

PROSMART ENTERPRISES INC.

1500 – 1055 West Georgia Street,
Vancouver, British Columbia, V6E 4N7
Telephone: 1-844-927-6278

INFORMATION CIRCULAR

as at October 6, 2020 *(except as otherwise indicated)*

This Information Circular is furnished in connection with the solicitation of Proxies by the management of ProSmart Enterprises Inc. (the “Company”) for use at the annual general and special meeting (the “Meeting”) of its shareholders to be held on Friday, November 6, 2020 at the time and place and for the purposes set forth in the accompanying notice of the Meeting.

In this Information Circular, references to the “Company”, “we” and “our” refer to ProSmart Enterprises Inc. “Shares” means common shares without par value in the capital of the Company. “Beneficial Shareholders” means shareholders who do not hold Shares in their own name and “intermediaries” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders.

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 for intermediaries to forward the meeting materials to beneficial owners of the Shares held of record by those intermediaries and we may reimburse the intermediaries for their reasonable fees and disbursements in that regard.

Appointment of Proxyholders

The individuals named in the accompanying form of proxy (the “Proxy”) are officers and/or directors of the Company. **If you are a shareholder entitled to vote at the Meeting, you have the right to appoint a person or company other than the persons 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.**

Voting by Proxyholder

The persons named in the Proxy will vote or withhold from voting the 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 Shares will be voted accordingly. The Proxy confers discretionary authority on the persons named therein with respect to:

- (a) each matter or group of matters identified therein for which a choice is not specified, other than the appointment of an auditor and the election of directors;
- (b) any amendment to or variation of any matter identified therein; and
- (c) any other matter that properly comes before the Meeting.

In respect of a matter for which a choice is not specified in the Proxy, the management appointee acting as a proxyholder will vote in favour of each matter identified on the Proxy and, if applicable, for the nominees of management for directors and auditors as identified in the Proxy.

Registered Shareholders

Registered shareholders may wish to vote by Proxy whether or not they are able to attend the Meeting in person. A registered shareholder may submit a Proxy using one of the following methods:

- (a) complete, date and sign the Proxy and return it to the Company's transfer agent, Computershare Investor Services Inc. ("**Computershare**"), by fax within North America at 1-866-249-7775, outside North America at 1-416-263-9524, or by mail to 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1 or by hand delivery at 3rd Floor, 510 Burrard Street, Vancouver, British Columbia, V6C 3B9; or
- (b) use 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 form for the toll free number, the holder's account number and the Proxy access number; or
- (c) log on to Computershare's website at, www.investorvote.com. Registered shareholders must follow the instructions provided on the website and refer to the enclosed Proxy form for the holder's account number and the Proxy access number.

In either case you must ensure the Proxy is received at least 48 hours (excluding Saturdays, Sundays and statutory holidays) before the Meeting or the adjournment thereof. Failure to complete or deposit a Proxy properly may result in its invalidation. The time limit for the deposit of Proxies may be waived by the Company's board of directors (the "**Board**") at its discretion without notice.

Beneficial Shareholders

The following information is of significant importance to shareholders who do not hold Shares in their own name. Beneficial Shareholders should note that the only Proxies that can be recognized and acted upon at the Meeting are those deposited by registered shareholders (those whose names appear on the records of the Company as the registered holders of Shares) or as set out in the following disclosure.

If Shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those Shares will not be registered in the shareholder's name on the records of the Company. Such Shares will more likely be registered under the names of the shareholder's broker or an agent of that broker. In Canada the vast majority of such Shares are registered 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), and in the United States (the "**U.S.**"), 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).

Intermediaries are required to seek voting instructions from Beneficial Shareholders in advance of meetings of shareholders. Every intermediary has its own mailing procedures and provides its own return instructions to clients.

There are two kinds of Beneficial Shareholders: Objecting Beneficial Owners ("**OBOs**") object to their name being made known to the issuers of securities which they own; and Non-Objecting Beneficial Owners ("**NOBOs**") who do not object to the issuers of the securities they own knowing who they are.

The Company is taking advantage of the provisions of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”) that permit the Company to deliver Proxy-related materials directly to its NOBOs. As a result NOBOs can expect to receive a scannable Voting Instruction Form (the “**VIF**”) from Computershare. The VIF is to be completed and returned to Computershare as set out in the instructions provided on the VIF. Computershare will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the Shares represented by the VIFs they receive.

These securityholder materials are being sent to both registered and non-registered (beneficial) owners of the securities of the Company. If you are a beneficial owner, and the Company or its agent has sent these materials directly to you, your name, address and information about your holdings of securities, were obtained in accordance with applicable securities regulatory requirements from the intermediary holding securities on your behalf.

By choosing to send these materials to you directly, the Company (and not the intermediary holding securities on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your VIF as specified in the request for voting instructions that was sent to you.

Beneficial Shareholders who are OBOs should follow the instructions of their intermediary carefully to ensure that their Shares are voted at the Meeting.

The Proxy form supplied to you by your broker will be similar to the Proxy provided to registered shareholders by the Company. However, its purpose is limited to instructing the intermediary on how to vote your Shares on your behalf. Most brokers delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”) in Canada and in the U.S. Broadridge mails a VIF in lieu of the Proxy provided by the Company. The VIF will name the same persons as the Company’s Proxy to represent your Shares at the Meeting. You have the right to appoint a person (who need not be a Beneficial Shareholder of the Company), who is different from any of the persons designated in the VIF, to represent your Shares at the Meeting and that person may be you. To exercise this right, insert the name of the desired representative, which may be you, in the blank space provided in the VIF. The completed VIF must then be returned to Broadridge in accordance with Broadridge’s instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Shares to be represented at the Meeting and the appointment of any shareholder’s representative. **If you receive a VIF from Broadridge, the VIF must be completed and returned to Broadridge, in accordance with its instructions, well in advance of the Meeting in order to have your Shares voted or to have an alternate representative duly appointed to attend the Meeting and vote your Shares at the Meeting.**

This Information Circular and related material is being sent to both registered and non-registered owners of the securities of the Company. If you are a non-registered owner, and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf.

By choosing to send these materials to you directly, the Company (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in your request for voting instructions.

Notice to Shareholders in the United States

The solicitation of Proxies involves securities of an issuer located in Canada and is being effected in accordance with the corporate laws of the Province of British Columbia, Canada and securities laws of the provinces of Canada. The Proxy solicitation rules under the U.S. *Securities Exchange Act of 1934*, as amended, are not applicable to the Company or this solicitation, and this solicitation has been prepared in accordance with the disclosure requirements of the securities laws of the provinces of Canada. Shareholders should be aware that disclosure requirements under the securities laws of the provinces of Canada differ from the disclosure requirements under U.S. securities laws.

The enforcement by shareholders of civil liabilities under U.S. federal securities laws may be affected adversely by the fact that the Company is incorporated under the *Business Corporations Act* (British Columbia) (the “BCA”), as amended, certain of its directors and its executive officers are residents of Canada and a substantial portion of its assets and the assets of such persons are located outside the U.S. Shareholders may not be able to sue a foreign corporation or its officers or directors in a foreign court for violations of U.S. federal securities laws. It may be difficult to compel a foreign corporation and its officers and directors to subject themselves to a judgment by a U.S. court.

Revocation of Proxies

In addition to revocation in any other manner permitted by law, a registered shareholder who has given a Proxy may revoke it using one of the following methods:

- (a) execute a Proxy bearing a later date or execute a valid notice of revocation, either of the foregoing to be executed by the registered shareholder or the registered shareholder’s authorized attorney in writing, or, if the shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the Proxy bearing a later date to Computershare or at the address of the registered office of the Company at 1500 – 1055 West Georgia Street, Vancouver, British Columbia, V6E 4N7, at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law; or
- (b) attend the Meeting in person and vote the registered shareholder’s Shares.

A revocation of a Proxy will not affect a matter on which a vote is taken before the revocation.

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

To the best of the Company’s knowledge, no director or executive officer of the Company, or any person who has held such a position since the beginning of the Company’s last completed financial year ended September 30, 2019, nor any nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting, other than the election of directors and as may be set out herein.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

Record Date

The Board has fixed September 30, 2020 as the record date (the “**Record Date**”) for determination of persons entitled to receive notice of the Meeting. Only shareholders of record at the close of business on the Record Date who either (i) attend the Meeting personally or (ii) complete, sign and deliver a form of Proxy in the manner and subject to the provisions described above will be entitled to vote or to have their Shares voted at the Meeting.

Voting Securities

The Company is authorized to issue an unlimited number of Shares. As of September 30, 2020, there were 32,108,092 Shares issued and outstanding, each carrying the right to one vote. No group of shareholders has the right to elect a specified number of directors, nor are there cumulative or similar voting rights attached to the Shares.

The Company is also authorized to issue an unlimited number of preferred shares. As at September 30, 2020 there were no preferred shares issued and outstanding.

To the knowledge of the directors and executive officers of the Company, as at October 6, 2020, there is one person that beneficially owned, directly or indirectly, or exercised control or direction over, Shares carrying more than 10% of the voting rights attached to all outstanding Shares of the Company.

Shareholder Name	Number of Common Shares Held	Percentage of Issued Common Shares
Alan Ross Schuler	3,600,000 ⁽¹⁾	11.6%

Notes:

(1) The above information was supplied to the Company by the shareholders and from the insider reports available at www.sedi.ca.

VOTES NECESSARY TO PASS RESOLUTIONS

At this Meeting, some of the matters that shareholders will be asked to vote on constitute special business. Special business requires a special majority of two-thirds affirmative votes cast at the Meeting in order to pass such resolutions. The special business to be voted on in this Meeting is the authorization of the Sale Agreement (described herein).

The remainder of the business at this Meeting to be voted on by shareholders requires a simple majority of affirmative votes cast at the Meeting. Such business is described herein and relates to the annual financial statements of the Company, the appointment of the Company’s auditor, and the election and appointment of the Company’s directors. If there are more nominees for election as directors or appointment of the Company’s auditor than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election or appointment is equal to the number of vacancies to be filled, all such nominees will be declared elected or appointed by acclamation.

PARTICULARS OF MATTERS TO BE ACTED UPON

1. Receipt of Financial Statements

The annual financial statements of the Company for the year ended September 30, 2019, the accompanying auditor's report and the related management discussion and analysis (all of which may be obtained from SEDAR at www.sedar.com and copies of which will be presented at the Meeting) will be placed before the shareholders at the Meeting.

2. Appointment of Auditor

Davidson & Company LLP, Chartered Professional Accountants, of 1200 – 609 Granville Street, PO Box 10371, Pacific Centre, Vancouver, British Columbia, Canada, V7Y 1G6, will be nominated at the Meeting for reappointment as auditor of the Company for the Company's ensuing fiscal year, at remuneration to be fixed by the Board. Davidson & Company LLP, Chartered Professional Accountants first became the auditors of the Company on November 4, 2011.

At the Meeting, shareholders will be asked to vote on the following ordinary resolution:

BE IT RESOLVED THAT Davidson & Company LLP, Chartered Professional Accountants, be appointed as auditor of the Company until the close of the next annual general meeting and that the directors of the Company are hereby authorized to fix the remuneration of the auditor.

The Board unanimously recommends that shareholders vote FOR the appointment of Davidson & Company LLP, Chartered Professional Accountants, as auditors of the Company.

3. Election of Directors

The Company currently has four directors and it is intended that four directors be elected for the ensuing year. The four persons whose names are set out below have been nominated by the Board for election as directors at the Meeting. At the Meeting, shareholders will therefore be asked to vote FOR management's four director nominees.

Advance Notice Provisions

On October 10, 2013, the shareholders of the Company approved the alteration of the Company's Articles for the purpose of adopting advance notice provisions (the "**Advance Notice Provision**"). The Advance Notice Provision provides for advance notice to the Company in circumstances where nominations of persons for election to the Board are made by shareholders of the Company other than pursuant to (i) a requisition of a meeting made pursuant to the provisions of the BCA or (ii) a shareholder proposal made pursuant to the provisions of the BCA.

Among other things, the Advance Notice Provision fixes a deadline by which holders of Shares must submit director nominations to the Company prior to any annual or special meeting of shareholders and sets forth the minimum information that a shareholder must include in the notice to the Company for the notice to be in proper written form.

The Advance Notice Provision also requires all proposed director nominees to deliver a written representation and agreement that such candidate for nomination, if elected as a director of the Company, will comply with all applicable corporate governance, conflict of interest, confidentiality, share ownership, majority voting and insider trading policies and other policies and guidelines of the Company applicable to directors and in effect during such person's term in office as a director.

The foregoing is merely a summary of the Advance Notice Provision, is not comprehensive and is qualified by the full text of such provision which is available in Schedule “A” of the Company’s Information Circular filed on September 11, 2013 under the Company’s profile on SEDAR at www.sedar.com.

Director Nominees

The term of office of each of the current directors will end at the conclusion of the Meeting. Unless the director’s office is vacated earlier in accordance with the provisions of the BCA, each director elected will hold office until the conclusion of the next annual general meeting of the Company, or if no director is then elected, until a successor is elected.

The following disclosure sets out, as at October 6, 2020, (a) the names of management’s nominees for election as director, their current position with the Company, and their residency; (b) the period of time during which each has been a director of the Company; (c) each nominee’s principal occupation, business or employment; and (d) the number of Shares of the Company beneficially owned by each, directly or indirectly, or over which each exercised control or direction.

Name of Nominee; Current Position with the Company; Province & Country of Residence	Director Since	Principal Occupation, Business or Employment⁽¹⁾	Number of Securities Beneficially Owned or over which Control or Direction is Exercised⁽¹⁾
Zelong (Roger) He CEO and Director BC, Canada	March 4, 2020	Accountant	Nil
Cale Thomas ⁽²⁾ Director BC, Canada	March 4, 2020	Businessman	Nil
Vikas Ranjan ⁽²⁾ Director Ontario, Canada	March 4, 2020	Businessman	Nil
Robert Michael Geisthardt ⁽²⁾ Director BC, Canada	March 4, 2020	Accountant	Nil

Notes:

(1) Information as to the principal occupation, business or employment, and the Shares beneficially owned, or controlled or directed, directly or indirectly, is not within the knowledge of management of the Company and has been furnished by the respective nominees.

(2) Member of the Audit Committee of the Company.

Biographies

Set out below are the profiles of management’s nominees for election as directors of the Company, including particulars of their principal occupations for the past five years.

Zelong (Roger) He, *Chief Executive Officer and Director*

Mr. He has had a variety of experience with both public and private companies in last seven years. Recently he has held the position of partner with the GIC Merchant Bank. He has worked at a variety of accounting firms as well; however, his professional goals are now primarily focused on finance. Mr. He earned a Master of Science in Finance from Simon Fraser University. He is currently a member of CPA and CFA, BC.

Cale Thomas, Director

Mr. Thomas is a Vancouver businessman and financial consultant who helps both public and private companies to develop their operations. He ventures to provide access to private capital and public markets where appropriate. Mr. Thomas has held positions with several public companies in the past. He is currently the CFO of Carl Data Solutions Inc., a big data company serving large corporations and government bodies. Prior to this, he was the Chief Financial Officer of Eagle Hill Exploration Corporation (“**Eagle Hill**”) from May 2008 to August 2013. He was also a director of Eagle Hill from September 2008 to September 2013. Mr. Thomas holds a MBA from the DeGroote School of Business at McMaster University, and a Bachelor of Arts in Economics from the University of Western Ontario.

Vikas Ranjan, Director

Mr. Ranjan is a management professional with a Master of Business Administration (“**MBA**”) in Finance from McGill University. He has also earned a Master’s Degree in Management Studies from University of Mumbai, India. His professional background includes over 25 years’ experience in diverse areas of finance, capital markets, entrepreneurship and investing. Mr. Ranjan has been involved in launching several public and private enterprises in the areas of capital markets and growth investing. He currently serves on the boards of several public and private companies.

Robert Michael Geisthardt, Director

Mr. Geisthardt is a Chartered Professional Accountant and former partner of Quantum Advisory Partners LLP. Throughout his career, he has provided numerous public companies with experience as a CFO, financial reporting specialist, and general corporate consultant.

Cease Trade Orders and Bankruptcy

All the directors nominated for election are currently directors of the Company and have been since March 4, 2020. The Company has been subject to a Failure-to-File Cease Trade Order (the “**CTO**”) issued by the British Columbia Securities Commission (the “**BCSC**”) and the Ontario Securities Commission (the “**OSC**”) on February 1, 2019 for the Company’s failure-to-file the 2018 Audited Annual Financial Statement, associated management discussion and analysis and certificates. The Company has applied to the BCSC and OSC for a full revocation of the CTO and expects a full revocation to occur promptly. As such, the directors nominated for election are currently directors of a company (this Company) that is subject to a cease trade order that has been in place for more than 30 days.

Except as disclosed above, no proposed nominee for election as a director of the Company is, or has been within the last 10 years before the date of this Information Circular, a director or executive officer of any company that was:

- (a) subject to a cease trade or similar order or an order denying the relevant company access to any exemptions under securities legislation, for more than 30 consecutive days;
- (b) subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under the securities legislation, for a period of more than 30 consecutive days;
- (c) 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 has 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;

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

None of the proposed nominees for election as a director of the Company are proposed for election pursuant to any arrangement or understanding between the nominee and any other person, except the directors and senior officers of the Company acting solely in such capacity.

The Board unanimously recommends that shareholders vote FOR the election of each of the director nominees listed in this Information Circular.

A shareholder can vote for all of the above nominees, vote for some of the above nominees and withhold for other of the above nominees, or withhold for all of the above nominees. Unless otherwise instructed, the named proxyholders will vote FOR the election of each of the proposed nominees set forth above as directors of the Company. In the unanticipated event that a nominee is unable to, or declines to serve as a director at the Meeting, the persons named in the accompanying form of Proxy shall have discretionary authority to vote for the election of any other person if presented. As of the date of this Information Circular, the Board is not aware of any Nominee who is unable to or who intends to decline to serve as director, if elected.

4. Continuation of the Stock Option Plan

The Company has a Share Option Plan dated for reference January 31, 2018. See disclosure under “*Share-Based and Option-Based Awards*”. The full text of the Share Option Plan will be available at www.sedar.com and will be available for review at the Meeting. At the Meeting, shareholders will be asked to vote on the following ordinary resolution:

BE IT RESOLVED THAT the Company’s Share Option Plan dated for reference January 31, 2018, be and is hereby ratified and approved for continuation until the next annual general meeting of the Company.

The Board unanimously recommends shareholders vote FOR the ratification and continuation of the Share Option Plan.

In the absence of instruction to the contrary, the persons designated by management in the Proxy intend to vote FOR the preceding resolution.

5. Approval of Sale Agreement

On September 17, 2020, the Company announced that it had entered into a definitive share purchase agreement (the “**Sale Agreement**”) with 1255589 BC Ltd. (the “**Purchaser**”). Pursuant to the Sale Agreement, the Company will sell all the issued and outstanding common shares in the capital of the following wholly-owned subsidiaries of the Company: ProSmart Developments Inc., Rosterbot Inc., and

DL Hockey Consulting Limited (the “**Subsidiaries**”). In consideration, the Purchaser will assume a \$640,000 secured debt liability owed by the Company (the “**Assumed Debt**”). The Company wishes to enter the Sale Agreement in an effort to extinguish indebtedness and strengthen the Company’s balance sheet, allowing it to explore future investments and financing. The Sale Agreement is conditional on the revocation of the CTO.

A copy of the Sale Agreement will be available for inspection at the Meeting.

The following is a summary of certain material terms of the Sale Agreement. This summary does not contain all of the information about the Sale Agreement. Therefore, shareholders should read the Sale Agreement carefully and in its entirety, as the rights and obligations of the Company and the Purchaser are governed by the express terms of the Sale Agreement and not by this summary or any other information contained in this Information Circular.

Certain capitalized terms used in this summary that are not defined within this Information Circular have the meanings ascribed to them in the Sale Agreement.

The Transaction

The Company will transfer the Purchased Subsidiaries to the Purchaser and the Purchaser will assume the Assumed Debt as consideration for such transfers (the “**Transaction**”).

Conditions to Closing the Transaction and Required Approvals

The Transaction is subject to a number of approvals and conditions prior to its implementation, including, but not limited to, the following:

- (a) approvals of the directors and shareholders of the Company and the Purchaser;
- (b) revocation of the CTO;
- (c) each Party delivers such deliverables contemplated by the Sale Agreement;
- (d) the Company updates the corporate records of the Subsidiaries, as necessary;
- (e) there is no legislation enacted, introduced or tabled which, in the opinion of the Company or the Purchaser, acting reasonably, materially adversely affects or is reasonable likely to materially adversely affect the Transaction;
- (f) the receipt of all necessary corporate, regulatory and third-party approvals including CSE approval, and compliance with all applicable regulatory requirements and conditions in connection with the Sale Agreement;
- (g) neither party shall be subject to unresolved litigation or court proceedings;
- (h) there being no prohibition at law against the completion of the Transaction; and
- (i) the Closing Date shall be on or before December 31, 2020.

Representations and Warranties

The Sale Agreement contains representations and warranties made by and to the Company and the Purchaser for the purposes of the Transaction (and not to other parties) and are subject to qualifications and limitations agreed to by the parties in connection with negotiating and entering into the Sale Agreement. In addition, these representations and warranties were made as of specified dates, may be subject to a contractual standard of materiality different from what may be viewed as material to shareholders, or may have been used for the purpose of allocating risk between the parties instead of establishing such matters as facts. Moreover, information concerning the subject matter of the representations and warranties may have changed since the date of the Sale Agreement.

The Company has provided the Purchaser representations and warranties that include the following: organization and status; corporate power and authority to act pursuant to the Sale Agreement; authorization for the Sale Agreement; enforceability of the Sale Agreement; ownership of the Subsidiaries; no other agreements to purchase the Subsidiaries; insolvency; listing; absence of conflict; litigation; business; residence; and capital.

The Company has provided the Purchaser representations and warranties relating to the Subsidiaries, including the following: organization and status, corporate power and authority; no options on assets; conduct of business; insolvency; intellectual property; information technology; no finder's fees; full disclosure; no liabilities and no cash; no unknown documents; no material change; and that the corporate records and registration of the Subsidiaries have been updated as necessary.

The Purchaser has provided the Company representations and warranties that include the following: organization and corporate power; authorization; enforceability; insolvency; absence of conflict; and full disclosure.

Covenants of the Company relating to the Sale Agreement

The Company agreed that it shall perform all obligations required or desired to be performed by it under the Sale Agreement and shall do all such other acts and things as may be necessary or desirable in order to consummate and make effective, as soon as reasonably practicable, the Transaction contemplated in the Sale Agreement. Without limiting the generality of the foregoing, among other things, the Company has covenanted in favour of the Purchaser regarding:

- (a) exclusive dealings;
- (b) transfer of documentation;
- (c) investigation;
- (d) change and use of name;
- (e) vendor meeting;
- (f) conduct prior to Closing; and
- (g) notification of certain matters.

Covenants of the Purchaser relating to the Sale Agreement

The Sale Agreement provides that the Purchaser shall perform all obligations required or desirable to be performed by it under the Sale Agreement and shall do all such other acts and things as may be necessary or desirable in order to consummate and make effective, as soon as reasonably practicable, the Transaction contemplated by the Sale Agreement. Without limiting the generality of the foregoing, among other things, the Purchaser has covenanted in favour of the Company regarding:

- (a) transfer of documentation;
- (b) notification of certain matters; and
- (c) regulatory approvals.

Termination

By notice given prior to or at Closing, subject to the conditions of closing, the Sale Agreement may be terminated as follows:

- (a) by the Purchaser if any condition for the benefit of the Purchaser has not been satisfied as of the Closing Date or if the satisfaction of any condition by the Closing Date is or becomes impossible (other than through the failure of the Purchaser to comply with its obligations under the Sale Agreement), and the Purchaser has not waived that condition on or before Closing Date;
- (b) by the Company if any condition for the benefit of the Company has not been satisfied as of the Closing Date or if the satisfaction of any condition by the Closing Date is or becomes impossible (other than through the failure of the Company to comply with their obligations under the Sale Agreement), and the Company has not waived that condition on or before the Closing Date;
- (c) by mutual consent of the Parties; or
- (d) by the Purchaser unless it is in material breach of the Sale Agreement or by the Company unless the Company is in material breach of the Sale Agreement, if the Closing has not occurred on or before December 31, 2020.

Amendment

The Sale Agreement may be supplemented, amended, restated or replaced only by written agreement signed by each Party.

Assignment

With the express written consent of the Company, the Purchaser may assign all of its rights and obligations under the Sale Agreement to an Affiliate of the Purchaser.

Arbitration

All disputes arising out of, or in connection with, the Sale Agreement, or in respect of any legal relationship associated with it or derived from it, will be finally resolved by arbitration administered by ICDR Canada under its Canadian Arbitration Rules.

Shareholder Approval

The Sale Agreement is subject to approval by shareholders and acceptance of its filing by the TSX Venture Exchange (the “TSXV”). Shareholders will be asked at the Meeting to consider, and if thought fit, approve the following resolution, with or without variation, as follows:

“BE IT RESOLVED THAT:

1. the share purchase agreement dated for reference September 17, 2020 (the “**Agreement**”) between the Company and 1255589 BC Ltd. be ratified, confirmed and approved, subject to acceptance by the TSX Venture Exchange;
2. any one officer or director of the Company is hereby authorized and directed, for and on behalf of the Company, to execute and deliver all such documents and to do all such acts and things as he or she may determine to be necessary or desirable in order to carry out the foregoing provisions of this resolution, the execution of any such document or the doing of any such acts and things being conclusive evidence of such determination; and
3. the directors of the Company be and are hereby authorized to revoke this resolution and abandon the Transaction, and any or all of the actions herein described, before it is acted on without further approval of the shareholders, if in the sole discretion of the board of directors of the Company, it is in the best interests of the Company to do so.”

This resolution must be approved, with or without variation, by a special majority of disinterested votes cast by shareholders represented by Proxy at the Meeting. The Board recommends that shareholders vote in favour of the Sale Agreement.

The Board unanimously recommends shareholders vote FOR the approval of the Sale Agreement.

In the absence of instruction to the contrary, the persons designated by management in the Proxy intend to vote FOR the preceding resolution.

AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR

Under National Instrument 52-110 of the Canadian Securities Administrators (“**NI 52-110**”), the Company is required to have an Audit Committee comprised of not less than three directors, a majority of whom are not officers, control persons or employees of the Company or an affiliate of the Company, and the Company is required 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 Audit Committee has a charter. A copy of the Audit Committee Charter is contained in the management information circular of the Company dated as at January 28, 2011 prepared in connection with the Company’s 2011 annual meeting and is available on SEDAR at www.sedar.com.

Composition of the Audit Committee

As at the financial year ended September 30, 2019, the Company did not have any members of the Audit Committee. Following the Meeting, the Board will appoint three Audit Committee members to bring the Company in compliance with NI 52-110, being Robert Geisthardt, Cale Thomas and Vikas Rajan. As contemplated by NI 52-110, all three of these members are considered independent and financially literate.

Relevant Education and Experience

See disclosure under the heading above “*Election of Directors*” for a brief description of the background of the members of the Audit Committee.

Each member of the Audit Committee and each Audit Committee nominee has adequate education and experience that is relevant to their performance as an Audit Committee member and, in particular, the requisite education and experience that have provided the member with:

- (a) an understanding of the accounting principles used by the Company to prepare its financial statements, and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- (b) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company’s financial statements, or experience actively supervising individuals engaged in such activities; and
- (c) an understanding of internal controls and procedures for financial reporting.

Audit Committee Oversight

The Audit Committee has not made any recommendations to the Board to nominate or compensate any auditor other than Davidson & Company LLP.

Reliance on Certain Exemptions

The Company’s current auditor, Davidson & Company LLP, has not provided any material non-audit services.

Pre-Approval Policies and Procedures

See the Company’s Audit Committee Charter contained in the management information circular of the Company dated as at January 28, 2011, which is available on SEDAR at www.sedar.com, for specific policies and procedures adopted by the Audit Committee for the engagement of non-audit services.

External Auditor Service Fees

The Audit Committee has reviewed the nature and amount of the non-audit services provided by Davidson & Company LLP to the Company to ensure auditor independence. Fees incurred during the last two financial years of the Company are outlined in the following table.

Nature of Services	Fees Paid to Auditor in Year Ended September 30, 2019	Fees Paid to Auditor in Year Ended September 30, 2018
Audit Fees ⁽¹⁾	20,000	20,000
Audit-Related Fees ⁽²⁾	Nil	Nil
Tax Fees ⁽³⁾	Nil	Nil
All Other Fees ⁽⁴⁾	Nil	Nil
Total	20,000	20,000

Notes:

- (1) “Audit Fees” include fees necessary to perform the annual audit of the Company’s consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) “Audit-Related Fees” include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) “Tax Fees” include fees for all tax services other than those included in “Audit Fees” and “Audit-Related Fees”. This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) “All Other Fees” include all other non-audit services.

Exemption

The Company is a “venture issuer” as defined in NI 52-110 and is relying upon the exemption in section 6.1 of NI 52-110 relating to Parts 3 (*Composition of Audit Committee*) and 5 (*Reporting Obligations*).

CORPORATE GOVERNANCE

General

Corporate governance refers to the policies and structure of the board of directors of a corporation, whose members are elected by and are accountable to the shareholders of the corporation. Corporate governance encourages establishing a reasonable degree of independence of the board of directors from executive management and the adoption of policies to ensure the board of directors recognizes the principles of good management. The Board is committed to sound corporate governance practices; as such practices are both in the interests of shareholders and help to contribute to effective and efficient decision-making.

The Board believes that good corporate governance improves corporate performance and benefits all shareholders. The Canadian Securities Administrators (the “CSA”) have adopted National Policy 58-201 *Corporate Governance Guidelines* (“NP 58-201”), which provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Company. In addition, the CSA have implemented National Instrument 58-101 *Disclosure of Corporate Governance Practices* (“NI 58-101”), which prescribes certain disclosure by the Company of its corporate governance practices. This section sets out the Company’s approach to corporate governance and addresses the Company’s compliance with NI 58-101.

Board of Directors

The Board is currently composed of four directors. Alan Schuler, Pascale Audette, and Parminder Singh all resigned as directors of the Company on March 4, 2020 leaving vacancies on the Board. On March 4, 2020, the Company appointed Robert Geisthardt, Zelong (Roger) He, Vikas Rajan and Cale Thomas as directors of the Company.

The Board facilitates its independent supervision over management by periodically holding meetings to discuss the Company’s operations at which members of management or non-independent directors are not in attendance and by retaining independent consultants where it deems necessary.

Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A “material relationship” is a relationship which could, in the view of the Company’s Board of Directors, be reasonably expected to interfere with the exercise of a director’s independent judgment. The

independent members of the Board are: Robert Geisthardt, Vikas Ranjan and Cale Thomas. The non-independent director of the Company is Zelong (Roger) He, who is the CEO of the Company.

Directorships

A director of the Company currently serves on boards of other reporting companies (or equivalent) as set out below:

Name of Director	Name of Reporting Issuer
Robert Geisthardt	Victory Capital Corp. (TSXV)
Zelong (Roger) He	Victory Capital Corp. (TSXV)
Vikas Rajan	Gravitas Financial Inc. (CSE) Marble Financial Inc. (CSE) Carl Data Solutions Inc. (CSE) The Mint Corporation (TSXV) Must Capital Inc. (formerly Intrinsic4D Inc.) (NEX)
Cale Thomas	Must Capital Inc. (formerly Intrinsic4D Inc.) (NEX) Carl Data Solutions Inc. (CSE).

Orientation and Continuing Education

When new directors are appointed, they receive an orientation, commensurate with their previous experience, on the business and on the responsibilities of directors. Board meetings may also include presentations by the Company's management and employees to give the directors additional insight into the Company's business.

Ethical Business Conduct

The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual directors' participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

Nomination of Directors

The Board considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience. The Board does not have a nominating committee, and these functions are currently performed by the Board as a whole.

The Company's management is continually in contact with individuals involved in areas of strategic interest to the Company. From these sources the Company has made numerous contacts and in the event that the Company was in a position to nominate any new directors, such individuals would be brought to the attention of the Board. The Company conducts the due diligence, reference and background checks on any suitable candidate. New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the time required and a willingness to serve.

Compensation

The Board considers compensation for the directors and its CEO on an annual basis.

Other Board Committees

In addition to the Audit Committee, the Board has in place a Compensation Committee. During the financial year ended September 30, 2019, there were no members of the Compensation Committee. Following the Meeting, the Board will appoint three Compensation Committee members, being Robert Geisthardt, Cale Thomas and Vikas Rajan.

Assessments

The Board regularly monitors the adequacy of information given to directors, communication between the Board and management, and the strategic direction and processes of the Board and committees.

STATEMENT OF EXECUTIVE COMPENSATION

Named Executive Officer

The following information is provided as required under *Statement of Executive Compensation – Venture Issuer*, Form 51-102F6V (the “**Statement of Executive Compensation**”), as such form is defined in National Instrument 51-102 (“**NI 51-102**”) and relates to the Company’s financial years ended September 30, 2019 and September 30, 2018.

In this section “Named Executive Officer” (“**NEO**”) means the CEO, the Chief Financial Officer (the “**CFO**”) and each of the three most highly compensated executive officers, other than the CEO and CFO, who were serving as executive officers at the end of the most recently completed financial year and whose total compensation was more than \$150,000 as well as any additional individuals for whom disclosure would have been provided except that the individual was not serving as an executive officer of the Company at the end of the most recently completed financial year.

Alan Schuler, the CEO of the Company from June 14, 2017 to March 4, 2020, and Darren Battersby, CFO of the Company since June 23, 2017, are each an NEO for the financial year ended September 30, 2019, and for the purposes of the following disclosure.

Compensation Discussion and Analysis

Executive compensation is based upon the need to provide a compensation package that will allow the Company to attract and retain qualified and experienced executives, balanced with a pay-for-performance philosophy. Compensation currently is, and historically has been, based upon a negotiated fee, with stock options and bonuses potentially being issued and paid as an incentive for performance. The Company does not presently have a long-term incentive plan for its NEOs. There is no policy or target regarding allocation between cash and non-cash elements of the Company’s compensation program.

The Board has assessed the Company’s compensation plans and programs for its executive officers to ensure alignment with the Company’s business plan and to evaluate the potential risks associated with those plans and programs. The Board has concluded that the compensation policies and practices do not create any risks that are reasonably likely to have a material adverse effect on the Company. The Board considers the risks associated with executive compensation and corporate incentive plans when designing and reviewing such plans and programs.

The Company has not adopted a policy restricting its executive officers or directors from purchasing financial instruments that are designated to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by its executive officers or directors. To the

knowledge of the Company, none of the executive officers or directors has purchased such financial instruments.

Philosophy and Objectives

The compensation program for the senior management of the Company is designed within this context with a view that the level and form of compensation achieves certain objectives, including:

- (a) attracting and retaining qualified executives;
- (b) motivating the short and long-term performance of these executives; and
- (c) better aligning their interests with those of the Company's shareholders.

In compensating its senior management, the Company has employed a combination of base salary and equity participation through its current Share Option Plan. Recommendations for senior management compensation are presented to the Board for review.

Base Salary

In the Board's view, paying base salaries which are reasonable in relation to the level of service expected while remaining competitive in the markets in which the Company operates is a first step to attracting and retaining qualified and effective executives.

Bonus Incentive Compensation

The Company's objective is to achieve certain strategic objectives and milestones. The Board will consider executive bonus compensation dependent upon the Company meeting those strategic objectives and milestones and sufficient cash resources being available for the granting of bonuses. The Board approves executive bonus compensation dependent upon compensation levels based on recommendations of the Board. Such recommendations are generally based on information provided by issuers that are similar in size and scope to the Company's operations.

Equity Participation

The Company believes that encouraging its executives and employees to become shareholders is the best way of aligning their interests with those of its shareholders. Equity participation is accomplished through the Company's current Share Option Plan and Restricted Share Unit Plan, in which certain securities are granted to executives and employees taking into account a number of factors, including the amount and term of options previously granted, base salary and bonuses and competitive factors. The amounts and terms of options granted are determined by the Board based on recommendations put forward by the CEO. Due to the Company's limited financial resources, the Company emphasises the provisions of option grants to maintain executive motivation.

NEO Compensation Table

The compensation paid to the NEOs during the Company's three most recently completed financial years of September 30, 2019, 2018 and 2017 is as set out below:

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$) ⁽⁶⁾	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Darren Battersby ⁽¹⁾ CFO, Secretary	2019	67,200	Nil	Nil	Nil	Nil	Nil	Nil	67,200
	2018	108,000	Nil	Nil	Nil	Nil	Nil	Nil	108,000
	2017	20,000	Nil	29,843	Nil	Nil	Nil	Nil	49,843
Alan Schuler ⁽²⁾ Former CEO	2019	109,426	Nil	Nil	Nil	Nil	Nil	Nil	109,416
	2018	133,316	Nil	Nil	Nil	Nil	Nil	Nil	133,316
	2017	51,668	Nil	Nil	Nil	Nil	Nil	Nil	51,668
David McAnerney ⁽³⁾ Former COO	2019	64,991	Nil	Nil	Nil	Nil	Nil	Nil	64,991
	2018	20,000	Nil	Nil	Nil	Nil	Nil	Nil	20,000
	2017	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Paul Reinhart ⁽⁴⁾ Former CEO	2019	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2018	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2017	38,000	Nil	Nil	Nil	Nil	Nil	Nil	\$38,000
Justin Blanchet ⁽⁵⁾ Former CFO	2019	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2018	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2017	25,500	Nil	Nil	Nil	Nil	Nil	Nil	25,500

Notes:

- (1) Mr. Battersby was appointed CFO on June 23, 2017 and was appointed Corporate Secretary of the Company on November 15, 2017.
- (2) Mr. Schuler was appointed CEO on June 14, 2017 and resigned as an officer of the Company on March 4, 2020.
- (3) Mr. McAnerney was appointed COO on July 3, 2018 and resigned as an officer of the Company on December 8, 2018.
- (4) Mr. Reinhart was appointed CEO on December 31, 2013 and resigned as an officer of the Company on June 14, 2017.
- (5) Mr. Blanchet was appointed CFO on April 20, 2012 and resigned as an officer of the Company on June 23, 2017.
- (6) These values are based on the grant date fair value of the options calculated using the Black-Scholes Method using the following assumptions: risk free interest rate of 2.12%; expected dividend rate of 0%; expected stock price volatility of 144%; and expected option life 10 years.

Outstanding NEO Options

The following table sets out all option-based awards and share-based awards outstanding as at September 30, 2019 for each NEO:

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾ (\$)	Number of Shares or units of Shares that have not vested (#)	Market or payout value of Share-based awards that have not vested (\$)	Market or payout value of vested Share-based awards not paid out or distributed (\$)
Darren Battersby	75,000	0.88	Sept. 21, 2027	Nil	Nil	Nil	Nil
Alan Schuler	Nil	Nil	-	Nil	Nil	Nil	Nil
David McAnerney	Nil	Nil	-	Nil	Nil	Nil	Nil

Note:

- (1) This amount is calculated based on the difference between the market value of the securities underlying the options at the end of September 30, 2017, which was \$0.18, and the exercise or base price of the option.

Director Compensation Table

The Company has no arrangements, standard or otherwise, pursuant to which directors are compensated by the Company for their services in their capacity as directors, or for committee participation, except for the granting from time to time of incentive stock options in accordance with the policies of the TSXV. The purpose of granting such options is to assist the Company in compensating, attracting, retaining and motivating the directors of the Company and to closely align the personal interests of such persons to that of the shareholders.

The compensation provided to directors of the Company, excluding all directors named above as an NEO, for the Company's two most recently completed financial years ended September 30, 2019 and 2018, is:

Name	Year	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$) ⁽⁸⁾	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Parminder Singh ⁽¹⁾	2019	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2018	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Pascale Audette ⁽²⁾	2019	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2018	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Alan Schuler ⁽³⁾	2019	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2018	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Paul Reinhart ⁽⁴⁾	2019	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2018	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Myles McGovern ⁽⁵⁾	2019	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2018	Nil	Nil	Nil	Nil	Nil	Nil	Nil
James Mutter ⁽⁶⁾	2019	5,541	Nil	Nil	Nil	Nil	Nil	5,541
	2018	47,267	Nil	Nil	Nil	Nil	Nil	47,267
Alex Rothwell ⁽⁷⁾	2019	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2018	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) Mr. Singh was appointed to be a director of the Company on May 28, 2018 and resigned as a director of the Company on March 4, 2020.
- (2) Ms. Audette was appointed to be a director of the Company on January 29, 2018 and resigned as a director of the Company on March 4, 2020.
- (3) Mr. Schuler was appointed to be a director of the Company on June 14, 2017 and resigned as a director of the Company on March 4, 2020.
- (4) Mr. Reinhart was appointed to be a director of the Company on December 31, 2013 and resigned as a director of the Company on January 29, 2018.
- (5) Mr. McGovern was appointed to be a director of the Company on June 14, 2017 and resigned as a director of the Company on May 28, 2018.
- (6) Mr. Mutter was appointed to be a director of the Company on June 14, 2017 and resigned as a director of the Company on December 8, 2018.
- (7) Mr. Rothwell was appointed to be a director of the Company on June 23, 2017 and resigned as a director of the Company on December 7, 2018.
- (8) These values are based on the grant date fair value of the options calculated using the Black-Scholes Method using the following assumptions: risk free interest rate of 1.7%; expected dividend rate of 0%; expected stock price volatility of 85%; and expected option life 5 years.

Outstanding Director Options

The following table sets out all option-based awards and share-based awards outstanding as at September 30, 2019, for each director, excluding all directors named above as an NEO for the Company:

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of Shares or units of Shares that have not vested (#)	Market or payout value of Share-based awards that have not vested (\$) ⁽¹⁾	Market or payout value of vested Share-based awards not paid out or distributed (\$)
Pascale Audette	25,000	0.88	Sept. 21, 2027	Nil	Nil	Nil	Nil
Alan Schuler	Nil	Nil	-	Nil	Nil	Nil	Nil
Parminder Singh	Nil	Nil	-	Nil	Nil	Nil	Nil

Incentive Plan Awards – Value Vested or Earned During the Year

As the market share price was below the exercise price of all outstanding options, there was no value vested or earned on incentive plan awards by each NEO and Director during each of the financial year ended September 30, 2019.

Actions, Decisions or Policies Made After September 30, 2019

Subsequent to September 30, 2019, the Company is closing the Sale Agreement for sale of the Company’s Subsidiaries in exchange for the purchaser assuming all \$693,333 of convertible debenture debt. The closing of the Transaction is subject to the Company achieving shareholder approval and the CTO being revoked.

Share-Based and Option-Based Awards

Share Option Plan

The Company has a fixed Share Option Plan (the “**Share Option Plan**”) in place, which was established to provide incentive to qualified parties to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company. Stock options (the “**Options**”) are granted to executives and employees (the “**Optionees**”) taking into account a number of factors, including the amount and term of Options previously granted, base salary and bonuses and competitive factors. The amounts and terms of the Options granted are determined by the Board based on recommendations put forward by the CEO and CFO. Due to the Company’s limited financial resources, the Company emphasizes the provisions of option grants to maintain executive motivation.

The Share Option Plan, under which convertible securities can be issued as an additional mechanism to encourage equity participation in the Company by officers and other key employees, for the purposes of the fixed Restricted Share Unit Plan (described below), is considered a Share Compensation Arrangement and any grants under the Share Option Plan would be considered in the limitations under the Restricted Share Unit Plan listed hereunder.

The material terms of the Share Option Plan are as follows.

Service Provider

“Service Provider” means a Person who is a bona fide director, officer, employee, management company employee, consultant or company consultant, and also includes a company, 100% of the share capital of which is beneficially owned by one or more Service Providers;

Maximum Plan Shares

The maximum aggregate number of Share Option Plan Shares that may be reserved for issuance under the Share Option Plan at any point in time is 10% of the Company’s issued and outstanding Shares at the time the Share Option Plan Shares are reserved for issuance as a result of the grant of an Option, less any Shares reserved for issuance under share options granted under Share Compensation Arrangements other than this Share Option Plan, unless the Share Option Plan is amended pursuant to the requirements of TSXV Policies.

Limitations on Issue

The following restrictions on issuances of Options are applicable under the Share Option Plan:

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

Maximum Percentage to Insiders

The aggregate number of Shares reserved for issuance to Insiders under the Share Option Plan will not exceed 10% of the Company’s issued and outstanding Shares.

The number of Shares issued to Insiders within any one-year period under the Share Option Plan will not exceed 10% of the Company’s issued and outstanding Shares.

Exercise Price

The Exercise Price of an Option will be set by the Board at the time such Option is allocated under the Share Option Plan, and cannot be less than the Discounted Market Price (as defined by Policy 1.1 of TSXV Policies);

Vesting of Options

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

- (a) the Service Provider remaining employed by or continuing to provide services to the Company or any of its Affiliates as well as, at the discretion of the Board, achieving certain milestones which

may be defined by the Board from time to time or receiving a satisfactory performance review by the Company or any of its Affiliates during the vesting period; or

- (b) the Service Provider remaining as a Director of the Company or any of its Affiliates during the vesting period.

Vesting of Options Granted to Consultants Conducting Investor Relations Activities

Options granted to Consultants conducting Investor Relations Activities will vest:

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

Term of Option

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

Expiry Date

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

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

Assignability of Options

All Options will be exercisable only by the Optionee to whom they are granted and will not be assignable or transferable.

Amendment of the Plan by the Board of Directors

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

- (a) it may make amendments which are of a typographical, grammatical or clerical nature only;
- (b) it may change the vesting provisions of an Option granted hereunder, subject to prior written approval of the TSXV, if applicable;
- (c) it may change the termination provision of an Option granted hereunder which does not entail an extension beyond the original Expiry Date of such Option;
- (d) it may make amendments necessary as a result in changes in securities laws applicable to the Company;
- (e) if the Company becomes listed or quoted on a stock exchange or stock market senior to the TSXV, it may make such amendments as may be required by the policies of such senior stock exchange or stock market; and
- (f) it may make such amendments as reduce, and do not increase, the benefits of this Share Option Plan to Service Providers.

Amendments Requiring Disinterested Shareholder Approval

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

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

Takeover Bid

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

Black-Out Period

The Share Option Plan also contains a “black-out” provision. Should the Expiry Date for an Option fall within a Blackout Period, or within nine (9) Business Days following the expiration of a Blackout Period, such Expiry Date shall, subject to the approval of TSXV (or the NEX, as the case may be), be automatically extended without any further act or formality to that day which is the tenth (10th) Business Day after the end of the Blackout Period, such tenth Business Day to be considered the Expiry Date for such Option for all purposes under the Plan. Notwithstanding provisions in the Share Option Plan, the tenth Business Day period referred to in the Share Option Plan may not be extended by the Board.

Restricted Share Unit Plan

In addition to the Share Option Plan, the Company has a fixed Restricted Share Unit Plan in place, which was approved by the Company’s shareholders on February 10, 2017 (the “**RSU Plan**”). The RSU Plan was established to provide certain directors, officers, consultants and other key employees (an “**Eligible Person**”) of the Company and its related entities with the opportunity to acquire restricted share units (“**RSUs**”) of the Company, thereby allowing an Eligible Person to participate in the long-term success of the Company thus promoting the alignment of an Eligible Person’s interests with the shareholders.

The RSU Plan allows the Company to grant RSUs, under and subject to the terms and conditions of the RSU Plan, which may be exercised to purchase up to a maximum of 1,750,000 Shares.

Nature and Administration of the RSU Plan

As defined in the RSU Plan, Eligible Persons may participate in the RSU Plan (as “**Recipients**”), and the Company reserves the right to restrict eligibility or otherwise limit the number of persons eligible for participation as a Recipient in the RSU Plan. Eligibility to participate as a Recipient in the RSU Plan does not confer upon any person a right to receive an award of RSUs.

Subject to certain restrictions, the Board or its appointed committee, can, from time to time, award RSUs to Eligible Persons. RSUs will be credited to an account maintained for each Recipient on the books of the Company as of the award date. The number of RSUs to be credited to each Recipient’s account shall be determined at the discretion of the Board and pursuant to the terms of the RSU Plan.

Each award of RSUs vests on the date(s) (each a “**Vesting Date**”) that is the later of the Trigger Date (as defined in the RSU Plan) and the date upon which the relevant Performance Condition or other vesting condition set out in the award has been satisfied, subject to the requirements of the RSU Plan.

RSUs and all other rights, benefits or interests in this Plan are non-transferable and may not be pledged or assigned or encumbered in any way and are not subject to attachment or garnishment, except that if a Recipient dies the legal representatives of the Recipient will be entitled to receive the amount of any payment otherwise payable to the Recipient hereunder in accordance with the provisions hereof.

Credit for Dividends

A Recipient’s account will be credited with additional RSUs as of each dividend payment date in respect of which cash dividends are paid on Shares. The number of additional RSUs to be credited to a Recipient’s account is computed by multiplying the amount of the dividend per Share by the aggregate number of RSUs that were credited to the Recipient’s account as of the Record Date for payment of the dividend, and dividing that number by the Fair Market Value (as defined in the RSU Plan). Note that the Company is not obligated to pay dividends on Shares.

Resignation, Termination, Leave of Absence or Death

Generally, if a Recipient's employment or service is terminated, or if the Recipient resigns from employment with the Company, then any RSUs credited to him or her under the RSU Plan which have not vested on or before the separation date for the Recipient are forfeited, cancelled and terminated without payment.

In the event a Recipient is terminated without cause, unvested RSUs will immediately vest on the date of termination. If a Recipient's employment or service is terminated (otherwise than without cause), or the Recipient enters Retirement (as defined in the RSU Plan), dies, or suffers Total Disability (as defined in the RSU Plan), all unvested RSUs are automatically cancelled without compensation.

Control Change

In the event of a Change of Control (as defined in the RSU Plan), all RSUs credited to a Recipient vest on the date on which the Change of Control occurs. Within thirty (30) days after the date on which the Change of Control Occurs, the Recipient must receive a payment equal to the number of RSUs that vested on the date of the Change of Control, multiplied by the Fair Market Value on that date.

Adjustments

In the event of any dividend paid in Shares, Share subdivision, combination or exchange of Shares, merger, consolidation, spin-off or other distribution of Company assets to shareholders, or any other change in the capital of the Company affecting Shares, the Board will make adjustments with respect to the number of RSUs outstanding and any proportional adjustments as it, in its discretion, considers appropriate to reflect the change.

Vesting

The Board has discretion to grant RSUs to Eligible Persons as it determines is appropriate, and can impose conditions on vesting as it sees fit in addition to the Performance Conditions (as defined in the RSU Plan) if any. Vesting occurs on the date set by the Board at the time of the grant or if no date is set then December 1 of the third calendar year following the date of the grant (the "**Trigger Date**"), and the date upon which the relevant Performance Condition or other vesting condition has been satisfied, subject to the limitations of the RSU Plan.

The Board may accelerate the Trigger Date of any RSU at its election.

Limitations under the RSU Plan

Unless Disinterested Shareholder Approval is obtained, or unless permitted otherwise by the rules of the Exchange:

- (a) the maximum number of Shares which may be reserved for issuance to Insiders, as a group, under the Plan together with any other Share Compensation Arrangement of the Company (as defined in the RSU Plan), cannot exceed 10% of the issued Shares;
- (b) the maximum number of RSUs that may be granted to Insiders, as a group, under the Plan together with any other Share Compensation Arrangement, within a 12-month period, cannot exceed 10% of the issued Shares calculated on the date of the grant of the RSUs; and
- (c) the maximum number of RSUs that can be granted to any one Eligible Person under the Plan, together with any other Share Compensation Arrangement, within a 12-month period, cannot exceed 5% of the issued Shares calculated on the date of the grant of the RSUs.

Amendment or Termination of RSU Plan

The Board may amend or terminate the RSU Plan at any time, but the consent of the Recipient is required for any such amendment that adversely affects the rights of the Recipient, unless the amendment or termination is required by law. A termination of the RSU Plan will not accelerate the vesting of RSUs or the time which a Recipient would otherwise be entitled to receive payment in respect of the RSUs.

PENSION PLAN BENEFITS

The Company does not have any pension or retirement plan. The Company has no benefit, contribution, deferred or pension plans that provide for payments or benefits at, following, or in connection with retirement or otherwise.

See disclosure under the heading “*Securities Authorized under Equity Compensation Plans*” for further information with respect to the Share Option Plan.

MANAGEMENT CONTRACTS

There are no management functions of the Company, which are to any substantial degree performed by a person or company other than the directors or executive officers of the Company.

TERMINATION AND CHANGE OF CONTROL BENEFITS

The Company does not have any contracts, agreements, plans or arrangements that provide for payments to an NEO at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change of control of the Company or a change in an NEO’s responsibilities.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The Board has adopted a fixed Share Option Plan together with a fixed RSU Plan as the Company’s share incentive regime. See disclosure under “*Share-Based and Option-Based Awards*” under “*Statement of Executive Compensation*” above for disclosure on the Company’s equity compensation regime.

The following table sets out equity compensation plan information as at the end of the financial year ended September 30, 2019 when there were Options outstanding to purchase 100,000 Shares and there were no Restricted Share Units outstanding.

	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Plan Category	(a)	(b)	(c)
Equity compensation plans approved by securityholders - (the Share Option Plan)	100,000	0.88	3,110,809
Equity compensation plans approved by securityholders - (the Restricted Share Unit Plan)	Nil	Nil	Nil

	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Plan Category	(a)	(b)	(c)
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
Total	100,000	0.88	3,110,809

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No directors, proposed nominees for election as directors, executive officers or their respective associates or affiliates, or other management of the Company were indebted to the Company as of the financial year ended September 30, 2019, or as at the date hereof.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No informed person (as defined by NI 51-102), proposed director of the Company, or any associate or affiliate of any informed person or proposed director of the Company has, since the commencement of the last financial year of the Company, had any material interest, direct or indirect, in any transactions which materially affected or would materially affect the Company or any of its subsidiaries.

ADDITIONAL INFORMATION

Additional information relating to the Company is included in the Audited Consolidated Financial Statements for the year ended September 30, 2019 and the unaudited interim financial statement of the nine months ended June 30, 2020 are filed on SEDAR at www.sedar.com.

Additional information relating to the Company is filed on SEDAR at www.sedar.com and is available upon request from the Company's Corporate Secretary at Unit 302 – 1353 Ellis Street, Kelowna, British Columbia, V1Y 1Z9, telephone number: 250-448-7172. Copies of documents will be provided free of charge to security holders of the Company. The Company may require payment of a reasonable charge from any person or company who is not a securityholder of the Company, who requests a copy of any such document.

OTHER MATTERS

The Board is not aware of any other matters which it anticipates will come before the Meeting as of the date of mailing of this Information Circular.

BOARD APPROVAL

The contents of this Information Circular and its distribution to shareholders have been approved by the Board.

DATED at Vancouver, British Columbia, October 6, 2020.

BY ORDER OF THE BOARD

/s/ "Zelong (Roger) He"

Zelong (Roger) He
Chief Executive Officer and Director