

## STATEMENT OF EXECUTIVE COMPENSATION

Securities laws require that a "Statement of Executive Compensation" in accordance with Form 51-102F6 be provided to its shareholders. Such disclosure is to be provided in the issuer's information circular for its annual meeting and if such circular is not provided to shareholders within 180 days of the issuer's fiscal year end, Section 9.3.1 of National Instrument 51-102 – Continuous Disclosure Obligations, provides that such issuer must file on SEDAR the same Statement of Executive Compensation disclosure that would be included in the information circular within the 180 day period. Form 51-102F6 prescribes the disclosure requirements in respect of the compensation of executive officers and directors of reporting issuers. Form 51-102F6 provides that compensation disclosure must be provided for the Chief Executive Officer and the Chief Financial Officer of an issuer and each of the three most highly compensated executive officers whose total compensation exceeds \$150,000. Based on those requirements, the executive officers of the Company for whom disclosure is required under Form 51-102F6 are Mr. Avi Geller, its Interim CEO (appointed October 30, 2018), Mr. Bryan Wallner, its former and CEO (resigned September 30, 2018) and Ms. JoAnne Odette, its CFO, and such individuals are collectively referred to as the "Named Executive Officers".

### Definitions

For the purpose of this statement of executive compensation:

- (i) "**CEO**" means an individual who acted as chief executive officer of the company, or acted in a similar capacity, for any part of the most recently completed financial year;
- (ii) "**CFO**" means an individual who acted as chief financial officer of the company, or acted in a similar capacity, for any part of the most recently completed financial year;
- (iii) "**closing market price**" means the price at which the company's security was last sold, on the applicable date,
  - (i) in the security's principal marketplace in Canada, or
  - (ii) if the security is not listed or quoted on a marketplace in Canada, in the security's principal marketplace;
- (iv) "**company**" includes other types of business organizations such as partnerships, trusts and other unincorporated business entities;
- (v) "**equity incentive plan**" means an incentive plan, or portion of an incentive plan, under which awards are granted and that falls within the scope of Section 3870 of the Handbook;
- (vi) "**external management company**" includes a subsidiary, affiliate or associate of the external management company;
- (vii) "**grant date**" means a date determined for financial statement reporting purposes under Section 3870 of the Handbook;
- (viii) "**incentive plan**" means any plan providing compensation that depends on achieving certain performance goals or similar conditions within a specified period;
- (ix) "**incentive plan award**" means compensation awarded, earned, paid or payable under an incentive plan;
- (x) "**NEO**" or "**named executive officer**" means each of the following individuals:
  - (i) a CEO;
  - (ii) a CFO;
  - (iii) each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000, as determined in accordance with subsection 1.3(6) of Form 51-102F6, for that financial year; and

- (iv) each individual who would be a NEO under paragraph (iii) but for the fact that the individual was neither an executive officer of the company, nor acting in a similar capacity, at the end of that financial year;
- (xi) "**non-equity incentive plan**" means an incentive plan or portion of an incentive plan that is not an equity incentive plan;
- (xii) "**option-based award**" means an award under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights and similar instruments that have option-like features;
- (xiii) "**plan**" includes any plan, contract, authorization or arrangement, whether or not set out in any formal document, where cash, securities, similar instruments or any other property may be received, whether for one or more persons;
- (xiv) "**replacement grant**" means an option that a reasonable person would consider to be granted in relation to a prior or potential cancellation of an option;
- (xv) "**share-based award**" means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units, and stock.

## **Compensation Discussion and Analysis**

### ***NEO Compensation Discussion and Analysis***

The objective of the Company's compensation strategy is to provide adequate levels of base compensation for its NEOs as well as discretionary bonuses to act as incentive mechanisms for achieving corporate goals and objectives. Each NEO receives a base salary in recognition of the position's day-to-day duties and responsibilities, which constitutes the largest share of the NEO's compensation package. The Board of Directors (the "**Board**") reviews each NEO's base salary on an annual basis, and may also consider a NEO's qualifications, experience, length of service and past contributions in determining an NEO's base salary.

The Board may also set, throughout the year, discretionary bonuses to serve as incentive mechanisms for the meeting of particular corporate goals and objectives, or for the Company's financial performance. NEOs are also eligible to participate in the Company's stock option plan (the "**Option Plan**") and receive grants of stock options thereunder.

The Company relies on Board discussion, without formal objectives, criteria and analysis, when determining executive compensation. There are currently no formal performance goals or similar conditions that must be satisfied in connection with the payment of executive compensation. The NEOs' performances and salaries or fees are to be reviewed periodically. Increases in management fees are to be evaluated on an individual basis and are performance and market-based. Compensation is not tied to performance criteria or goals such as milestones, agreements or transactions, and the Company does not use a "peer group" to determine compensation.

### ***Option-Based Awards***

The Option Plan is used to attract, retain and incentivize qualified and experienced personnel. The Option Plan is an important part of the Company's long-term incentive strategy for its NEOs, as well as for its other directors, officers, other management, employees and consultants (collectively, "**eligible persons**"), permitting them to participate in any appreciation of the market value of the Company's common shares over a stated period of time. The Option Plan is designed to foster a proprietary interest in stock ownership, and to reinforce a commitment to the Company's long-term growth, performance and success as well as increasing shareholder value. The Board reviews the grant of stock options to NEOs from time to time, based on various factors such as the NEO's level of responsibility and role and importance in the Company achieving its corporate goals, objectives and prospects. Previous grants of options are taken into account when considering new grants of stock options to NEOs.

The Company has no equity compensation plans other than the Option Plan.

### *Use of Financial Instruments*

The Company does not have a policy that would prohibit a Named Executive Officer or director from purchasing financial instruments, including prepaid variable forward contracts, equity swaps, collars or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the Named Executive Officer or director. However, management is not aware of any Named Executive or director purchasing such an instrument.

### **NEO Summary Compensation Table**

The following table sets out certain information respecting the compensation paid to the NEOs during the three most recently completed financial year(s) in which they were acting in the capacity of an NEO.

Name and principal position  (a)	Year <sup>(1)</sup>  (b)	Salary, Consulting Fee, Retainer or Commission (\$)  (c)	Share based awards (\$)  (d)	Option based awards (\$) <sup>(2)</sup>  (e)	Non-equity incentive plan compensation  (f)		Pension value  (g)	All other compensation  (h)	Total compensation  (i)
					Annual incentive plans  (f1)	Long-term incentive plans  (f2)			
Avi Geller <sup>(3)</sup> Interim CEO and Director	2018	10,000	n/a	n/a	n/a	n/a	n/a	n/a	10,000
Bryan Wallner <sup>(4)</sup> Former CEO and Former Director	2018	111,000	n/a	n/a	n/a	n/a	n/a	n/a	111,000
	2017	126,000	n/a	59,911	n/a	n/a	n/a	n/a	185,911
	2016	67,200	n/a	25,094	n/a	n/a	n/a	n/a	92,294
JoAnne Odette <sup>(5)</sup> CFO	2018	85,750	n/a	n/a	n/a	n/a	n/a	n/a	85,750
	2017	17,500	n/a	n/a	n/a	n/a	n/a	n/a	17,500

*Notes:*

- (1) Fiscal year ("FY") ended October 31.
- (2) Deemed fair value of options granted and vested during the fiscal year, based on the Black-Scholes model. See audited annual financial statements for the respective fiscal year for the underlying assumptions with respect to options granted in that year.
- (3) Avi Geller was appointed a director on May 30, 2018, and as Interim CEO on October 30, 2018. In FY 2018, director fees of \$10,000 were paid to Leonite Capital LLC, an entity controlled by Mr. Geller.
- (4) Bryan Wallner was appointed as a Director on June 9, 2015; appointed as Interim CEO and Interim President on June 2, 2016; appointed as CEO on July 26, 2016; ceased to be a director following the annual general and special meeting of the Company's shareholders held on August 15, 2018; and resigned as CEO on September 30, 2018. In FY 2016, Mr. Wallner was paid \$14,700 as a director and \$52,500 (inclusive of GST) as an executive officer of the Company. Mr. Wallner was paid (inclusive of GST) \$126,000 in FY 2017 and \$111,000 in FY 2018 as an executive officer of the Company.
- (5) JoAnne Odette was appointed CFO on August 16, 2017.

## **NEO Incentive Plan Awards**

### ***Outstanding Share-Based Awards and Option-Based Awards***

The following table sets out certain information respecting each NEO's share-based and option-based awards outstanding at the end of the most recently completed financial year, including awards granted before the most recently completed financial year.

Name  (a)	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#) (b)	Option exercise price (\$) (c)	Option expiration date dd/mm/yy (d)	Value of unexercised in-the-money-options <sup>(1)</sup> (\$) (e)	Number of shares or units of shares that have not vested (#) (f)	Market or payout value of share-based awards that have not vested (\$) (g)	Market or payout value of vested share-based awards not paid out or distributed (\$) (h)
Avi Geller	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Bryan Wallner <sup>(2)</sup>	200,000 300,000	0.50 0.30	01/04/19 15/08/19	Nil Nil	n/a	n/a	n/a
JoAnne Odette	50,000	0.30	09/01/22	Nil	n/a	n/a	n/a

Notes:

- (1) Based on the difference between the exercise price of the option and the closing market price of the Company's common shares on the TSX Venture Exchange (the "Exchange") on the last day of the financial year ended October 31, 2018, being \$0.30.
- (2) Mr. Wallner ceased to be a director following the annual general and special meeting of the Company's shareholders held on August 15, 2018; and resigned as CEO on September 30, 2018. The expiration of the options held by Mr. Wallner in the above schedule reflect the earlier of the original expiration date of the option granted or the expiration of the extension period to exercise options after ceasing to be a director.

### ***Incentive Plan Awards – Value Vested Or Earned During The Year***

The following table sets out certain information respecting the value of each NEO's share-based and option-based awards that became vested or were earned during the most recently completed financial year.

Name	Option-based awards –Value vested during the year <sup>(1)</sup> (\$)	Share-based awards –Value vested during the year (\$)	Non-equity incentive plan compensation –Value earned during the year (\$)
Avi Geller	n/a	n/a	n/a
Bryan Wallner	n/a	n/a	n/a
JoAnne Odette	n/a	n/a	n/a

Notes:

- (1) For options that became vested during the financial year ended October 31, 2018 and were in-the-money on their vesting date, based on the difference between the exercise price of the option and the closing market price of the Company's common shares on the Exchange on the vesting date.

## **NEO Termination and Change of Control Benefits**

There are no provisions in any contract, agreement, plan or arrangement that provides for payments to a NEO at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change of control in the Company or a change in the NEO's responsibilities.

## **DIRECTOR COMPENSATION**

### **Director Compensation Table**

The following table sets out certain information respecting the compensation paid for the Company's most recently completed financial year to directors who were not NEOs during the Company's most recently completed financial year:

<b>Name</b>	<b>Fees earned</b>	<b>Share-based awards</b>	<b>Option-based awards<sup>(1)</sup></b>	<b>Non-equity incentive plan compensation</b>	<b>Pension value</b>	<b>All other compensation</b>	<b>Total</b>
<b>(a)</b>	<b>(b)</b>	<b>(c)</b>	<b>(d)</b>	<b>(e)</b>	<b>(f)</b>	<b>(g)</b>	<b>(h)</b>
Brad Miller <sup>(2)</sup>	5,250	n/a	n/a	n/a	n/a	n/a	5,250
Elie Norowitz <sup>(3)</sup>	10,000	n/a	n/a	n/a	n/a	n/a	10,000
David Delaney <sup>(4)</sup>	19,300	n/a	n/a	n/a	n/a	n/a	19,300
Bradley Dunkley <sup>(5)</sup>	24,000	n/a	n/a	n/a	n/a	n/a	24,000
Joel Dumaresq <sup>(6)</sup>	14,700	n/a	n/a	n/a	n/a	n/a	14,700
David Mullen <sup>(7)</sup>	14,700	n/a	n/a	n/a	n/a	n/a	14,700
Pesach (Pace) Goldman <sup>(8)</sup>	94,400	n/a	n/a	n/a	n/a	n/a	94,400

*Notes:*

- (1) Deemed fair value of options granted and vested during the fiscal year, based on the Black-Scholes model. See audited annual financial statements for the most recently completed financial year for underlying assumptions for options granted in the most recently completed financial year.
- (2) Mr. Miller was elected as a director at the annual general and special meeting of the Company's shareholders held on August 15, 2018. Director fees (inclusive of GST) are paid to a company controlled by Mr. Miller.
- (3) Mr. Norowitz was appointed as a director on June 6, 2018.
- (4) Mr. Delaney was appointed as a director on May 30, 2018. Effective October 1, 2018, the Company engaged Mr. Delaney as an independent contractor to satisfy the Company's need for an interim Executive Chairman. In FY 2018, Mr. Delaney was paid \$8,000 as a director, and \$11,300 (inclusive of HST) in fees.
- (5) Mr. Dunkley was appointed as a director on May 18, 2017.
- (6) Mr. Dumaresq was appointed as a director on January 27, 2015. Mr. Dumaresq resigned as a director on May 29, 2018. Director fees (inclusive of GST) were paid to a company controlled by Mr. Dumaresq.
- (7) Mr. Mullen was appointed as a director on June 9, 2015. Mr. Mullen resigned as a director on May 29, 2018. Director fees (inclusive of GST) were paid to a company controlled by Mr. Mullen.
- (8) Mr. Goldman was appointed as a director on November 25, 2013. Effective March 1, 2017, the Company engaged Mr. Goldman to assist management in strategy, business development and analysis. Mr. Goldman tendered his resignation from this engagement on August 14, 2018, and ceased to be a director following the annual general and special meeting of the Company's shareholders held on August 15, 2018. In FY 2018, Mr. Goldman was paid \$20,000 as a director, and \$74,400 in salary.

## Share-based Awards, Option-based Awards and Non-equity Incentive Plan Compensation

### *Outstanding Share-Based Awards and Option-Based Awards*

The following table sets out certain information respecting share-based and option-based awards outstanding at the end of the most recently completed financial year, including awards granted before the most recently completed financial year, for the directors of the Company who were not NEOs during the Company's most recently completed financial year.

Name (a)	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#) (b)	Option exercise price (\$) (c)	Option expiration date dd/mm/yy (d)	Value of unexercised in-the-money options <sup>(1)</sup> (\$) (e)	Number of shares or units of shares that have not vested (#) (f)	Market or payout value of share-based awards that have not vested (\$) (g)	Market or payout value of vested share-based awards not paid out or distributed (\$) (h)
Brad Miller	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Elie Norowitz	n/a	n/a	n/a	n/a	n/a	n/a	n/a
David Delaney	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Bradley Dunkley	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Joel Dumaresq <sup>(2)</sup>	200,000 50,000	0.50 0.30	29/05/19 29/05/19	Nil Nil	n/a	n/a	n/a
David Mullen <sup>(2)</sup>	200,000 50,000	0.50 0.30	01/04/19 29/05/19	Nil Nil	n/a	n/a	n/a
Pesach (Pace) Goldman <sup>(2)</sup>	200,000 50,000	0.50 0.30	13/06/19 15/08/19	Nil Nil	n/a	n/a	n/a

Notes:

(1) Based on the difference between the exercise price of the option and the closing market price of the Company's common shares on the Exchange on the last day of the financial year ended October 31, 2018, being \$0.30.

(2) The expiration of the options in the above schedule reflect the earlier of the original expiration date of the option granted or the expiration of the extension period to exercise options after ceasing to be a director.

Mr. Dumaresq and Mr. Mullen resigned as directors on May 29, 2018. Mr. Goldman ceased to be a director following the annual general and special meeting of the Company's shareholders held on August 15, 2018.

### *Incentive Plan Awards – Value Vested Or Earned During The Year*

The following table sets out certain information respecting the value of share-based and option-based awards that became vested or were earned during the most recently completed financial year, for the directors of the Company who were not NEO's during the Company's most recently completed financial year.

Name	Option-based awards –Value vested during the year <sup>(1)</sup> (\$)	Share-based awards –Value vested during the year (\$)	Non-equity incentive plan compensation –Value earned during the year (\$)
Brad Miller	n/a	n/a	n/a
Elie Norowitz	n/a	n/a	n/a
David Delaney	n/a	n/a	n/a

Bradley Dunkley	n/a	n/a	n/a
Joel Dumaresq <sup>(2)</sup>	n/a	n/a	n/a
David Mullen <sup>(2)</sup>	n/a	n/a	n/a
Pesach (Pace) Goldman <sup>(2)</sup>	n/a	n/a	n/a

*Notes:*

- (1) For options that became vested during the financial year ended October 31, 2018 and were in-the-money on their vesting date, based on the difference between the exercise price of the option and the closing market price of the Company's common shares on the Exchange on the vesting date.*
- (2) Mr. Dumaresq and Mr. Mullen resigned as directors on May 29, 2018. Mr. Goldman ceased to be a director following the annual general and special meeting of the Company's shareholders held on August 15, 2018.*