agreement;
 - (ii) the Optionee may exercise his rights to an additional ●% of the Shares under option, or any lesser part thereof, on or after the day that is ● (●) months from the date of the grant under this Stock Option Agreement;
 - (iii) the Optionee may exercise his rights to an additional ●% of the Shares under option, or any lesser part thereof, on or after the day that is ● (●) months from the date of the grant under this Stock Option Agreement; and
 - (iv) the Optionee may exercise his rights as to the final ●% of the Shares under option, or any lesser part thereof, on or after the day that is ● (●) months from the date of the grant under this Stock Option Agreement.
- (d) Subject to sooner termination in accordance with the terms of the Plan, the Option shall expire and terminate upon the Expiration Date as to such of the Option Shares in respect of which the Option has not then been exercised.

3. RESERVATION OF SHARES

- (a) The Corporation shall at all times during the term of this Agreement, keep available a sufficient number of unissued Shares in its authorized capital equal to those of the Option Shares which have not been issued.

4. ASSIGNMENT OF ENUREMENT

- (a) The Option is personal to the Optionee and is non-assignable and non-transferable and neither this Agreement nor any rights hereunder shall be transferable or assignable by the Optionee except as expressly permitted under the terms of the Plan.
- (b) This Agreement shall enure to the benefit of and be binding upon the parties hereto and their permitted successors and assigns.

5. EXERCISE OF THE OPTION

- (a) The Option may be exercised by the Optionee by delivery of written notice of such exercise and by tendering therewith payment for the purchase price of the Option Shares to be purchased in cash, certified cheque or bank draft and that is permitted by law, to the Corporation at its principal office in the City of Edmonton, in the Province of Alberta, or at such other place as may be directed by notice in writing from the Corporation to the Optionee from time to time. Such notice shall state the number of Option Shares with respect to which the Option is then being exercised. The Option shall be deemed for all purposes to have been exercised to the extent stated in such notice upon delivery of the notice and a tender of payment in full for the Option Shares being purchased notwithstanding any delay in the issuance and delivery of the certificate(s) for the Shares so purchased. The Corporation shall, within a reasonable period of time, issue the Shares so purchased in the name of the Optionee and deliver the certificate(s) therefor to the Optionee.

6. RIGHTS OF THE OPTIONEE PRIOR TO THE EXERCISE DATE

- (a) The Option herein granted shall not entitle the Optionee to any right whatsoever as a shareholder of the Corporation with respect to any Shares subject to the Option until it has been exercised and the Option Shares thereby purchased have been issued as fully paid and non-assessable.
- (b) Nothing contained in this Agreement or done pursuant hereto shall obligate the Optionee to purchase and/or pay for any Option Shares except those Option Shares in respect of which the Optionee shall have validly exercised this Option.

7. REGULATORY APPROVAL

- (a) Notwithstanding anything to the contrary in this Agreement, the Optionee hereby agrees that he will not exercise the Option, and that the Corporation will not be obliged to issue any Shares hereunder, if the exercise of the Option or the issuance of the Shares shall constitute a violation by the Optionee or the Corporation of any provision of any law or regulation or of any order, regulation, policy or rule of any governmental authority, regulatory body or stock exchange. Any determination in this connection made by the Board of Directors of the Corporation shall be final, binding and conclusive.
- (b) The Corporation shall in no event be obliged, by any act of the Optionee or otherwise, to issue, register or qualify for resale any securities issuable upon exercise of the Option pursuant to a prospectus or similar document or to take any other affirmative action in order to cause the exercise of the Option or the issue or resale of the Shares issuable pursuant thereto to comply with any law or regulation or any order, regulation, policy or rule of any governmental authority, regulatory body or stock exchange; provided that, if applicable, the Corporation shall notify the applicable stock exchange and other appropriate regulatory bodies in Canada of the existence of the Option and any exercise thereof.

8. FURTHER ASSURANCES

- (a) The parties hereto covenant that they shall and will from time to time and at all times hereafter do and perform all such acts and things and execute all such deeds, documents and writings as may be required to give effect to the true intent of this Agreement.

9. INTERPRETATION AND GENERAL

- (a) It is understood and agreed by the parties hereto that questions may arise as to the interpretation, construction or enforcement of this Agreement or the Plan and the parties are desirous of having the Board of Directors of the Corporation determine any such question or interpretation, construction or enforcement. It is, therefore, understood and agreed by and between the parties hereto that any question arising under the terms of this Agreement or the Plan as to interpretation, construction or enforcement shall be referred to the Board of Directors of the Corporation and their majority decision shall be final and binding on both of the parties hereto.
- (b) Neither the Corporation nor its directors or officers, or any of them, shall be liable to the Optionee or to the Optionee's personal representative by reason of any loss or anticipated loss of economic benefit by reason of any action or event, whether or not concurred in by them, which has the effect of curtailing or abrogating the benefits which have accrued or might have accrued to the Optionee hereunder, including, without limitation, the voluntary or involuntary winding up of the Corporation, the sale of all or substantially all of its assets, the delisting of the Shares from public trading, or any decline in the value of the Shares for any reason whatsoever.

- (c) The payment of all income taxes or other taxes or assessments in the nature of taxes levied upon the Optionee as a result of the granting or exercise of the Option shall be solely the responsibility of the Optionee.
- (d) In this Agreement, words importing the singular number include the plural and vice versa and words importing the masculine gender include the feminine and neuter genders.
- (e) This Agreement, including any schedules annexed hereto, constitute the entire agreement between the parties hereto and there are no oral statements, representations, warranties, undertakings or agreements between the parties modifying the provisions of this Agreement. No supplement, amendment, modification, waiver or termination of this Agreement shall be binding unless executed in writing by the parties hereto.
- (f) Any term, condition or provision of this Agreement which is deemed to be void, prohibited or unenforceable, shall be severable herefrom, be ineffective to the extent of such avoidance, prohibition or unenforceability without in any way invalidating the remaining terms, conditions and provisions thereof.
- (g) The Optionee represents and warrants that he is a bona fide Eligible Participant (as defined in the Plan).
- (h) Time shall be of the essence of this Agreement.

10. **GOVERNING LAW**

- (a) Except as otherwise set forth in the Plan, this Agreement shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the laws of the Province of Alberta excluding any conflicts of law, rule or principle which might refer such construction to the laws of another jurisdiction.
- (b) Each of the parties hereto hereby irrevocably attorns to the jurisdiction of the Courts of the Province of Alberta and the Supreme Court of Canada.

11. **NOTICES**

- (a) Any notice to be given pursuant to the provisions hereof shall be conclusively deemed to have been given and received by a party hereto and to be effective on the day on which it is delivered to such party at the addresses set forth below (or at such other address that such party shall supply to the other parties in writing) or if sent by mail, on the fifth business day after the day on which mailed, addressed to such party at said address:

- (a) If to the Optionee, at

- (b) If to the Corporation, at

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the day and year first above written.

SIGNED, SEALED AND DELIVERED
in the presence of:

)
)
)
)
)

INNOVOTECH INC.

Per: _____

Per: _____

