



MANAGEMENT INFORMATION CIRCULAR

AND

**NOTICE OF ANNUAL GENERAL & SPECIAL MEETING
OF THE SHAREHOLDERS OF**

DMG BLOCKCHAIN SOLUTIONS INC.

TO BE HELD ON DECEMBER 8, 2020

Dated: November 3, 2020

DMG Blockchain Solutions Inc.

795 Highway 395, Christina Lake, BC V0H 1E0 Canada • T. +1 604 210 5840 • info@dmgblockchain.com • www.dmgblockchain.com



**NOTICE OF ANNUAL GENERAL & SPECIAL MEETING OF SHAREHOLDERS
to be held on December 8, 2020 at 11:00 am PST via Zoom**

<https://us02web.zoom.us/j/81518013426?pwd=R0xOQkV0enB4VWY5MTF5bXV5V3pYQT09>
Meeting ID: 815 1801 3426 Passcode: 926908 or by telephone at 204-272-7920

NOTICE IS HEREBY GIVEN that the Annual General & Special Meeting (the “**Meeting**”) of the shareholders (the “**Shareholders**”) of DMG Blockchain Solutions Inc. (the “**Corporation**”) will be held via Zoom at <https://us02web.zoom.us/j/81518013426?pwd=R0xOQkV0enB4VWY5MTF5bXV5V3pYQT09>, Meeting ID: 815 1801 3426 Passcode: 926908 or by telephone at 204-272-7920 on Tuesday, December 8, 2020 at 11:00 am PST to consider resolutions for the following purposes:

1. To receive and consider the audited financial statements of the Corporation for the financial year ended September 30, 2019, together with the report of the auditors thereon (the “**Financial Statements**”);
2. To set the number of directors at five (5) members and to elect the directors of the Corporation for the ensuing year;
3. To appoint Manning Elliott LLP as auditors of the Corporation for the ensuing year and to authorize the directors to fix their remuneration;
4. To consider and, if deemed advisable, to pass an ordinary resolution approving the Corporation’s 10% rolling stock option plan, as more particularly described in the accompanying management information circular (the “**Circular**”) under the heading “Particulars of Other Matters to be Acted Upon – Stock Option Plan”;
5. To consider and, if thought fit, pass a ordinary resolution approving the amendment to the Company’s Articles, as more particularly described in the Information Circular under the heading “Particulars of Matters to be Acted Upon – Amendment to Articles”.
6. To transact such other business as may properly be put before the Meeting or any adjournment or postponement thereof.

SHAREHOLDERS WILL HAVE AN EQUAL OPPORTUNITY TO ATTEND THE MEETING VIRTUALLY REGARDLESS OF THEIR GEOGRAPHIC LOCATION. PARTICIPANTS SHOULD DIAL IN 5-10 MINUTES PRIOR TO THE SCHEDULED START TIME AND ASK TO JOIN THE CALL.

SHAREHOLDERS WILL NOT BE ABLE TO VOTE AT THE MEETING. VOTING WILL BE CONDUCTED EXCLUSIVELY BY PROXY.

The accompanying information circular provides additional information relating to the matters to be dealt with at the Meeting and is deemed to form part of this notice.

Shareholders who are unable to attend the Meeting are requested to complete, sign, date and return the enclosed proxy. A proxy will not be valid unless it is deposited by mail or by fax at the office of Computershare Trust Company of Canada, Proxy Department, 100 University Avenue, 8th Floor, Toronto, ON M5J 2Y1 [Fax: Within North America: 1-866-249-7775, Outside North America: (416) 263-9524] not less than 48 hours (excluding Saturdays and holidays) before the time fixed for the Meeting or an adjournment thereof. Only Shareholders of record on November 3, 2020 are entitled to receive notice of and vote at the Meeting.

DATED at Vancouver, BC this 3rd day of November, 2020.

BY ORDER OF THE BOARD OF DIRECTORS OF
DMG BLOCKCHAIN SOLUTIONS INC.

/s/ “**Daniel Reitzik**”
Chief Executive Officer & Director

MANAGEMENT INFORMATION CIRCULAR

as at November 3, 2020

MANAGEMENT SOLICITATION OF PROXIES

This information circular (the “Circular”) is provided in connection with the solicitation of proxies by the management of **DMG Blockchain Solutions Inc.** (the “Corporation”) for use at the Annual General and Special Meeting of the shareholders of the Corporation (the “Meeting”) to be held via teleconference on Tuesday, December 8, 2020 at 11:00 a.m. Pacific Standard time and at any adjournments thereof for the purposes set forth in the enclosed Notice of Annual General and Special Meeting (the “Notice”). In order to comply with measures imposed by the federal and provincial governments related to the COVID-19 pandemic, and to mitigate risks to the health and safety of our communities, shareholders, and other stakeholders, unless we advise otherwise by way of news release, the Company is conducting the Meeting by teleconference only. Registered Shareholders and validly appointed proxyholders may attend the Meeting by via Zoom at:

<https://us02web.zoom.us/j/81518013426?pwd=R0xOQkV0enB4VWY5MTF5bXV5V3pYQT09>

Meeting ID: 815 1801 3426 Passcode: 926908 by telephone at 204-272-7920.

Due to the COVID-19 pandemic and issues related to the verification of Shareholder identity via teleconference, in-person voting will not be permitted at the Meeting. If you are a Registered Shareholder and wish to have your vote counted, you will be required to complete, date, sign and return, the accompanying form of proxy (“Proxy”) for use at the Meeting or any adjournment thereof (or vote in one of the other manners described below under the heading “Appointment and Revocation of Proxies”).

If you are a Non-Registered Shareholder and have received this Notice of Meeting and accompanying materials through an Intermediary, please complete and return the voting instructions form (“Voting Instruction Form”) provided to you in accordance with the instructions provided therein.

SHAREHOLDERS WILL HAVE AN EQUAL OPPORTUNITY TO PARTICIPATE AT THE MEETING REGARDLESS OF THEIR GEOGRAPHIC LOCATION. PARTICIPANTS SHOULD DIAL IN 5-10 MINUTES PRIOR TO THE SCHEDULED START TIME AND ASK TO JOIN THE CALL.

SHAREHOLDERS WILL NOT BE ABLE TO VOTE ON THE CONFERENCE CALL. VOTING WILL BE CONDUCTED EXCLUSIVELY BY PROXY.

INTRODUCTION

This Information Circular is furnished in connection with the solicitation of proxies by or on behalf of the management of the Company for use at the Meeting to be held via teleconference at 11:00 a.m. (Pacific Standard Time), on Tuesday, December 8, 2020 and at any adjournment(s) or postponements(s) thereof for the purposes set forth in the accompanying Notice of Meeting. In order to comply with measures imposed by the federal and provincial governments related to the COVID-19 pandemic, and to mitigate risks to the health and safety of our communities, shareholders, and other stakeholders, unless we advise otherwise by way of news release, the Company is conducting the Meeting via teleconference only. Registered Shareholders and validly appointed proxyholders may attend the Meeting by via Zoom at <https://us02web.zoom.us/j/81518013426> or by telephone at 204-272-7920.

Due to the COVID-19 pandemic and issues related to the verification of Shareholder identity via teleconference, in person voting will not be permitted at the Meeting. If you are a Registered Shareholder and wish to have your vote counted, you will be required to complete, date, sign and return the accompanying form of proxy (“Proxy”) for use at the Meeting or any adjournment thereof (or vote in one of the other manners described below under the heading “Appointment and Revocation of Proxies”).

If you are a Non-Registered Shareholder and have received this Notice of Meeting and accompanying materials through an Intermediary, please complete and return the voting instructions form (“Voting Instruction Form”) provided to you in accordance with the instructions provided therein.

GENERAL PROXY INFORMATION

Solicitation of Proxies

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and regular employees of the Company. The Company will bear all costs of this solicitation. We have arranged to send meeting materials directly to Registered Shareholders, as well as Non-Registered Shareholders who have consented to their ownership information being disclosed by the Intermediary holding the Common Shares on their behalf (non-objecting beneficial owners). We have not arranged for Intermediaries to

forward the Meeting materials to Non-Registered Shareholders who have objected to their ownership information being disclosed by the Intermediary holding the Common Shares on their behalf (objecting beneficial owners). As a result, objecting beneficial owners will not receive the Meeting materials unless their Intermediary assumes the costs of delivery.

Appointment and Revocation of Proxies

The individuals named in the accompanying Proxy are officers or directors of the Company. If you are a Registered Shareholder, you have the right to attend the Meeting or vote by proxy and to appoint a person or company other than the person designated in the Proxy, who need not be a Shareholder, to attend and act for you and on your behalf at the Meeting. You may do so either by inserting the name of that other person in the blank space provided in the Proxy or by completing and delivering another suitable form of Proxy.

If you are a Registered Shareholder and wish to have your shares voted at the Meeting, you will be required to submit your vote by proxy. **Due to the COVID-19 pandemic and issues related to the verification of shareholder identity via teleconference, in person voting will not be permitted at the Meeting.** Registered Shareholders electing to submit a proxy may do so by completing, dating and signing the enclosed Proxy and returning it to the Company's transfer agent, Computershare Investor Services Inc. ("Computershare"), in accordance with the instructions on the Proxy. Alternatively, Registered Shareholders may vote their shares via the internet or by telephone as per the instructions provided on the Proxy.

In all cases you should ensure that the Proxy is received at least 48 hours before the Meeting or the adjournment thereof at which the Proxy is to be used.

Registered Shareholders electing to submit a Proxy may do so by:

- i. **Internet:** Vote online at www.investorvote.com using the Proxy Control Number found in the enclosed Proxy;
- ii. **Mail:** Completing, dating and signing the enclosed Proxy and returning it to the Company's transfer agent, Computershare, by fax within North America at 1-866-249-7775, or by mail or hand delivery at 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, Canada; or
- iii. **Telephone:** Using a touch-tone phone to transmit voting choices to the toll-free number given in the Proxy. Registered Shareholders who choose this option must follow the instructions of the voice response system and refer to the enclosed Proxy for the toll-free number, the holder's account number and the Proxy Control Number.

Every Proxy may be revoked by an instrument in writing:

- (i) executed by the Shareholder or by his/her attorney authorized in writing or, where the Shareholder is a company, by a duly authorized officer or attorney of the company; and
- (ii) delivered either to the registered office of the Company at any time up to and including the last business day preceding the day of the Meeting or any adjournment thereof, at which the Proxy is to be used, or to the chairman of the Meeting on the day of the Meeting or any adjournment thereof,

or in any other manner provided by law.

Only Registered Shareholders have the right to revoke a Proxy. Non-Registered Shareholders who wish to change their vote must, at least seven days before the Meeting, arrange for their respective Intermediaries to revoke the Proxy on their behalf. If you are a Non-Registered Shareholder, see "Voting by Non-Registered Shareholders" below for further information on how to vote your Common Shares.

Exercise of Discretion by Proxyholder

If you vote by proxy, the persons named in the Proxy will vote or withhold from voting the Common Shares represented thereby in accordance with your instructions on any ballot that may be called for. If you specify a choice with respect to any matter to be acted upon, your Common Shares will be voted accordingly. The Proxy confers discretionary authority on the persons named therein with respect to:

- (i) each matter or group of matters identified therein for which a choice is not specified,
- (ii) any amendment to or variation of any matter identified therein,
- (iii) any other matter that properly comes before the Meeting, and
- (iv) exercise of discretion of proxyholder.

In respect of a matter for which a choice is not specified in the Proxy, the persons named in the Proxy will vote the Common Shares represented by the Proxy for the approval of such matter. Management is not currently aware of any other matters that could come before the Meeting.

Given the fact that voting will only be permitted by proxy due to the COVID-19 pandemic, management does not intend to allow new matters not contemplated in the Notice of Meeting to be considered at the Meeting.

Voting by Non-Registered Shareholders

The following information is of significant importance to Shareholders who do not hold Common Shares in their own name. Non-Registered Shareholders should note that the only Proxies that can be recognized and acted upon at the Meeting are those deposited by Registered Shareholders.

If Common Shares are listed in an account statement provided to a Shareholder by an Intermediary, then in almost all cases those Common Shares will not be registered in the Shareholder's name on the records of the Company. Such Common Shares will more likely be registered under the name of the Shareholder's Intermediary or an agent of that Intermediary. In the United States, the vast majority of such Common Shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks), and in Canada, under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms).

Every Intermediary has its own mailing procedures and provides its own return instructions to clients. However, most Intermediaries now delegate responsibility for obtaining voting instructions from clients to Broadridge Financial Solutions, Inc. ("Broadridge") in the United States and in Canada.

If you are a Non-Registered Shareholder, you should carefully follow the instructions on the Voting Instruction Form received from Computershare or Broadridge in order to ensure that your Common Shares are voted at the Meeting. The Voting Instruction Form supplied to you will be similar to the Proxy provided to the Registered Shareholders by the Company. However, its purpose is limited to instructing the Intermediary on how to vote on your behalf.

The Voting Instruction Form sent by Computershare or Broadridge will name the same persons as the Company's Proxy to represent you at the Meeting. As a Non-Registered Shareholder you may not be recognized directly at the Meeting. In order to attend the Meeting or appoint a proxyholder of your own choosing to attend the Meeting, you should insert your own name or the name of the desired representative in the blank space provided in the Voting Instruction Form. Alternatively, you may provide other written instructions requesting that you or your desired representative attend the Meeting as proxyholder for your Intermediary. The completed Voting Instruction Form should be returned in accordance with the instructions on the form.

If you receive a Voting Instruction Form from Computershare or Broadridge, you cannot use it to vote Common Shares directly at the Meeting – the Voting Instruction Form must be completed and returned in accordance with its instructions well in advance of the voting deadline in order to have your Common Shares voted at the Meeting.

Voting by Proxy Generally

Proxyholders other than the individuals named in the accompanying Proxy will be required to identify themselves by notice in writing to the Company by 11:00 a.m. (Pacific Standard time) on Friday, December 4, 2020 so that the Company can confirm their identity prior to the Meeting and facilitate their voting of the Proxies that they hold at the Meeting. Notice may be provided by e-mail to the Company at diana@dmgblockchain.com. Proxies will not be accepted at the Meeting. All Proxies must be submitted to Computershare by 11:00 a.m. (Pacific Standard Time) on Friday, December 4, 2020 (the "Proxy Deadline").

As there will be no in person voting at the Meeting, votes received by the Proxy Deadline for each matter set out in the Notice will be tabulated in advance of the Meeting by Computershare and compiled in a Proxy report (the "Proxy Report"). The determination as to whether a particular matter has been approved, a particular individual has been appointed or a particular resolution has been passed will be made solely on the basis of the voting results set out in the Proxy Report. Since no in person voting will be permitted due to the COVID-19 pandemic and voting results respecting matters set out in the Notice will be determined solely on the basis of the voting results set out in the Proxy Report, **no ballots will be permitted at the Meeting**. All results will be determined by reference to the Proxy Report. Management will advise at the Meeting, the voting results for each matter set out in the Proxy Report and Shareholders will be entitled to request a copy of the Proxy Report from management after the Meeting.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except as disclosed herein, the Corporation is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of each of the following persons in any matter to be acted upon at the Meeting other than the election of directors or the appointment of auditors:

- (a) each person who has been a director or executive officer of the Corporation at any time since the beginning of the Corporation's last financial year;
- (b) each proposed nominee for election as a director of the Corporation; and
- (c) each associate or affiliate of any of the foregoing.

FINANCIAL STATEMENTS

The audited financial statements of the Corporation for the fiscal year ended September 30, 2019 (the "**2019 Financial Statements**"), together with the auditor's report on those statements and the related Management Discussion and Analysis ("**MD&A**"), will be presented to Shareholders at the Meeting. Receipt at the Meeting of the 2019 Financial Statements and MD&A will not constitute approval or disapproval of any matters referred to therein. Copies of the 2019 Financial Statements and the related MD&A are available under the Corporation's profile on SEDAR at www.sedar.com.

VOTING SECURITIES, RECORD DATE AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The authorized capital of the Corporation consists of an unlimited number of Shares without par value. As at the Record Date, 100,544,812 Shares are issued and outstanding. Each Share carries the right to one vote, and all Shares may be voted at the Meeting. Subject to the special rights and restrictions attached to the shares of any class or series of shares, the quorum for the transaction of business at a meeting of shareholders is one person present or represented by proxy.

The record date for the determination of Shareholders entitled to receive notice of and vote at the Meeting has been fixed as December 4, 2020. Except as may be otherwise indicated herein and in the Notice, the affirmative vote of a majority of the votes cast at the Meeting is required for approval of each matter set forth in this Circular.

To the knowledge of the directors and senior officers of the Corporation, there are no persons who beneficially own, or control or direct, directly or indirectly, Shares carrying 10% or more of the voting rights attached to all outstanding Shares of the Corporation.

SETTING NUMBER OF DIRECTORS

At the Meeting, Shareholders will be asked to pass an ordinary resolution to set the number of directors of the Corporation for the ensuing year at five (5). The number of directors will be approved if the affirmative vote of at least a majority of Shares present or represented by proxy at the Meeting and entitled to vote thereat are voted in favour of setting the number of directors at five (5).

In the absence of instructions to the contrary, proxies given pursuant to the solicitation by the management of the Corporation will be voted FOR setting the number of directors at five (5) for the ensuing year.

ADVANCE NOTICE

Shareholders approved the adoption of a new set of articles for the Corporation at the annual general and special meeting held on October 25, 2018 pursuant to which provisions were added to the Corporation's articles requiring advance notice to the Corporation in circumstances where a Shareholder wishes to nominate persons for election as directors (the "Advance Notice Provisions"). Among other things, the Advance Notice Provisions fixes a deadline by which Shareholders must submit director nominations to the secretary of the Corporation prior to any annual or special meeting of Shareholders and sets forth the specific information that a Shareholder must include in such notice for an effective nomination to occur. Pursuant to the Advance Notice Provisions, only persons who are nominated in accordance with the Advance Notice Provisions shall be eligible for election as directors of the Corporation, subject only to the Business Corporations Act (British Columbia).

Pursuant to the Advance Notice Provisions, in the case of an Annual General & Special Meeting (which may also be an annual and special meeting of Shareholders, notice to the Corporation must be made not less than 30 and not more than 65 days prior to the date of the of the annual meeting; provided, however, that in the event that the Annual General & Special Meeting is to be held on a date that is less than 50 days after the notice on which the first public announcement of the date of the annual meeting was made by the Corporation, notice may be made not later than 5 p.m. (PST) on the 10th day following such public announcement. In the case of a special meeting (which is not also an annual meeting) called for the purpose of electing directors (whether or not called for other purposes),

not later than 5 p.m. (PST) on the 15th day following the first public announcement of the date of the special meeting was made by the Corporation.

For further information about the Advance Notice Provisions, please see the Corporation's management information circulated dated September 20, 2018, a copy of which is filed under the Corporation's profile on SEDAR at www.sedar.com.

ELECTION OF DIRECTORS

The board of directors ("**Board**") of the Corporation is elected annually and holds office until the next Annual General Meeting of Shareholders or until their successors are elected. The management of the Corporation proposes to nominate the persons listed below (the "**Proposed Nominees**") for election as directors of the Corporation to serve until their successors are elected or appointed.

In the absence of instructions to the contrary, proxies given pursuant to the solicitation by the management of the Corporation will be voted FOR the Proposed Nominees set forth in this Circular.

MANAGEMENT DOES NOT CONTEMPLATE THAT ANY OF THE PROPOSED NOMINEES WILL BE UNABLE TO SERVE AS A DIRECTOR. IN THE EVENT THAT, PRIOR TO THE MEETING, ANY VACANCIES OCCUR IN THE SLATE OF NOMINEES HEREIN LISTED, IT IS INTENDED THAT DISCRETIONARY AUTHORITY SHALL BE EXERCISED BY MANAGEMENT TO VOTE THE PROXY FOR THE ELECTION OF ANY OTHER PERSON OR PERSONS AS DIRECTORS.

The following table sets out the names of the Proposed Nominees for election as a director, the province or state and country in which ordinarily resident, the period or periods during which each has served as a director, positions held in the Corporation, their present principal occupations and number of shares of the Corporation or shares of any of its subsidiaries beneficially owned by each, or controlled or directed, directly or indirectly as at the date hereof.

Name, Positions with the Corporation, Province/State and Country of Resident	Principal Occupation and, IF NOT at Present an ELECTED Director, Occupation During the Past Five Years	Period from Which Nominee has been a Director	Number of Shares Beneficially Owned or Controlled or Directed, Directly or Indirectly ⁽²⁾
Daniel Reitzik, Director & CEO British Columbia, Canada	CEO & Director of the Corporation. Prior to becoming a director of the Corporation in February 2018, was an entrepreneur and business consultant.	Feb. 8/18	1,636,500 (direct) 1,510,000 (indirect) ⁽³⁾
Sheldon Bennett ⁽¹⁾ Director & COO British Columbia, Canada	COO & Director of the Corporation. Prior to becoming a director of the Corporation in February 2018, was a management consultant for various companies.	Feb. 8/18	1,610,000 (direct) 1,500,000 (indirect) ⁽⁴⁾
Justin Rasekh ⁽¹⁾ Director British Columbia, Canada	Founder, Rasekh Financial Inc. since September 2007. Public and private company consultant. Mr. Rasekh has been involved in the public company sector for 10 years and has raised over \$100 million for various public companies in the fields of mining, healthcare and technology.	April 19/17	79,750
Nick Seto ⁽¹⁾ Director British Columbia, Canada	Prior to becoming a director of the Corporation in August 2019, was an experienced crypto mining entrepreneur. He is also an entrepreneur in the medical device and real estate sectors.	August 22/19	Nil
Adrian Glover Director and CTO British Columbia, Canada	CTO & Director of the Corporation. Prior to becoming a director of the Corporation in April 2020, was an employee of the company in the role of Director, Software Engineering. He has over 20 years of experience in Software Development.	April 07/20	11,000

Notes:

- (1) Member of the Audit Committee (the "**Audit Committee**") of the Corporation.
- (2) Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, as at November 3, 2020, based upon information furnished to the Corporation by individual Directors. Unless otherwise indicated, such Shares are held directly.
- (3) These 1,510,000 Shares of the Corporation are owned by 1021470 B.C. Ltd., a private company wholly owned by Daniel Reitzik.
- (4) These 1,500,000 Shares of the Corporation are owned by 1088692 B.C. Ltd., a private company wholly owned by Sheldon Bennett.

Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions

The Corporation was subject to a cease trade order (the “**Cease Trade Order**”) from February 1, 2019 to August 29, 2019, as a result of the delay in filing the Corporation’s 2019 Financial Statements, the related MD&A and the certification of annual filings. The Corporation subsequently filed the 2019 Financial Statements and related MD&A and certification of annual filings on August 19, 2019 and the Cease Trade Order was lifted on August 29, 2019. During the period in which the Cease Trade Order was in effect, Daniel Reitzik was serving as director and Chief Executive Officer of the Corporation, Sheldon Bennett was serving as director and Chief Operating Officer, and Justin Rasekh was serving as a director of the Corporation.

Except as provided above, no proposed director:

- (a) is, as at the date of the Circular, or has been, within 10 years before the date of the Circular, a director, chief executive officer (“**CEO**”) or chief financial officer (“**CFO**”) of any company (including the Corporation) that:
 - (i) was the subject, while the proposed director was acting in the capacity as director, CEO or CFO of such company, of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days; or
 - (ii) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the proposed director ceased to be a director, CEO or CFO but which resulted from an event that occurred while the proposed director was acting in the capacity as director, CEO or CFO of such company; or
- (b) is, as at the date of this Circular, or has been within 10 years before the date of the Circular, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director; or
- (d) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (e) has been subject to any penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

STATEMENT OF EXECUTIVE COMPENSATION

General

For the purpose of this Circular:

“**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 or one of its subsidiaries for services provided or to be provided, directly or indirectly to the Corporation or any of its subsidiaries; and

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

- (a) each individual who served as CEO of the Corporation, or who performed functions similar to a CEO, during any part of the most recently completed financial year,
- (b) each individual who served as CFO of the Corporation, or who performed functions similar to a CFO, during any part of the most recently completed financial year,
- (c) the most highly compensated executive officer of the Corporation or any of its subsidiaries other than 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, and

- (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Corporation or its subsidiaries, nor 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 out details of all payments, grants, awards, gifts and benefits paid or awarded to each director and NEO in two most recently completed financial years ended September 30, 2019:

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 (\$)
Daniel Reitzik ⁽¹⁾ Director, CEO	2019	226,840	Nil	Nil	Nil	Nil	226,840
	2018	266,801	100,000	Nil	Nil	Nil	366,801
Sheldon Bennett ⁽¹⁾ Director, COO	2019	228,485	Nil	Nil	Nil	Nil	228,485
	2018	265,301	100,000	Nil	Nil	Nil	365,301
Ryan Cheung CFO	2019	28,875	Nil	Nil	Nil	Nil	28,875
	2018	89,197	Nil	Nil	Nil	Nil	89,197
Justin Rasekh Director	2019	76,600	Nil	Nil	Nil	Nil	76,600
	2018	15,000	Nil	Nil	Nil	Nil	15,000
Nick Seto Director	2019	Nil	Nil	Nil	Nil	Nil	Nil
	2018	Nil	Nil	Nil	Nil	Nil	Nil
Danny Yang ⁽²⁾ Previous Director, CTO	2019	222,625	Nil	Nil	Nil	Nil	222,625
	2018	217,928	Nil	Nil	Nil	Nil	217,928
Simon Padgett ⁽³⁾ Previous Director	2019	20,664	Nil	Nil	Nil	Nil	20,664
	2018	86,890	Nil	Nil	Nil	Nil	86,890

Notes:

- (1) Effective February 1, 2019, Messrs. Reitzik & Bennett each agreed to reduce their annual salary to \$180,000. Currently they are each due \$220,000 in previously accrued bonuses.
- (2) Mr. Danny Yang resigned as a director on January 31, 2019 and as Chief Technology Officer on March 17, 2020.
- (3) Mr. Simon Padgett served as a director from February 8, 2018 to November 8, 2018. On May 1, 2018, the Corporation entered into an employment agreement Mr. Padgett wherein he was paid \$120,000 annually to carry out the function of Director, Forensic Services. Mr. Padgett ceased being employed by the Corporation on November 20, 2018.

Stock Options and Other Compensation Securities

The following table sets out all compensation securities granted or issued to each director and NEO by the Corporation or any subsidiary thereof in the financial year ended September 30, 2019 for services provided, to be provided, directly or indirectly, to the Corporation or any subsidiary thereof:

Name and position	Type of compensation security ⁽¹⁾	Number of compensation securities, number of underlying securities, and % 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 (\$)	Expiry Date
Daniel Reitzik Director, CEO	Stock Options	Nil	N/A	N/A	N/A	N/A	N/A
Sheldon Bennett Director, COO	Stock Options	Nil	N/A	N/A	N/A	N/A	N/A
Ryan Cheung, CFO	Stock Options	Nil	N/A	N/A	N/A	N/A	N/A
Adrian Glover Director, CTO	Stock Options	Nil	N/A	N/A	N/A	N/A	N/A
Justin Rasekh Director	Stock Options	Nil	N/A	N/A	N/A	N/A	N/A
Nick Seto, Director	Stoc Options	Nil	N/A	N/A	N/A	N/A	N/A

Exercise of Compensation Securities by Directors and NEOs							
Name and position	Type of compensation security	Number of underlying securities exercised	Exercise price per security (\$)	Date of exercise	Closing price per security on date of exercise (\$)	Difference between exercise price & closing price on date of exercise (\$)	Total value on exercise date (\$)
N/A							

- (1) Each stock option entitles the holder to one Share upon exercise or release. For further information, see “Stock Option Plans and Other Incentive Plans” below.
- (2) Daniel Reitzik held a total of 755,000 stock options as at September 30, 2019.
- (3) Sheldon Bennett held a total of 505,000 stock options as at September 30, 2019.
- (4) Ryan Cheung held a total of 100,000 stock options as at September 30, 2019.
- (5) Adrian Glover held a total of 200,000 stock options as at September 30, 2019.
- (6) Justin Rasekh held a total of 296,000 stock options as at September 30, 2019.
- (7) Nick Seto held a total of nil stock options as at September 30, 2019.

Stock Option Plans and Other Incentive Plans

The Corporation’s current stock option plan, dated for reference, October 25, 2018 (the “**Option Plan**”), is a “rolling” stock option plan, whereby the aggregate number of Shares reserved for issuance, together with any other Shares reserved for issuance under any other plan or agreement of the Corporation, shall not exceed ten (10%) percent of the total number of issued Shares (calculated on a non-diluted basis) at the time an option is granted. The Option Plan was approved by Shareholders at the previous annual general and special meeting of Shareholders held November 26, 2019 and is subject to yearly approval by Shareholders. The Option Plan provides that the Board may, from time to time, in its discretion, grant to directors, officers, employees, consultants and other personnel of the Corporation and its subsidiaries or affiliates, options to purchase Shares. For a summary of the material terms of the Option Plan, see the section of this Circular entitled “Particulars of Other Matters to be Acted Upon – Approval of Stock Option Plan”. At the Meeting, Shareholders will be asked to consider, and, if deemed advisable, re-approve and ratify the Option Plan.

As at November 3, 2020, there are 8,728,500 options to purchase Shares under the Option Plan.

Employment, Consulting and Management Agreements

Other than as described below, the Corporation is not party to any formal, written employment, consulting or management agreements with any NEO or director.

Daniel Reitzik, Chief Executive Officer

On February 15, 2018, the Corporation entered into an employment agreement with Daniel Reitzik (the “**Reitzik Employment Agreement**”) whereby the Corporation agreed to retain Mr. Reitzik as CEO. The agreement provided for an annual salary of \$312,000, a \$100,000 signing bonus and a retention bonus of \$100,000 annually for an additional two years. Mr. Reitzik is also eligible for subsequent bonuses, based upon performance. Effective February 1, 2019, Mr. Reitzik agreed to reduce his salary to \$180,000 annually. A total of \$220,000 in accrued bonuses currently remains unpaid.

Mr. Reitzik may terminate the agreement with three (3) months’ advance written notice. The Corporation may terminate the agreement at any time without just cause by paying Mr. Reitzik a lump sum fee equivalent to six months’ salary, and by allowing stock options granted to Mr. Reitzik to continue to vest for a period of 12 months (the “**Settlement Amount**”).

In the event that Mr. Reitzik is terminated or terminates the agreement within one year of a change of control of the Corporation, he will be entitled receive twelve months’ salary plus one times the average bonus paid. For the purposes of the Reitzik Employment Agreement, change of control is deemed to have occurred when: (a) a person becomes a “control person” (as defined in the Securities Act (British Columbia), (b) a majority of the Directors elected at any annual or special meeting of shareholders of the Corporation are not individuals nominated by the Corporation’s then-incumbent board of directors, (c) the Corporation sells, transfers, leases or otherwise disposes of all or substantially all of its assets, (d) any person or group of persons acquires the ability, directly or indirectly through one or more intermediaries, to direct or cause the direction of the management and policies of the Corporation.

Sheldon Bennett, Chief Operating Officer

On February 15, 2018, the Corporation entered into an employment agreement with Sheldon Bennett (the “**Bennett Employment Agreement**”) whereby the Corporation agreed to retain Mr. Bennett as Chief Operating Officer (“**COO**”). The agreement provided for an annual salary of \$312,000, a \$100,000 signing bonus and a retention bonus of \$100,000 annually for an additional two years. Mr. Bennett is also eligible for subsequent bonuses, based upon performance. Effective February 1, 2019, Mr. Bennett agreed to reduce his salary to \$180,000 annually. A total of \$220,000 in accrued bonuses currently remains unpaid.

Mr. Bennett may terminate the agreement with three (3) months’ advance written notice. The Corporation may terminate the agreement at any time without just cause by paying Mr. Bennett a lump sum fee equivalent to six months’ salary, and by allowing stock options granted to Mr. Bennett to continue to vest for a period of 12 months (the “**Settlement Amount**”).

In the event that Mr. Bennett is terminated or terminates the agreement within one year of a change of control of the Corporation, he will be entitled to receive twelve months’ salary plus one times the average bonus paid. For the purposes of the Bennett Employment Agreement, change of control is deemed to have occurred when: (a) a person becomes a “control person” (as defined in the Securities Act (British Columbia)), (b) a majority of the Directors elected at any annual or special meeting of shareholders of the Corporation are not individuals nominated by the Corporation’s then-incumbent board of directors, (c) the Corporation sells, transfers, leases or otherwise disposes of all or substantially all of its assets, (d) any person or group of persons acquires the ability, directly or indirectly through one or more intermediaries, to direct or cause the direction of the management and policies of the Corporation.

Ryan Cheung, Chief Financial Officer

Effective February 8, 2018, Mr. Cheung, the Corporation’s CFO, was compensated on the basis of \$5,000 per month for services rendered. This amount was reduced to \$1,000 per month effective January 1, 2019.

Justin Rasekh, Director

Effective July 2018 Justin Rasekh received \$5,000 per month for the provision of consulting services. He was paid an additional \$3,000 per month effective May 1, 2019.

Oversight and Description of Director and Named Executive Officer Compensation

Compensation of Directors

Compensation of directors is recommended by management to the board of directors. As of September 30, 2019, Justin Rasekh was the only non-executive director who received fees. Long-term incentives (stock options) are granted from time to time, based on an existing complement of long-term incentives, corporate performance and to be competitive with other companies of similar size and scope.

Compensation of Named Executive Officers

The Corporation’s compensation philosophy for Named Executive Officers follows three underlying principles:

- (a) to provide compensation packages that encourage and motivate performance;
- (b) to be competitive with other companies of similar size and scope of operations so as to attract and retain talented executives; and
- (c) to align the interests of its executive officers with the long-term interests of the Corporation and its shareholders through stock related programs.

When determining compensation policies and individual compensation levels for the Corporation’s executive officers, the Corporation takes into consideration a variety of factors including management’s understanding of the amount of compensation generally paid by similarly situated companies to their executives with similar roles and responsibilities; each executive officer’s individual performance during the fiscal year; each executive officer’s experience, skills and level of responsibility; the executive’s historical compensation and performance within the Corporation; and existing market standards within the mining industry. Management presents its recommendations to the Board of Directors.

Elements of NEO Compensation

Compensation Mix

In keeping with the Corporation’s philosophy to link executive compensation to corporate performance and to motivate executives to achieve exceptional levels of performance, the Corporation has adopted a model that

includes both base salary and “at-risk” compensation comprised of participation in the Corporation’s Option Plan, as described below.

Base Salary

Mr. Reitzik receives a base salary of \$180,000, effective February 1, 2019.

Mr. Bennett receives a base salary of \$180,000, effective February 1, 2019.

Mr. Cheung, the Corporation’s CFO, was remunerated on the basis of \$5,000 per month for services rendered, effective February 8, 2018. This amount was reduced to \$1,000 per month on January 1, 2019.

Directors are also eligible to receive a rate for consulting services when requested by the Corporation to provide services not normally considered to be within the scope of Directors’ duties. The Board considers that this is appropriate for the Corporation’s current stage of development. Base salaries are reviewed annually to ensure they reflect each respective executive’s performance and experience in fulfilling his or her role and to ensure executive retention.

Long-term Incentive Plan (Stock Options)

Long-term incentives are performance-based grants of stock options. The awards are intended to align executive interests with those of Shareholders by tying compensation to share performance and to assist in retention through vesting provisions. Grants of stock options are based on:

- (a) the executive’s performance;
- (b) the executive’s level of responsibility within the Corporation;
- (c) the number and exercise price of options previously issued to the executive; and
- (d) the overall aggregate total compensation package provided to the executive.

The value of any long-term options allocated is determined using the Black-Scholes model.

Management makes recommendations to the Board concerning the Corporation’s Option Plan, based on the above criteria. Options are typically granted on an annual basis in connection with the review of executives’ compensation packages. Options may also be granted to executives upon hire or promotion and as special recognition for extraordinary performance.

The Corporation’s Board of Directors considers previous grants of options and the overall number of options that are outstanding relative to the number of outstanding Shares in determining whether to make any new grants of options and the size and terms of any such grants, as well as the level of effort, time, responsibility, ability, experience, and level of commitment of the director, officer, employee, or consultant in determining the level of incentive stock option compensation.

Benefits and Perquisites

The Corporation’s NEOs do not receive any benefits or perquisites.

Material Terms of Specific NEO Agreements

Daniel Reitzik, Chief Executive Officer (“CEO”)

Mr. Reitzik was appointed CEO under the Reitzik Employment Agreement, and effective February 1, 2018, received annual compensation of \$312,000 and an annual retention bonus of \$100,000. Effective February 1, 2019, Mr. Reitzik agreed to reduce his salary to \$180,000 annually, with accrued bonuses of \$220,000 currently unpaid.

Termination and Change of Control Benefits

The Reitzik Employment Agreement provides for the following payments if there is termination without cause:

- (a) the CEO’s full compensation to the termination date, including expenses and any other amounts owing to the Executive;
- (b) a cash payment equal to one year’s compensation;
- (c) one times the average annual bonus earned by the CEO;
- (d) options, whether vested or unvested, will remain exercisable until the earlier of their expiration date or 12 months from the termination date.

If the CEO resigns or is terminated within 12 months after a change of control, he will receive, in addition to any other payments he is entitled to, a lump sum cash payment equal to one times his base compensation and one times the average annual bonuses paid for the prior three years. Further, all of the CEO's unvested stock options will be deemed to have vested and all unexercised stock options will remain exercisable until the earlier of 12 months following the date of such termination and the expiry date of such options.

The CEO's compensation includes base compensation, bonuses and long-term equity incentives. The Board approves the CEO's compensation. The CEO currently receives base salary compensation and bonuses. The Board considers that this is appropriate for the Corporation's current stage of development. In setting the salary and long-term incentives for the CEO, the Board evaluates the performance of the CEO in light of his impact on the achievement of the Corporation's goals and objectives.

Sheldon Bennett, Chief Operating Officer

Mr. Bennett was appointed COO under the Bennett Employment Agreement, and effective February 1, 2018, received annual compensation of \$312,000, and an annual retention bonus of \$100,000. Effective February 1, 2019, Mr. Bennett agreed to reduce his salary to \$180,000 annually, with accrued bonuses of \$220,000 currently unpaid.

Termination and Change of Control Benefits

The Bennett Employment Agreement provides for the following payments if there is termination without cause:

- (a) the COO's full compensation to the termination date, including expenses and any other amounts owing to the Executive;
- (b) a cash payment equal to one year's compensation;
- (c) one times the average annual bonus earned by the COO;
- (d) options, whether vested or unvested, will remain exercisable until the earlier of their expiration date or 12 months from the termination date.

If the COO resigns or is terminated within 12 months after a change of control, he will receive, in addition to any other payments he is entitled to, a lump sum cash payment equal to one times his base compensation and one times the average annual bonuses paid for the prior three years. Further, all of the COO's unvested stock options will be deemed to have vested and all unexercised stock options will remain exercisable until the earlier of 12 months following the date of such termination and the expiry date of such options.

The COO's compensation includes base compensation, bonuses and long-term equity incentives. The Board approves the COO's compensation. The COO currently receives base salary compensation and bonuses. The Board considers that this is appropriate for the Corporation's current stage of development. In setting the salary and long-term incentives for the COO, the Board evaluates the performance of the COO in light of his impact on the achievement of the Corporation's goals and objectives.

Pension Plan Benefits

The Corporation does not have a pension plan that provides for payments or benefits to the Named Executive Officers at, following, or in connection with retirement.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLAN

The following table sets out, as of the end of the most recently completed financial year, all required information with respect to the Corporation's Option Plan, being the Corporation's only equity compensation plan in effect:

Equity Compensation Plan Information (as at September 30, 2019)

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders	8,728,500	\$0.50	1,325,981

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 not approved by securityholders	Nil	N/A	N/A
Total	8,728,500		1,325,981

STATEMENT OF CORPORATE GOVERNANCE

National Instrument 58-101 - *Disclosure of Corporate Governance Practices*, (“**NI 58-101**”) of the Canadian Securities Administrators requires each reporting issuer to disclose its corporate governance practices on an annual basis.

Set out below is a description of the Corporation’s approach to corporate governance.

Board of Directors

NI 58-101 defines “independence” with reference to the definition of independence contained in National Instrument 52-110 - *Audit Committees* (“**NI 52-110**”). A director is independent if he has no direct or indirect material relationship to the Corporation. A “material relationship” is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of the director’s independent judgment. Certain types of relationships are by their nature considered to be material relationships and are specified in Section 1.4 of NI 52-110.

As of November 3, 2020, the Board consisted of five (5) directors: Daniel Reitzik, Sheldon Bennett, Justin Rasekh, Nick Seto and Adrian Glover. Of the current Board, Justin Rasekh and Nick Seto are considered independent directors of the Corporation. The following members of the Board are not considered independent: Daniel Reitzik, Sheldon Bennett and Adrian Glover.

Other Directorships

No directors of the Corporation hold directorships in other reporting issuers as at November 3, 2020.

Orientation and Continuing Education

The Corporation does not provide a formal orientation and education program for new directors; however, new directors are given the opportunity to familiarize themselves with the Corporation, and the current directors and members of management. Directors are also encouraged and given the opportunity for continuing education.

Ethical Business Conduct

The Board has adopted a formal written code of conduct (the “**Code of Conduct**”). The Code of Conduct allows the Board to monitor, on an ongoing basis, the activities of management and to ensure that the highest standard of ethical conduct is maintained.

Nomination of Directors

The Board selects new nominees to the Board, although a formal process has not been adopted. The nominees are generally the result of recruitment efforts by the Board members, including both formal and informal discussions among Board members and the President and/or CEO. The Board monitors, but does not formally assess, the performance of individual Board members or committee members or their contributions.

Other Board Committees

The Corporation has an Audit Committee (please refer to the “Audit Committee” section) and a Compensation & Corporate Governance Committee.

Assessments

The Board relies on experts such as financial advisors and external legal counsel and forms special committees on an ad hoc basis as necessary. Based on the Corporation’s size, its stage of development and the limited number of individuals on the Board, the Board considers an external formal assessment process to be inappropriate at this time. The entire Board is responsible for selecting new directors and assessing current directors. A proposed

director's credentials are reviewed in advance of a Board meeting by one or more members of the Board prior to the proposed director's nomination and in camera sessions are available at every Board meeting.

AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITORS

The Audit Committee is a standing committee of the Board, the primary function of which is to assist the Board in fulfilling its financial oversight responsibilities, which will include monitoring the quality and integrity of the Corporation's financial statements and the independence and performance of the Corporation's external auditor, acting as a liaison between the Board and the Corporation's external auditor, reviewing the financial information that will be publicly disclosed and reviewing all audit processes and the systems of internal controls management and the Board have established. NI 52-110 requires the Corporation, as a venture issuer, to disclose annually in its information circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor.

The Audit Committee's Charter

The Board has adopted an Audit Committee Charter, which sets out the Audit Committee's mandate, organization, powers and responsibilities. The full text of the Audit Committee Charter is attached as Schedule "A" to this Circular.

Composition of the Audit Committee

The following are members of the Audit Committee as at November 3, 2020:

	Independent⁽¹⁾	Financially Literate⁽²⁾	Relevant Education and Experience
Sheldon Bennett, Audit Committee Chair	No ⁽³⁾	Yes	BA from University of British Columbia; MBA from Athabasca University; Certified Fraud Examiner; in risk management & internal controls for Price Waterhouse Coopers (3 years) and Ernst & Young (2 years)
Justin Rasekh	Yes	Yes	BA from University of Western Ontario; Mining Diploma; Canadian Securities Course
Nick Seto	Yes	Yes	BCom University of British Columbia; Representative Licensed to Provide Trading Services, RECBC

Notes:

- (1) A member of the Audit Committee is independent if he or she has no direct or indirect 'material relationship' with the Corporation. A material relationship is a relationship which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment. An executive officer of the Corporation, such as the CEO, is deemed to have a material relationship with the Corporation.
- (2) A member of the Audit Committee is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements
- (3) Sheldon Bennett is the COO of the Corporation.

Relevant Education and Experience

Each audit committee member has gained financial literacy through their years of experience serving as directors of several mining and mineral exploration companies as financial industry executives and serving on numerous other audit committees. In these positions, each member would be responsible for receiving financial information relating to their company and obtaining an understanding of the balance sheet, income statement and statement of cash flows and how these statements are integral in assessing the financial position of the Corporation and its operating results. Each member has significant understanding of the mineral exploration business which the Corporation engages in and has an appreciation for the relevant accounting principles for that business.

Audit Committee Oversight

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

Reliance on Certain Exemptions

The Corporation is a "venture issuer" as defined in NI 52-110 and relies on the exemption in section 6.1 of NI 52-110 relating to Parts 3 (Composition of Audit Committee) and 5 (Reporting Obligations) thereof.

Pre-Approval Policies and Procedures

The Committee has adopted specific policies and procedures for the engagement of non-audit services as described under the heading “External Auditors Service Fees (By Category)”.

External Auditor Service Fees (By Category)

The table below sets out all fees billed by the Corporation’s external auditor in each of the last two fiscal years. In the table “Audit Fees” are fees billed by the Corporation’s external auditor for services provided in auditing the Corporation’s financial statements for the fiscal year. “Audit-Related Fees” are fees not included in Audit Fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit or review of the Corporation’s financial statements. “Tax Fees” are fees billed by the Corporation’s external auditors for professional services rendered for tax compliance, tax advice and tax planning. “All Other Fees” are fees billed by the external auditor for products and services not included in the foregoing categories:

Financial Year Ended	Audit Fees	Audit-Related Fees	Tax Fees	All Other Fees
September 30, 2019	\$165,000	Nil	Nil	Nil
September 30, 2018	\$300,825	Nil	Nil	Nil

INDEBTEDNESS OF DIRECTORS AND SENIOR OFFICERS

Other than as disclosed herein, as at September 30, 2019, there was no indebtedness outstanding with any current or former Director, executive officer or employee of the Corporation or its subsidiaries which is owing to the Corporation or its subsidiaries, or which is owing to another entity which indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or its subsidiaries, entered into in connection with a purchase of securities or otherwise.

As at September 30, 2019, Chris Filiatrault (a former director), owed the Corporation \$45,000 in loans.

No individual who is, or at any time during the most recently completed financial year was, a Director or executive officer of the Corporation, no proposed nominee for election as a Director of the Corporation and no associate of such persons:

- (a) is or at any time since the beginning of the most recently completed financial year has been, indebted to the Corporation or its subsidiaries; or
- (b) is indebted to another entity, which indebtedness is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or its subsidiaries, in relation to a securities purchase program or other program.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as stated herein, no informed person, Director, executive officer, nominee for Director, any person who beneficially owns, directly or indirectly, Shares carrying more than 10% of the voting rights attached to all outstanding Shares of the Corporation, nor any associate or affiliate of such persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any transactions or any proposed transactions which has materially affected or would materially affect the Corporation.

APPOINTMENT AND REMUNERATION OF AUDITOR

Management of the Corporation proposes to nominate Manning Elliott LLP, the current auditors of the Corporation, as auditors of the Corporation to hold office until the next Annual General Meeting of Shareholders, or until a successor is appointed, at a remuneration to be fixed by the directors. Manning Elliott LLP have been auditors of the Corporation since November 1, 2018.

UNLESS SUCH AUTHORITY IS WITHHELD, THE PERSONS NAMED IN THE ENCLOSED PROXY INTEND TO VOTE FOR THE APPOINTMENT OF MANNING ELLIOTT LLP AS THE AUDITOR OF THE CORPORATION TO HOLD OFFICE UNTIL THE NEXT ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OR UNTIL THEIR SUCCESSOR IS APPOINTED AND AUTHORIZE THE DIRECTORS OF THE CORPORATION TO FIX MANNING ELLIOTT LLP’S REMUNERATION.MANAGEMENT CONTRACTS

There are no management functions of the Corporation or its subsidiaries which are to any substantial degree performed by a person or company other than the Directors or executive officers (or private companies controlled by them, either directly or indirectly) of the Corporation.

PARTICULARS OF OTHER MATTERS TO BE ACTED UPON

STOCK OPTION PLAN

At the Meeting, Shareholders will be asked to consider, and, if deemed advisable, to continue its 10% rolling stock option plan (the "Plan"). A summary of the terms of the Option Plan is set out below, and is qualified in its entirety by the full text of the Option Plan, attached as Schedule "B" to this Circular.

The Option Plan was approved and adopted by Shareholders at the Corporation's last annual and special meeting of Shareholders held on November 26, 2019. As of the date hereof, there are currently 8,728,500 stock options ("**Options**") outstanding under the Plan representing approximately 8.7% of the total number of Shares issued and outstanding.

The Plan is consistent with the requirements of the TSX Venture Exchange (the "**Exchange**") and provides as follows:

- (a) the maximum aggregate number of Shares that can be issued pursuant to the exercise of Options granted under the Plan or otherwise, is 10% of the Corporation's current issued and outstanding share capital (on a non-diluted basis);
- (b) Options granted under the Plan will have an expiry date not to exceed ten years from the date of grant;
- (c) any Options granted that expire or terminate for any reason without having been exercised will again be available under the Plan;
- (d) Options will vest as required by the Exchange and as may be determined by the administrator of the Plan, or in the absence of such body, the Board;
- (e) the minimum exercise price of any Options issued under the Plan will be determined by the Board at the time of grant, subject to the requirements of the Exchange;
- (f) Options granted will expire 60 days after an optionee ceases to be involved with the Corporation, or for any Options granted to an individual providing investor relations services, 30 days after the optionee ceases to be involved with the Corporation;
- (g) the Corporation cannot grant Options to any one consultant in any 12-month period which could, when exercised, result in the issuance of Shares exceeding 2% of the issued and outstanding Shares of the Corporation;
- (h) the Corporation cannot grant Options in any 12-month period to persons employed or engaged by the Corporation to perform investor relations activities which could, when exercised, result in the issuance of Shares exceeding, in aggregate, 2% of the issued and outstanding Shares of the Corporation and Options issued to consultants performing investor relations activities must vest in stages over 12 months with no more than 1/4 of the Options vested in any three-month period;
- (i) in connection with the exercise of an Option, as a condition to such exercise the Corporation may require the optionee to pay to the Corporation an amount as necessary so as to ensure that the Corporation is in compliance with the applicable provisions of any federal, provincial or local laws relating to the withholding of tax or other required deductions relating to the exercise of such Option; and
- (j) if a change of control, as described in the Plan, occurs, all unvested Options shall immediately become vested and may thereon be exercised in whole or in part by the holder of the Option, subject to any required approval by the Exchange.

Shareholders will be asked at the Meeting to consider, and if thought fit, to approve the following ordinary resolution re-approving and ratifying the Plan:

"NOW THEREFORE BE IT RESOLVED THAT:

1. the Corporation's existing 10% rolling stock option plan, attached as Schedule "B" to the Corporation's management information circular dated November 3, 2020 (the "Plan"), including the reservation for issuance under the Plan at any time of a maximum of 10% of the total number of issued and outstanding common shares of the Corporation on a non-diluted basis, be and is hereby ratified, confirmed and approved;
2. the board of directors of the Corporation be authorized to administer the Plan and amend or modify the Plan in accordance with its terms and conditions and with the policies of the TSX Venture Exchange; and

3. any director or officer of the Corporation be and is hereby authorized to do such things and to sign, execute and deliver all documents that such director and officer may, in their discretion, determined to be necessary in order to give full effect to the intent and purpose of this resolution.”

Recommendation of the Directors

The Board of Directors of the Corporation recommends that Shareholders vote in favour of the resolution to continue the current Plan of the Corporation. To be effective, the resolution must be approved by a simple majority of the votes cast by Shareholders who vote in person or by proxy at the Meeting. **Unless a proxy contains instructions to vote against the re-approval of the Plan, the persons named in the enclosed proxy intend to vote FOR the re-approval and ratification of the Plan.**

AMENDMENT TO ARTICLES

The Board proposes to amend its Articles to allow for virtual general meetings by amending the following section 10.4 in its present Articles:

10.4 Location of Meetings of Shareholders

A meeting of the Company may be held:

- 1) in the Province of British Columbia;
- 2) at another location outside British Columbia if that location is:
 - a) approved by resolution of the directors before the meeting is held; or
 - b) approved in writing by the Registrar of Companies before the meeting is held; or
- 3) *virtually. A shareholder or proxy holder who is entitled to participate in a meeting of shareholders may do so in person, or by telephone or other communications medium, if all shareholders and proxy holders participating in the meeting are able to communicate with each other; provided however, that nothing in this Part shall obligate the Company to take any action or provide any facility to permit or facilitate the use of any communications medium at a meeting of shareholders. If one or more shareholders or proxy holders participate in a meeting of shareholders in a manner contemplated by this Part:*
 - a) *each such shareholder or proxy holder shall be deemed to be present at the meeting; and*
 - b) *the meeting shall be deemed to be held at the location specified in the notice of meeting.”*

“IT IS RESOLVED, as an ordinary resolution, that the Articles of the Corporation be amended to include the amended Section 10.4 and the directors and officers of the Corporation be authorized and directed to perform such acts and deeds and things and execute all such documents, agreements and other writings as may be required to give effect to this resolution.”

Recommendation of the Directors

The Board of Directors of the Corporation has reviewed the proposed resolution and concluded that it is fair and reasonable to the Shareholders and in the best interests of the Corporation.

The Board of Directors of the Corporation recommends that Shareholders vote in favour of the resolution to approve the amendment of the Articles of the Corporation.

ADDITIONAL INFORMATION

Additional information concerning the Corporation can be found on SEDAR at www.sedar.com and on the Corporation’s website at www.dmgblockchain.com.

Financial information relating to the Corporation is provided in the 2019 Financial Statements and the MD&A for the year ended September 30, 2019. Shareholders may download the 2019 Financial Statements and MD&A from SEDAR (www.sedar.com) or contact the Corporation directly to request copies of the 2019 Financial Statements and MD&A by: e-mail to diana@dmgblockchain.com. Additional financial information concerning the Corporation may be obtained by any shareholder free of charge through the Corporation’s website at www.dmgblockchain.com or by contacting the Corporation at 604-210-5840.

DATED at Vancouver, British Columbia this 3rd day of November, 2020.

BY ORDER OF THE BOARD

/s/ “Daniel Reitzik”
Chief Executive Officer & Director

AUDIT COMMITTEE CHARTER

This charter (the "Charter") sets forth the purpose, composition, responsibilities, duties, powers and authority of the Audit Committee (the "Committee") of the Board of Directors (the "Board") of DMG Blockchain Solutions Inc. ("DMG").

1.0 Purpose

The purpose of the Committee is to assist the Board in fulfilling its oversight responsibilities with respect to:

- financial reporting and disclosure requirements;
- ensuring that an effective risk management and financial control framework has been implemented and tested by management of DMG; and
- external and internal audit processes.

2.0 Composition and Membership

- (a) The Board will appoint the members ("Members") of the Committee after the annual general meeting of shareholders of DMG. The Members will be appointed to hold office until the next annual general meeting of shareholders of DMG or until their successors are appointed. The Board may remove a Member at any time and may fill any vacancy occurring on the Committee. A Member may resign at any time and a Member will cease to be a Member upon ceasing to be a director.
- (b) The Committee will consist of at least three directors with a majority meeting the criteria for independence and financial literacy established by applicable laws and the rules of the TSX Venture Exchange, including Multilateral Instrument 52-110 – Audit Committees. In addition, each director will be free of any relationship which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment.
- (c) The Board will appoint one of the Members to act as the Chairman of the Committee. The secretary of DMG (the "Secretary") will be the secretary of all meetings and will maintain minutes of all meetings and deliberations of the Committee. In the absence of the Secretary at any meeting, the Committee will appoint another person who may, but need not, be a Member to be the secretary of that meeting.

3.0 Meetings

- (a) Meetings of the Committee will be held at such times and places as the Chairman may determine, but in any event not less than four (4) times per year. Twenty-four (24) hours advance notice of each meeting will be given to each Member orally, by telephone, by facsimile or email, unless all Members are present and waive notice, or if those absent waive notice before or after a meeting. Members may attend all meetings either in person or by conference call.
- (b) At the request of the external auditors of DMG, the Chief Executive Officer or the Chief Financial Officer of DMG or any member of the Committee, the Chairman will convene a meeting of the Committee. Any such request will set out in reasonable detail the business proposed to be conducted at the meeting so requested.
- (c) The Chairman, if present, will act as the Chairman of meetings of the Committee. If the Chairman is not present at a meeting of the Committee, then the Members present may select one their number to act as Chairman of the meeting.

- (d) Two Members will constitute a quorum for a meeting of the Committee. Each Member will have one vote and decisions of the Committee will be made by an affirmative vote of the majority. The Chairman will not have a deciding or casting vote in the case of an equality of votes. Powers of the Committee may also be exercised by written resolution signed by all Members.
- (e) The Committee may invite, from time to time, such persons as it sees fit to attend its meetings and to take part in the discussion and consideration of the affairs of the Committee. The Committee will meet in camera without management at each meeting of the Committee.
- (f) In advance of every regular meeting of the Committee, the Chairman, with the assistance of the Secretary, will prepare and distribute to the Members and others as deemed appropriate by the Chairman, an agenda of matters to be addressed at the meeting together with appropriate briefing materials. The Committee may require officers and employees of DMG to produce such information and reports as the Committee may deem appropriate in order to fulfill its duties.

4.0 Duties and Responsibilities

The duties and responsibilities of the Committee as they relate to the following matters are to:

4.1 *Financial Reporting and Disclosure*

- a) Review, and recommend to the Board for approval, the audited annual financial statements including the auditors' report thereon, the quarterly financial statements and the annual and quarterly management discussion and analyses;
- b) review and recommend to the Board for approval, where appropriate, financial information contained in any prospectuses, annual information forms, annual report to shareholders, management proxy materials, material change disclosures of a financial nature and similar disclosure documents;
- c) review with management of DMG and with external auditors significant accounting principles and disclosure issues and alternative treatments under International Financial Reporting Standards ("IFRS") all with a view to gaining reasonable assurance that financial statements are accurate, complete and present fairly DMG's financial position and the results of its operations in accordance with IFRS; and
- d) annually review DMG's corporate disclosure policy and recommend any proposed changes to the Board for consideration.

4.2 *Internal Controls and Audit*

- a) review and assess the adequacy and effectiveness of DMG's system of internal control and management information systems through discussions with management and the external auditor to ensure that DMG maintains: (i) the necessary books, records and accounts in sufficient detail to accurately and fairly reflect DMG's transactions; (ii) effective internal control systems; and (iii) adequate processes for assessing the risk of material misstatement of the financial statement and for detecting control weaknesses or fraud. From time to time the Committee will assess whether a formal internal audit department is necessary or desirable having regard to the size and stage of development of DMG at any particular time;

- b) satisfy itself that management has established adequate procedures for the review of DMG's disclosure of financial information extracted or derived directly from DMG's financial statements;
- c) satisfy itself that the adequacy of internal controls, systems and procedures has been periodically assessed in order to ensure compliance with regulatory requirements and recommendations;
- d) review and discuss DMG's major financial risk exposures and the steps taken to monitor and control such exposures, including the use of any financial derivatives and hedging activities;
- e) review and assess, and in the Committee's discretion, make recommendations to the Board regarding the adequacy of DMG's risk management policies and procedures with regard to identification of DMG's principal risks and implementation of appropriate systems to manage such risks including an assessment of the adequacy of insurance coverage maintained by DMG; and
- f) review and assess annually, and in the Committee's discretion, make recommendations to the Board regarding DMG's investment policy.

4.3 External Audit

- a) recommend to the Board a firm of external auditors to be engaged by DMG;
- b) ensure the external auditors report directly to the Committee on a regular basis;
- c) review the independence of the external auditors, including a written report from the external auditors respecting their independence and consideration of applicable auditor independence standards;
- d) review and approve the fee, scope and timing of the audit and other related services rendered by the external auditors;
- e) review the audit plan of the external auditors prior to the commencement of the audit;
- f) establish and maintain a direct line of communication with DMG's external and internal auditors;
- g) meet in camera with only the auditors, with only management, and with only the members of the Committee at every Committee meeting whose purpose is to review the Annual Financial Statements of the Company;
- h) review the performance of the external auditors who are accountable to the Committee and the Board as representatives of the shareholders, including the lead partner of the independent auditors team;
- i) oversee the work of the external auditors appointed by the shareholders of DMG with respect to preparing and issuing an audit report or performing other audit, review or attest services for DMG, including the resolution of issues between management of DMG and the external auditors regarding financial disclosure;
- j) review the results of the external audit and the report thereon including, without limitation, a discussion with the external auditors as to the quality of accounting principles used, any alternative treatments of financial information that have been discussed with management of DMG, the ramifications of their use as well as any other material changes. Review a report describing all material written communication between management and the auditors such as management letters and schedule of unadjusted differences;

- k) discuss with the external auditors their perception of DMG's financial and accounting personnel, records and systems, the cooperation which the external auditors received during the course of their review and availability of records, data and other requested information and any recommendations with respect thereto;
- l) review the reasons for any proposed change in the external auditors which is not initiated by the Committee or Board and any other significant issues related to the change, including the response of the incumbent auditors, and enquire as to the qualifications of the proposed auditors before making its recommendations to the Board.

4.4 Associated Responsibilities

Review and approve DMG's hiring policies regarding employees and partners, and former employees and partners of the present and former external auditor of DMG.

4.5 Non-Audit Services

Pre-approve all non-audit services to be provided to DMG or any subsidiary entities by its external auditors or by the external auditors of such subsidiary entities. The Committee may delegate to one or more of its members the authority to pre-approve non-audit services but pre-approval by such member or members so delegated shall be presented to the full audit committee at its first scheduled meeting following such pre-approval.

4.6 Oversight Function

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that DMG's financial statements are complete and accurate or are in accordance with IFRS and applicable rules and regulations. These are the responsibilities of Management and the external auditors. The Committee, the Chairman and any Members identified as having accounting or related financial expertise are members of the Board, appointed to the Committee to provide broad oversight of the financial, risk and control related activities of DMG, and are specifically not accountable or responsible for the day-to-day operation or performance of such activities. Although the designation of a Member as having accounting or related financial expertise for disclosure purposes is based on that individual's education and experience, which that individual will bring to bear in carrying out his or her duties on the Committee, such designation does not impose on such person any duties, obligations or liability that are greater than the duties, obligations and liability imposed on such person as a member of the Committee and Board in the absence of such designation. Rather, the role of a Member who is identified as having accounting or related financial expertise, like the role of all Members, is to oversee the process, not to certify or guarantee the internal or external audit of DMG's financial information or public disclosure.

5.0 Reporting

The Chairman will report to the Board at each Board meeting on the Committee's activities since the last Board meeting. The Committee will annually review and approve the Committee's report for inclusion in the management proxy circular. The Secretary will circulate the minutes of each meeting of the Committee to the members of the Board.

6.0 Access to Information and Authority

The Committee will be granted unrestricted access to all relevant information regarding DMG and all directors, officers and employees will be directed to cooperate as requested by members of the Committee. The Committee has the authority to retain, at DMG's expense and at a reasonable

cost, independent legal, financial and other advisors, consultants and experts, where necessary, to assist the Committee in fulfilling its duties and responsibilities. The Committee also has the authority to communicate directly with internal and external auditors.

7.0 Review of Charter

The Committee will annually review and assess the adequacy of this Charter and recommend any proposed changes to the Board for consideration.

Original Approval Date: August 29, 2018

Approved by: Audit Committee & Board of Directors

DMG BLOCKCHAIN SOLUTIONS INC.

10% ROLLING STOCK OPTION PLAN

**ARTICLE 1
DEFINITIONS AND INTERPRETATION**

1.1 Definitions

As used herein, unless anything in the subject matter or context is inconsistent therewith, the following terms shall have the meanings set forth below:

- (a) **"Administrator"** means, initially, the secretary of the Company and thereafter shall mean such director or other senior officer or employee of the Company as may be designated as Administrator by the Board from time to time;
- (b) **"Affiliate"** has the meaning ascribed to that term by the Securities Act;
- (c) **"Associate"** has the meaning ascribed thereto in the Securities Act;
- (d) **"Award Date"** means the date on which the Board grants a particular Option;
- (e) **"Board"** means the board of directors of the Company;
- (f) **"Change of Control"** means the acquisition by any person or by any person and a joint actor, whether directly or indirectly, of voting securities of the Company, which, when added to all other voting securities of the Company at the time held by such person or by such person and a joint actor, totals for the first time not less than fifty percent (50%) of the outstanding voting securities of the Company or the votes attached to those securities are sufficient, if exercised, to elect a majority of the Board;
- (g) **"Company"** means DMG Blockchain Solutions Inc.;
- (h) **"Consultant"** means an individual or Consultant Company, other than an Employee or a Director, that:
 - (i) is engaged to provide on an ongoing *bona fide* basis consulting, technical, management or other services to the Company or to an affiliate of the Company, other than services provided in relation to a distribution,
 - (ii) provides the services under a written contract between the Company or the affiliate and the individual or a Consultant Company,
 - (iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or an affiliate of the Company, and
 - (iv) has a relationship with the Company or an affiliate of the Company that enables the individual to be knowledgeable about the business and affairs of the Company;
- (i) **"Consultant Company"** means, for an individual consultant, a company or partnership of which the individual consultant is an employee or shareholder or partner;
- (j) **"Director"** means a director, officer, Management Company Employee of the Company or an affiliate of the Company to whom Options can be granted in reliance on a prospectus exemption under applicable securities laws;
- (k) **"Disinterested Shareholder Approval"** means approval by a majority of the votes cast by all the Company's shareholders at a duly constituted shareholders' meeting, excluding votes attached to shares of the Company beneficially owned by insiders to whom options may be granted under the Plan and their associates and affiliates;
- (l) **"Employee"** means:
 - (i) an individual who is considered an employee of the Company or its subsidiary under the *Income Tax Act* (Canada) (i.e. for whom income tax, employment insurance and CPP deductions must be made at source),

- (ii) an individual who works full-time for the Company or its subsidiary providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work, as an employee of the Company, but for whom income tax deductions are not made at source, or
 - (iii) an individual who works for the Company or its subsidiary on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source;
- (m) **“Exchange”** means the principal stock exchange or quotation system on which the Shares are listed or quoted for trading;
- (n) **“Exercise Notice”** means the notice respecting the exercise of an Option in the form set out as Schedule “B” hereto, duly executed by the Option Holder;
- (o) **“Exercise Period”** means the period during which a particular Option may be exercised and is the period from and including the Award Date through to and including the Expiry Date, subject to the provisions of the Plan relating to the vesting of Options;
- (p) **“Exercise Price”** means the price at which an Option may be exercised as determined in accordance with paragraph 3.3;
- (q) **“Expiry Date”** means the date determined in accordance with paragraphs 3.4 and 3.8 and after which a particular Option cannot be exercised;
- (r) **“Insider”** has the meaning ascribed thereto in the Securities Act;
- (s) **“Investor Relations Activities”** has the meaning ascribed thereto in the Securities Act;
- (t) **“Management Company Employee”** means an individual employed by a person providing management services to the Company, which are required for the ongoing successful operation of the business enterprise of the Company, but excluding a person involved in Investor Relations Activities;
- (u) **“Market Price”** means the market value of the Shares for a particular Award Date determined as follows:
 - (i) for each organized trading facility on which the Shares are listed, Market Price will be the closing trading price of the Shares on the last trading day immediately preceding the Award Date;
 - (ii) if the Shares are listed on more than one organized trading facility, then Market Price will be the greatest of the Market Prices determined for each organized trading facility on which those Shares are listed as determined for each organized trading facility in accordance with subparagraph (a) above;
 - (iii) if the Shares are listed on one or more organized trading facility but have not traded during the ten trading day period immediately preceding the Award Date, then the Market Price will be, subject to the necessary approvals of the applicable regulatory bodies having authority over the Company, such value as is determined by resolution of the Board;
- (v) **“Option”** means an option to acquire Shares, awarded to a Director, Employee or Consultant pursuant to the Plan;
- (w) **“Option Certificate”** means the certificate, substantially in the form set out as Schedule “A” hereto, evidencing an Option;
- (x) **“Option Holder”** means a Director, Employee or Consultant, or a former Director, Employee or Consultant, who holds an unexercised and unexpired Option or, where applicable, the Personal Representative of such person;
- (y) **“Plan”** means this stock option plan;

- (z) **“Personal Representative”** means:
 - (i) in the case of a deceased Option Holder, the executor or administrator of the deceased duly appointed by a court or public authority having jurisdiction to do so, and
 - (ii) in the case of an Option Holder who for any reason is unable to manage his or her affairs, the person entitled by law to act on behalf of such Option Holder;
- (cc) **“Securities Act”** means the *Securities Act*, R.S.B.C. 1996, c.418, as amended, as at the date hereof; and
- (dd) **“Share”** or **“Shares”** means, as the case may be, one or more common shares without par value in the capital of the Company.

1.2 Choice of Law

The Plan is established under and the provisions of the Plan are to be interpreted and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

1.3 Headings

The headings used herein are for convenience only and are not to affect the interpretation of the Plan.

ARTICLE 2 PURPOSE AND PARTICIPATION

2.1 Purpose

The purpose of the Plan is to provide the Company with a share-related mechanism to attract, retain and motivate qualified Directors, Employees and Consultants, to reward such of those Directors, Employees and Consultants as may be awarded Options under the Plan by the Board from time to time for their contributions toward the long-term goals of the Company and to enable and encourage such Directors, Employees and Consultants to acquire Shares as long term investments.

2.2 Participation

The Board shall, from time to time, in its sole discretion determine those Directors, Employees and Consultants, if any, to whom Options are to be awarded. If the Board elects to award an Option to a Director, the Board shall, in its sole discretion but subject to paragraph 3.2, determine the number of Shares to be acquired on the exercise of such Option. A Director of the Company to whom an Option may be granted shall not participate in the decision of the Board to grant such Option. If the Board elects to award an Option to an Employee or Consultant, the number of Shares to be acquired on the exercise of such Option shall be determined by the Board in its sole discretion, and in so doing the Board may take into account the following criteria:

- (a) the remuneration paid to the Employee or Consultant as at the Award Date in relation to the total remuneration payable by the Company to all of its Employees and Consultants as at the Award Date;
- (b) the length of time that the Employee or Consultant has been employed or engaged by the Company;
- (c) the quality of work performed by the Employee or Consultant; and
- (d) any other factors which it may deem proper and relevant.

2.3 Notification of Award

Following the approval by the Board of the awarding of an Option, the Administrator shall notify the Option Holder in writing of the award and shall enclose with such notice the Option Certificate representing the Option so awarded.

2.4 Copy of Plan

Each Option Holder, concurrently with the notice of the award of the Option, shall be provided with a copy of the Plan, unless a copy has been previously provided to the Option Holder. A copy of any amendment to the Plan shall be promptly provided by the Administrator to each Option Holder.

2.5 Limitation

The Plan does not give any Option Holder that is a Director the right to serve or continue to serve as a Director of the Company nor does it give any Option Holder that is an Employee or Consultant the right to be or to continue to be employed or engaged by the Company. Participation in the Plan by an Option Holder is voluntary.

ARTICLE 3 TERMS AND CONDITIONS OF OPTIONS

3.1 Board to Allot Shares

The Shares to be issued to Option Holders upon the exercise of Options shall be allotted and authorized for issuance by the Board prior to the exercise thereof.

3.2 Number of Shares

The maximum number of Shares issuable under the Plan, together with the number of Shares issuable under outstanding options granted otherwise than under the Plan, shall not exceed 10% of the issued and outstanding Shares of the Company. Additionally, subject to applicable Exchange rules and policies, the Company shall not grant Options:

- a) to any one person (and companies wholly owned by that person) within any 12-month period (calculated on the date the option is granted to the person), which could, when exercised, result in the issuance of Shares exceeding five percent (5%) of the issued and outstanding Shares of the Company, unless the Company has obtained the requisite Disinterested Shareholder Approval to the grant; or
- b) to insiders, as a group, an aggregate number of Options reserved for issuance, at any time not to exceed 10% of the issued and outstanding, unless the Company has obtained the requisite Disinterested Shareholder Approval;
- c) to insiders, as a group, within a 12-month period, an aggregate number of options exceeding 10% of the issued shares, calculated at the date an option is granted to any insider unless the Company has obtained the requisite Disinterested Shareholder Approval to the grant; or
- d) to any one Consultant in any 12-month period which could, when exercised, result in the issuance of Shares exceeding 2% of the issued and outstanding Shares of the Company; or
- e) in any 12-month period, to persons employed or engaged by the Company to perform Investor Relations Activities which could, when exercised, result in the issuance of Shares exceeding, in aggregate, 2% of the issued and outstanding Shares of the Company.

If any Option expires or otherwise terminates for any reason without having been exercised in full, the number of Shares in respect of which Option expired or terminated shall again be available for the purposes of the Plan.

3.3 Exercise Price

The Exercise Price shall be that price per share, as determined by the Board in its sole discretion as of the Award Date, at which an Option Holder may purchase a Share upon the exercise of an Option, and shall not be less than the Market Price, unless otherwise permitted by the Exchange, if applicable, or such other price as may be required by the Exchange and/or applicable laws. Any reduction in the exercise price of an Option held by an Option Holder who is an insider of the Company at the time of the proposed reduction will require Disinterested Shareholder Approval.

3.4 Term of Option

Subject to paragraph 3.5, the Expiry Date of an Option shall be the date so fixed by the Board at the time the particular Option is awarded, provided that such date shall not be later than the tenth anniversary of the Award Date of the Option.

3.5 Termination of Option

An Option Holder may, subject to any vesting provisions applicable to Options hereunder, exercise an Option in whole or in part at any time or from time to time during the Exercise Period provided that, with respect to the exercise of part of an Option, the Board may at any time and from time to time fix a minimum or maximum number

of Shares in respect of which an Option Holder may exercise part of any Option held by such Option Holder. Any Option or part thereof not exercised within the Exercise Period shall terminate and become null, void and of no effect as of 5:00 p.m. local time in Vancouver, British Columbia, on the Expiry Date. The Expiry Date of an Option shall be the earlier of the date so fixed by the Board at the time the Option is awarded and the date established, if applicable, in sub-paragraphs (a) to (c) below (the "Early Termination Date"):

(a) Death

In the event that the Option Holder should die while he or she is still a Director (if he or she holds his or her Option as Director) or Employee or Consultant (if he or she holds his or her Option as Employee or Consultant), the Early Termination Date shall be twelve (12) months from the date of death of the Option Holder; or

(b) Ceasing to Hold Office

In the event that the Option Holder holds his or her Option as Director of the Company and such Option Holder ceases to be a Director of the Company other than by reason of death, the Early Termination Date of the Option shall be the 60th day following the date the Option Holder ceases to be a Director of the Company unless the Option Holder ceases to be a Director of the Company but continues to be engaged by the Company as an Employee or a Consultant, in which case the Expiry Date shall remain unchanged, or unless the Option Holder ceases to be a Director of the Company as a result of:

- (i) ceasing to meet the qualifications set forth in the *Business Corporations Act* (British Columbia), or
- (ii) a resolution having been passed by the shareholders of the Company pursuant to the *Business Corporations Act* (British Columbia) removing the Director as such, or
- (iii) by order of Industry Canada, the British Columbia Securities Commission, the Exchange or any other regulatory body having jurisdiction to so order,

in which case the Early Termination Date shall be the date the Option Holder ceases to be a Director of the Company.

(c) Ceasing to be an Employee or a Consultant

In the event that the Option Holder holds his or her Option as an Employee or Consultant of the Company and such Option Holder ceases to be an Employee or Consultant of the Company other than by reason of death, the Early Termination Date of the Option shall be the 60th day following the date the Option Holder ceases to be an Employee or Consultant of the Company unless the Option Holder ceases to be an Employee or Consultant of the Company as a result of:

- (i) termination for cause or, in the case of a Consultant, breach of contract, or
- (ii) by order of Industry Canada, the British Columbia Securities Commission, the Exchange or any other regulatory body having jurisdiction to so order,

in which case the Early Termination Date shall be the date the Option Holder ceases to be an Employee or Consultant of the Company.

(d) Breach of Anti-Money Laundering ("AML") Policy

Should an officer, employee or consultant breach any terms of the Company's AML policy, the Company has the option to cancel any and all options previously granted to such person, effective immediately.

(e) Cessation of Services

Should a director, officer, employee or consultant cease to provide expected services to the Company, sixty (60) days thereafter, the Company has the option to cancel any and all options previously granted to such person.

Notwithstanding the foregoing, the Early Termination Date for Options granted to any Option Holder engaged primarily to provide Investor Relations Activities shall be the 30th day following the date that the Option Holder ceases to be employed in such capacity, unless the Option Holder continues to be engaged by the Company as an Employee or Director, in which case the Early Termination Date shall be determined as set forth above.

3.6 Hold Period and Vesting Requirements

Shares issued upon exercise of an Option may be subject to a hold period and/or may bear a legend in accordance with applicable securities laws and/or Exchange requirements.

Shares granted to Investor Relations providers will vest in stages over a period of not less than 12 months, with no more than one-quarter of the options vesting in any three-month period.

All Options granted pursuant to the Plan will be subject to such vesting requirements as may be prescribed by the Exchange, if applicable, or as may be imposed by the Board.

The Option Certificate representing any such Option will disclose any vesting conditions.

3.7 Effect of a Take-Over Bid

If a *bona fide* offer (an “**Offer**”) for Shares is made to an Option Holder or to shareholders of the Company generally or to a class of shareholders which includes the Option Holder, which Offer, if accepted in whole or in part, would result in the offeror becoming a control person of the Company, within the meaning of the Securities Act, the Company shall, immediately upon receipt of notice of the Offer, notify each Option Holder of the full particulars of the Offer, whereupon all Shares subject to Options will become vested and the Options may be exercised in whole or in part by each Option Holder so as to permit each Option Holder to tender the Shares received upon exercise of his Options, pursuant to the Offer. However, if:

- (a) the Offer is not completed within the time specified therein; or
- (b) all of the Shares acquired by the Option Holder on the exercise of his Option and tendered pursuant to the Offer are not taken up or paid for by the offeror in respect thereof;

then the Shares received upon the exercise of such Options, or in the case of clause (b) above, the Shares that are not taken up and paid for, may be returned by each Option Holder to the Company and reinstated as authorized but unissued Shares and with respect to such returned Shares, the Options shall be reinstated as if they had not been exercised and the terms upon which such Shares were to become vested pursuant to paragraph 3.6 shall be reinstated. If any Shares are returned to Company under this paragraph 3.7, the Company shall immediately refund the exercise price to the Option Holder for such Shares.

3.8 Acceleration of Expiry Date

If at any time when an Option granted under the Plan remains unexercised an Offer is made by an offeror, the Board may, upon notifying each Option Holder of full particulars of the Offer, declare vested all Shares issuable upon the exercise of Options granted under the Plan, and, notwithstanding paragraphs 3.4 and 3.5, declare that the Expiry Date for the exercise of all unexercised Options granted under the Plan is accelerated so that all Options will either be exercised or will expire prior to the date upon which Shares must be tendered pursuant to the Offer.

3.9 Effect of Reorganization, Amalgamation or Merger

If the Company is reorganized, amalgamated or merges with or into another Company, at the discretion of the Board, any Shares receivable on the exercise of an Option shall be converted into the securities, property or cash which the Option Holder would have received upon such reorganization, amalgamation or merger if the Option Holder had exercised his Option immediately prior to the record date applicable to such reorganization, amalgamation or merger, and the exercise price shall be adjusted appropriately by the Board and such adjustment shall be binding for all purposes of the Plan.

3.10 Effect of Change of Control

If a Change of Control occurs, all Shares subject to each outstanding Option will become vested, subject to any required approval of the Exchange, whereupon all Options may be exercised in whole or in part by the Option Holder.

3.11 Assignment of Options

Options may not be assigned or transferred, provided however that the Personal Representative of an Option Holder may, to the extent permitted by paragraph 4.1, exercise the Option within the Exercise Period.

3.12 Adjustments

If, prior to the complete exercise of any Option, the Shares are consolidated, subdivided, converted, exchanged or reclassified or in any way substituted for (collectively the “**Event**”) other shares of the Company, an Option, to the extent that it has not been exercised, shall be adjusted by the Board in accordance with such Event in the

manner the Board deems appropriate. No fractional Shares shall be issued upon the exercise of any Option and accordingly, if as a result of the Event, an Option Holder would become entitled to a fractional Share, such Option Holder shall have the right to purchase only the next lowest whole number of Shares and no payment or other adjustment will be made with respect to the fractional interest so disregarded. Additionally, no lots of Shares in an amount less than 500 Shares shall be issued upon the exercise of the Option unless such amount of Shares represents the balance left to be exercised under the Option.

3.13 Exclusion from Severance Allowance, Retirement Allowance or Termination Settlement

If an Option Holder retires, resigns or is terminated from employment or engagement with the Company or any subsidiary of the Company, the loss or limitation, if any, pursuant to the Option Certificate with respect to the right to purchase Shares which were not vested at the time or which, if vested, were cancelled, shall not give rise to any right to damages and shall not be included in the calculation of nor form any part of any severance allowance, retiring allowance or termination settlement of any kind whatsoever in respect of such Option Holder.

ARTICLE 4 EXERCISE OF OPTION

4.1 Exercise of Option

An Option may be exercised only by the Option Holder or the Personal Representative of any Option Holder. An Option Holder or the Personal Representative of any Option Holder may exercise an Option in whole or in part at any time or from time to time during the Exercise Period up to 5:00 p.m. local time in Vancouver, British Columbia on the Expiry Date by delivering to the Administrator an Exercise Notice, the applicable Option Certificate, accompanied by cash payment, certified cheque or bank draft payable to the Company in an amount equal to the aggregate Exercise Price of the Shares to be purchased pursuant to the exercise of the Option.

4.2 Issue of Share Certificates

As soon as practicable following the receipt of the Exercise Notice, the Administrator shall cause to be delivered to the Option Holder a certificate for the Shares purchased pursuant to the exercise of the Option. If the number of Shares purchased is less than the number of Shares subject to the Option Certificate surrendered, the Administrator shall forward a new Option Certificate to the Option Holder concurrently with delivery of the aforesaid share certificate for the balance of Shares available under the Option.

4.3 Condition of Issue

The issue of Shares by the Company pursuant to the exercise of an Option is subject to this Plan and compliance with the laws, rules and regulations of all regulatory bodies applicable to the issuance and distribution of such Shares and to the listing requirements of the Exchange or any stock exchange on which the Shares may be listed. The Option Holder agrees to comply with all such laws, rules and regulations and agrees to furnish to the Company any information, report and/or undertakings required to comply with and to fully co-operate with the Company in complying with such laws, rules and regulations.

The Company or any subsidiary of the Company may take such steps as are considered necessary or appropriate for the withholding and/or remittance of any taxes which the Company or any subsidiary of the Company is required by any law or regulation of any governmental authority whatsoever to withhold and/or remit in connection with any Option or Option exercise including, without limiting the generality of the foregoing, the withholding and/or remitting of all or any portion of the payment or the withholding of the issue of Shares to be issued upon the exercise of any Option until such time as the Option Holder has paid the Company or any subsidiary of the Company (in addition to the exercise price payable for the exercise of Options) the amount which the Company or subsidiary of the Company reasonably determines is required to be withheld and/or remitted with respect to such taxes.

ARTICLE 5 ADMINISTRATION

5.1 Administration

The Plan shall be administered by the Administrator on the instructions of the Board. The Board may make, amend and repeal at any time and from time to time such regulations not inconsistent with the Plan as it may deem necessary or advisable for the proper administration and operation of the Plan and such regulations shall form part of the Plan. The Board may delegate to the Administrator or any Director or Employee of the Company such administrative duties and powers as it may see fit.

5. Interpretation

The interpretation by the Board of any of the provisions of the Plan and any determination by it pursuant thereto shall be final and conclusive and shall not be subject to any dispute by any Option Holder. No member of the Board or any person acting pursuant to authority delegated by it hereunder shall be liable for any action or determination in connection with the Plan made or taken in good faith and each member of the Board and each such person shall be entitled to indemnification with respect to any such action or determination in the manner provided for by the Company.

ARTICLE 6 AMENDMENT AND TERMINATION

6.1 Prospective Amendment

Subject to applicable regulatory and, if required by any relevant law, rule or regulation applicable to the Plan, to shareholder approval, the Board may from time to time amend the Plan and the terms and conditions of any Option thereafter to be granted and, without limiting the generality of the foregoing, may make such amendment for the purpose of meeting any changes in any relevant law, rule or regulation applicable to the Plan, any Option or the Shares or for any other purpose which may be permitted by all relevant laws, rules and regulations, provided always that any such amendment shall not alter the terms or conditions of any Option or impair any right of any Option Holder pursuant to any Option awarded prior to such amendment. Notwithstanding the foregoing, the Board may, subject to the requirements of the Exchange, amend the terms upon which each Option shall become vested with respect to Shares without further approval of the Exchange, other regulatory bodies having authority over the Company, the Plan or the shareholders.

6.2 Retrospective Amendment

Subject to applicable regulatory and, if required by any relevant law, rule or regulation applicable to the Plan, to shareholder approval, the Board may from time to time retrospectively amend the Plan and, with the consent of the affected Option Holders, retrospectively amend the terms and conditions of any Options which have been previously granted.

6.3 Termination

The Board may terminate the Plan at any time provided that such termination shall not alter the terms or conditions of any Option or impair any right of any Option Holder pursuant to any Option awarded prior to the date of such termination. Notwithstanding the termination of the Plan, the Company, Options awarded under the Plan, Option Holders and Shares issuable under Options awarded under the Plan shall continue to be governed by the provisions of the Plan.

6.4 Agreement

The Company and every person to whom an Option is awarded hereunder shall be bound by and subject to the terms and conditions of the Plan.

6.5 No Shareholder Rights

An Option Holder shall not have any rights as a shareholder of the Company with respect to any of the Shares covered by an Option until the Option Holder exercises such Option in accordance with the terms of the Plan and the issuance of the Shares by the Company.

6.6 Record Keeping

The Company shall maintain a register in which shall be recorded the name and address of each Option Holder, the number of Options granted to an Option Holder, the details thereof and the number of Options outstanding.

6.7 No Representation or Warranty

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

6.8 Option Holder Status

For stock options granted to Employees, Consultants or Management Company Employees, the Company represents that each such Option Holder will be a *bona fide* Employee, Consultant or Management Company Employee, as the case may be.

ARTICLE 7
APPROVALS REQUIRED FOR PLAN

7.1 Approvals Required for Plan

The Plan has been adopted by the Board and is subject to the approval of the Exchange, if applicable, and, if so approved, subject to the discretion of the Board, the Plan shall become effective upon such approvals being obtained. The Company will obtain disinterested shareholder approval of Options if the Plan, together with all of the Company's previously established and outstanding stock option plans or grants, could result at any time in the grant to insiders, of a number of Options exceeding 10% of the issued shares of the Company.

7.2 Substantive Amendments to Plan

Any substantive amendments to the Plan shall be subject to the Company first obtaining the approvals of:

- (a) the shareholders or disinterested shareholders, as the case may be, of the Company at a general meeting where required by the rules and policies of the Exchange; and
- (b) the Exchange.

SCHEDULE "A"

DMG BLOCKCHAIN SOLUTIONS INC.

STOCK OPTION PLAN OPTION CERTIFICATE

This Certificate is issued pursuant to the provisions of the DMG Blockchain Solutions Inc. (the "**Company**") Stock Option Plan dated effective September 20, 2018 (the "**Plan**") and evidences that _____ (the "**Option Holder**") is the holder of an option (the "**Option**") to purchase up to _____ common shares (the "**Shares**") in the capital stock of the Company at a purchase price of \$____ per Share. Subject to the provisions of the Plan:

- (a) the Award Date of this Option is _____, _____; and
- (b) the Expiry Date of this Option is _____, _____.

[NTD: update for each option grant – Vesting Schedule]:

- a. The Option will become vested and exercisable as to all or any portion thereof on the Award Date; or
- b. The right to purchase Shares under the Option will vest in the Option Holder in increments over the term of the Option as follows:

Date	Cumulative Number of Shares which may be Purchased
•	•
•	•
•	•
•	•
•	•
•	•
•	•

This Option may be exercised in accordance with its terms at any time and from time to time from and including the Award Date through to and including up to 5:00 p.m. local time in Vancouver, British Columbia on the Expiry Date, by delivery to the Administrator of the Plan an Exercise Notice, in the form provided in the Plan, together with this Certificate, accompanied by cash payment, certified cheque or bank draft (or such other form of consideration as accepted by the Company) payable to "**DMG Blockchain Solutions Inc.**" in an amount equal to the aggregate of the Exercise Price of the Shares in respect of which the Option is being exercised. If the Option Holder is an employee, consultant or management company employee, the Option Holder confirms that it is a bona fide employee, consultant or management company employee, as the case may be.

This Certificate and the Option evidenced hereby are not assignable, transferable or negotiable and are subject to the detailed terms and conditions contained in the Plan. This Certificate is issued for convenience only and in the case of any dispute with regard to any matter in respect hereof, the provisions of the Plan and the records of the Company shall prevail.

The foregoing Option has been awarded this ___ day of _____, _____.

The Option Holder acknowledges that:

- 1. the Option Holder has read and understands the Plan, and agrees to the terms and conditions of the Plan and this Certificate;
- 2. the Option was granted to the Option Holder in his or her capacity as a _____ of the Company;
- 3. the Option Holder consents to the disclosure by the Company of personal information regarding the Option Holder to the stock exchange(s) or quotation system(s) on which the Shares are listed or quoted for trading and/or listed or quoted for trading in the future, as applicable (individually and collectively, the "**Exchange**"), and to the collection, use and disclosure of such information by the Exchange, as the Exchange may determine;

4. the Option Holder understands that he or she may suffer tax consequences as a result of, *inter alia*, the grant of this Option, the exercise by the Option Holder of this Option, and the disposition of the Shares. The Option Holder represents that he or she has consulted with tax consultants, as necessary, and the Option Holder acknowledges that he or she is not relying on the Company or any of its subsidiaries or affiliates for any tax advice; and
5. the Option Holder acknowledges that he or she has been encouraged to and has obtained, or upon consideration has expressly waived he or she right to obtain, independent legal, income tax and investment advice with respect to this Option and accordingly, has been independently advised as to the meanings of all terms contained herein, and in the Plan, relevant to the Option Holder. The Option Holder is not relying on the Company or its affiliates or counsel in this regard. The Option Holder acknowledges that the Company's counsel is acting as counsel to the Company and not as counsel to the Option Holder.

DMG BLOCKCHAIN SOLUTIONS INC.

Per: _____
Daniel Reitzik, Director & CEO

SCHEDULE "B"

EXERCISE NOTICE

TO: The Administrator, Stock Option Plan
DMG Blockchain Solutions Inc.
Suite 490 – 1090 Homer Street
Vancouver, British Columbia V6B 2W9

1. Exercise of Option

The undersigned hereby irrevocably gives notice, pursuant to the DMG Blockchain Solutions Inc. (the "**Company**") Stock Option Plan dated effective September 20, 2018 (the "**Plan**"), of the exercise of the Option to acquire and hereby subscribes for (cross out inapplicable item):

- (a) all of the Shares; or
- (b) _____ of the Shares which are the subject of the option certificate attached hereto.

Calculation of total Exercise Price:

- (a) number of Shares to be acquired on exercise: _____ Shares
- (b) times the Exercise Price per Share: \$_____
- Total Exercise Price, as enclosed herewith: \$_____

The undersigned tenders herewith, cash, a cheque, or bank draft (circle one) in the amount of \$_____, payable to "**DMG Blockchain Solutions Inc.**" in an amount equal to the total Exercise Price of the Shares, as calculated above, and directs the Company to issue the share certificate evidencing the Shares in the name of the undersigned, to be mailed to the undersigned at the following address, if an address is so indicated:

DATED this ____ day of _____, 20____.

Witness

Signature of Option Holder

Name of Witness (Print)

Name of Option Holder (Print)