

LEO ACQUISITIONS CORP.

**NOTICE OF ANNUAL AND SPECIAL MEETING OF
SHAREHOLDERS TO BE HELD ON JANUARY 13, 2021**

AND

MANAGEMENT INFORMATION CIRCULAR

**DATED
December 14, 2020**

Due to the ongoing concerns related to the spread of the coronavirus (COVID-19) and in order to protect the health and safety of Shareholders, employees, other stakeholders and the community, Shareholders are strongly encouraged to listen to the Meeting via teleconference instead of attending the Meeting in person and to vote on the matters before the Meeting by proxy, appointing the person designated by management in the proxy form or voting instruction form.

LEO ACQUISITIONS CORP.

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

TAKE NOTICE THAT an annual and special meeting (the "**Meeting**") of the shareholders of Leo Acquisitions Corp. (the "**Corporation**") will be held at the offices of DNTW Toronto LLP, 45 Sheppard Avenue East, Suite 703 Toronto, Ontario M2N 5W9 on January 13, 2021 at 10:00 a.m. (Toronto time), which will also be accessible by teleconference toll free within North America at 1-800-901-0218 and outside of North America at 1-719-234-0223, Meeting ID: 783 002 1841. The Meeting will be held for the following purposes:

1. to receive the audited financial statements of the Corporation for the financial years ended June 30, 2020 and 2019 and the auditors' report thereon;
2. to re-appoint RSM Canada LLP as auditor of the Corporation, until the next general meeting of the Corporation or completion of the proposed qualifying transaction with PsyBio Therapeutics, Inc. (the "**Qualifying Transaction**") as more fully described in the management information circular in respect of the Meeting (the "**Circular**") accompanying this notice of Meeting, and authorize the board of directors (the "**Board**") of the Corporation to fix the auditor's remuneration;
3. to elect the directors of the Corporation that will hold office until the next general meeting of the Corporation or completion of the Qualifying Transaction;
4. to consider and, if deemed appropriate, to pass, with or without variation, an ordinary resolution ratifying and approving the Corporation's rolling stock option plan, as more fully described in the Circular accompanying this notice of Meeting (the "**Legacy Plan**");
5. conditional on and effective upon the completion of the Qualifying Transaction, to fix the number of directors of the Corporation at four (4) and elect the directors of the Corporation, as more fully described in the Circular accompanying this notice of Meeting;
6. conditional on and effective upon the completion of the Qualifying Transaction, to appoint MNP LLP as auditor for the Corporation and authorize the Board to fix the auditor's remuneration;
7. to consider and, if thought advisable, pass, with or without variation, a special resolution (the "**Continuance Resolution**"), the full text of which is set forth in the Circular, approving: (i) the application by the Corporation to the Ontario Ministry of Government and Consumer Services for authorization for the Corporation to continue from the Province of Ontario into the Province of British Columbia (the "**Continuance**") prior to the completion of the Qualifying Transaction; and (ii) the filing with the Registrar of Companies under the Business Corporations Act (British Columbia) (the "**BCBCA**") of an application for the Continuance (the "**Continuance Application**"). The Continuance Resolution, if passed, will also approve: (i) the adoption by the Corporation upon the completion of the Continuance of articles under the BCBCA in the form attached hereto as Schedule "A" (the "**Articles**"); (ii) the inclusion with the Continuance Application of a notice of articles under the BCBCA reflecting the information that will apply to the Corporation upon Continuance (the "**Notice of Articles**"); and (iii) concurrently with and conditionally upon the completion of the Continuance, the amendment, by the Articles and Notice of Articles, of the Corporation's current Articles of Incorporation and bylaws under the Business Corporations Act (Ontario) (the "**OBCA**"), to make all changes necessary to conform to the BCBCA, and to:
 - (a) reclassify the common shares of the Corporation as subordinate voting shares (the "**Pre-Consolidation Subordinate Voting Shares**") and amend the terms of such Pre-Consolidation Subordinate Voting Shares, such that they will have the special rights and restrictions described under the heading "Summary Share Terms" in the accompanying Circular; and
 - (b) create a new class of shares consisting of an unlimited number of multiple voting shares having the special rights and restrictions described under the heading "Summary Share Terms" in the

accompanying Circular;

- (c) change the name of the Corporation to "PsyBio Therapeutics Corp." or such other name as the directors of the Corporation, in their sole discretion, may determine to take effect upon the Continuance; and
- (d) consolidate the Pre-Consolidation Subordinate Voting Shares by a ratio between the range of 1.1:1 and 5:1, and amend the Corporation's articles accordingly;

all to be implemented in the event that all conditions to the Qualifying Transaction have been satisfied or waived (other than conditions that may be or are intended to be satisfied only after the Continuance Resolution and the Name Change Resolution (as defined below) is implemented);

- 8. to consider and, if deemed appropriate, to pass, with or without variation, an ordinary resolution, ratifying and approving a new stock option plan to take effect and replace the Legacy Plan on closing of the Qualifying Transaction, substantially in the form attached as Schedule "E" to the Circular, with such amendments as the Board may authorize and approve from time to time or as may be required by a regulatory authority;
- 9. to transact such other business as may be properly brought before the Meeting or any postponement or adjournment thereof.

Information relating to the items above is set forth in the Circular. Only shareholders of record as of November 16, 2020, the record date, are entitled to notice of the Meeting and to vote at the Meeting and at any adjournment or postponement thereof.

IMPORTANT

If you are a registered Shareholder and are unable to be present at the Meeting, please exercise your right to vote by dating, signing and returning the accompanying form of proxy to Computershare Investor Services Inc., the transfer agent of the Corporation. To be valid, completed proxy forms must be dated, completed, signed and deposited with the Corporation's transfer agent, Computershare Investor Services Inc.: (i) by mail using the enclosed return envelope or one addressed to Computershare Investor Services Inc., Proxy Department, 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1; (ii) by hand delivery to Computershare Investor Services Inc., 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1; (iii) by facsimile to 1-866-249-7775 (within Canada and the United States) or 416-263-9524 (Internationally); (iv) by telephone at 1-866-732-8683 (within Canada and the United States) or 312-588-4290 (Internationally); or (v) through the Internet at www.investorvote.com. You will require your 15-digit control number found on your proxy form. Your proxy or voting instructions must be received in each case no later than 10:00 a.m. (Toronto Time) on January 11, 2021 (or, if the Meeting is adjourned or postponed, 48 hours (Saturdays, Sundays and holiday excepted) prior to the time of holding the Meeting) in accordance with the delivery instructions above. If you are unable to be present at the Meeting, we encourage you to complete the enclosed form of proxy as soon as possible. If a Shareholder received more than one form of proxy because such Shareholder owns Common Shares registered in different names or addresses, each form of proxy should be completed and returned. The chairman of the Meeting shall have the discretion to waive or extend the proxy deadline without notice.

If you are not a registered Shareholder, a voting instruction form, instead of a form of proxy, may be enclosed. You must follow the instructions, including deadlines for submission, on the voting instruction form to vote. For information with respect to Shareholders who own their Common Shares through an intermediary, see "*General Proxy Information – Advice to Beneficial Shareholders*" in the Circular.

SPECIAL MEASURES IN RESPONSE TO COVID-19 (CORONAVIRUS)

Due to ongoing concerns related to the spread of the coronavirus (COVID-19) and in order to protect the health and safety of Shareholders, employees, other stakeholders and the community, Shareholders are strongly encouraged to

listen to the Meeting via teleconference instead of attending the Meeting in person and to vote on the matters before the Meeting by proxy in advance of the Meeting, appointing the person designated by management in the proxy form.

We ask that Shareholders also review and follow the instructions of any health authority holding jurisdiction over the areas you must travel through to attend the Meeting. Please do not attend the Meeting in person if you are experiencing any cold or flu-like symptoms, or if you or someone with whom you have been in close contact has travelled outside of Canada within the 14 days immediately prior to the Meeting. All Shareholders are strongly encouraged to vote by submitting their completed form of proxy prior to the Meeting by one of the means described in the Circular accompanying this Notice.

Please note that you will not be able to vote via teleconference. If you intend to listen to the Meeting via teleconference you must vote on the matters prior to the Meeting by proxy or voting instruction form.

The OBCA provides that a registered Shareholder who properly dissents from the Continuation Resolution is entitled to be paid the fair value of the Shareholder's shares in accordance with Section 185 of the OBCA upon and subject to the Continuation becoming effective. This right is described in detail in the accompanying Circular under the heading "Continuation and Consolidation". Failure to strictly comply with the requirements of Section 185 of the OBCA may result in the loss of any right of dissent.

DATED at Toronto, Ontario this 14th day of December, 2020.

By order of the board of directors of Leo Acquisitions Corp.

(signed) "Gerry Goldberg"

Gerald Goldberg
Chief Executive Officer

LEO ACQUISITIONS CORP.

ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON JANUARY 13, 2021

MANAGEMENT INFORMATION CIRCULAR

The information contained in this Circular is furnished to the holders (the "**Shareholders**") of common shares of the Corporation (the "**Common Shares**") in connection with the solicitation by management of the Corporation of proxies to be voted at the annual and special meeting (the "**Meeting**") of the Shareholders to be held at the offices of DNTW Toronto LLP, 45 Sheppard Avenue East, Suite 703 Toronto, Ontario M2N 5W9 on January 13, 2021 at 10:00 a.m., which will also be accessible by teleconference toll free within North America at 1-800-901-0218 and outside of North America at 1-719-234-0223, Meeting ID: 783 002 1841.

Information in this Circular is given as of the 14th day of December, 2020 (the "**Effective Date**"), except as otherwise indicated. Unless otherwise indicated, dollar amounts are expressed in Canadian dollars.

GENERAL PROXY INFORMATION

Solicitation of Proxies

The information contained in this Circular is furnished to the Shareholders of Common Shares in connection with the solicitation by management of the Corporation of proxies to be voted at the Meeting to be held at the offices of DNTW Toronto LLP, 45 Sheppard Avenue East, Suite 703 Toronto, Ontario M2N 5W9 on January 13, 2021 at 10:00 a.m. (Toronto time), or at such other time or place to which the Meeting may be postponed or adjourned, for the purposes set forth in the Notice of Meeting accompanying this Circular (the "**Notice**").

Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited by telephone, facsimile or other means of electronic communication. The Corporation will pay reasonable expenses of persons who are the registered but not beneficial owners of Common Shares for forwarding copies of the Notice, Proxy (as hereinafter defined), Circular and related material to beneficial owners.

Accompanying this Circular (and filed with applicable securities regulatory authorities) is a form of proxy for use at the Meeting (the "**Proxy**"). **Each Shareholder has the right to appoint a person or company to represent the Shareholder at the Meeting, other than the person or company designated in the Proxy.** Each Shareholder who is entitled to attend at Shareholders' meetings is encouraged to participate in the Meeting and Shareholders are urged to vote on matters to be considered in person or by Proxy.

In respect of a matter for which a choice is not specified in the Proxy, the individuals named in the Proxy (the "Designated Persons") will vote in favour of each matter identified on the Proxy.

Due to ongoing concerns related to the spread of the coronavirus (COVID-19) and in order to protect the health and safety of Shareholders, employees, other stakeholders and the community and to comply with the procedures imposed by both federal, state and local governments, Shareholders are strongly encouraged to listen to the Meeting via teleconference instead of attending the Meeting in person and to vote on the matters before the Meeting by Proxy in advance of the Meeting, or by appointing the Designated Persons in the accompanying Proxy in order to limit the number of attendees in person.

To join the Meeting via teleconference, please dial: 1-800-901-0218, within North America, 1-719-234-0223 outside North America and when prompted by the telephone system, enter the Meeting ID: 783 002 1841. Please note that you will not be able to vote via teleconference. If you intend to listen to the Meeting via teleconference you must vote on the matters prior to the Meeting by completing your Proxy in accordance with the instructions contained herein and in the Proxy.

Appointment, Time for Deposit and Revocation of Proxies

Appointment of a Proxy

Those Shareholders who wish to be represented at the Meeting by proxy must complete and deliver a proper Proxy to the Corporation's transfer agent, Computershare Investor Services Inc., (i) by mail using the enclosed return envelope or one addressed to Computershare Investor Services Inc., Proxy Department, 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1; (ii) by hand delivery to Computershare Investor Services Inc., 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1; (iii) by facsimile to 1-866-249-7775 (within Canada & the United States) or 416-263-9524 (Internationally); (iv) by telephone at 1-866-732-8683 (within Canada & the United States) or 312-588-4290 (Internationally); or (v) through the Internet at www.investorvote.com. **Proxies or voting instructions must be received in each case no later than 10:00 a.m. (Toronto Time) on January 11, 2021 or, if the Meeting is adjourned or postponed, 48 hours (Saturdays, Sundays and holiday excepted) prior to the time of holding the Meeting in accordance with the delivery instructions above (in each case, the "Proxy Deadline").**

Advice to Beneficial Shareholders

The information set forth in this section is of significant importance to many Shareholders as a substantial number of Shareholders do not hold Common Shares in their own name and thus are considered non-registered beneficial shareholders. Only registered holders of Common Shares or the persons they appoint as their proxyholder are permitted to vote at the Meeting. However, in many cases, Common Shares beneficially owned by a person (a "**Non-Registered Holder**") are registered either: (i) in the name of an intermediary (an "**Intermediary**") (including, among others, banks, trust companies, securities dealers, brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs, TFSA's and similar plans) that the Non-Registered Holder deals with in respect of the Common Shares; or (ii) in the name of a clearing agency (such as the Canadian Depository for Securities Limited) of which the Intermediary is a participant. Non-Registered Holders should note that only Proxies deposited by Shareholders whose names appear on the records of the Corporation as the registered holders of Common Shares can be recognized and acted upon at the Meeting. In accordance with the requirements of the Canadian Securities Administrators, the Corporation will have distributed copies of the Notice, the Circular and the enclosed Proxy to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders. If you are a Non-Registered Holder, your Intermediary will be the entity legally entitled to vote your Common Shares at the Meeting. Common Shares held by an Intermediary can only be voted upon the instructions of the Non-Registered Holder. Without specific instructions, Intermediaries are prohibited from voting Common Shares.

There are two categories of Non-Registered Shareholders for the purposes of applicable securities regulatory policy in relation to the mechanism of dissemination to Non-Registered Shareholders of proxy-related materials and other securityholder materials and the request for voting instructions from such Non-Registered Shareholders. Non-objecting beneficial owners ("**NOBOs**") are Non-Registered Shareholders who have advised their intermediary (such as brokers or other nominees) that they do not object to their intermediary disclosing ownership information to the Corporation, consisting of their name, address, e-mail address, securities holdings and preferred language of communication. Securities legislation restricts the use of that information to matters strictly relating to the affairs of the Corporation. Objecting beneficial owners ("**OBOs**") are Non-Registered Shareholders who have advised their intermediary that they object to their intermediary disclosing such ownership information to the Corporation.

In accordance with the requirements of National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**"), the Corporation is sending the Notice, this Circular, and a voting instruction form or a Proxy, as applicable (collectively, the "**Meeting Materials**"), directly to NOBOs and indirectly through intermediaries to OBOs. NI 54-101 permits the Corporation, in its discretion, to obtain a list of its NOBOs from intermediaries and use such NOBO list for the purpose of distributing the Meeting Materials directly to, and seeking voting instructions directly from, such NOBOs. As a result, the Corporation is entitled to deliver Meeting Materials to Non-Registered Shareholders in two manners: (a) directly to NOBOs and indirectly through intermediaries to OBOs; or (b) indirectly to all Non-Registered Shareholders through intermediaries. In accordance with the requirements of NI 54-101, the Corporation is sending the Meeting Materials directly to NOBOs and indirectly through intermediaries to OBOs. The Corporation does not intend to pay for intermediaries to deliver the proxy-related materials to OBOs. If the Corporation does not pay for an intermediary to deliver materials to OBOs, OBOs will not receive the materials unless their intermediary assumes the cost of delivery.

The Corporation has used a NOBO list to send the Meeting Materials directly to NOBOs whose names appear on that list. If the

Corporation's transfer agent has sent these materials directly to a NOBO, such NOBO's name and address and information about its holdings of Common Shares have been obtained from the Intermediary holding such shares on the NOBO's behalf in accordance with applicable securities regulatory requirements. As a result, any NOBO of the Corporation can expect to receive a voting instruction form from the transfer agent. NOBOs should complete and return the voting instruction form to the transfer agent in the envelope provided. In addition, Internet voting is available. Instructions in respect of the procedure for Internet voting can be found in the voting instruction form. The transfer agent will tabulate the results of voting instruction forms received from NOBOs and will provide appropriate instructions at the Meeting with respect to the shares represented by such voting instruction forms.

Applicable regulatory policy requires Intermediaries to seek voting instructions from Non-Registered Holders in advance of the Meeting on Form 54-101F7 - *Request for Voting Instructions Made by Intermediaries* ("**Form 54-101F7**"). Every intermediary/broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Non-Registered Shareholders in order to ensure that their Common Shares are voted at the Meeting or any adjournment(s) or postponement(s) thereof. Often, the form of proxy supplied to a Non-Registered Holder by its Intermediary is identical to the form of proxy provided to registered Shareholders; however, its purpose is limited to instructing the registered shareholder how to vote on behalf of the Non-Registered Shareholder. Non-Registered Shareholders who wish to appear and vote at the Meeting should be appointed as their own representatives at the Meeting in accordance with the directions of their Intermediaries and Form 54-101F7. Non-Registered Shareholders can also write the name of someone else whom they wish to attend at the Meeting and vote on their behalf. Unless prohibited by law, the person whose name is written in the space provided in Form 54-101F7 will have full authority to present matters to the Meeting and vote on all matters that are presented at the Meeting, even if those matters are not set out in Form 54-101F7 or this Circular. The majority of Intermediaries now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically mails a scannable voting instruction form in lieu of the form of proxy. The Non-Registered Holder is requested to complete and return the voting instruction form to Broadridge by mail or facsimile. Alternatively, the Non-Registered Holder may call a toll-free telephone number or access the internet to provide instructions regarding the voting of Common Shares held by the Non-Registered Holder. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. A Non-Registered Holder receiving a voting instruction form cannot use that voting instruction form to vote Common Shares directly at the Meeting, as the voting instruction form must be returned as directed by Broadridge well in advance of the Meeting in order to have such Common Shares voted.

Non-Registered Holders should ensure that instructions respecting the voting of their Common Shares are communicated in a timely manner and in accordance with the instructions provided by their Intermediary or Broadridge, as applicable. Every Intermediary has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Non-Registered Holders in order to ensure that their Common Shares are voted at the Meeting.

Although a Non-Registered Holder may not be recognized directly at the Meeting for the purpose of voting Common Shares registered in the name of their Intermediary, a Non-Registered Holder may attend the Meeting as proxyholder for the Intermediary and vote the Common Shares in that capacity. **Non-Registered Holders who wish to attend the Meeting and indirectly vote their Common Shares as a proxyholder, should enter their own names in the blank space on the Proxy or voting instruction form provided to them by their Intermediary and/or Broadridge, as applicable, and return the same in accordance with the instructions provided by their Intermediary and/or Broadridge, as applicable, well in advance of the Meeting.**

All references to Shareholders in this Circular and the accompanying Proxy and Notice are to registered Shareholders unless specifically stated otherwise.

The purpose of the above-noted procedures is to permit Non-Registered Holders to direct the voting of the Common Shares that they beneficially own. Non-Registered Holders should carefully follow the instructions and procedures of their Intermediary or Broadridge, as applicable, including those regarding when and where the Proxy or voting instruction form is to be delivered.

Revoking a Proxy

A Shareholder who has validly given a Proxy may revoke it for any matter upon which a vote has not already been cast by the proxyholder appointed therein. In addition to revocation in any other manner permitted by law, a Proxy may be revoked with an instrument in writing signed and delivered to either the offices of counsel to the Corporation at Computershare Investor

Services Inc., Proxy Department, 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, at any time up to and including the last business day preceding the date of the Meeting, or any postponement or adjournment thereof at which the Proxy is to be used, or deposited with the chair of the Meeting on the day of the Meeting, or any postponement or adjournment thereof. The document used to revoke a Proxy must be in writing and completed and signed by the Shareholder or his or her attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized. Also, a Shareholder who has given a Proxy may attend the Meeting in person (or where the Shareholder is a corporation, its authorized representative may attend), revoke the Proxy (by indicating such intention to the chair of the Meeting before the Proxy is exercised) and vote in person (or withhold from voting). If a Shareholder has voted on the internet or by telephone and wishes to change such vote, such Shareholder may vote again through such means before the Proxy Deadline.

Signature on Proxies

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

Voting of Proxies

Each Shareholder may instruct his, her or its proxyholder on how to vote his, her or its Common Shares by completing the blanks on the Proxy. **The Common Shares represented by the enclosed Proxy will be voted or withheld from voting on any motion, by ballot or otherwise, in accordance with any indicated instructions. If a Shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly. In the absence of such direction, such Common Shares will be voted IN FAVOUR OF PASSING THE RESOLUTIONS DESCRIBED IN THE PROXY AND BELOW.**

If any amendment or variation to the matters identified in the Notice is proposed at the Meeting or any adjournment or postponement thereof, or if any other matters properly come before the Meeting or any adjournment or postponement thereof, the accompanying Proxy confers discretionary authority to vote on such amendments or variations or such other matters according to the best judgment of the appointed proxyholder. Unless otherwise stated, the Common Shares represented by a valid Proxy will be voted in favour of the election of nominees set forth in this Circular except where a vacancy among such nominees occurs prior to the Meeting, in which case, such Common Shares may be voted in favour of another nominee in the proxyholder's discretion. As at the date of this Circular, the management of the Corporation knows of no such amendments or variations or other matters to come before the Meeting.

PROPOSED QUALIFYING TRANSACTION

Qualifying Transaction

On December 2, 2020, the Corporation entered into a business combination agreement ("**Definitive Agreement**") with PsyBio Therapeutics, Inc. ("**PsyBio**"), PsyBio Therapeutics Financing Inc. ("**Finco**"), 1276949 B.C. Ltd., a wholly-owned subsidiary of the Corporation ("**BC Subco**"), and Eluss, Inc., a wholly-owned subsidiary of the Corporation ("**US Subco**"), pursuant to which the parties have agreed to, amongst other things: (i) give effect to and implement the Continuance, the Share Structure Amendment, the Name Change, and the Consolidation (as such terms are defined below); (ii) give effect to a share split of the shares of common stock of PsyBio (the "**PsyBio Stock Split**"); (iii) exchange the Subscription Receipts (as defined below) of Finco for common shares of Finco; (iv) give effect to a merger amongst PsyBio, US Subco, and the Corporation; and (v) give effect to an amalgamation amongst Finco, BC Subco and the Corporation. These proposed transactions (the "**Qualifying Transaction**") will constitute a qualifying transaction for the Corporation (as such term is defined under Policy 2.4 of the TSXV Corporate Finance Manual (the "**CPC Policy**")) and upon the closing of the Qualifying Transaction, the Corporation will be the resulting issuer (the "**Resulting Issuer**").

The closing of the Qualifying Transaction is subject to the receipt of all requisite regulatory approvals (including the approval of the TSX Venture Exchange (the "**TSXV**")) and other customary conditions. Following completion of the Qualifying Transaction, the shareholders of PsyBio and Finco will hold a significant majority of the outstanding subordinate voting shares of the Resulting Issuer (the "**Subordinate Voting Shares**") following the Qualifying Transaction.

Benefits of the Qualifying Transaction

The board of directors of the Corporation (the "**Board**") believes that the Qualifying Transaction will have the following benefits for the Shareholders:

- (i) the Corporation will acquire an economic interest in the business of PsyBio and the funds raised by pursuant to the Financing (as defined below) undertaken by Finco;
- (ii) Shareholders will be in a position to participate in any future value creation and growth opportunities in the business of PsyBio;
- (iii) the proposed management team and nominees to the Board of the Resulting Issuer have experience in the U.S. pharmaceutical and psychedelics sectors and have demonstrated capabilities in creating value for stakeholders, financing, acquiring, and developing assets;
- (iv) the proposed management team and nominees to the Board of the Resulting Issuer have high visibility in the psychedelics sector and investment community, and significant relationships with key sector investors and analysts that should help to attract strong retail and institutional support; and
- (v) the Resulting Issuer is expected to have increased share trading liquidity and will have a greater market capitalization that is attractive to a wider range of investors than that offered by the Corporation prior to the Qualifying Transaction.

Concurrent Financing

In connection with the Qualifying Transaction, Finco completed a brokered private placement financing (the "**Financing**") of 41,409,698 subscription receipts of Finco (the "**Subscription Receipts**") for aggregate gross proceeds of \$14,493,394 at a price of \$0.35 per Subscription Receipt.

In connection with the Financing, Eight Capital is acting as lead agent (the "**Lead Agent**"), together with Canaccord Genuity Corp. (together with the Lead Agent, the "**Agents**") to offer the Subscription Receipts on a "best efforts" basis. It is anticipated that upon satisfaction and/or waiver of certain escrow release conditions, as set out in a subscription receipt agreement entered into among the Corporation, PsyBio, Finco, the Lead Agent and the subscription receipt agent, which conditions shall include all conditions precedent to the closing of the Qualifying Transaction (other than the filing of the requisite documents to give effect thereto) being satisfied, each Subscription Receipt will be automatically converted, without any further consideration or action by the holder thereof, into one common share of Finco, and such common share of Finco will be exchanged for one Subordinate Voting Share upon completion of the Qualifying Transaction.

The gross proceeds of the Financing, less an amount equal to 50% of the Agents' commission for the Financing, 50% of certain cash advisory fees owed to the Agents, and all reasonable costs and expenses payable upon the closing of the Financing to the Agents, are held in escrow by the subscription receipt agent. The funds held in escrow by the subscription receipt agent, together with all interest and other income earned thereon, are referred to herein as the "**Escrowed Funds**". Provided that the escrow release conditions are satisfied and/or waived prior to February 28, 2021, or such other date as Finco and the Lead Agent may mutually agree by written consent (the "**Escrow Release Deadline**"), the Escrowed Funds will be released from escrow by the subscription receipt agent to Finco.

In the event that the escrow release conditions have not been satisfied by the Escrow Release Deadline, or Finco advises the Lead Agent or announces to the public that it does not intend to satisfy the escrow release conditions, or that the Qualifying Transaction has been terminated in accordance with the terms of the Definitive Agreement, the aggregate issue price of the Subscription Receipts together with any earned interest shall be returned to the applicable holders of the Subscription Receipts (net of any applicable withholding taxes), and such Subscription Receipts shall be automatically cancelled and be of no further force and effect.

The net proceeds of the Financing will be used to fund the Qualifying Transaction, and for research and development, manufacturing, corporate and general working capital purposes of the Resulting Issuer.

SHAREHOLDERS ARE NOT REQUIRED TO APPROVE THE QUALIFYING TRANSACTION. However, the Qualifying Transaction is very important to the Corporation and certain matters to be considered at the Meeting are necessary in order to prepare the Corporation to complete the Qualifying Transaction. Full details regarding PsyBio and the Qualifying Transaction will be disclosed by the Corporation in a filing statement (the "**Filing Statement**") to be prepared and filed under the CPC Policy. The Filing Statement will be posted on SEDAR at www.sedar.com prior to completion of the Qualifying Transaction. Management of the Corporation will endeavour to post the Filing Statement on SEDAR as quickly as possible, but the posting thereof may not occur until on or about the date of the Meeting or thereafter. Shareholders are urged to review the press releases issued by the Corporation on October 5, 2020, October 26, 2020, and December 3, 2020 announcing the proposed Qualifying Transaction and the Filing Statement of the Corporation when filed on SEDAR as they contain important disclosure regarding PsyBio, the Resulting Issuer and the Qualifying Transaction.

Subject to receipt of all approvals, including from the TSXV, the Qualifying Transaction is anticipated to close in January 2021. Certain of the resolutions sought to be passed by the Shareholders at the Meeting will be conditions to the completion of the Qualifying Transaction. Failure to pass these resolutions could impede or prevent the completion of the Qualifying Transaction.

There are a number of risks associated with the Qualifying Transaction and the business of PsyBio. The principal risk factors will be set out in the Filing Statement.

VOTING SHARES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

Shareholders of record as of November 16, 2020 (the "**Record Date**") are entitled to receive notice and attend and vote at the Meeting, either in person or by proxy. As at the Record Date, the Corporation had 4,229,363 issued and outstanding Common Shares. These Common Shares are the only voting shares of the Corporation which are issued and outstanding as of the Record Date. Each Common Share entitles the holder to one vote in respect of any matter that may come before the Meeting.

To the knowledge of the directors and senior officers of the Corporation, as at the Effective Date, no person or corporation beneficially owns, directly or indirectly, or exercises control or direction over, more than 10% of the issued and outstanding Common Shares of the Corporation. As at the date of this Circular, the current Directors and senior officers of the Corporation as a group beneficially owned or controlled, directly or indirectly 1,113,936 Common Shares constituting approximately 26.34% of the issued and outstanding Common Shares.

INDEBTEDNESS OF DIRECTORS AND OFFICERS

No directors or officers of the Corporation, nor any proposed nominee for election as a director of the Corporation, nor any associate or affiliate of any one of them, is or was indebted, directly or indirectly, to the Corporation or its subsidiaries at any time from the date of incorporation of the Corporation to the date hereof. No guarantee, support agreement, letter of credit or other similar arrangement or understanding has been provided by the Corporation at any time since the beginning of the most recently completed financial year with respect to any indebtedness of any such person.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed in this Circular, no person who has been a director or officer of the Corporation since the beginning of the Corporation's last financial year, no proposed nominee for election as a director of the Corporation, nor any other insider of the Corporation, nor any associate or affiliate of any one of them, has or has had, at any time from the date of incorporation of the Corporation to the date hereof, any material interest, direct or indirect, in any transaction or proposed transaction that has materially affected or would materially affect the Corporation.

INTEREST OF DIRECTORS AND OFFICERS IN MATTERS TO BE ACTED UPON

Except as disclosed in this Circular, no director or senior officer of the Corporation, nor any proposed nominee for election as a director of the Corporation, nor any of the persons who have been directors or senior officers of the Corporation since the commencement of the Corporation's last financial year, and no associate or affiliate of any of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at

the Meeting (other than the election of directors).

EXECUTIVE COMPENSATION

The following disclosure of compensation earned by certain executive officers and directors of the Corporation in connection with their office or employment with the Corporation is made in accordance with the requirements of National Instrument 51-102 - *Continuous Disclosure Obligations* ("NI 51-102") and Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers*. Disclosure is required to be made in relation to "Named Executive Officers", being those individuals who served as the Chief Executive Officer, Chief Financial Officer and each of the Corporation's three most highly compensated executive officers, other than the Chief Executive Officer and Chief Financial Officer, whose total compensation was, individually, more than \$150,000 for the financial year (the "NEOs").

Compensation Discussion and Analysis

All capitalized terms used herein shall have the meaning ascribed thereto in the CPC Policy, unless otherwise defined herein. Section 8.1 of the CPC Policy states, subject to certain limited exceptions, that until the completion of a Qualifying Transaction, no payment of any kind may be made, directly or indirectly, by a CPC to a Non-Arm's Length Party of the CPC or a Non-Arm's Length Party to a Qualifying Transaction, or to any person engaged in Investor Relations Activities in respect of the CPC or the securities of the CPC or any Resulting Issuer by any means including, (a) remuneration, which includes, but is not limited to: salaries, consulting fees, management contract fees or directors' fees, finder's fees, loans, advances, bonuses; and (b) deposits and similar payments.

The only compensation that is permitted to the directors, officers, employees and consultants of the Corporation, so long as it is a CPC, is the granting of incentive stock options. The objective and purpose of any incentive stock options is to encourage the Corporation's officers and directors to find a Qualifying Transaction that is in the best interest of the Shareholders. If a Qualifying Transaction is not successfully completed, or if one is completed that does not increase the value of the Common Shares during the term of the incentive stock option, the directors and officers will receive no benefit, or very little benefit, from any incentive stock options. The Corporation has reserved 422,935 Common Shares for stock options issued to its directors and officers. See "Option Plan".

Notwithstanding the above, the Corporation may reimburse Non-Arm's Length Parties for the Corporation's reasonable allocation of office supplies, rent, utilities, secretarial and certain legal services and other general administrative expenses, at fair market value ("**Permitted Reimbursement**"). No reimbursement may be made for any payment made to lease or buy a vehicle. In addition, no payment, other than the Permitted Reimbursements, will be made by the Corporation or by any party on behalf of the Corporation, after Completion of the Qualifying Transaction, if the payment relates to services rendered or obligations incurred or in connection with the Qualifying Transaction.

A Non-Arm's Length Party under TSXV Policy 1.1 - Interpretation ("**Policy 1.1**") in relation to the Corporation, includes: a Promoter, officer, director, other Insider or Control Person of the Corporation and any Associates or Affiliates of any such Persons; or another entity or an Affiliate of that entity, if that entity or its Affiliate have the same Promoter, officer, director, Insider or Control Person as the Corporation. The foregoing capitalized terms not otherwise defined herein are defined in Policy 1.1.

Director and Named Executive Officer Compensation

In accordance with the CPC Policy, no compensation in the form of a salary, consulting fee, retainer, commission, bonus, committee fee, or meeting fee has been paid to or earned by any director or NEO for the period from incorporation to the date hereof.

Following the completion of a Qualifying Transaction by the Corporation, if any, it is anticipated that the Corporation will pay compensation to its directors and officers in accordance with industry standards, depending on the nature and size of the particular business that the Corporation acquires in connection with any Qualifying Transaction that it may complete.

The following table sets forth the compensation paid by the Corporation to the NEOs and directors for the two most recently completed financial years of the Corporation, excluding options and compensation securities (see "*Statement of Executive*

Compensation – Stock options and Other Compensation Securities" below).

Table of compensation excluding compensation securities							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of prerequisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Gerald Goldberg Director, CEO, President	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Warren Goldberg Director, CFO, Corporate Secretary	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
G. Michael Newman Director	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Richard Brown Director	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Phil Droznika Director	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
R. Catherine Lu Director	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil

Stock Options and Other Compensation Securities

No stock options or other compensation securities were granted or issued to any NEO or director by the Corporation for the year ended June 30, 2020. Furthermore, no stock options or other compensation securities were exercised by NEOs or directors in the year ended June 30, 2020.

Securities Authorized for Issuance under Equity Compensation Plans

The following table sets forth the securities of the Corporation that are authorized for issuance under the Legacy Plan (as defined below) as at date hereof.

Plan Category	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
Equity compensation plans approved by securityholders ⁽¹⁾	422,935 (Options)	\$0.33	1 (Options)
Equity compensation plans not approved by securityholders	Nil.	N/A	N/A

Notes:

- (1) The Legacy Plan is a "rolling" stock option plan under which options may be granted to "Eligible Persons" in respect of authorized and unissued Common Shares, provided that the aggregate number of Common Shares reserved by the Corporation for issuance and which may be purchased upon the exercise of all options does not exceed 10% of the Common Shares outstanding at the time of granting all options (calculated on a non-diluted basis).

Pension and Other Benefit Plans

The Corporation has no pension or other benefit plans currently in place.

Termination of Employment, Change in Responsibilities and Employment Contracts

There is no employment contract, compensatory plan or other arrangement in place with the NEOs, nor is there any agreement between the Corporation and the NEOs that provides for payment to the NEOs in connection with any termination, resignation, retirement, change in control of the Corporation or change in responsibilities of the NEOs.

Other Compensation

Other than as set forth herein, the Corporation did not pay any other compensation to the Named Executive Officers or directors (including personal benefits and securities or properties paid or distributed which compensation was not offered on the same terms to all full time employees) during the last completed fiscal year.

Option Plan

The Corporation has adopted a stock option plan (the "**Legacy Plan**"), which permits the Board to grant options to purchase up to ten percent (10%) of the issued and outstanding Common Shares at the date of the grant. As of the Effective Date, the Legacy Plan is the Corporation's only equity compensation plan. As of the Effective Date, the Corporation has granted 422,935 options to purchase Common Shares of the Corporation. The Legacy Plan was previously approved by Shareholders at its last annual and special meeting on October 30, 2019, and Shareholders will be required to consider, and if thought appropriate, pass a resolution approving the Legacy Plan at the Meeting.

The Legacy Plan provides for the grant of options to purchase Common Shares to eligible directors, officers, employees and consultants of the Corporation or any of its affiliates. The number of Common Shares reserved for issuance pursuant to options granted to any one optionee, other than a consultant, shall not, within any 12 month period, exceed 5% of the total number of Common Shares then issued and outstanding unless disinterested shareholder approval is obtained. The number of Common Shares issuable to any insider and such insiders' associates pursuant to options granted under the Legacy Plan and all other security based compensation arrangements of the Corporation shall not, at any time, exceed 10% of the total number of Common Shares then issued and outstanding, unless disinterested shareholder approval is obtained. The number of Common Shares issued to insiders and such insiders' associates pursuant to the Legacy Plan and all other security based compensation arrangements shall not, within any 12-month period, exceed 10% of the total number of Common Shares then issued and outstanding, unless disinterested shareholder approval is obtained. The number of Common Shares issued to any one consultant shall not, within any 12-month period, exceed 2% of the total number of Common Shares then issued and outstanding. The number of Common Shares issued to all persons engaged to conduct investor relations activities shall not, within any 12-month period, exceed 2% of the total number of Common Shares then issued and outstanding.

Options may be exercisable for up to 10 years from the date of grant, but the Board has the discretion to grant options that are exercisable for a shorter period. Unless otherwise determined by the Board every option awarded will be subject to certain vesting provisions in accordance with the terms of the Legacy Plan. Options under the Legacy Plan are non-assignable. Options may be exercised the greater of 12 months after the completion of a Qualifying Transaction and 90 days following cessation of the optionee's position with the Corporation, provided that if the cessation of office, directorship, or technical consulting arrangement was by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option. In the event an optionee is terminated for cause, any outstanding options granted to such optionee will be automatically terminated on the date of cessation of the optionee's position with the Corporation. In the event an optionee retires, resigns or is terminated for other than cause, any outstanding options granted to such optionee may be exercised for a period of up to one year (or until the normal expiry date of the options, if earlier) following cessation of the optionee's position with the Corporation. In the event an optionee becomes disabled and is unable to continue in their position with the Corporation, any outstanding options granted to such optionee may be exercised for a period of up to one year (or until the normal expiry date of the options, if earlier) following cessation of the optionee's position with the Corporation due to the disability. In the event of death of an optionee, any outstanding options granted to such optionee may be exercised within a maximum period of one year after such death, subject to the expiry date of such option. In the event that the optionee is engaged to provide Investor Relations Activities (as defined in the policies of the TSXV) and such optionee ceases to be so engaged, other than by reason of death, the expiry date of the option will not exceed the 30th day following the termination date.

AUDIT COMMITTEE

Under National Instrument 52-110 - *Audit Committees* ("**NI 52-110**"), the Corporation is required to include in this Circular

the disclosure required under Form 52-110F2 – *Disclosure by Venture Issuers*, with respect to the audit committee (the "**Audit Committee**") of the Board, including the composition of the Audit Committee, the text of the Audit Committee charter (attached hereto as Schedule "B", and the fees paid to the external auditor.

Composition of the Audit Committee

The following are the current members of the Audit Committee:

Name	Independence	Financial Literacy
G. Michael Newman	Independent	Financially Literate
Phil Droznika	Independent	Financially Literate
R. Catherine Lu	Independent	Financially Literate

Relevant Education and Experience

Mr. Newman has extensive experience as an advisor, director and officer of a number of private and publicly listed companies. Mr. Newman was the managing director of two family-owned investment/merchant banking groups and was active in the ownership and management of private and public companies in a variety of industries. As discussed below, Mr. Newman has extensive experience in reviewing and evaluating financial statements of a similar nature and breadth as those of the Corporation.

Mr. Droznika has over 30 years of experience in retail as the founder and owner of a successful independent retail drug store chain and then as a director of one of the fastest growing independent pharmacy retailers in Canada. Mr. Droznika has been the president of Drozmond Consultants Inc. since January of 2000 and has specialized in retail leadership, marketing, merchandising, real estate, healthcare and financial management. Mr. Droznika has also served as an advisor and director to a number of companies. Mr. Droznika has extensive experience in reviewing and evaluating financial statements of a similar nature and breadth as those of the Corporation.

Ms. Lu has been an entrepreneur since 2010 working in small to mid-size business. From June 2002 to March 2010, Ms. Lu was a Geoscientist with Shell Exploration and Production Company stationed in Houston, Texas, USA. Ms. Lu was a Geoscientist with BP Canada Energy Company from October 2000 to February 2003 and Shell Canada Limited from May 1996 to October 2000. Ms. Lu holds a MBA degree from Rice University, Texas, USA and a M.Sc. degree from University of Alberta. Mr. Lu has extensive experience in reviewing and evaluating financial statements of a similar nature and breadth as those of the Corporation.

Audit Committee Oversight

Since the commencement of the Corporation's most recently completed financial year, there was no recommendation of the Audit Committee was made to nominate or compensate an external auditor which was not adopted by the Board.

Reliance on Certain Exemptions

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

The Corporation is relying on the exemption provided in Section 6.1 of NI 52-110 as the Corporation is a "venture issuer".

Audit Committee Charter

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described in

Schedule "B" attached hereto.

External Auditor Service Fees (By Category)

The following table provides details in respect of audit, audit related, tax and other fees billed by the Corporation's external auditor in each of the last two financial years:

Period	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
Fees paid to the external auditor during financial year ended June 30, 2019	\$7,859.15	Nil.	Nil.	Nil.
Fees paid to the external auditor during financial year ended June 30, 2020	\$7,980.06	Nil.	Nil.	Nil.

CORPORATE GOVERNANCE

National Instrument 58-101 – *Disclosure of Corporate Governance Practices* requires that the Corporation disclose its corporate governance practices in this Circular. National Policy 58-201 – *Corporate Governance Guidelines* sets forth a series of non-prescriptive guidelines for effective corporate governance and deals with such matters as the constitution of a board of directors, its composition, orientation and continuing education for board members, a written mandate of the role of the board and its responsibilities and the functions to be performed by a board. The Board believes that the Corporation has implemented corporate governance practices that are effective and appropriate with respect to the Corporation's size and level of activity. The following summarizes the Corporation's approach to corporate governance in accordance with Form 58-101F2.

Composition of the Board of Directors

The Board is currently comprised of six (6) directors, being: Gerald Goldberg (Chairman), Warren Goldberg, G. Michael Newman, Richard Brown, Phil Droznika and R. Catherine Lu.

Mr. Newman, Mr. Brown, Mr. Droznika and Ms. Lu are each "independent" directors within the meaning of NI 52-110. Mr. G. Goldberg and Mr. W. Goldberg are not considered to be "independent" for purposes of NI 52-110 as they are executive officers of the Corporation. As noted elsewhere in this Circular, each incumbent director will be presented at the Meeting as a nominee for re-election as a director. The Board has determined that a board of six (6) members, a majority of whom are non-management, will be effective in the governance and supervision of the management of the Corporation's business and affairs at this time.

Directorships in Other Public Companies

The following table identifies each of the current directors and proposed directors of the Corporation that serve as a director of any other company that is a reporting issuer or the equivalent in any Canadian or foreign jurisdiction.

Name	Name of Reporting Issuer	Name of Exchange or Market (if applicable)
Gerald Goldberg	Capricorn Business Acquisitions Inc. FSD Pharma Inc. Baymount Incorporated	TSXV CSE, NASDAQ TSXV
Warren Goldberg	IntellaEquity Inc.	CSE
Richard Brown	Peruvian Metals Corp.	TSXV

Orientation and Continuing Education

The Board has not developed a formal orientation and training program. New members of the Board are provided with full access to or copies of relevant financial, corporate and other information in connection with its business operations. Board members have full access to the Corporation's records at all times. Board members are encouraged to communicate with the Corporation's management and auditors to keep themselves familiar and current with industry trends and developments and to attend related industry seminars. If the growth of the Corporation's operations warrants it, it is likely that a formal orientation process will be implemented.

Ethical Business Conduct

The Board expects management to operate the business of the Corporation in a manner that enhances Shareholder value and is consistent with the highest level of integrity. Management is expected to execute the Corporation's business plan and to meet performance goals and objectives. To date, the Board has not adopted a formal written Code of Business Conduct and Ethics. However, the current limited size of the Corporation's operations and the small number of officers and employees allow the independent members of the Board to monitor on an ongoing basis the activities of management and to ensure that the highest standard of ethical conduct is maintained. Should the Corporation's operations grow in size and scope, the Board anticipates that it would then formulate and implement a formal Code of Business Conduct and Ethics.

Nomination of Directors

The Board does not have a nominating committee and the functions associated with such committee are currently performed by the Board as a whole. New candidates for Board membership are identified by current Board members or may be identified by Shareholders. Prior to recommending new nominees to the Board, a background search of a potential candidate is conducted to determine regulatory acceptability and interviews are carried out as to suitability.

Director Term Limits and Other Mechanisms of Board Renewal

The Board is concerned that imposing inflexible director term limits or mandatory retirement ages would discount the value of experience of the Corporation's history and culture and the importance of continuity, and risk the loss of key directors. The Board has therefore elected not to adopt term limits or mandatory retirement policies, but rather relies on the collective experience and judgment of its members to determine when changes in the Board are appropriate. Shareholder feedback and voting results are also considered by the Board in this regard.

Diversity Policy

The members of the Board have diverse backgrounds and expertise and were selected on the belief that the Corporation and its stakeholders would benefit from such a broad range of talent and experience. The Board considers merit as the key requirement for board appointments. The Corporation has not adopted a written diversity policy and has sought to attract and maintain diversity at the Board level informally through the recruitment efforts of Management in discussion with directors prior to proposing nominees to the Board as a whole for consideration.

Compensation

The Board is responsible for ensuring that the Corporation has in place an appropriate plan for executive compensation and for making recommendations to the Board with respect to the compensation of the Corporation's executive officers. However, as a capital pool company, the Corporation has not, as yet, completed a Qualifying Transaction and commenced commercial operations. As at the date of this Circular, the Corporation has not entered into any employment, consulting or management agreements with its NEOs or directors. The Board plans to ensure that, at all times, its compensation arrangements adequately reflect the responsibilities and risks involved in being an effective director or officer of the Corporation.

Given the Corporation's size and stage of operations, the Board does not have a separate compensation committee and such functions are addressed by the entire Board. Going forward, this practice is expected to be continued by the Board.

To determine compensation payable, the Board reviews compensation paid to the directors, the Chief Executive Officer, Chief Financial Officer and other senior officers, in companies of similar size and stage of development and determines an appropriate compensation reflecting the need to provide incentive and compensation for the time and effort expended by the directors and

senior management while taking into account the financial and other resources of the Corporation.

Other Board Committees

Other than the Audit Committee, the Board has no other committees. The directors are regularly informed of or are actively involved in the operations of the Corporation. The scope and size of the Corporation's operations and development does not currently warrant an increase in the size of the Board or the formation of additional committees, however, the Board periodically examines its size and constitution and may from time to time establish ad hoc committees to deal with specific situations.

Assessments

The Board, as a whole, conducts informal annual assessments of its effectiveness and the effectiveness of individual directors and from time to time reviews and updates existing mandates or charters.

Directors and Officers Insurance

The Corporation does not currently have an insurance policy which covers actions against its directors and officers.

MATTERS TO BE CONSIDERED AT THE MEETING

To the knowledge of the Board, the only matters to be brought before the Meeting are set forth in the accompanying Notice of Meeting. These matters are described in more detail under the headings below.

1. Financial Statements

The Corporation's audited consolidated financial statements of the Corporation for the years ended June 30, 2020 and 2019, together with the auditor's report thereon will be presented at the Meeting, provided, however, that no vote with respect thereto is required. These financial statements have been filed on SEDAR at www.sedar.com and accompany this Circular for those Shareholders who have requested a copy.

2. Re-Appointment of Auditor

Shareholders of the Corporation will be asked at the Meeting to re-appoint auditors of the Corporation. It is proposed that RSM Canada LLP, the current auditors of the Corporation, be re-appointed as auditors of the Corporation at the Meeting for the ensuing year or until completion of the Qualifying Transaction, and the Board be authorized to fix the auditors' remuneration.

Board Recommendation

The Board believes that the re-appointment of RSM Canada LLP, and the authorization of the Board to fix their remuneration, in the best interests of the Corporation and therefore unanimously recommends that shareholders vote in favour of the appointment of RSM Canada LLP as the auditors of the Corporation to hold office until the next annual meeting of Shareholders, at a remuneration to be fixed by the directors.

It is the intention of the Designated Persons, if named as proxy, to vote "FOR" the appointment of RSM Canada LLP as the auditors of the Corporation to hold office until the next annual meeting of Shareholders, at a remuneration to be fixed by the directors.

To be adopted, this resolution is required to be passed by the affirmative vote of a majority of the votes cast at the Meeting.

The Board unanimously recommends that Shareholders vote in favour of the re-appointment of RSM Canada LLP, and the authorization of the Board to fix their remuneration. MNP LLP are the current auditors of PsyBio and are intended to replace RSM Canada LLP, the current auditors of the Corporation.

RSM Canada LLP has agreed to resign as the auditors of the Corporation as of the Effective Time (as defined below). The determination not to re-appoint RSM Canada LLP as auditor of the Corporation has been made in the context of the Qualifying Transaction and not because of any reportable event (as that term is defined in NI 51-102).

In the event that MNP LLP is appointed at the Meeting as set out below under the section entitled "*Appointment of Post-Qualifying Transaction Auditors*" and the Qualifying Transaction is successfully completed, RSM Canada LLP would be replaced by MNP LLP, who would thereafter serve as the auditors of the Corporation.

3. Election of Directors

Shareholders have the option to (i) vote for all of the directors of the Corporation listed in the table below (the "Current Nominees"); (ii) vote for some of the directors and withhold for others; or (iii) withhold for all of the directors. **It is the intention of the Designated Persons, if named as proxy, to vote "FOR" all of the Current Nominees as set forth below.**

In the event that the directors listed below under the section entitled "*Fixing Number of and Election of Post-Qualifying Transaction Directors*" are elected at the Meeting in accordance with such resolutions, and the Qualifying Transaction is successfully completed, the proposed Current Nominees, with the exception of Gerald Goldberg, would resign and cease to be directors of the Corporation and the New Nominees (as defined below) will serve as directors of the Corporation in their place. Gerald Goldberg will continue to serve as a director of the Resulting Issuer, though he will resign as Chief Executive Officer and President of the Corporation.

Management of the Corporation ("**Management**") does not contemplate that any of the Current Nominees will be unable to serve as a director, however, if that should occur for any reason prior to the Meeting, it is intended that discretionary authority shall be exercised by the persons named in the Proxy to vote for the election of any other person or persons in place of any Current Nominee or Current Nominees who are unable to serve in such capacity. Each elected director will hold office until the next annual meeting of Shareholders of the Corporation or until his or her successor is duly elected or appointed, unless his or her office is earlier vacated in accordance with the by-laws of the Corporation.

The following table sets forth the name and place of residence of each of the persons proposed to be nominated for election as a director of the Corporation as part of the Current Nominees, all positions and offices in the Corporation presently held by such nominees, the principal occupation of the Current Nominee within the five preceding years, the period during which the Current Nominees have served as directors, and the number and percentage of Common Shares beneficially owned by the Current Nominees, directly or indirectly, or over which control or direction is exercised.

Name and Place of Residence ⁽¹⁾	Position held with the Corporation	Principal Occupations for the Past 5 Years ⁽¹⁾	Number and Percentage of Common Shares Beneficially Owned or Controlled ⁽²⁾
Gerald Goldberg Ontario, Canada	Director, Chief Executive Officer and President	Director of the Corporation (since October 2009); Chartered Professional Accountant; Chairman and CEO of Osoyoos Cannabis Inc. (October 2018 to August 2020); Director of FSD Pharma Inc. (since 2018); Director of Baymount Incorporated (since 2004); Director of CB2 Insights Inc. (August 2019 to January 2020); Director of Gravitas Financial Inc. (May 2016 – March 2019); Director of Gilla Inc. (June 2016 – November 2018); Director and Interim CEO of Canada House Wellness Group Inc. (April 2016 – January 2018); Director of Pinetree Capital Ltd. (July 2010 – April 2016).	225,909

Warren Goldberg Ontario, Canada	Director, Chief Financial Officer, Corporate Secretary	Director of the Corporation (since October 2009); Chartered Professional Accountant; Senior Partner at DNTW Toronto LLP (since January 2017); Director of IntellaEquity Inc. (since January 2015); Director of ThreeD Capital Inc. (March 2015 to February 2018); Partner at Schwartz Levitsky Feldman LLP (January 2004 – January 2017).	150,151
G. Michael Newman⁽³⁾ Ontario, Canada	Director	Director of the Corporation (since October 2009); Director of Distinct Infrastructure Group Inc. (August 2015 to August 2018); Director of Quinsam Capital Corp. (October 2013 to December 2017); Director of Red Pine Exploration Inc. (January 2017 to December 2017); Director of Augustine Ventures Inc. (December 2010 to January 2017).	287,878
Richard Brown Belo Horizonte, Brazil	Director	Director of the Corporation (since October 2009); General Manager, South America of Nubian Resources Ltd. (since March 2018); Director of Peruvian Metals Corp. (since November 2015); Director of Amarillo Gold Corporation (October 2010 to September 2017).	275,757
Phil Droznika⁽³⁾ Ontario, Canada	Director	Director of the Corporation (since January 2010); President of Drozmond Consultants Inc. (since January 2000).	128,787 ⁽⁴⁾
R. Catherine Lu⁽³⁾ Ontario, Canada	Director	Director of the Corporation (since March 2010); Self-employed (current).	45,454

Notes:

- (1) The information as to province or state and country of residence and principal occupation, not being within the knowledge of the Corporation, has been furnished by the respective directors individually.
- (2) The information as to shares beneficially owned or over which a director exercises control or direction, not being within the knowledge of the Corporation, has been furnished by the respective directors individually.
- (3) Current member of the Audit Committee.
- (4) Includes Common Shares held by Drozmond Consultants Inc., which is a company controlled by Mr. Droznika.

As a group, the proposed Current Nominees beneficially own, control or direct, directly or indirectly, 1,113,936 Common Shares, representing 26.34% of the issued and outstanding Common Shares as of the date hereof. No Current Nominee owns or controls 10% or more of the securities of the Corporation.

The following are brief biographies of the proposed Current Nominees:

Gerald Goldberg, CPA, CA (Chairman of the Board, CEO, President)

Mr. Goldberg is a Chartered Professional Accountant and a former senior partner at two major accounting firms. Mr. Goldberg has over 30 years of audit experience and was the head of the public company audit division of a major firm. He has industry expertise in cannabis cultivation and aggregation, distribution, retail, mining natural resource and oil & gas, real estate, “not-for-profit” entities and manufacturing industries, with a strong emphasis on taxation and business advisory services. Mr. Goldberg was active in corporate finance and development and was involved in the structure and design of numerous innovative financing instruments, tax shelters and syndications, both in Canada and the US. He was actively involved with the audit of various public Canadian, US, Chinese and other foreign companies listed in the US and Canada. Mr. Goldberg is a director and audit committee member of numerous public companies in both Canada and the United States, including a number of issuers listed on senior Canada and United States stock exchanges. Mr. Goldberg was the Chief Executive Officer of two Canadian cannabis companies, one of which he also served as the executive chair. Mr. Goldberg holds the designation of C.T.A. from

the University of South Africa and is a member of the Institute of Chartered Professional Accountants of Ontario and the Public Accountants Council of Ontario.

Warren Goldberg, CPA, CA (Director, CFO, Corporate Secretary)

Mr. Goldberg is a Chartered Professional Accountant and a senior partner in the accounting firm of DNTW Toronto LLP since January 2017. Mr. Goldberg has over 20 years of audit, tax and business advisory experience in a broad range of industries including investment, real estate, construction, manufacturing, entertainment and healthcare. Mr. Goldberg served as Chief Financial Officer of Peeks Social Ltd. (formerly Keek Inc., (TSXV: PEEK)) from February 2014 to November 2014. Mr. Goldberg is a director of IntellaEquity Inc. (formerly Augusta Industries Inc., (CN:IEQ)) since January 2015 and was a director of ThreeD Capital Inc. (CN:IDK) from March 2015 to February 2018. Mr. Goldberg holds a Bachelor of Business Administration degree from York University and a Chartered Professional Accountant designation from the Chartered Professional Accountants of Ontario (CPA Ontario).

G. Michael Newman (Director, Chairman of the Audit Committee)

Mr. Newman has extensive experience as an advisor, director and officer of a number of private and publicly listed companies. Mr. Newman was the Chairman of Augustine Ventures Inc. (CSE) and has been a director since December 2010, to January 20, 2017, a director of Red Pine Exploration from January 2017 to December 13, 2017. He was also a director of Quinsam Capital Inc. (CSE), from October 2013 to December 27, 2017. He was also a director of Distinct Infrastructure Group (TSXV) from August 2015 to August 31, 2018. He currently serves on the Independent Review Committees of Citadel Income Fund, Energy Income Fund (since February 2013), all Mutual Fund Investment Trusts listed on the Toronto Stock Exchange. He is on the Board of Advisers of the Succession Fund and AgriFood Capital, two private equity funds. He was Executive Chairman of GreenStar Agricultural Inc. (formerly on TSXV) from February 2014 to September 2014, and a director from March 2011, to September 2014. He was also Non-Executive Chairman of Gensource Potash (TSX.V) from February 2013 to December 2013 and a director from September 2010 to December 2013. He was the Interim Chief Executive Officer of Caldera Geothermal Inc. between March 2010 and March 2011, the Managing Director of Adevam Investments Inc. and Boardwalk Capital Inc., since October 1989. Mr. Newman held the position of President and Chief Executive Officer of InterRent REIT, a publicly listed company on the Toronto Stock Exchange, from September 1997 to September 30, 2009 and a trustee from December 2006 to November 2009. Mr. Newman had been a director of The SKOR Food Group Inc. (TSXV) from August 1997 to May 2011. He also served as a director of Lombardi Media Corp. (formerly on TSXV) from July 2002 to September 2007, Inspiration Mining Corporation (TSX) from February 2004 to August 2009, Willowstar Capital Inc. (TSXV) from September 19, 2006 to November 1, 2007, Prime City One Capital Corp. (TSXV) from October 4, 2006 to August 2007, SelectCore Ltd. (TSXV) from April 2004 to December 2008, Covalon Technologies Ltd. (TSXV) from December 2004 to April 2006, Titan Medical Inc. (TSX) from April 2008 to May 2009, Pure Energy Visions Corporation (TSXV) from September 2006 to March 2007, Infolink Technologies Ltd. (TSXV) from July 1999 to November 2003, GolfNorth Properties Inc. (TSXV) from February 1998 to July 2002 and RYM Capital Corp. (formerly on TSXV) from June 2005 to November 2006.

Richard Brown (Director)

Mr. Brown has been General Manager, South America for Nubian Resources Ltd. (TSXV:NBR) since March 2018 and independent director for Peruvian Metals (TSXV:PER) since November 2015. He was VP of Business Development and a director of Amarillo Gold Corporation (TSXV:AGC) from October 2010 to September 2017. Mr. Brown served as President of Minera Aquiline Argentina S.A., a subsidiary of Aquiline Resources Inc. from March 2004 to February 2006 and he also served as a Managing Director of Ironbark Geoservices from March 1999 to March 2004. Mr. Brown is a geologist with over 40 years experience in petroleum and mineral exploration and management. He is a member of Australian Institute of Mining and Metallurgy since 1995. Mr. Brown holds a bachelor's degree from the West Australian Institute of Technology in Perth Australia and a graduate diploma from the Securities Institute of Australia.

Phil Droznika (Director)

Mr. Droznika has over 30 years of experience in retail as the founder and owner of a successful independent retail drug store chain and then as a director of one of the fastest growing independent pharmacy retailers in Canada. Mr. Droznika has been the president of Drozmond Consultants Inc. since January of 2000 and has specialized in retail leadership, marketing, merchandising, real estate, healthcare and financial management. Mr. Droznika has also served as an advisor and director to a number of companies. He formerly served as a director of Pisces Capital Corp. (now Petrolympic Ltd.). Mr. Droznika holds a

B.Sc.PhM degree from the University of Toronto.

R. Catherine Lu (Director)

Ms. Lu has been an entrepreneur since 2010 working in small to mid-size business. From June 2002 to March 2010, Ms. Lu was a Geoscientist with Shell Exploration and Production Company stationed in Houston, Texas, USA. Ms. Lu was a Geoscientist with BP Canada Energy Company from October 2000 to February 2003 and Shell Canada Limited from May 1996 to October 2000. Ms. Lu holds a MBA degree from Rice University, Texas, USA and a M.Sc. degree from University of Alberta.

Cease Trade Orders, Bankruptcies and Penalties of the Current Nominees

Except as set out below, no Current Nominee (nor any personal holding company of any such proposed director):

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

Gerald Goldberg was the interim Chief Executive Officer of Canada House Wellness Group Inc. ("**Canada House**") at the time when a management cease trade order (the "**MCTO**") was issued by the Ontario Securities Commission (the "**OSC**") on September 13, 2017 in respect of trading of Canada House securities. The MCTO was issued in respect of the late filing of the Canada House audited financial statements for the year ended April 30, 2017, the management's discussion and analysis and related certifications. The MCTO was lifted effective November 22, 2017.

Mr. Newman resigned as a director of GreenStar Agricultural Corporation ("**GreenStar**") on September 24, 2014. GreenStar was issued a temporary order by the OSC on June 3, 2014 cease trading the common shares of GreenStar. On June 16, 2014 the OSC issued a permanent order cease trading the common shares of GreenStar. The British Columbia Securities Commission issued a cease trade order dated June 4, 2014 against GreenStar. The Alberta Securities Commission issued a cease trade order dated September 15, 2014 against GreenStar. The cease trade orders were issued as a result of the failure of GreenStar in filing its audited financial statements for the year ended December 31, 2013, unaudited interim financial statements of GreenStar for the three month period ended March 31, 2014, accompanying management's discussion and analysis, and related CEO and CFO certifications, as required by applicable securities laws. The cease trade orders remain in effect. On June 3, 2014, the TSXV suspended trading of GreenStar's common shares until such time as it accepts a reinstatement application by the

company.

4. Ratification and Approval of the Legacy Plan

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, approve an ordinary resolution set forth below in this Circular ratifying and approving the Legacy Plan, which is considered a "rolling" stock option plan and reserves a maximum of 10% of the total outstanding Common Shares at the time of grant for issuance pursuant to the Legacy Plan (the "**Legacy Plan Resolution**"). Any previous granted options are governed by the Legacy Plan, and if options granted expire or terminate for any reason without having been exercised, the unpurchased Common Shares will again be available under the Legacy Plan. The policies of the TSXV provide that, where a company has a rolling stock option plan in place, it must seek shareholder approval for such plan annually.

A full copy of the Legacy Plan is attached hereto as Schedule "C" will be available for inspection at the Meeting. A summary of the Legacy Plan can also be found herein under "*Executive Compensation – Option Plan*".

Legacy Plan Resolution

In order to pass the Legacy Plan Resolution, at least a majority of the votes cast by the Shareholders present at the Meeting in person or by proxy must be voted in favour of the Legacy Plan Resolution.

The text of the Legacy Plan Resolution to be voted on at the Meeting by the Shareholders is set forth below:

"BE IT RESOLVED as an ordinary resolution of the shareholders of the Corporation, that:

1. the stock option plan of the Corporation in the form attached as Schedule "C" to this Circular, with such amendments thereto as may be made from time to time by the board of directors of the Corporation, without further approval of the shareholders of the Corporation, in order to conform with the policies or requirements of the TSX Venture Exchange or any other stock exchange on which the Corporation's shares are listed at such applicable time, be and is hereby ratified and approved by the shareholders of the Corporation; and
2. any one or more directors or officers be and are hereby authorized, upon the board of directors resolving to give effect to this resolution, to take all necessary steps and proceedings, and to execute and deliver and file any and all applications, declarations, documents and other instruments and do all such other acts and things (whether under corporate seal of the Corporation or otherwise) that may be necessary or desirable to give effect to the provisions of this resolution."

Board Recommendation

The Board believes that the ratification and approval of the Legacy Plan is in the best interests of the Corporation and therefore unanimously recommends that shareholders vote in favour of the Legacy Plan Resolution.

It is the intention of the Designated Persons, if named as proxy, to vote "FOR" the Legacy Plan Resolution unless otherwise directed.

5. Fixing Number of and Election of Post-Qualifying Transaction Directors

In connection with the Qualifying Transaction, it is desirable to fix the number of directors and elect directors of the Corporation to serve from the effective time of the Qualifying Transaction (the "**Effective Time**") until the close of the next annual meeting of Shareholders of the Corporation or until their successors are elected or appointed (the "**New Nominees Election Resolution**").

It is a condition to the completion of the Qualifying Transaction that four (4) individuals to be determined by PsyBio (the "**New Nominees**"), be elected effective at the Effective Time, to act as directors of the Resulting Issuer including Gerald Goldberg, who will remain on the Board following the completion of the Qualifying Transaction.

At the time of the Meeting, the Qualifying Transaction will not yet have been completed and there can be no assurance at that

time that it will be completed. Voting for the election of the below named directors comprising the New Nominees will be conducted on an individual, and not slate basis. The New Nominee Election Resolution will only be effective in the event that the Qualifying Transaction is successfully completed.

Shareholders have the option to (i) vote for all of the New Nominees; (ii) vote for some of the New Nominees and withhold for others; or (iii) withhold for all of the New Nominees. **It is the intention of the Designated Persons, if named as proxy, to vote "FOR" all of the New Nominees as set forth below.**

Management does not contemplate that any of the New Nominees will be unable to serve as a director, however, if that should occur for any reason prior to the Meeting, it is intended that discretionary authority shall be exercised by the persons named in the Proxy to vote for the election of any other person or persons in place of any New Nominee or New Nominees who are unable to serve in such capacity. Each elected director will hold office until the next annual meeting of Shareholders of the Corporation or until his or her successor is duly elected or appointed, unless his or her office is earlier vacated in accordance with the by-laws of the Corporation.

See below for detailed information concerning the New Nominees.

New Nominees

The following table sets forth the name and place of residence for each of the persons proposed to be nominated for election as a director of the Corporation as part of the New Nominees, all positions and offices in the Corporation presently held by such nominees, the principal occupation of the New Nominee within the five preceding years, the period during which the New Nominees have served as directors, and the approximate number and percentage of Subordinate Voting Shares beneficially owned by the New Nominees, directly or indirectly, or over which control or direction is exercised, following the completion of the Qualifying Transaction.

Name and Place of Residence⁽¹⁾	Position to be held with the Corporation	Principal Occupations for the Past 5 Years⁽¹⁾	Number and Percentage of Shares Beneficially Owned or Controlled⁽²⁾
Evan Levine⁽⁷⁾⁽⁹⁾ California, United States	Chairman and Chief Executive Officer	Executive	12,704,958 ⁽³⁾ 11%
Noah Davis⁽⁸⁾ Texas, United States	Director, Chief Financial Officer and Corporate Secretary	Executive	5,764,500 ⁽⁴⁾ 5%
Ross Carmel⁽⁷⁾⁽⁸⁾⁽⁹⁾ New Jersey, United States	Director	Lawyer, Partner at Carmel, Milazzo & Feil LLP	2,536,380 ⁽⁵⁾ 2%
Gerald Goldberg⁽⁷⁾⁽⁸⁾⁽⁹⁾ Ontario, Canada	Director, Chief Executive Officer and President	Director of the Corporation (since October 2009); Chartered Professional Accountant; Chairman and CEO of Osoyoos Cannabis Inc. (October 2018 to August 2020); Director of Baymount Incorporated (since 2004); Director of CB2 Insights Inc. (August 2019 to January 2020); Director of Gravitas Financial Inc. (May 2016 – March 2019); Director of Gilla Inc. (June 2016 – November 2018); Director and Interim CEO of Canada House	135,543 ⁽⁶⁾ <1%

		Wellness Group Inc. (April 2016 – January 2018); Director of Pinetree Capital Ltd. (July 2010 – April 2016).	
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Notes:

- (1) The information as to province or state and country of residence and principal occupation, not being within the knowledge of the Corporation, has been furnished by the respective directors individually.
- (2) The information as to shares beneficially owned or over which a director exercises control or direction, not being within the knowledge of the Corporation, has been furnished by the respective directors individually.
- (3) Upon completion of the Transaction, assuming completion of the PsyBio Stock Split, Mr. Levine is expected to hold Multiple Voting Shares (as defined below) convertible into an aggregate of 12,704,958 Subordinate Voting Shares indirectly through Leverage Prospects LLC. The foregoing assumes a PsyBio Stock Split ratio of 1:1.1529, a Consolidation ratio of 1.6667:1, and a Conversion Ratio (as defined below) of 1,000:1, with all such ratios to be finalized prior to the completion of the Qualifying Transaction.
- (4) Upon completion of the Transaction, assuming completion of the PsyBio Stock Split, Mr. Davis is expected to hold Multiple Voting Shares convertible into an aggregate of 5,764,500 Subordinate Voting Shares of the Resulting Issuer indirectly through NHJJ Enterprises. The foregoing assumes a PsyBio Stock Split ratio of 1:1.1529, a Consolidation ratio of 1.6667:1, and a Conversion Ratio of 1,000:1, with all such ratios to be finalized prior to the completion of the Qualifying Transaction.
- (5) Upon completion of the Transaction, assuming completion of the PsyBio Stock Split, Mr. Carmel is expected to hold Multiple Voting Shares convertible into an aggregate of 2,536,380 Subordinate Voting Shares of the Resulting Issuer indirectly through Carmel, Milazzo & Feil LLP. The foregoing assumes a PsyBio Stock Split ratio of 1:1.1529, a Consolidation ratio of 1.6667:1, and a Conversion Ratio of 1,000:1, with all such ratios to be finalized prior to the completion of the Qualifying Transaction.
- (6) Upon completion of the Transaction, assuming completion of the Consolidation, Mr. Goldberg is expected to hold an aggregate of 135,542 Subordinate Voting Shares of the Resulting Issuer directly.
- (7) Proposed member of the Audit Committee of the Resulting Issuer upon completion of the Qualifying Transaction.
- (8) Proposed member of the Corporate Governance and Nominating Committee of the Resulting Issuer upon completion of the Qualifying Transaction.
- (9) Proposed member of the Compensation Committee of the Resulting Issuer upon completion of the Qualifying Transaction.

Based on the assumptions stated above, as a group, the proposed New Nominees will beneficially own, control or direct, directly or indirectly, approximately 21,141,381 Subordinate Voting Shares, on an as-converted basis, representing approximately 19% of the issued and outstanding shares of the Resulting Issuer, on an as-converted basis, as of the Effective Time.

The following are brief biographies of the proposed New Nominees:

Evan Levine (Proposed Chairman of the Board and CEO of the Resulting Issuer)

Evan is an assertive and insightful leader with over three decades of in-depth expertise in strategic ventures, executive supervision, asset management and the institutional investment business. His proficiencies include initiating, restructuring, and managing corporate infrastructure with knowledge and skill. He is adept at launching and reorganizing companies in various stages of development as well as originating and managing investment products including hedge funds, private equity capital vehicles, and NFA commodities/futures funds. Mr. Levine has served on the public and private boards of over one dozen companies in roles that include Chairman of the Board, Executive Chairman, Vice Chairman, Chief Executive Officer, Audit Committee Chairman, Nominating, Governance and Compensation Committee Member, and Trustee. Mr. Levine has technical expertise in the business of PsyBio. He was formerly Chairman and Chief Executive Officer of Adventrx Pharmaceuticals, a global biotechnology drug development company that was listed on the American Stock Exchange (now NYSE American). Mr. Levine received his Bachelor of Arts from Rutgers College, Rutgers University and completed graduate coursework towards his Masters of Business Administration at Stern School of Business, New York University.

Noah Davis (Proposed Director, CFO and Corporate Secretary of the Resulting Issuer)

Noah has significant experience in corporate turnarounds in various industries including education, healthcare, transportation and real estate. Noah received his BS in Accounting from Yeshiva University in 2004. He has held positions as CFO and COO in various companies. He has significant experience in corporate turnarounds in various industries including education, healthcare, transportation and real estate. He has served as CFO in various organizations including leading equity and debt raises of over US\$50 million. His entrepreneurial background coupled with his extensive knowledge of accounting, finance and capital markets has enabled him to contribute operational expertise and creative marketing approaches. He has also been instrumental in leading a number of e-commerce companies through his knowledge of lead generation.

Ross Carmel (Proposed Director of the Resulting Issuer)

Ross is an experienced corporate securities attorney and founding partner of Carmel, Milazzo & Feil LLP. Ross has significant experience representing public and private companies, start-ups, brokers, broker-dealers, and investors in all aspects of corporate transactions, including corporate finance, mergers and acquisitions, private equity financing transactions, private placements, registered direct transactions, and initial public offerings. In addition, Ross regularly assists and advises brokers and broker-dealers with broker-dealer compliance, including both Securities Exchange Commission (“SEC”) and FINRA rules and regulations, and helps them navigate through the ever-evolving regulatory landscape.

Gerald Goldberg, CPA, CA (Proposed Director of the Resulting Issuer)

Mr. Goldberg is a Chartered Professional Accountant and a former senior partner at two major accounting firms. Mr. Goldberg has over 30 years of audit experience and was the head of the public company audit division of a major firm. He has industry expertise in cannabis cultivation and aggregation, distribution, retail, mining natural resource and oil & gas, real estate, “not-for-profit” entities and manufacturing industries, with a strong emphasis on taxation and business advisory services. Mr. Goldberg was active in corporate finance and development and was involved in the structure and design of numerous innovative financing instruments, tax shelters and syndications, both in Canada and the US. He was actively involved with the audit of various public Canadian, US, Chinese and other foreign companies listed in the US and Canada. Mr. Goldberg is a director and audit committee member of numerous public companies in both Canada and the United States, including a number of issuers listed on senior Canada and United States stock exchanges. Mr. Goldberg was the Chief Executive Officer of two Canadian cannabis companies, one of which he also served as the executive chair. Mr. Goldberg holds the designation of C.T.A. from the University of South Africa and is a member of the Institute of Chartered Professional Accountants of Ontario and the Public Accountants Council of Ontario.

Other Reporting Issuer Experience

The following table identifies each of the New Nominees that serve as a director of any other company that is a reporting issuer or the equivalent in any Canadian or foreign jurisdiction.

Name	Name of Reporting Issuer	Name of Exchange or Market (if applicable)
Evan Levine	Probility Media Corp. Adventrx Pharmaceutical Inc Valley Forge Composite Technologies, Inc.	OTCQX NYSE OTCBB
Noah Davis	Probility Media Corp.	OTCQX
Gerald Goldberg	Capricorn Business Acquisitions Inc. FSD Pharma Inc. Baymount Incorporated	TSXV CSE, Nasdaq TSXV

Corporate Cease Trade Orders, Bankruptcies and Penalties of the New Nominees

Except as set out below, and other than as described under “*Election of Directors – Cease Trade Orders, Bankruptcies and Penalties of the Current Nominees*” relating to Gerald Goldberg, no New Nominee (nor any personal holding company of any such proposed director):

- (i) is as at the date of this Circular, or has been, within 10 years before the date of this Circular, a director, chief executive

officer or chief financial officer of any company (including the Corporation) that:

- (a) was the subject of an Order that was issued while that person was acting in that capacity; or
 - (b) was the subject of an Order that was issued after that person ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in such capacity;
- (ii) is as at the date of this Circular, or has been, within 10 years before the date of this Circular, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;
- (iii) has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such proposed director; or
- (iv) has been subject to (a) 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 (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable Shareholder in deciding whether to vote for the proposed director.

On October 14, 2013, Evan Levine was elected as Chairman of the board of directors of Valley Forge Composite Technologies, Inc. ("Valley Forge"), a Florida corporation listed on the OTC Link, to aid with reorganization efforts following the resignation of the previous chairman and several directors. Prior to his appointment, on October 9, 2013, Valley Forge filed a voluntary petition for reorganization under Chapter 11 of the United States Bankruptcy Code. On June 20, 2014, the Company's registered securities was revoked by the SEC for delinquency in its periodic filings with the SEC.

The persons designated as proxyholders in the accompanying Proxy (absent contrary directions) intend to vote FOR all four (4) of the directors as set forth above and therein. The Corporation does not contemplate that any of such nominees will be unable to serve as directors; however, if for any reason any of the proposed nominees do not stand for election or are unable to serve as such, proxies held by the persons designated as proxyholders in the accompanying Proxy will be voted for another nominee in their discretion unless the Shareholder has specified in his or her form Proxy that his or her Common Shares are to be withheld from voting in the election of directors. Each director elected as a New Nominee director will hold office from the Effective Time until the next annual meeting of Shareholders or until their successors are elected or appointed, all as the case may be, unless his or her office is earlier vacated. If the Qualifying Transaction is not completed, the current directors of the Corporation will continue to hold office until the next annual meeting of Shareholders or until their successors are elected or appointed.

6. Appointment of Post-Qualifying Transaction Auditors

It is proposed that the current auditors of PsyBio, MNP LLP, be appointed as auditors of the Corporation at the Meeting, conditional and effective only upon the completion of the Qualifying Transaction for the ensuing year, and the Board be authorize to fix their remuneration (the "**Auditor Replacement Resolution**").

Board Recommendation

The Board believes that the appointment of MNP LLP upon the completion of the Qualifying Transaction, and the authorization of the Board to fix their remuneration, in the best interests of the Corporation and therefore unanimously recommends that shareholders vote in favour of the Auditor Replacement Resolution.

It is the intention of the Designated Persons, if named as proxy, to vote "FOR" the Auditor Replacement Resolution.

To be adopted, this resolution is required to be passed by the affirmative vote of a majority of the votes cast at the Meeting.

RSM Canada LLP has agreed to resign as the auditors of the Corporation as of the Effective Time (as defined below). The determination not to re-appoint RSM Canada LLP as auditor of the Corporation has been made in the context of the Qualifying Transaction and not because of any reportable event (as that term is defined in NI 51-102).

In the event that MNP LLP is appointed at the Meeting and the Qualifying Transaction does not proceed, the Board may, in its sole discretion, decide not to act on this Auditor Replacement Resolution, without the requirement of any further approval or authorization of the Shareholders.

7. Continuance, Share Structure Amendment, Name Change and Consolidation

Continuance

Shareholders of the Corporation will be asked at the Meeting to consider and, if thought advisable, pass, with or without variation, a special resolution (the "**Continuance Resolution**") authorizing the Board, in its sole discretion, to apply for the discontinuance of the Corporation from the Province of Ontario and to continue the Corporation into the Province of British Columbia (the "**Continuance**"), the Share Structure Amendment, the Name Change, and the Consolidation.

The Continuance, if approved, will change the legal domicile of the Corporation and will affect certain of the rights of Shareholders as they currently exist under the OBCA. This summary is not intended to be exhaustive. Accordingly, Shareholders should consult their legal advisors regarding implications of the Continuance which may be of particular importance to them.

Constituting Documents

A British Columbia company's charter documents consist of its notice of articles and articles and any amendments thereto. Upon the completion of the Continuance, the Corporation will cease to be governed by the *Business Corporations Act* (Ontario) and thereafter, the *Business Corporations Act* (British Columbia) (the "**BCBCA**") will apply to the Corporation to the same extent as if it had been incorporated under the BCBCA. As part of the Continuance, shareholders of the Corporation will be asked to approve the adoption of notice of articles (the "**Notice of Articles**") and articles (the "**Articles**") which comply with the requirements of the BCBCA, a copy of which is attached hereto as Schedule "A".

Prerequisites for Continuance

Under the OBCA, the Corporation may not apply to become a company under the laws of the Province of British Columbia unless those laws provide in effect that:

- (i) the property of the Corporation continues to be the property of the Corporation after the Continuance;
- (ii) the Corporation after the Continuance continues to be liable for the obligations of the Corporation before the Continuance;
- (iii) an existing cause of action, claim or liability to prosecution is unaffected;
- (iv) a civil, criminal or administrative act or proceeding pending by or against the Corporation may be continued to be prosecuted by or against the Corporation after the Continuance; and
- (v) a conviction against, or a ruling, order or judgment in favour of or against the Corporation may be enforced by or against the Corporation after the Continuance.

The laws of the Province of British Columbia include such provisions.

Procedure in British Columbia for the Continuance

In order for the Continuance to become effective:

- (i) the Shareholders of the Corporation must authorize by special resolution: (i) the application by the Corporation (the "**Continuance Application**") to the Registrar of Companies for the Province of British Columbia (the "**BC Registrar**"), requesting that the Corporation be continued into British Columbia as a British Columbia company; and (ii) the application by the Corporation to the Ministry of Government and Consumer Services ("**Ministry**") for the Province of Ontario for authorization of the Continuance;
- (ii) the Corporation must apply to the Ministry for authorization of the proposed Continuance, including filing an Application for Authorization to continue in another Jurisdiction (Form 7) (the "**Application for Authorization**");
- (iii) the Corporation must obtain consent letters to apply to continue outside Ontario from each of the Minister of Finance and the OSC;
- (iv) the Corporation must apply to the BC Registrar to reserve the name proposed to be used after the Continuance;
- (v) the Corporation must file a Continuance Application (including a Notice of Articles reflecting the information that will apply to the Corporation upon Continuance) and all such other records and information as the BC Registrar may require;
- (vi) the BC Registrar, if the Continuance Application is satisfactory, will issue a Certificate of Continuation;
- (vii) the Corporation must file the Certificate of Continuation (once issued by the BC Registrar) with the Ministry, which will publish a notice that the Corporation has been continued into another jurisdiction; and
- (viii) the Corporation will cease to be a corporation within the meaning of the OBCA when the Corporation is continued into the Province of British Columbia.

Effect of Continuance

Assuming that the Continuance Resolution is approved by the Shareholders at the Meeting, it is expected that the Application for Authorization will be filed with the Ministry and the procedures outlined above will begin as soon as practicable thereafter, as determined by the Board in its sole discretion, in order to give effect to the Continuance.

Concurrent with the Continuance, the terms of the Common Shares of the Corporation will be amended such that they will be re-designated as Pre-Consolidation Subordinate Voting Shares of the Corporation upon Continuance. The existing certificates representing Common Shares will not be cancelled. Holders of securities of the Corporation convertible into Common Shares on the effective date of the Continuance will continue to hold securities convertible into Subordinate Voting Shares pursuant to the Definitive Agreement, on substantially the same terms and reflecting the foregoing subdivision.

On the effective date of the Continuance, the principal attributes of the classes of shares of the Corporation will be as set out in "Amendments to the Articles of Incorporation". Shareholders' rights under the OBCA and the BCBCA are not identical. See "*Certain Corporate Differences Between the OBCA and the BCBCA*" below.

The Continuance, if approved, will effect a change in the legal domicile of the Corporation on the effective date thereof to the Province of British Columbia. Upon issue of a Certificate of Continuation for the Corporation under the BCBCA, the Corporation will cease to be a corporation governed by the OBCA and will become a company governed by the BCBCA. The Continuance will not create a new legal entity and will not prejudice or affect the continuity of the Corporation. The Continuance will not result in any change in the business of the Corporation.

Subject to obtaining the requisite approval of Shareholders at the Meeting, the directors and officers of the Corporation immediately following the Continuance will be identical to the current directors and officers of the Corporation. As of the effective date of the Continuance, the election, duties, resignations and removal of the Corporation's directors and officers shall be governed by the BCBCA and the Corporation will no longer be subject to the corporate governance provisions of the OBCA.

By operation of law applicable under the laws of the Province of British Columbia, as of the effective date of the Continuance, all of the of the property, rights, interests and obligations of the Corporation immediately prior to the Continuance will continue

to be the property, rights, interests and obligations of the Corporation after the Continuance. An existing cause of action, claim or liability to prosecution of the Corporation will be unaffected; a legal proceeding being prosecuted or pending by or against the Corporation may be prosecuted or continued to be prosecuted by or against the Corporation; and a conviction against, or a ruling, order or judgment in favour of or against the Corporation may be enforced by or against the continued Corporation.

Reason for Continuance

The Board believes it is desirable for the Corporation to continue its corporate existence under the laws of the Province of British Columbia for several reasons, among which is the fact that the BCBCA has no requirement that directors of a British Columbia company be residents of Canada, as does the OBCA. With the exception of Gerald Goldberg, each of the directors of the Corporation proposed to be elected upon the Qualifying Transaction becoming effective is a resident of the United States. See "*Fixing Number of and Election of Post-Qualifying Transaction Directors*". The Corporation intends to complete the Continuance in connection with the proposed Qualifying Transaction. Management has therefore determined that it is appropriate to place before the Meeting a special resolution to approve the discontinuance of the Corporation from the Province of Ontario pursuant to the OBCA and to continue the Corporation into the Province of British Columbia pursuant to the BCBCA.

Certain Corporate Differences Between the OBCA and the BCBCA

The following is a summary only of certain differences between the BCBCA, the statute that will govern the corporate affairs of the Corporation upon the Continuance, and the OBCA, the statute which currently governs the corporate affairs of the Corporation. This summary is not exhaustive and shareholders are advised to review the full text of the BCBCA and consult their legal advisors regarding the implications of the Continuance.

If the Continuance is approved, Shareholders will hold securities in a company governed by the BCBCA. This Circular summarizes some of the differences that could materially affect the rights and obligations of Shareholders after giving effect to the Continuance. In exercising their vote, Shareholders should consider the distinctions between the BCBCA and the OBCA, only some of which are outlined below.

As the Corporation is a reporting issuer in Ontario, the Corporation will continue to be bound by the rules and policies of the OSC, and upon completion of the Qualifying Transaction, the TSXV as well as any other applicable securities legislation.

Nothing that follows should be construed as legal advice to any particular Shareholder, all of whom are advised to consult their own legal advisors respecting all of the implications of the Continuance.

Sale of the Corporation's Undertaking

The OBCA requires approval of the holders of two-thirds of the shares of a corporation represented at a duly called meeting to approve a sale, lease or exchange of all or substantially all of the property of a corporation, other than in the ordinary course of business. If a sale, lease or exchange of all or substantially all of the property of a corporation would affect a particular class or series of shares in a manner that is different than the shares of another class or series entitled to vote, then such class or series of shares are entitled to a separate class or series vote, regardless of whether or not such shares otherwise carry the right to vote.

Under the BCBCA, the directors of a company may sell, lease or otherwise dispose of all or substantially all of the undertaking of the company only if: (i) if it does so in the ordinary course of the company's business; or (ii) it has been authorized to do so by special resolution. Under the BCBCA a special resolution requires the approval of a "special majority", which means the majority specified in a company's Articles, which must be at least two-thirds and not more than three-quarters of the votes cast by those shareholders voting in person or by proxy at a general meeting of the corporation. If the articles do not contain a provision stipulating the special majority, then a special resolution is passed by at least two-thirds of the votes cast on a resolution.

Amendments to the Articles of a Corporation

Under the OBCA, amendments to the articles of a corporation require a resolution passed by not less than two thirds of the votes cast by the shareholders voting on the resolution authorizing the amendments and, where certain specified rights of the

holders of a class or series of shares are affected differently by the amendments than the rights of the holders of other classes or series of shares, such holders are entitled to vote separately as a class or series, whether or not such class or series of shares otherwise carry the right to vote. A resolution to amalgamate an OBCA corporation requires a special resolution passed by the holders of each class or series of shares, whether or not such shares otherwise carry the right to vote, if such class or series of shares are affected differently.

The requirements for alterations to the Articles of a company under the BCBCA depend upon the type of resolution specified as necessary in the company's Articles, which, for many alterations, including a change of name, can be by a resolution of the directors. In the absence of a lesser requirement in the Articles, most corporate alterations will require a special resolution, which is a resolution passed by a majority of at least 2/3 and not more than 3/4 of the votes cast, depending on the majority specified in the Articles. Alteration of the special rights and restrictions attached to issued shares requires, subject to the type of resolution specified in the company's Articles, consent by a special resolution of the holders of the class or series of shares affected. A proposed amalgamation or continuation of a company out of British Columbia requires a special resolution.

Rights of Dissent and Appraisal

The OBCA provides that shareholders who dissent to certain actions being taken by a corporation may exercise a right of dissent and require the corporation to purchase the shares held by such shareholders at the fair value of such shares. This dissent right is available when a corporation proposes to: (a) amend its articles to add, change or remove any provisions restricting or constraining the issue or transfer of shares of that class; (b) amend its articles to add, change or remove any restrictions on the business or businesses that the corporation may carry on; (c) amend its articles to add or remove an express statement establishing the unlimited liability of shareholders; (d) amalgamate with another corporation pursuant to certain statutory provisions; (e) be continued under the laws of another jurisdiction; or (f) sell, lease or exchange all or substantially all its property. **The BCBCA contains a similar dissent remedy, although the procedure for exercising this remedy is different from that contained in the OBCA.**

Similarly, the BCBCA provides shareholders of a BC company with a dissent remedy, regardless of whether the shareholders' shares carry the right to vote, where a company proposes to: (a) alter its articles to alter restrictions on the powers of the company or on the business it is permitted to carry on; (b) adopt an amalgamation agreement; (c) approve an amalgamation with a foreign corporation; (d) approve an arrangement, the terms of which arrangement permit dissent; (e) authorize or ratify the sale, lease or other disposition of all or substantially all of the company's undertaking; and (f) authorize the continuation of the company into a jurisdiction other than British Columbia. Under the BCBCA, the dissent right is also applicable to any other resolution, if dissent is authorized by the resolution, or under any court order that permits dissent.

Shareholder Derivative Actions

Under the BCBCA, a shareholder, defined as including a beneficial shareholder and any other person whom the court considers to be an appropriate person to make an application under the BCBCA, or a director of a company, may, with leave of the court, prosecute a civil, criminal, quasi-criminal, administrative or regulatory action or proceeding in the name and on behalf of the company to enforce a right, duty or obligation owed to the company that could be enforced by the company itself, or to obtain damages for any breach of such a right, duty or obligation. An applicant may also, with leave of the court, defend a legal proceeding brought against a company, in the name of and on behalf of the company.

The OBCA contains similar provisions for derivative actions but the right to bring a derivative action is available to a broader group. In addition to shareholders and directors, the right under the OBCA is available to former shareholders, former directors, officers, former officers, any affiliate of the foregoing, and any person who, in the discretion of the court, is a proper person to make an application to the court to bring a derivative action.

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Oppression Remedies

Under the OBCA a registered shareholder, beneficial shareholder, former registered shareholder or beneficial shareholder,

director, former director, officer, former officer of a corporation or any of its affiliates, or any other person who, in the discretion of a court, is a proper person to seek an oppression remedy, and in the case of an offering corporation, the Ontario Securities Commission, may apply to a court for an order to rectify the matters complained of where in respect of a corporation or any of its affiliates: (a) any act or omission of a corporation or its affiliates effects or threatens to effect a result; (b) the business or affairs of a corporation or its affiliates are or have been or are threatened to be carried on or conducted in a manner; or (c) the powers of the directors of the corporation or any of its affiliates are, have been or are threatened to be exercised in a manner, that is oppressive or unfairly prejudicial to, or that unfairly disregards the interests of, any security holder, creditor, director or officer. **The OBCA contains rights that are substantially broader than the BCBCA in that they are available to a larger class of complainants.**

The oppression remedy under the BCBCA is similar to the remedy found in the OBCA, with a few differences. Under the OBCA, the applicant can complain not only about acts of the corporation and its directors but also acts of an affiliate of the corporation and the affiliate's directors, whereas under the BCBCA, registered and beneficial shareholders, and any other person whom the court considers appropriate, can only complain that the affairs of the company are or have been conducted, or that the powers of the directors are being or have been exercised, in a manner that is oppressive to one or more of the shareholders. In addition, under the BCBCA the applicant must bring the application in a timely manner, which is not required under the OBCA.

Requisition of Meetings

The OBCA permits the holders of not less than 5% of the issued shares that carry the right to vote at a meeting sought to be held to require the directors to call and hold a meeting of the shareholders of the corporation for the purposes stated in the requisition. If the directors do not call a meeting within 21 days of receiving the requisition, any shareholder who signed the requisition may call the meeting.

The BCBCA provides that one or more shareholders of a company holding not less than 5% of the issued shares of the company that carry the right to vote at a general meeting may give notice to the directors requiring them to call and hold a general meeting of shareholders to transact the business stated in the notice within 4 months of the date of receipt of the notice. Subject to certain exceptions, if the directors fail to provide notice of a meeting within 21 days of receiving the requisition, the requisitioning shareholders, or any one or more of them holding in the aggregate, more than 2.5% of the issued shares of the corporation that carry the right to vote at general meetings, may send notice of a general meeting to be held to transact the business stated in the requisition

Place of Meetings

The OBCA provides that, subject to the articles and any unanimous shareholder agreement, meetings of shareholders may be held either inside or outside Ontario as the directors may determine.

The BCBCA requires all meetings of shareholders to be held in British Columbia unless: (i) a location outside the province of British Columbia is provided for in the articles; (ii) the articles do not restrict the corporation from approving a location outside of the province of British Columbia for holding of the general meeting and the location of the meeting is approved by the resolution required by the articles for that purpose, or approved by ordinary resolution if no resolution is required for that purpose by the articles; or (iii) if the location for the meeting is approved in writing by the registrar before the meeting is held.

Directors

The OBCA requires that at least 25% of directors of a corporation be resident Canadians and requires that for offering corporations not fewer than three individuals be elected and at least one-third of the directors not be officers or employees of the corporation or its affiliates.

The BCBCA provides that a public company must have at least three directors but does not have any residency requirements for directors.

Requisite Approvals

Under the BCBCA, a company can establish in its Articles the levels for various shareholder approvals, other than those levels

that are prescribed by the BCBCA. The majority of votes required for a special resolution can be specified in the Articles of a company, and may be no less than two-thirds and no more than three-quarters of the votes cast.

The OBCA does not provide flexibility with respect to the level of shareholder approval required for ordinary resolutions and special resolutions. Under the OBCA, an ordinary resolution must be passed by no less than a majority of the votes cast by shareholders entitled to vote with respect to the resolution and a special resolution must be passed by not less than two-thirds of the votes cast by the shareholders entitled to vote with respect to the resolution.

Amendments to Articles of Incorporation

The Continuance Resolution, if approved, will adopt a Notice of Articles and Articles for the Corporation which will effect the amendment of the Corporation's present Articles of Incorporation to:

- (i) create a new class of shares designated as multiple voting shares (the "**Multiple Voting Shares**") that will have the special rights and restrictions described under the heading "Summary Share Terms"; and
- (ii) amend the rights and restrictions of the existing class of the Common Shares, which will be re-designated as subordinate voting shares ("**Pre-Consolidation Subordinate Voting Shares**") having the special rights and restrictions described under the heading "Summary Share Terms";

(collectively, the "**Share Structure Amendment**").

The Articles proposed to be adopted by the Corporation upon completion of the Continuance are substantially as set out in Schedule "A" to this Circular.

The Multiple Voting Shares are being proposed in order to minimize the proportion of the outstanding voting securities of the Corporation that are held by "U.S. persons" for purposes of determining whether the Corporation is a "foreign private issuer" for purposes of United States securities laws.

Summary Share Terms

Subordinate Voting Shares (formerly Common Shares)

Reclassification	Each Common Share of the Corporation will be reclassified into one Pre-Consolidation Subordinate Voting Share.
Consolidation	Each Pre-Consolidation Subordinate Voting Share will be consolidated by a ratio between the range of 1.1:1 and 5:1.
Right to Notice and Vote	Holders of Subordinate Voting Shares will be entitled to notice of and to attend at any meeting of the shareholders of the Resulting Issuer, except a meeting of which only holders of another particular class or series of shares of the Resulting Issuer will have the right to vote. At each such meeting, holders of Subordinate Voting Shares will be entitled to one vote in respect of each Subordinate Voting Share held.
Class Rights	As long as any Subordinate Voting Shares remain outstanding, the Resulting Issuer will not, without the consent of the holders of the Subordinate Voting Shares by separate special resolution, prejudice or interfere with any right attached to the Subordinate Voting Shares.
Pre-Emptive Rights	Holders of Subordinate Voting Shares will not be entitled to a right of first refusal to subscribe for, purchase or receive any part of any issue of Subordinate Voting Shares, or bonds, debentures or other securities of the Resulting Issuer.
Dividends	Holders of Subordinate Voting Shares will be entitled to receive, as and when declared

by the directors of the Resulting Issuer, dividends in cash or property of the Resulting Issuer. No dividend will be declared or paid on the Subordinate Voting Shares unless the Resulting Issuer simultaneously declares or pays, as applicable, equivalent dividends (on an as-converted to Subordinate Voting Share basis) on the Multiple Voting Shares.

Participation In the event of the liquidation, dissolution or winding-up of the Resulting Issuer, whether voluntary or involuntary, or in the event of any other distribution of assets of the Resulting Issuer among its shareholders for the purpose of winding up its affairs, the holders of Subordinate Voting Shares will, subject to the prior rights of the holders of any shares of the Resulting Issuer ranking in priority to the Subordinate Voting Shares, be entitled to participate rateably along with all other holders of Multiple Voting Shares (on an as-converted to Subordinate Voting Share basis) and Subordinate Voting Shares.

Changes No subdivision or consolidation of the Subordinate Voting Shares shall occur unless, simultaneously, the Subordinate Voting Shares and Multiple Voting Shares are subdivided or consolidated in the same manner, so as to maintain and preserve the relative rights of the holders of the shares of each of the said classes.

Conversion In the event that an offer is made to purchase Multiple Voting Shares:

(1) if there is a published market for the Multiple Voting Shares, and the offer is one which is required to be made to all or substantially all of the holders of Multiple Voting Shares in a province or territory of Canada to which the requirement applies pursuant to (i) applicable securities laws or (ii) the rules of any stock exchange on which the Multiple Voting Shares of the Resulting Issuer are listed, unless an identical offer concurrently is made to purchase Subordinate Voting Shares; or

(2) if the Multiple Voting Shares are not then listed, and the offer is one which would have been required to be made to all or substantially all the holders of Multiple Voting Shares in a province or territory of Canada pursuant to (i) applicable securities laws or (ii) the rules of any stock exchange had the Multiple Voting Shares been listed,

then each Subordinate Voting Share shall become convertible at the option of the holder into Multiple Voting Shares at the inverse of the Conversion Ratio (as defined below) then in effect at any time while the offer is in effect until one day after the time prescribed by applicable securities legislation for the offeror to take up and pay for such shares as are to be acquired pursuant to the offer. The conversion right may only be exercised in respect of Subordinate Voting Shares for the purpose of depositing the resulting Multiple Voting Shares under the offer, and for no other reason. In such event, the Resulting Issuer shall deposit or shall cause its transfer agent to deposit under the offer the resulting Multiple Voting Shares, on behalf of the holder. Should the Multiple Voting Shares issued upon conversion and tendered in response to the offer be withdrawn by shareholders or not taken up by the offeror, or should the offer be abandoned, withdrawn or terminated by the offeror or the offer otherwise expires without such Multiple Voting Shares being taken up and paid for, the Multiple Voting Shares resulting from the conversion shall be reconverted into Subordinate Voting Shares at the Conversion Ratio then in effect, and the Resulting Issuer shall send or cause the transfer agent to send to the holder a share certificate or acknowledgement representing the Subordinate Voting Shares.

Multiple Voting Shares

Right to Vote	Holders of Multiple Voting Shares will be entitled to notice of and to attend at any meeting of the shareholders of the Resulting Issuer, except a meeting of which only holders of another particular class or series of shares of the Resulting Issuer will have the right to vote. At each such meeting, holders of Multiple Voting Shares will be entitled to one vote in respect of each Subordinate Voting Share into which such Multiple Voting Share could be converted as of the record date (which is currently contemplated to be 1,000 votes per Multiple Voting Share, and will be finalized prior to the completion of the Qualifying Transaction).
Class Rights	As long as any Multiple Voting Shares remain outstanding, the Resulting Issuer will not, without the consent of the holders of the Multiple Voting Shares by separate special resolution, prejudice or interfere with any right attached to the Multiple Voting Shares. Consent of the holders of a majority of the outstanding Multiple Voting Shares by separate ordinary resolution shall be required for any action that authorizes or creates shares of any class having preferences superior to or on a parity with the Multiple Voting Shares.
Pre-emptive Rights	Holders of Multiple Voting Shares will not be entitled to a right of first refusal to subscribe for, purchase or receive any part of any issue of Subordinate Voting Shares, Multiple Voting Shares, or bonds, debentures or other securities of the Resulting Issuer.
Dividends	The holders of the Multiple Voting Shares will be entitled to receive such dividends, out of any cash or other assets of the Resulting Issuer legally available therefor, <i>pari passu</i> (on an as-converted to Subordinated Voting Share basis, assuming conversion of all Multiple Voting Shares into Subordinate Voting Shares at the Conversion Ratio as of the record date fixed for the determination of the holders of Subordinate Voting Shares entitled to receive such dividend) as to dividends and any declaration or payment of any dividend on the Subordinate Voting Shares. No dividend will be declared or paid on the Multiple Voting Shares unless the Resulting Issuer simultaneously declares or pays, as applicable, equivalent dividends (on an as-converted to Subordinate Voting Share basis) on the Subordinate Voting Shares.
Participation	In the event of the liquidation, dissolution or winding-up of the Resulting Issuer, whether voluntary or involuntary, or in the event of any other distribution of assets of the Resulting Issuer among its shareholders for the purpose of winding up its affairs, the holders of Multiple Voting Shares will, subject to the prior rights of the holders of any shares of the Resulting Issuer ranking in priority to the Multiple Voting Shares, be entitled to participate ratably along with all other holders of Multiple Voting Shares (on an as-converted to Subordinate Voting Share basis) and Subordinate Voting Shares.
Changes	No subdivision or consolidation of the Subordinate Voting Shares or Multiple Voting Shares shall occur unless, simultaneously, the Subordinate Voting Shares and Multiple Voting Shares are subdivided or consolidated in the same manner, so as to maintain and preserve the relative rights of the holders of the shares of each of the said classes.
Conversion	It is contemplated that each Multiple Voting Share shall have a restricted right to convert into 1,000 Subordinate Voting Shares (the “ Conversion Ratio ”), subject to any changes to be agreed upon between the Corporation and PsyBio prior to the completion of the Qualifying Transaction, and any adjustments for certain customary corporate changes. The ability to convert the Multiple Voting Shares is subject to a restriction that the aggregate number of Subordinate Voting Shares and Multiple Voting Shares held of record, directly or indirectly, by residents of the United States (as determined in accordance with Rules 3b-4 and 12g3-2(a) under the Securities Exchange Act of 1934, as amended (the “ Exchange Act ”)), may not exceed forty percent (40%) of the aggregate number of Subordinate Voting Shares and Multiple Voting Shares issued and outstanding after giving

effect to such conversions and to a restriction on beneficial ownership of Subordinate Voting Shares exceeding certain levels (See *Foreign Private Issuer Protection Limitation* below). In addition, the Multiple Voting Shares will automatically convert into Subordinate Voting Shares in certain circumstances, including upon the registration of the Subordinate Voting Shares under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”).

In the event that an offer is made to purchase Subordinate Voting Shares:

(1) if there is a published market for the Subordinate Voting Shares, and the offer is one which is required to be made to all or substantially all the holders of Subordinate Voting Shares in a province or territory of Canada pursuant to (i) applicable securities legislation or (ii) the rules of a stock exchange on which the Subordinate Voting Shares are then listed, unless an identical offer concurrently is made to purchase Multiple Voting Shares; or

(2) if the Subordinate Voting Shares are not then listed, and the offer is one which would have been required to be made to all or substantially all the holders of Subordinate Voting Shares in a province or territory of Canada pursuant to (i) applicable securities legislation or (ii) the rules of a stock exchange had the Subordinate Voting Shares been listed,

then each Multiple Voting Share shall become convertible at the option of the holder into Subordinate Voting Shares at the Conversion Ratio then in effect, at any time while the offer is in effect until one day after the time prescribed by applicable securities legislation for the offeror to take up and pay for such shares as are to be acquired pursuant to the offer. The conversion right may be exercised in respect of Multiple Voting Shares for the purpose of depositing the resulting Multiple Voting Shares pursuant to the offer. Should the Subordinate Voting Shares issued upon conversion and tendered in response to the offer be withdrawn by shareholders or not taken up by the offeror, or should the offer be abandoned or withdrawn, the Subordinate Voting Shares resulting from the conversion shall be automatically reconverted, without further intervention on the part of the Resulting Issuer or on the part of the holder, into Multiple Voting Shares at the inverse of the Conversion Ratio then in effect.

Foreign Private Issuer Protection Limitation

The Resulting Issuer will use commercially reasonable efforts to maintain its status as a “foreign private issuer” (as determined in accordance with Rule 3b-4 under the Exchange Act). Accordingly, the Resulting Issuer shall not affect any conversion of Multiple Voting Shares, and the holders of Multiple Voting Shares shall not have the right to convert any portion of the Multiple Voting Shares to the extent that after giving effect to all permitted issuances after such conversions of Multiple Voting Shares, the aggregate number of Subordinate Voting Shares and Multiple Voting Shares held of record, directly or indirectly, by residents of the United States (as determined in accordance with Rules 3b-4 and 12g3-2(a) under the Exchange Act (“**U.S. Residents**”)) would exceed forty percent (40%) (the “**40% Threshold**”) of the aggregate number of Subordinate Voting Shares and Multiple Voting Shares issued and outstanding after giving effect to such conversions (the “**FPI Protective Restriction**”). The Board may by resolution increase the 40% Threshold to an amount not to exceed 50% and in the event of any such increase all references to the 40% Threshold herein, shall refer instead to the amended threshold set by such resolution.

In order to effect the FPI Protection Restriction, each holder of Multiple Voting Shares will be subject to the 40% Threshold based on the number of Multiple Voting Shares held by such holder as of the date of the initial issuance of the Multiple Voting Shares and thereafter at the end of each of the Resulting Issuer’s subsequent fiscal quarters (each, a “**Determination Date**”), calculated as follows:

$$X = [(A \times 0.4) - B] \times (C/D)$$

Where on the Determination Date:

X = Maximum number of Subordinate Voting Shares available for issue upon conversion of Multiple Voting Shares by a holder.

A = The number of Subordinate Voting Shares and Multiple Voting Shares issued and outstanding on the Determination Date.

B = Aggregate number of Subordinate Voting Shares and Multiple Voting Shares held of record, directly or indirectly, by U.S. Residents on the Determination Date.

C = Aggregate number of Multiple Voting Shares held by holder on the Determination Date.

D = Aggregate number of all Multiple Voting Shares on the Determination Date.

For purposes of these limitations, the Board (or a committee thereof) shall designate an officer of the Resulting Issuer to determine as of each Determination Date: (A) the 40% Threshold and (B) the FPI Protective Restriction. Within thirty (30) days of the end of each Determination Date (a “**Notice of Conversion Limitation**”), the Resulting Issuer will provide each holder of record a notice of the FPI Protection Restriction and the impact the FPI Protective Provision has on the ability of each holder to exercise the right to convert Multiple Voting Shares held by the holder. To the extent that requests for conversion of Multiple Voting Shares subject to the FPI Protection Restriction would result in the 40% Threshold being exceeded, the number of such Multiple Voting Shares eligible for conversion held by a particular holder shall be prorated relative to the number of Multiple Voting Shares submitted for conversion. To the extent that the FPI Protective Restriction applies, the determination of whether Multiple Voting Shares are convertible shall be in the sole discretion of the Resulting Issuer.

Redemption

At the option of the Resulting Issuer, Subordinate Voting Shares and/or Multiple Voting Shares owned by an Unsuitable Person (as defined below) may be redeemed by the Resulting Issuer for the redemption price of such shares (the “**Redemption Price**”) out of funds lawfully available on the redemption date. Subordinate Voting Shares and Multiple Voting Shares will be redeemable at any time and from time to time. The Resulting Issuer may pay the Redemption Price by using its existing cash resources, incurring debt, issuing additional Subordinate Voting Shares and/or Multiple Voting Shares, issuing a promissory note in the name of the Unsuitable Person, or by using a combination of the foregoing sources of funding.

For purposes hereof, “**Unsuitable Person**” means:

(i) any person with a 5% or more ownership of all of the issued and outstanding shares of the Resulting Issuer (a “**Significant Interest**”) who a governmental authority granting the licenses for the business has determined to be unsuitable to own shares of the Resulting Issuer; or

(ii) any person with a Significant Interest whose ownership of shares may result in the loss, suspension or revocation (or similar action) with respect to any licenses or in the Resulting Issuer being unable to obtain any new licenses in the normal course, including, but not limited to, as a result of such person's failure to apply for a suitability review from or to otherwise fail to comply with the requirements of a governmental authority, as determined by the Board, in its sole discretion, after consultation with legal counsel and if a license application has been filed, after consultation with the applicable governmental authority.

In connection with the conduct of the business of the Resulting Issuer, the Resulting Issuer may require that any shareholder provide to one or more governmental authorities, if and when required, information and fingerprints for a criminal background check, individual history form(s), and other information required in connection with applications for licenses for the operation of the business of the Resulting Issuer.

Advanced Notice Provision

The following is a brief summary of certain provisions of the advance notice provision in the Articles (the ‘**Advance Notice Provision**’) and is qualified in its entirety by the full text of the Articles, which is attached as Schedule “A” to this Circular.

Other than pursuant to: (i) the direction of the Board, including pursuant to a notice of meeting; (ii) a proposal made at the direction or request of one or more Shareholders in accordance with the *Business Corporations Act* (British Columbia); or (iii) a requisition of Shareholders made in accordance with the *Business Corporations Act* (British Columbia), Shareholders must give advance written notice to the Corporation of any nominees for election to the Board.

The Advance Notice Provision fixes a deadline by which registered Shareholders must submit, in writing, nominations for directors to the corporate secretary of the Corporation prior to any annual or special meeting of Shareholders and sets forth the specific information that such holders must include with their nominations in order to be effective.

For an annual meeting of Shareholders, notice to the Corporation must be not less than 30 prior to the date of the annual general meeting of Shareholders; save and except where the annual meeting is to be held on a date less than 50 days after the date on which the first public announcement of the date of such annual general meeting was made, in which event notice may be given not later than the close of business on the 10th day following such public announcement.

For a special meeting of Shareholders (that is not also an annual general meeting), notice to the Corporation must be given not later than the close of business on the 15th day following the day on which the first public announcement of the date of such special meeting was made.

For the purposes of the Advance Notice Provision, “public announcement” means disclosure in a press release disseminated by the Corporation through a national news service in Canada, or in a document filed by the Corporation for public access under its profile on SEDAR at www.sedar.com. The Board may, in its sole discretion, waive any requirement of the Advance Notice Provision.

Name Change

Upon completion of the Qualifying Transaction, the Corporation will carry on the business carried on by PsyBio and, accordingly, the Shareholders will be asked to approve the change of the corporate name of the Corporation (the “**Name Change**”) to “PsyBio Therapeutics Corp.” or such other name as the directors of the Corporation, in their sole discretion, may determine (the “**Name Change Resolution**”). It is intended that the Name Change be effected upon the completion of the Continuance, and in any case immediately prior to completion of the Qualifying Transaction.

Consolidation

It is a condition of the proposed Qualifying Transaction that the Corporation consolidate the Pre-Consolidation Subordinate Voting Shares of the Corporation. Therefore, the Continuance Resolution, if passed, will consolidate the Corporation’s Pre-Consolidation Subordinate Voting Shares by a ratio between the range of 1.1:1 and 5:1 in accordance with the terms of the Definitive Agreement (the “**Consolidation**”), and amend the Corporation’s articles accordingly. All outstanding options and any other securities granting rights to acquire Common Shares of the Corporation will be affected by the Consolidation in accordance with the adjustment provisions contained in the instruments giving rise to the issuance of such securities; provided, however, that the Corporation has agreed to terminate, for no consideration, any such options or other securities to the extent not converted or exercised prior to the consummation of the Qualifying Transaction.

The consolidation of the Corporation’s existing Common Shares will be effective concurrent with the Continuance. If the Continuance Resolution does not receive the requisite approval, the Qualifying Transaction will not proceed, unless such condition precedent is waived by PsyBio. The Corporation has agreed to cause all outstanding convertible securities to be exchanged, exercised or cancelled prior to the consummation of the Qualifying Transaction.

Shareholders’ Right to Dissent with Respect to the Continuance Resolution

Under section 185 of the OBCA, a registered Shareholder may dissent with respect to the Continuance Resolution. If the

Continuance Resolution is adopted and the Continuance, the Consolidation and the Share Structure Amendment are completed, a dissenting Shareholder who strictly complies with the procedures set out in the OBCA will be entitled to be paid the fair value of his or her Subordinate Voting Shares and Multiple Voting Shares, as applicable, in connection with which his or her right to dissent was exercised. Registered Shareholders who wish to exercise dissent rights should seek legal advice, as failure to adhere strictly to the requirements set out in the OBCA may result in the loss or unavailability of any right to dissent. A summary of the dissent rights available to Shareholders are set out in Schedule "D" to this Circular.

Shareholders who intend to exercise Dissent Rights should carefully consider and comply with the provisions of section 185 of the OBCA, which are set out in Schedule "D" to this Circular. Failure to comply with the provisions of that section and to adhere to the procedures established therein may result in the loss of all rights thereunder.

Continuance Resolution

To be effective, the Continuance Resolution requires the affirmative vote of not less than two-thirds of the votes cast by Shareholders present or represented by proxy and entitled to vote at the Meeting. In addition, the Continuance Resolution will be used to approve a "restricted security reorganization" pursuant to National Instrument 41-101 - *General Prospectus Requirements* and OSC Rule 56-501 - Restricted Shares (the "**Restricted Share Rules**"). The Restricted Share Rules require that a restricted security reorganization receive prior majority approval of the securityholders of the Corporation in accordance with applicable law, excluding any votes attaching to securities held, directly or indirectly, by affiliates of the Corporation or control persons of the Corporation.

For the purposes of the Restricted Share Rules, to the knowledge of management of the Corporation, no Shareholder is an affiliate or control person of the Corporation, and therefore no Common Shares will be excluded from voting on the Continuance Resolution under the Restricted Share Rules.

It is a condition precedent to the completion of the Qualifying Transaction that the Shareholders approve the Continuance Resolution. If the Continuance Resolution does not receive the requisite approval, the Qualifying Transaction will not proceed, unless such condition precedent is waived by PsyBio.

"BE IT RESOLVED as a special resolution that:

1. the board of directors of the Corporation be and is hereby authorized to:
 - a. make application to the Ministry of Government and Consumer Services for the Province of Ontario under Section 181 of the Business Corporations Act (Ontario) for authorization for the Corporation to apply to the Registrar of Companies under the Business Corporations Act (British Columbia) ("**BCBCA**") (the "**BC Registrar**") for continuance (the "**Continuance**") of the Corporation into the Province of British Columbia (the "**Continuance Application**") and to obtain such other consents as may be required in connection therewith, including, without limitation, from the Ministry of Finance and the Ontario Securities Commission;
 - b. prepare and include with the Continuation Application a notice of articles (the "**Notice of Articles**") under the BCBCA which will reflect the information which will apply to the Corporation upon Continuance; and
 - c. subject to receipt of consent letters to apply to continue outside of Ontario from each of the Minister of Finance of Ontario and the Ontario Securities Commission, to file the Continuance Application with the BC Registrar, and provide all such other records and information to the BC Registrar in connection with the Continuance as the BC Registrar may require;
2. concurrently with, and subject to the completion of, the Continuance:
 - a. the articles ("**Articles**") substantially in the form attached hereto as Schedule "A" are adopted as the Articles of the Corporation, with such changes thereto as may be required by regulatory authorities or as may be approved by the board of directors;
 - b. any one director of the Corporation be and he is authorized and directed to sign the Articles;

- c. by the Notice of Articles and the Articles: (A) the Corporation's common shares will be reclassified as subordinate voting shares (the "**Pre-Consolidation Subordinate Voting Shares**"), and have such special rights and restrictions as set forth in the Articles; and (B) the Corporation will have a new class of shares consisting of an unlimited number of multiple voting shares having the special rights and restrictions set forth in the Articles;
 - d. effective upon the continuance of the Corporation into British Columbia, the name of the Corporation be changed to "PsyBio Therapeutics Corp." or such other name as the directors of the Corporation, in their sole discretion, may determine (the "**Name Change**");
 - e. by the Notice of Articles and the Articles, the Corporation's current articles of incorporation and bylaws are amended: (A) to make all changes necessary to conform to the BCBCA; and (B) to consolidate the Pre-Consolidation Subordinate Voting Shares by a ratio between the range of 1.1:1 and 5:1 in accordance with the terms of the Definitive Agreement (the "**Consolidation**"); and
 - f. all outstanding options and any other securities granting rights to acquire Pre-Consolidation Subordinate Voting Shares of the Corporation will be affected by the Consolidation in accordance with the adjustment provisions contained in the instruments giving rise to the issuance of such securities; provided, however, that the Corporation has agreed to terminate, for no consideration, any such options or other securities to the extent not converted or exercised prior to the consummation of the qualifying transaction of the Corporation;
3. notwithstanding the approval of the shareholders of the Corporation as herein provided, the board of directors of the Corporation may, in its sole discretion, revoke this special resolution before it is acted upon, without further approval of the shareholders; and
 4. any one or more directors or officers be and are hereby authorized, upon the board of directors resolving to give effect to this resolution, to take all necessary steps and proceedings, and to execute and deliver and file any and all applications, declarations, documents and other instruments and do all such other acts and things (whether under corporate seal of the Corporation or otherwise) that may be necessary or desirable to give effect to the provisions of this resolution."

Board Recommendation

The Board believes that the Continuance, the Share Structure Amendment, the Name Change, and the Consolidation are in the best interests of the Corporation and therefore unanimously recommends that shareholders vote in favour of the Continuance Resolution.

It is the intention of the Designated Persons, if named as proxy, to vote "FOR" the Continuance Resolution unless otherwise directed.

The Board may, in its sole discretion, decide not to act on the Continuance Resolution.

8. New Stock Option Plan

In connection with the Qualifying Transaction, PsyBio has requested the Corporation adopt a new stock option plan (the "**New Stock Option Plan**"), substantially in the form attached as Schedule "E" to this Circular, to replace the Corporation's existing Legacy Plan. Options already granted under the existing Legacy Plan will remain outstanding and governed by the terms of the Legacy Plan, but no new Options will be granted under the existing Legacy Plan if the New Stock Option Plan is approved. If the New Stock Option Plan is not approved, the Corporation may determine to resume use of the existing Legacy Plan. The following is a description of the key terms of the New Stock Option Plan which is qualified in its entirety by reference to the full text of the New Stock Option Plan.

Plan Description

The Board may grant stock options to (a) an employee, officer, director or consultant of the Corporation or any subsidiary thereof and to (b) a person employed to perform investor relations activities (the “**Eligible Participants**”). The New Stock Option Plan has been prepared so as to meet the requirements of the Exchange.

The purpose of the New Stock Option Plan, considered as a rolling stock option plan pursuant to the policies of the Exchange is to provide the Corporation with a share-based mechanism to attract, motivate and retain Eligible Participants whose skills, performance and loyalty to the Corporation or any of its subsidiaries, as the case may be, are necessary to its success, image, reputation or activities.

For the purposes of the New Stock Option Plan description, capitalized terms used herein that are not otherwise defined shall have the meanings ascribed thereto in the New Stock Option Plan, substantially in the form attached to the Circular as Schedule “E”.

The material terms of the New Stock Option Plan are as follows:

- a) A maximum of 10% of the issued Subordinate Voting Shares in the capital of the Corporation being outstanding from time to time is reserved for the grant of Stock Options pursuant to the New Stock Option Plan (on a non-diluted basis, but on an as-converted basis as it relates to the Multiple Voting Shares).
- b) The Board may, in its sole discretion, determine to which eligible Participants Options will be granted and the number of Subordinate Voting Shares reserved for issuance pursuant to the Options.
- c) Subject to provisions of the New Stock Option Plan, the Expiry Time of an Option shall be the 10th anniversary of the date of grant unless a shorter period of time is otherwise set by the Board.
- d) Subject to provisions of the New Stock Option Plan, the vesting dates of the Options shall correspond to the vesting periods determined by the Board at the time of grant of such Options.
- e) The maximum number of Subordinate Voting Shares reserved for issuance in any 12-month period to any one optionee other than a consultant may not exceed 5% of the issued and outstanding Subordinate Voting Shares at the date of the grant (assuming conversion of all Multiple Voting Shares to Subordinate Voting Shares).
- f) The maximum number of Subordinate Voting Shares reserved for issuance in any 12 month period to any consultant may not exceed 2% of the issued and outstanding Subordinate Voting Shares at the date of the grant (assuming conversion of all Multiple Voting Shares to Subordinate Voting Shares).
- g) The maximum number of Subordinate Voting Shares reserved for issuance in any 12 month period to all persons engaged in investor relations activities may not exceed 2% of the issued and outstanding number of Subordinate Voting Shares at the date of the grant (assuming conversion of all Multiple Voting Shares to Subordinate Voting Shares). Options granted to consultants performing investor relations activities must vest in stages over 12 months with no more than $\frac{1}{4}$ of the Options vesting in any three month period. Should a person employed to perform investor relations activities cease to be a Participant for any reason other than death (such as by reason of disability, resignation, dismissal or termination of contract), then the Expiry Time of its Option vested at the latest on the date such person ceases to be a Participant (the “**Date of Termination of Investor Relations Activities**”), shall be the earlier of: (i) the original expiry date; or (ii) 30 days from the Date of Termination of Investor Relations Activities.
- h) Options may be exercised until the earlier of: (a) the expiry time of such Option; and (b) 90 days (or such other period as may be determined by the Board, provided such period is not more than one year) following the date the Participant ceases to be a director, officer or employee of the Corporation or its affiliates or a consultant or a management company employee, provided that if the cessation of such position or arrangement was by reason of death, the Option may be exercised within a maximum period of one year after such death, subject to the expiry date of such Option.
- i) In the event of termination for cause, all Options held by such terminated optionee will be cancelled immediately.

- j) Options (and any rights thereunder) shall be non-assignable and non-transferable unless by legacy or inheritance. Options may be exercised only by the Participant's legal representative within the first year following the Participant's death.
- k) Pursuant to the policies of the TSXV, the New Stock Option Plan must be approved each year by the Corporation's shareholders at the annual general meeting of shareholders of the Corporation.

New Stock Option Plan Resolution

In order to pass the New Stock Option Plan Resolution, at a majority of the votes cast by the Shareholders present at the Meeting in person or by proxy must be voted in favour of the New Stock Option Plan Resolution.

The text of the New Stock Option Plan Resolution to be voted on at the Meeting by the Shareholders is set forth below:

"BE IT RESOLVED as an ordinary resolution of the shareholders of the Corporation, that:

1. subject to the successful completion of the qualifying transaction of the Corporation, the stock option plan of the Corporation substantially in the form attached hereto as Schedule "E" (the "**New Stock Option Plan**"), with such amendments as the board of directors of the Corporation may authorize and approve from time to time or as may be required by a regulatory authority, is hereby approved and the New Stock Option Plan be and is hereby approved and adopted as the stock option plan of the Corporation;
2. all issued and outstanding stock options previously granted by the Corporation shall be continued under and governed by the New Stock Option Plan;
3. notwithstanding the approval of the shareholders of the Corporation as herein provided, the board of directors of the Corporation may, in its sole discretion, revoke this special resolution before it is acted upon, without further approval of the shareholders; and
4. any one or more directors or officers be and are hereby authorized, upon the board of directors resolving to give effect to this resolution, to take all necessary steps and proceedings, and to execute and deliver and file any and all applications, declarations, documents and other instruments and do all such other acts and things (whether under corporate seal of the Corporation or otherwise) that may be necessary or desirable to give effect to the provisions of this resolution."

Board Recommendation

The Board believes that the approval of the New Stock Option Plan is in the best interests of the Corporation and therefore unanimously recommends that shareholders vote in favour of the New Stock Option Plan Resolution.

It is the intention of the Designated Persons, if named as proxy, to vote "FOR" the New Stock Option Plan Resolution unless otherwise directed.

The Board may, in its sole discretion, decide not to act on the New Stock Option Plan Resolution.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available on the SEDAR website at www.sedar.com. Copies of the Corporation's financial statements and management's discussion and analysis may be obtained, without charge, upon request from the Corporation at 45 Sheppard Ave. East, Suite 703 Toronto, Ontario M2N 5W9, Attention: Gerald Goldberg, or by email request to gerrygoldbergcpa@gmail.com.

APPROVAL OF INFORMATION CIRCULAR

The contents of this Circular and the sending thereof to the Shareholders of the Corporation have been approved by the Board.

DATED at Toronto, Ontario this 14th day of December, 2020.

(signed) "*Gerald Goldberg*"

Gerald Goldberg
Chief Executive Officer

SCHEDULE "A"

ARTICLES

See attached.

Incorporation number: _____

PSYBIO THERAPEUTICS CORP.
(the “Company”)

The Company has as its articles the following articles.

Full name and signature of one director	Date of Signing
_____ [INSERT DIRECTOR NAME]	_____, 20____

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1. INTERPRETATION

1.1 Definitions

In these Articles, unless the context otherwise requires:

- (1) “**Acknowledgement**” means a non-transferable written acknowledgement of the shareholder’s right to obtain a certificate for shares of any class or series, including a direct registration system advice or the equivalent in any non-certificated inventory system administered by the Company or any transfer agent or depository of the Company;
- (2) “**Applicable Securities Laws**” means the applicable securities legislation of Canada (if any), each relevant province and territory of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins, blanket orders and rulings and notices of the securities commission and similar regulatory authority of each province and territory of Canada;
- (3) “**appropriate person**” has the meaning assigned thereto in the *Securities Transfer Act*;
- (4) “**board of directors**”, “**directors**” and “**board**” mean the directors or sole director of the Company for the time being;
- (5) “**Business Corporations Act**” means the *Business Corporations Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;
- (6) “**business day**” means any day other than a Saturday, Sunday or any statutory holiday in the province of British Columbia;
- (7) “**Interpretation Act**” means the *Interpretation Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;
- (8) “**legal personal representative**” means the personal or other legal representative of a shareholder;
- (9) “**protected purchaser**” has the meaning assigned thereto in the *Securities Transfer Act*;
- (10) “**registered address**” of a shareholder means the shareholder’s address as recorded in the central securities register of the Company;
- (11) “**Representatives**” of a person means the affiliates and associates of such person, all persons acting jointly or in concert with any of the foregoing, and the affiliates and associates of any of such persons acting jointly or in concert, and “**Representative**” means any one of them;
- (12) “**seal**” means the seal of the Company, if any;
- (13) “**Securities Transfer Act**” means the *Securities Transfer Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act; and

1.2 General

In these Articles:

- (1) expressions referring to writing include printing, lithography, typewriting, photography, facsimile, Internet, e-mail, CD-ROM, diskette, electronic and other modes of representing or reproducing words;
- (2) expressions referring to signing include facsimile, e-mail and other electronic signatures; and
- (3) the words “including”, “includes” and “include” means including (or includes or include) without limitation.

1.3 Business Corporations Act and Interpretation Act Definitions Applicable

The definitions in the *Business Corporations Act* and the definitions and rules of construction in the *Interpretation Act*, with the necessary changes, so far as applicable, and unless the context requires otherwise, apply to these Articles as if the Articles were an enactment. If there is a conflict or inconsistency between a definition in the *Business Corporations Act* and a definition or rule in the *Interpretation Act* relating to a term used in these Articles, the definition in the *Business Corporations Act* will prevail in relation to the use of the term in these Articles.

1.4 Conflicts Between Articles and the Business Corporations Act

If there is a conflict or inconsistency between these Articles and the *Business Corporations Act*, the *Business Corporations Act* will prevail.

2. SHARES AND SHARE CERTIFICATES

2.1 Authorized Share Structure

The authorized share structure of the Company consists of shares of the class or classes and series, if any, described in the Notice of Articles of the Company.

2.2 Form of Share Certificate

Each share certificate issued by the Company must comply with, and be signed as required by, the *Business Corporations Act*.

2.3 Shareholder Entitled to Certificate or Acknowledgement

Unless the shares of which the shareholder is the registered owner are uncertificated shares within the meaning of the *Business Corporations Act*, each shareholder is entitled upon request and without charge, to (a) one share certificate representing the shares of each class or series of shares registered in the shareholder's name or (b) an Acknowledgement, provided that in respect of a share held jointly by several persons, the Company is not bound to issue more than one share certificate or Acknowledgement and delivery of a share certificate or Acknowledgement to one of several joint shareholders or to a duly authorized agent of one of the joint shareholders will be sufficient delivery to all.

2.4 Delivery by Mail

Any share certificate or Acknowledgement may be sent to the shareholder by mail at the shareholder's registered address and neither the Company nor any director, officer or agent of the Company is liable for any loss to the shareholder because the share certificate or Acknowledgement is lost in the mail or stolen.

2.5 Replacement of Worn Out or Defaced Certificate or Acknowledgement

If the directors are satisfied that a share certificate or Acknowledgement is worn out or defaced, the directors must, on production to them of the share certificate or Acknowledgement, as the case may be, and on such other terms, if any, as the directors determine:

- (1) order the share certificate or Acknowledgement, as the case may be, to be cancelled; and
- (2) issue a replacement share certificate or Acknowledgement, as the case may be.

2.6 Replacement of Lost, Destroyed or Wrongfully Taken Share Certificate

If a person entitled to a share certificate claims that the share certificate has been lost, destroyed or wrongfully taken, the Company must issue a new share certificate, if that person:

- (1) so requests before the Company has notice that the share certificate has been acquired by a protected purchaser;
- (2) provides the Company with an indemnity bond sufficient in the Company's judgment to protect the Company from any loss that the Company may suffer by issuing a new certificate; and
- (3) satisfies any other reasonable requirements imposed by the directors.

A person entitled to a share certificate may not assert against the Company a claim for a new share certificate where a share certificate has been lost, apparently destroyed or wrongfully taken if that person fails to notify the Company of that fact within a reasonable time after that person has notice of it and the Company registers a transfer of the shares represented by the certificate before receiving a notice of the loss, apparent destruction or wrongful taking of the share certificate.

2.7 Recovery of New Share Certificate

If, after the issue of a new share certificate, a protected purchaser of the original share certificate presents the original share certificate for the registration of a transfer, then in addition to any rights on the indemnity bond, the Company may recover the new share certificate from a person to whom it was issued or any person taking under that person other than a protected purchaser.

2.8 Splitting Share Certificates

If a shareholder surrenders a share certificate to the Company with a written request that the Company issue in the shareholder's name two or more share certificates, each representing a specified number of shares and in the aggregate representing the same number of shares as represented by the share certificate so surrendered, the Company must cancel the surrendered share certificate and issue replacement share certificates in accordance with that request.

2.9 Share Certificate or Acknowledgement Fee

There must be paid to the Company, in relation to the issue of any share certificate or Acknowledgement under Articles 2.5, 2.6 or 2.8, the amount, if any and which must not exceed the amount prescribed under the *Business Corporations Act*, determined by the directors or the Company's transfer agent.

2.10 Recognition of Trusts

Except as required by law or statute or these Articles, no person will be recognized by the Company as holding any share upon any trust, and the Company is not bound by or compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share or fraction of a share or (except as

required by law or statute or these Articles or as ordered by a court of competent jurisdiction) any other rights in respect of any share except an absolute right to the entirety thereof in the shareholder.

3. ISSUE OF SHARES

3.1 Directors Authorized

Subject to the *Business Corporations Act* and the rights, if any, of the holders of issued shares of the Company, the Company may issue, allot, sell or otherwise dispose of the unissued shares, and issued shares held by the Company, at the times, to the persons, including directors, in the manner, on the terms and conditions and for the issue prices (including any premium at which shares with par value may be issued) that the directors may determine. The issue price for a share with par value must be equal to or greater than the par value of the share.

3.2 Commissions and Discounts

The Company may at any time pay a reasonable commission or allow a reasonable discount to any person in consideration of that person purchasing or agreeing to purchase shares of the Company from the Company or any other person or procuring or agreeing to procure purchasers for shares of the Company.

3.3 Brokerage

The Company may pay such brokerage fee or other consideration as may be lawful for or in connection with the sale or placement of its securities.

3.4 Conditions of Issue

Except as provided for by the *Business Corporations Act*, no share may be issued until it is fully paid. A share is fully paid when:

- (1) consideration is provided to the Company for the issue of the share by one or more of the following:
 - (i) past services performed for the Company;
 - (ii) property;
 - (iii) money; and
- (2) the value of the consideration received by the Company equals or exceeds the issue price set for the share under Article 3.1.

3.5 Share Purchase Warrants, Rights and Subscription Receipts

Subject to the *Business Corporations Act*, the Company may issue share purchase warrants, options, rights and subscription receipts upon such terms and conditions as the directors determine, which share purchase warrants, options, rights and subscription receipts may be issued alone or in conjunction with debentures, debenture stock, bonds, shares or any other securities issued or created by the Company from time to time.

4. SHARE REGISTERS

4.1 Central Securities Register

As required by and subject to the *Business Corporations Act*, the Company must maintain a central securities register, which may be kept in electronic form and may be made available for inspection in accordance with the *Business Corporations Act* by means of computer terminal or other electronic technology.

4.2 Appointment of Agent

The directors may, subject to the *Business Corporations Act*, appoint an agent to maintain the central securities register. The directors may also appoint one or more agents, including the agent which keeps the central securities register, as transfer agent for its shares or any class or series of its shares, as the case may be, and the same or another agent as registrar for its shares or such class or series of its shares, as the case may be. The directors may terminate such appointment of any agent at any time and may appoint another agent in its place.

5. SHARE TRANSFERS

5.1 Registering Transfers

Subject to the *Business Corporations Act* and the *Securities Transfer Act*, a transfer of a share of the Company must not be registered unless the Company or the transfer agent or registrar for the class or series of share to be transferred has received:

- (1) in the case of a share certificate that has been issued by the Company in respect of the share to be transferred, that share certificate and a written instrument of transfer (which may be on a separate document or endorsed on the share certificate) made by the shareholder or other appropriate person or by an agent who has actual authority to act on behalf of that person;
- (2) in the case of an Acknowledgement, in respect of the share to be transferred, a written instrument of transfer that directs that the transfer of the share be registered, made by the shareholder or other appropriate person or by an agent who has actual authority to act on behalf of that person;
- (3) in the case of a share that is an uncertificated share within the meaning of the *Business Corporations Act*, a written instrument of transfer that directs that the transfer of the share be registered, made by the shareholder or other appropriate person or by an agent who has actual authority to act on behalf of that person; and
- (4) such other evidence, if any, as the Company or the transfer agent or registrar for the class or series of share to be transferred may require to prove the title of the transferor or the transferor's right to transfer the share, that the written instrument of transfer is genuine and authorized and that the transfer is rightful or to a protected purchaser.

5.2 Form of Instrument of Transfer

The instrument of transfer in respect of any share of the Company must be either in the form, if any, on the back of the Company's share certificates or in any other form that may be approved from time to time by the directors or the Company's transfer agent for the class or series of shares to be transferred.

5.3 Transferor Remains Shareholder

Except to the extent that the *Business Corporations Act* otherwise provides, the transferor of shares is deemed to remain the holder of the shares until the name of the transferee is entered in a securities register of the Company in respect of the transfer.

5.4 Signing of Instrument of Transfer

An instrument of transfer signed by a person contemplated in Article 5.1 constitutes a complete and sufficient authority to the Company and its directors, officers and agents to register the number of shares specified in the instrument of transfer or specified in any other manner, or, if no number is specified, all the shares represented by the share certificates or set out in the Acknowledgement deposited with the instrument of transfer:

- (1) in the name of the person named as transferee in that instrument of transfer; or

- (2) if no person is named as transferee in that instrument of transfer, in the name of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered.

5.5 Enquiry as to Title Not Required

Neither the Company nor any director, officer or agent of the Company is bound to inquire into the title of the person named in the instrument of transfer as transferee or, if no person is named as transferee in the instrument of transfer, of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered or is liable for any claim related to registering the transfer by the shareholder or by any intermediate owner or holder of the shares, of any interest in the shares, of any share certificate representing such shares or any Acknowledgement in respect of a right to obtain a share certificate for such shares.

5.6 Transfer Fee

There must be paid to the Company or its transfer agent, in relation to the registration of any transfer, the amount, if any, determined by the directors or the Company's transfer agent.

6. TRANSMISSION OF SHARES

6.1 Legal Personal Representative Recognized on Death

In the case of the death of a shareholder, the legal personal representative of the shareholder, or in the case of shares registered in the shareholder's name and the name of another person in joint tenancy, the surviving joint tenant, will be the only person recognized by the Company as having any title to the shareholder's interest in the shares. Before recognizing a person as a legal personal representative of a shareholder, the directors may require the original grant of probate or letters of administration or a court certified copy of them or the original or a court certified or authenticated copy of the grant of representation, will, order or other instrument or other evidence of the death under which title to the shares or securities is claimed to vest.

6.2 Rights of Legal Personal Representative

The legal personal representative of a shareholder has the same rights, privileges and obligations that attach to the shares held by the shareholder, including the right to transfer the shares in accordance with these Articles, provided appropriate evidence of appointment or incumbency, within the meaning of the *Securities Transfer Act*, and the documents required by the *Business Corporations Act* and the directors have been deposited with the Company. This Article 6.2 does not apply in the case of the death of a shareholder with respect to shares registered in the shareholder's name and the name of another person in joint tenancy.

7. PURCHASE OF SHARES

7.1 Company Authorized to Purchase Shares

Subject to Article 7.2, the special rights or restrictions attached to the shares of any class or series and the *Business Corporations Act*, the Company may, if authorized by the directors, purchase or otherwise acquire any of its shares at the price and upon the terms determined by the directors.

7.2 No Purchase, Redemption or Other Acquisition When Insolvent

The Company must not make a payment or provide any other consideration to purchase, redeem or otherwise acquire any of its shares if there are reasonable grounds for believing that:

- (1) the Company is insolvent; or
- (2) making the payment or providing the consideration would render the Company insolvent.

7.3 Sale and Voting of Purchased Shares

If the Company retains a share redeemed, purchased or otherwise acquired by it, the Company may sell, gift or otherwise dispose of the share, but, while such share is held by the Company, it:

- (1) is not entitled to vote the share at a meeting of its shareholders;
- (2) must not pay a dividend in respect of the share; and
- (3) must not make any other distribution in respect of the share.

8. BORROWING POWERS

8.1 Borrowing Powers

The Company, if authorized by the directors, may:

- (1) borrow money in the manner and amount, on the security, from the sources and on the terms and conditions that the directors consider appropriate;
- (2) issue bonds, debentures and other debt obligations either outright or as security for any liability or obligation of the Company or any other person and at such discounts or premiums and on such other terms as the directors consider appropriate;
- (3) guarantee the repayment of money by any other person or the performance of any obligation of any other person; and
- (4) mortgage, charge, whether by way of specific or floating charge, grant a security interest in, or give other security on, the whole or any part of the present and future assets and undertaking of the Company.

8.2 Delegation

The directors may from time to time delegate to such one or more of the directors or officers of the Company as may be designated by the board all or any of the powers conferred on the board by Article 8.1 or by the *Business Corporations Act* to such extent and in such manner as the directors shall determine at the time of each such delegation.

9. ALTERATIONS

9.1 Alteration of Authorized Share Structure

Subject to Article 9.2 and the *Business Corporations Act*, the Company may:

- (1) by directors' resolution:
 - (i) subdivide or consolidate all or any of its unissued, or fully paid issued, shares; or
 - (ii) increase, reduce or eliminate the maximum number of shares that the Company is authorized to issue out of any class or series of shares or establish a maximum number of shares that the Company is authorized to issue out of any class or series of shares for which no maximum is established;

and, if applicable, alter its Articles and Notice of Articles accordingly; or

- (2) by ordinary resolution:
- (i) create one or more classes or series of shares or, if none of the shares of a class or series of shares are allotted or issued, eliminate that class or series of shares;
 - (ii) if the Company is authorized to issue shares of a class of shares with par value:
 - (A) decrease the par value of those shares; or
 - (B) if none of the shares of that class of shares are allotted or issued, increase the par value of those shares;
 - (iii) change all or any of its unissued, or fully paid issued, shares with par value into shares without par value or any of its unissued shares without par value into shares with par value;
 - (iv) alter the identifying name of any of its shares; or
 - (v) otherwise alter its shares or authorized share structure when required or permitted to do so by the *Business Corporations Act*;
- and, if applicable, alter its Articles and Notice of Articles accordingly.

9.2 Special Rights or Restrictions

- (1) Subject to the *Business Corporations Act* and to the special rights and restrictions attached to any class or series of shares, the Company may by special resolution:
- (i) create special rights or restrictions for, and attach those special rights or restrictions to, the shares of any class or series of shares, which have been issued; or
 - (ii) vary or delete any special rights or restrictions attached to the shares of any class or series of shares, which have been issued;
- and, if applicable, alter its Articles and Notice of Articles accordingly.
- (2) Subject to the *Business Corporations Act* and to the special rights and restrictions attached to any class or series of shares, the Company may by ordinary resolution:
- (i) create special rights or restrictions for, and attach those special rights or restrictions to, the shares of any class or series of shares for any shares which have not been issued; or
 - (ii) vary or delete any special rights or restrictions attached to the shares of any class or series of shares which have not been issued;
- and, if applicable, alter its Articles and Notice of Articles accordingly.

9.3 Change of Name

The Company may by resolution of the directors or ordinary resolution authorize an alteration to its Notice of Articles in order to change its name and may adopt or change any translation of that name.

9.4 Other Alterations

Unless the *Business Corporations Act* or these Articles otherwise require, any action that must or may be taken or authorized by the shareholders, including any amendment or alteration to these Articles, may be taken or authorized by an ordinary resolution.

10. MEETINGS OF SHAREHOLDERS

10.1 Annual General Meetings

Unless an annual general meeting is deferred or waived in accordance with the *Business Corporations Act*, the Company must hold its first annual general meeting within 18 months after the date on which it was incorporated or otherwise recognized under the *Business Corporations Act*, and after that must hold an annual general meeting at least once in each calendar year and not more than 15 months after the last annual reference date at such time and place as may be determined by the directors.

10.2 Calling and Location of Meetings of Shareholders

The directors may, at any time, call a meeting of shareholders to be held at such time and at such place, either in or outside British Columbia, subject to Article 10.8, as may be determined by the directors.

10.3 Notice for Meetings of Shareholders

The Company must send notice of the date, time and location of any meeting of shareholders, in the manner provided in these Articles to each shareholder entitled to attend the meeting, to each director and to the auditor of the Company, unless these Articles otherwise provide, at least 21 days before the meeting.

10.4 Record Date for Notice and Voting

The directors may set a date as the record date for the purpose of determining shareholders entitled to notice of, and to vote at, any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the *Business Corporations Act*, by more than four months. The record date must not precede the date on which the meeting is held by fewer than 21 days. If no record date is set, the record date is 5:00 p.m. (Vancouver time) on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

10.5 Failure to Give Notice and Waiver of Notice

The accidental omission to send notice of any meeting of shareholders to, or the non-receipt of any notice by, any of the persons entitled to notice does not invalidate any proceedings at that meeting. Any person entitled to notice of a meeting of shareholders, and any duly appointed proxy of a shareholder entitled to such notice, may, in writing or otherwise, waive that entitlement or may agree to reduce the period of that notice. Attendance of a person (or duly appointed proxy) at a meeting of shareholders is a waiver of entitlement to notice of the meeting unless that person attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

10.6 Notice of Special Business at Meetings of Shareholders

If a meeting of shareholders is to consider special business within the meaning of Article 11.1, the notice of meeting must:

- (1) state the general nature of the special business; and
- (2) the text or any resolution to be submitted to the meeting in respect of such special business.

10.7 Class Meetings and Series Meetings of Shareholders

Unless otherwise specified in these Articles, the provisions of these Articles relating to a meeting of shareholders will apply, with the necessary changes and so far as they are applicable, to a class meeting or series meeting of shareholders holding a particular class or series of shares.

10.8 Electronic Meetings

The directors may determine that a meeting of shareholders shall be held entirely by means of telephonic, electronic or other communication facilities that permit all participants to communicate with each other during the meeting. A meeting of shareholders may also be held at which some, but not necessarily all, persons entitled to attend may participate by means of such communication facilities, if the directors determine to make them available. A person participating in a meeting of shareholders by such means is deemed to be present at the meeting for all purposes of the *Business Corporations Act* and these Articles.

10.9 Electronic Voting

Any vote at a meeting of shareholders may be held entirely or partially by means of telephonic, electronic or other communication facilities, if the directors determine to make them available, whether or not persons entitled to attend the meeting otherwise participate in the meeting by means of communication facilities.

11. PROCEEDINGS AT MEETINGS OF SHAREHOLDERS

11.1 Special Business

At a meeting of shareholders, the following business is special business:

- (1) at a meeting of shareholders that is not an annual general meeting, all business is special business except business relating to the conduct of or voting at the meeting;
- (2) at an annual general meeting, all business is special business except for the following:
 - (i) business relating to the conduct of or voting at the meeting;
 - (ii) consideration of any financial statements of the Company presented to the meeting;
 - (iii) consideration of any reports of the directors or auditor;
 - (iv) the setting or changing of the number of directors;
 - (v) the election or appointment of directors;
 - (vi) the appointment of an auditor;
 - (vii) business arising out of a report of the directors not requiring the passing of a special resolution or an exceptional resolution;
 - (viii) any other business which, under these Articles or the *Business Corporations Act*, may be transacted at a meeting of shareholders without prior notice of the business being given to the shareholders.

11.2 Business to be Discussed

No business may be transacted at an annual general or special meeting of shareholders other than business that is either (i) specified in the Company's notice of meeting (or any supplement thereto) given by or at the direction of

the board of directors, (ii) otherwise properly brought before the meeting by or at the direction of the board of directors, or (iii) otherwise properly brought before the meeting by any shareholder of the Company who complies with the proposal procedures set forth in Article 11.3.

11.3 New Business

For business to be properly brought by a shareholder of the Company before an annual general or special meeting of shareholders, such shareholder must submit a proposal to the Company for inclusion in the Company's management information circular in accordance with the requirements of the *Business Corporations Act*; provided that any proposal that includes nominations for the election of directors shall also comply with the requirements of Article 14.2.

11.4 Special Majority

- (1) For the purposes of the Articles and the *Business Corporations Act*, the majority of votes required for the Company to pass a special resolution at a general meeting is two-thirds of the votes cast on the resolution.
- (2) For the purposes of the *Business Corporations Act*, and unless otherwise provided in the Articles, the majority of votes required for shareholders holding shares of a class or series of shares to pass a special separate resolution is two-thirds of the votes cast on the resolution.

11.5 Quorum

Subject to the special rights or restrictions attached to the shares of any class or series of shares and to Article 11.6, the quorum for the transaction of business at a meeting of shareholders is two persons who are, or who represent by proxy, shareholders who, in the aggregate, hold at least 5% of the issued shares entitled to be voted at the meeting.

11.6 One Shareholder May Constitute Quorum

If there is only one shareholder entitled to vote at a meeting of shareholders:

- (1) the quorum is one person who is, or who represents by proxy, that shareholder, and
- (2) that shareholder, present in person or by proxy, may constitute the meeting.

11.7 Persons Entitled to Attend Meeting

In addition to those persons who are entitled to vote at a meeting of shareholders, the only other persons entitled to be present at the meeting are the directors, the president (if any), the chief executive officer (if any), the secretary (if any), the assistant secretary (if any), any other officers of the Company, any lawyer for the Company, the auditor of the Company, any persons invited to be present at the meeting by the directors or by the chair of the meeting and any persons entitled or required under the *Business Corporations Act* or these Articles to be present at the meeting; but if any of those persons does attend the meeting, that person is not to be counted in the quorum and is not entitled to vote at the meeting unless that person is a shareholder or proxy holder entitled to vote at the meeting.

11.8 Requirement of Quorum

No business, other than the election of a chair of the meeting and the adjournment of the meeting, may be transacted at any meeting of shareholders unless a quorum of shareholders entitled to vote is present at the commencement of the meeting, but such quorum need not be present throughout the meeting.

11.9 Lack of Quorum

If, within one-half hour from the time set for the holding of a meeting of shareholders, a quorum is not present:

- (1) in the case of a general meeting requisitioned by shareholders, the meeting is dissolved, and
- (2) in the case of any other meeting of shareholders, the meeting stands adjourned to a fixed time and place as determined by the chair of the board or by the directors.

11.10 Lack of Quorum at Succeeding Meeting

If, at the meeting to which the meeting referred to in Article 11.9(2) was adjourned, a quorum is not present within one-half hour from the time set for the holding of the meeting, the person or persons present and being, or representing by proxy, one or more shareholders entitled to attend and vote at the meeting constitute a quorum.

11.11 Chair, Secretary and Scrutineer

The following individual is entitled to preside as chair at a meeting of shareholders:

- (1) the chair of the board, if any; or
- (2) if the chair of the board is absent or unwilling to act as chair of the meeting, the president or chief executive officer, if any; or
- (3) if neither the chair of the board nor the president or chief executive officer is present, or willing to act, any director.

The secretary of the Company, if any, shall serve as secretary of any meeting of shareholders, and if absent, the chair of the meeting shall appoint a person, who need not be a shareholder, to serve as secretary of the meeting. The chair of the meeting may also appoint one or more persons, who need not be shareholders, to serve as scrutineer(s) of the meeting.

11.12 Adjournments

The chair of a meeting of shareholders may, and if so directed by ordinary resolution must, adjourn the meeting from time to time and from place to place, but no business may be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

11.13 Notice of Adjourned Meeting

It is not necessary to give any notice of an adjourned meeting of shareholders or of the business to be transacted at an adjourned meeting of shareholders except that, when a meeting is adjourned for 45 days or more, notice of the adjourned meeting must be given as in the case of the original meeting.

11.14 Decisions by Show of Hands or Poll

Subject to the *Business Corporations Act*, every motion put to a vote at a meeting of shareholders will be decided on a show of hands or the functional equivalent of a show of hands by means of telephonic, electronic or other communication facility, unless a poll, before or on the declaration of the result of the vote by show of hands (or its functional equivalent), is directed by the chair or demanded by any shareholder entitled to vote who is present in person or by proxy.

11.15 Declaration of Result

The chair of a meeting of shareholders must declare to the meeting the decision on every question in accordance with the result of the show of hands (or its functional equivalent) or the poll, as the case may be, and that decision must be entered in the minutes of the meeting. A declaration of the chair that a resolution is carried by the necessary majority or is defeated is, unless a poll is directed by the chair or demanded under Article 11.14, conclusive evidence without proof of the number or proportion of the votes recorded in favour of or against the resolution.

11.16 Motion Need Not be Seconded

No motion proposed at a meeting of shareholders need be seconded unless the chair of the meeting rules otherwise, and the chair of any meeting of shareholders is entitled to propose or second a motion.

11.17 Casting Vote

In the case of an equality of votes, the chair of a meeting of shareholders does not, either on a show of hands (or its functional equivalent) or on a poll, have a second or casting vote in addition to the vote or votes to which the chair may be entitled as a shareholder or proxy holder.

11.18 Manner of Taking Poll

Subject to Article 11.19, if a poll is duly demanded at a meeting of shareholders:

- (1) the poll must be taken:
 - (i) at the meeting, or within seven days after the date of the meeting, as the chair of the meeting directs; and
 - (ii) in the manner, at the time and at the place that the chair of the meeting directs;
- (2) the result of the poll is deemed to be the decision of the meeting at which the poll is demanded; and
- (3) the demand for the poll may be withdrawn by the person who demanded it.

11.19 Demand for Poll on Adjournment

A poll demanded at a meeting of shareholders on a question of adjournment must be taken immediately at the meeting.

11.20 Chair Must Resolve Dispute

In the case of any dispute as to the admission or rejection of a vote given on a poll, the chair of the meeting must determine the dispute, and his or her determination made in good faith is final and conclusive.

11.21 Casting of Votes

On a poll, a shareholder entitled to more than one vote need not cast all the votes in the same way.

11.22 Demand for Poll Not to Prevent Continuance of Meeting

The demand for a poll at a meeting of shareholders does not, unless the chair of the meeting so rules, prevent the continuation of a meeting for the transaction of any business other than the question on which a poll has been demanded.

11.23 Retention of Ballots and Proxies

The Company must, for at least three months after a meeting of shareholders, keep each ballot cast on a poll and each proxy voted at the meeting, and, during that period, make them available for inspection during statutory business hours by any shareholder or proxyholder entitled to vote at the meeting. At the end of such three-month period, the Company may destroy such ballots and proxies.

11.24 Ordinary Resolution

Unless the *Business Corporations Act* or these Articles otherwise provide, any action that must or may be taken or authorized by the shareholders may be taken or authorized by an ordinary resolution.

12. VOTES OF SHAREHOLDERS

12.1 Number of Votes by Shareholder or by Shares

Subject to any special rights or restrictions attached to any shares and to the restrictions imposed on joint shareholders under Article 12.3:

- (1) on a vote by show of hands (or its functional equivalent), every person present who is a shareholder or proxy holder and entitled to vote on the matter has one vote; and
- (2) on a poll, every shareholder entitled to vote on the matter has one vote in respect of each share entitled to be voted on the matter and held by that shareholder and may exercise that vote either in person or by proxy.

12.2 Votes of Persons in Representative Capacity

A person who is not a shareholder may vote at a meeting of shareholders, whether on a show of hands (or its functional equivalent) or on a poll, and may appoint a proxy holder to act at the meeting, if, before doing so, the person satisfies the chair of the meeting, or the directors, that the person is a legal personal representative or a trustee in bankruptcy for a shareholder who is entitled to vote at the meeting.

12.3 Votes by Joint Holders

If there are joint shareholders registered in respect of any share:

- (1) any one of the joint shareholders may vote at any meeting of shareholders, personally or by proxy, in respect of the share as if that joint shareholder were solely entitled to it; or
- (2) if more than one of the joint shareholders is present at any meeting of shareholders, personally or by proxy, and more than one of them votes in respect of that share, then only the vote of the joint shareholder present whose name stands first on the central securities register in respect of the share will be counted.

12.4 Legal Personal Representatives as Joint Shareholders

Two or more legal personal representatives of a shareholder in whose sole name any share is registered are, for the purposes of Article 12.3, deemed to be joint shareholders registered in respect of that share.

12.5 Representative of a Corporate Shareholder

Any shareholder that is a corporation may authorize by resolution of its directors or governing body an individual to represent it at a meeting of shareholders and such individual may exercise on the shareholder's behalf all the powers it could exercise if it were an individual shareholder. The authority of such an individual shall be established by depositing with the Company a certified copy of such resolution, or in such other manner as may be satisfactory to the secretary of the Company or the chair of the meeting. Any such representative need not be a shareholder.

12.6 Appointment of Proxy Holders

Every shareholder of the Company, including a corporation that is a shareholder but not a subsidiary of the Company, entitled to vote at a meeting of shareholders may, by proxy, appoint one or more proxy holders to attend

and act at the meeting in the manner, to the extent and with the powers conferred by the proxy. The instructing of proxy holders may be carried out by means of telephonic, electronic or other communication facility in addition to or in substitution for instructing proxy holders by mail.

12.7 Alternate Proxy Holders

A shareholder may appoint one or more alternate proxy holders to act in the place of an absent proxy holder.

12.8 Deposit of Proxy

The board of directors may specify in the notice calling a meeting of shareholders a time, not exceeding 48 hours (excluding non-business days), preceding the meeting, or an adjournment thereof, before which proxies must be deposited with the Company or its agent specified in such notice. Subject to Articles 12.11, 12.12 and 12.13, a proxy shall be acted upon only if, prior to the time so specified, it shall have been deposited with the Company or an agent thereof specified in such notice or, where no such time is specified in such notice, if it has been so deposited or received by the secretary of the Company or by the chair of the meeting or any adjournment thereof prior to the time of voting. A proxy may be sent to the Company or its agent by written instrument, fax or any other method of transmitting legibly recorded messages and by using available telephone, electronic (including Internet) or other voting services as may be approved by the directors.

12.9 Validity of Proxy Vote

A vote given in accordance with the terms of a proxy is valid notwithstanding the death or incapacity of the shareholder giving the proxy and despite the revocation of the proxy or the revocation of the authority under which the proxy is given, unless notice in writing of that death, incapacity or revocation is received:

- (1) at the registered office of the Company, at any time up to and including the last business day before the day set for the holding of the meeting or any adjourned meeting at which the proxy is to be used; or
- (2) at the meeting or any adjourned meeting, by the chair of the meeting or adjourned meeting, before any vote in respect of which the proxy has been given has been taken.

12.10 Form of Proxy

A proxy, whether for a specified meeting or otherwise shall be in such form as approved by the directors or the chair of the meeting.

12.11 Revocation of Proxy

Subject to Article 12.12 and Article 12.13, every proxy may be revoked by an instrument in writing that is received:

- (1) at the registered office of the Company at any time up to and including the last business day before the day set for the holding of the meeting or any adjourned meeting at which the proxy is to be used; or
- (2) at the meeting or any adjourned meeting by the chair of the meeting or adjourned meeting, before any vote in respect of which the proxy has been given has been taken.

12.12 Waiver of Proxy Time Limits

Notwithstanding Articles 12.8 and 12.11, the chair of any meeting or the directors may, but need not, at his, her or their sole discretion waive the time limits for the deposit or revocation of proxies by shareholders, including any deadline set out in the notice calling the meeting of shareholders, any proxy circular or specified in a proxy for the meeting.

12.13 Revocation of Proxy Must Be Signed

An instrument referred to in Article 12.11 must be signed as follows:

- (1) if the shareholder for whom the proxy holder is appointed is an individual, the instrument must be signed by the shareholder or his or her legal personal representative or trustee in bankruptcy;
- (2) if the shareholder for whom the proxy holder is appointed is a corporation, the instrument must be signed by the corporation or by a representative appointed for the corporation under Article 12.5.

12.14 Chair May Determine Validity of Proxy

The chair of any meeting of shareholders may, but need not, at his or her sole discretion, make determinations as to the acceptability of proxies deposited for use at the meeting, including the acceptability of proxies which may not strictly comply with the requirements of this Part 12 as to form, execution, accompanying documentation or otherwise, and any such determination made in good faith shall be final and conclusive.

12.15 Production of Evidence of Authority to Vote

The board or chair of any meeting of shareholders may, but need not, at any time (including prior to, at or subsequent to the meeting), ask questions of, and request the production of evidence from, a shareholder (including a beneficial owner), the transfer agent or such other person as they, he or she considers appropriate for the purposes of determining a person's share ownership position as at the relevant record date and authority to vote. For greater certainty, the board or the chair of any meeting of shareholders may, but need not, at any time, inquire into the legal or beneficial share ownership of any person as at the relevant record date and the authority of any person to vote at the meeting and may, but need not, at any time, request from that person production of evidence as to such share ownership position and the existence of the authority to vote. Such request by the directors or the chair of any meeting shall be responded to as soon as reasonably possible.

13. DIRECTORS

13.1 First Directors; Number of Directors

The first directors are the persons designated as directors in the Notice of Articles that applies to the Company when it is recognized under the *Business Corporations Act*. The number of directors, excluding additional directors appointed under Article 13.2, is set at the greater of three and the number of directors most recently set by directors' resolution (whether or not previous notice of the resolution was given).

13.2 Additional Directors

Notwithstanding Article 13.1, between annual general meetings, the directors may appoint one or more additional directors, but the number of additional directors appointed under this Article 13.2 must not at any time exceed:

- (1) one-third of the number of first directors, if, at the time of the appointments, one or more of the first directors have not yet completed their first term of office; or
- (2) in any other case, one-third of the number of the current directors who were elected or appointed as directors other than under this Article 13.2.

13.3 Directors' Acts Valid Despite Vacancy

An act or proceeding of the directors is not invalid merely because fewer than the number of directors set or otherwise required under these Articles is in office.

13.4 Qualifications of Directors

A director is not required to hold a share in the capital of the Company as qualification for his or her office but must be qualified as required by the *Business Corporations Act* to become, act or continue to act as a director.

13.5 Remuneration of Directors and Reimbursement of Expenses

The directors are entitled to the remuneration for acting as directors, if any, as the directors may from time to time determine. The Company must reimburse each director for the reasonable expenses that he or she may incur on behalf of the business of the Company.

14. ELECTION AND REMOVAL OF DIRECTORS

14.1 Election at Annual General Meeting

At every annual general meeting:

- (1) the shareholders entitled to vote at the annual general meeting for the election of directors must elect a board of directors consisting of the number of directors not more than the number of directors set by the directors pursuant to Article 13.1; and
- (2) all the directors cease to hold office immediately before the election or appointment of directors under paragraph (1), but are eligible for re-election or re-appointment.

14.2 Nominations of Directors

- (1) Only persons who are nominated in accordance with the procedures set out in this Article 14.2 shall be eligible for election as directors of the Company. Nominations of persons for election to the board of directors may be made at any annual general meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called was the election of directors:
 - (i) by or at the direction of the board, including pursuant to a notice of meeting;
 - (ii) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the *Business Corporations Act* or pursuant to a requisition of the shareholders made in accordance with the *Business Corporations Act*; or
 - (iii) by any shareholder:
 - (A) who, at the close of business on the date of the giving of the notice provided for below in this Article 14.2 and at the close of business on the record date for notice of such meeting, is entered in the central securities register of the Company as a holder of one or more shares carrying the right to vote at such meeting on the election of directors (a “**Nominating Shareholder**”); and
 - (B) who complies with the notice procedures set forth in this Article 14.2.
- (2) In addition to any other requirements under applicable laws, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given timely notice thereof (in accordance with this Article 14.2) and in proper written form (in accordance with this Article 14.2) to the secretary of the Company at the principal executive offices of the Company.
- (3) To be timely, a Nominating Shareholder’s notice to the Company must be made:

- (i) in the case of an annual general meeting of shareholders, not less than 30 days prior to the date of the annual general meeting of shareholders; provided, however, that in the event that the annual general meeting of shareholders is to be held on a date that is less than 50 days after the date (the “**Notice Date**”) on which the first public announcement of the date of the annual general meeting was made, notice by the Nominating Shareholder may be made not later than the close of business on the 10th day following the Notice Date;
 - (ii) in the case of a special meeting (which is not also an annual general meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the 15th day following the day on which the first public announcement of the date of the special meeting of shareholders was made. In no event shall any adjournment or postponement of a special meeting of shareholders or the announcement thereof commence a new time period for the giving of a Nominating Shareholder's notice as described above; and
 - (iii) if notice-and-access (as defined in National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer*) is used for delivery of proxy related materials in respect of a meeting described above, and the notice date in respect of the meeting is not fewer than 50 days prior to the date of the applicable meeting, the notice must be received not later than the close of business on the 40th day before the applicable meeting.
- (4) To be in proper written form, a Nominating Shareholder's notice to the Company must set forth:
- (i) as to each person whom the Nominating Shareholder proposes to nominate for election as a director (each a “**Proposed Nominee**”):
 - (A) the name, age and address of the Proposed Nominee;
 - (B) the principal occupation or employment of the Proposed Nominee for the past five years;
 - (C) the class or series and number of shares in the capital of the Company which are, directly or indirectly, under the control or direction of, or which are owned beneficially or of record by, the Proposed Nominee and his or her Representatives as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice;
 - (D) full particulars regarding any contract, agreement, arrangement, understanding or relationship (collectively, “**Arrangements**”), including without limitation financial, compensation and indemnity related Arrangements, between the Proposed Nominee or any of his or her Representatives and any Nominating Shareholder or any of its Representatives; and
 - (E) any other information relating to the Proposed Nominee or his or her associates or affiliates that would be required to be disclosed in a dissident's proxy circular or other filings to be made in connection with solicitations of proxies for election of directors pursuant to the *Business Corporations Act* and Applicable Securities Laws; and
 - (ii) as to the Nominating Shareholder giving the notice and each beneficial owner, if any, on whose behalf the nomination is made:
 - (A) the name, age and address of such person;

- (B) the class or series and number of shares in the capital of the Company which are, directly or indirectly, under the control or direction of, or which are owned beneficially or of record by, such person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice;
- (C) full particulars regarding (i) any proxy or other Arrangement pursuant to which such person or any of its Representatives has a right to vote or direct the voting of any shares of the Company, and (ii) any other Arrangement of such person or any of its Representatives relating to the voting of any shares of the Company or the nomination of any person(s) to the board;
- (D) full particulars regarding any Arrangement of such person or any of its Representatives, the purpose or effect of which is to alter, directly or indirectly, the economic interest of such person or any of its Representatives in a security of the Company or the economic exposure of any such person or any of its Representatives to the Company;
- (E) full particulars of any direct or indirect interest of such person or any of its Representatives in any contract with the Company or with any of the Company's affiliates, competitors or material suppliers;
- (F) full particulars regarding any Arrangement, including without limitation financial, compensation and indemnity related Arrangements, between the Proposed Nominee or any associate or affiliate of the Proposed Nominee and such person or any of its Representatives;
- (G) a representation that the Nominating Shareholder is a holder of record of securities of the Company, or a beneficial owner, entitled to vote at such meeting;
- (H) a representation as to whether such person or any of its Representatives intends to deliver a proxy circular and/or form of proxy to any shareholder of the Company in connection with such nomination or otherwise solicit proxies or votes from shareholders of the Company in support of such nomination; and
- (I) any other information relating to such person or any of its Representatives that would be required to be disclosed in a dissident's proxy circular or other filings to be made in connection with solicitations of proxies for election of directors pursuant to the *Business Corporations Act* and Applicable Securities Laws.

The Company may require any proposed nominee to furnish such other information as may reasonably be required by the Company to determine the eligibility of such proposed nominee to serve as an independent director of the Company in accordance with Applicable Securities Laws and the rules of any stock exchange on which the securities of the Company are then listed for trading, or that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such proposed nominee.

- (5) All information to be provided in a timely notice pursuant to Article 14.2(4) shall be provided as of the date of such notice. If requested by the Company, the Nominating Shareholder shall update such information forthwith so that it is true and correct in all material respects as of the date that is 10 business days prior to the date of the meeting, or any adjournment or postponement thereof.
- (6) Except as otherwise provided by the special rights or restrictions attached to the shares of any class or series of the Company, no person shall be eligible for election as a director of the

Company unless nominated in accordance with the provisions of this Article 14.2. The chair of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.

- (7) For the purposes of this Article 14.2, “public announcement” shall mean disclosure in a news release reported by a national news service in Canada, or in a document publicly filed by the Company under its issuer profile on the System for Electronic Document Analysis and Retrieval at www.sedar.com or any successor system thereof.
- (8) Notwithstanding any other provision of these Articles, any notice or other document or information required to be given to the secretary of the Company pursuant to this Article 14.2 may only be given by personal delivery or facsimile transmission (at such contact information as set out on the Company’s issuer profile on the System for Electronic Document Analysis and Retrieval), and shall be deemed to have been given and made only at the time it is served by personal delivery to the secretary of the Company at the principal executive offices of the Company or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received); provided that if such delivery or transmission is made on a day which is a not a business day or later than 5:00 p.m. (Vancouver time) on a day which is a business day, then such delivery or transmission shall be deemed to have been made on the next following day that is a business day.
- (9) Notwithstanding the foregoing, the board may, in its sole discretion, waive any requirement in this Article 14.2.

14.3 Consent to be a Director

No election, appointment or designation of an individual as a director is valid unless:

- (1) that individual consents to be a director in the manner provided for in the *Business Corporations Act*;
- (2) that individual is elected or appointed at a meeting at which the individual is present and the individual does not refuse, at the meeting, to be a director; or
- (3) with respect to first directors, the designation is otherwise valid under the *Business Corporations Act*.

14.4 Failure to Elect or Appoint Directors

If:

- (1) the Company fails to hold an annual general meeting on or before the date by which the annual general meeting is required to be held under the *Business Corporations Act*; or
- (2) the shareholders fail, at the annual general meeting to elect or appoint any directors;

then each director then in office continues to hold office until the earlier of:

- (3) the date on which his or her successor is elected or appointed; and
- (4) the date on which he or she otherwise ceases to hold office under the *Business Corporations Act* or these Articles.

14.5 Directors May Appoint to Fill Vacancies

The directors may appoint a qualified person to fill any vacancy occurring in the board of directors except a vacancy:

- (1) resulting from an increase in the number of directors pursuant to 13.1; or
- (2) resulting from a failure by the shareholders to elect the number of directors set or otherwise required under these Articles;

and a director elected or appointed to fill a vacancy on the board of directors shall hold office for the unexpired term of his or her predecessor. For greater certainty, the ability of the directors to add additional directors as provided in Article 13.2 is not filling a vacancy as contemplated hereunder.

14.6 Remaining Directors' Power to Act

The directors may act notwithstanding any vacancy in the board of directors, but if the Company has fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the directors may only act for the purpose of appointing directors up to that number or of calling a meeting of shareholders for the purpose of filling any vacancies on the board of directors or, subject to the *Business Corporations Act*, for any other purpose.

14.7 Shareholders May Fill Vacancies

If the Company has no directors or fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the shareholders may elect or appoint directors to fill any vacancies on the board of directors.

14.8 Ceasing to be a Director

A director ceases to be a director when:

- (1) the term of office of the director expires;
- (2) the director dies;
- (3) the director resigns as a director by notice in writing provided to the Company or a lawyer for the Company; or
- (4) the director is removed from office pursuant to Articles 14.9 or 14.10.

14.9 Removal of Director by Shareholders

The shareholders may remove any director before the expiration of his or her term of office by ordinary resolution. In that event, the shareholders may elect, or appoint by ordinary resolution, a director to fill the resulting vacancy. If the shareholders do not elect or appoint a director to fill the resulting vacancy contemporaneously with the removal, then the directors may appoint a director to fill that vacancy.

14.10 Removal of Director by Directors

The directors may remove any director before the expiration of his or her term of office if the director is convicted of an indictable offence, or if the director ceases to be qualified to act as a director of a company and does not promptly resign, and the directors may appoint a director to fill the resulting vacancy.

15. POWERS AND DUTIES OF DIRECTORS

15.1 Powers of Management

The directors must, subject to the *Business Corporations Act* and these Articles, manage or supervise the management of the business and affairs of the Company and have the authority to exercise all such powers of the Company as are not, by the *Business Corporations Act* or by these Articles, required to be exercised by the shareholders of the Company.

15.2 Appointment of Attorney of Company

The directors may from time to time, by power of attorney or other instrument, under seal if so required by law, appoint any person to be the attorney of the Company for such purposes, and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the directors under these Articles and excepting the power to fill vacancies in the board of directors, to remove a director, to change the membership of, or fill vacancies in, any committee of the directors, to appoint or remove officers appointed by the directors and to declare dividends) and for such period, and with such remuneration and subject to such conditions as the directors may think fit. Any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorney as the directors think fit. Any such attorney may be authorized by the directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in him or her.

16. INTERESTS OF DIRECTORS AND OFFICERS

16.1 Director Holding Other Office in the Company

A director may hold any office or place of profit with the Company, other than the office of auditor of the Company, in addition to his or her office of director for the period and on the terms (as to remuneration or otherwise) that the directors may determine.

16.2 No Disqualification

No director or intended director is disqualified by his or her office from contracting with the Company either with regard to the holding of any office or place of profit the director holds with the Company or as vendor, purchaser or otherwise, and no contract or transaction entered into by or on behalf of the Company in which a director is in any way interested is liable to be voided for that reason.

16.3 Professional Services by Director or Officer

Subject to the *Business Corporations Act*, a director or officer, or any person in which a director or officer has an interest, may act in a professional capacity for the Company, except as auditor of the Company, and the director or officer or such person is entitled to remuneration for professional services as if that director or officer were not a director or officer.

16.4 Director or Officer in Other Corporations

A director or officer may be or become a director, officer or employee of, or otherwise interested in, any person in which the Company may be interested as a shareholder or otherwise, and, subject to the *Business Corporations Act*, the director or officer is not accountable to the Company for any remuneration or other benefits received by him or her as director, officer or employee of, or from his or her interest in, such other person.

17. PROCEEDINGS OF DIRECTORS

17.1 Meetings of Directors

The directors may meet together for the conduct of business, adjourn and otherwise regulate their meetings as they think fit, and meetings of the directors held at regular intervals may be held at the place, at the time and on the notice, if any, as the directors may from time to time determine.

17.2 Voting at Meetings

Questions arising at any meeting of directors are to be decided by a majority of votes and, in the case of an equality of votes, the chair of the meeting does not have a second or casting vote.

17.3 Chair of Meetings

The following individual is entitled to preside as chair at a meeting of directors:

- (1) the chair of the board, if any;
- (2) any other director chosen by the directors present if:
 - (i) the chair of the board is not present at the meeting within 15 minutes after the time set for holding the meeting;
 - (ii) the chair of the board is not willing to chair the meeting; or
 - (iii) the chair of the board has advised the secretary, if any, or any other director, that they will not be present at the meeting.

17.4 Meetings by Telephone or Other Communications Medium

A director who is entitled to participate in, including vote at, a meeting of the directors or of any committee of the directors may participate:

- (1) in person;
- (2) by telephone; or
- (3) with the consent of the directors who wish to participate in the meeting, by other communications medium;

if all directors participating in the meeting, whether in person, by telephone or other communications medium, are able to communicate with each other. A director who participates in a meeting in a manner contemplated by this Article 17.4 is deemed for all purposes of the *Business Corporations Act* and these Articles to be present at the meeting and to have agreed to participate in that manner.

17.5 Calling of Meetings

The chair of the board, the president or chief executive officer or any director may, and the secretary or an assistant secretary of the Company, if any, on the request of any of the forgoing must, call a meeting of the directors at any time.

17.6 Notice of Meetings

Other than for meetings held at regular intervals as determined by the directors pursuant to Article 17.1 or as provided in Article 17.7, reasonable notice of each meeting of the directors, specifying the place, day and time of that meeting must be given to each of the directors by any method set out in Article 23.1 or orally or by telephone conversation with that director.

17.7 When Notice Not Required

It is not necessary to give notice of a meeting of the directors to a director if:

- (1) the meeting is to be held immediately following a meeting of shareholders at which that director was elected or appointed, or is the meeting of the directors at which that director is appointed; or
- (2) the director has waived notice of the meeting.

17.8 Meeting Valid Despite Failure to Give Notice

The accidental omission to give notice of any meeting of directors to, or the non-receipt of any notice by, any director does not invalidate any proceedings at that meeting.

17.9 Waiver of Notice of Meetings

Any director may by way of a written instrument, fax, e-mail or any other method of transmitting legibly recorded messages in which the waiver of the director is evidenced, whether or not the signature of the director is included in the record, waive notice of any past, present or future meeting or meetings of the directors and may at any time withdraw that waiver with respect to meetings held after that withdrawal. After sending a waiver with respect to all future meetings and until that waiver is withdrawn, no notice of any meeting of the directors need be given to that director and all meetings of the directors so held are deemed not to be improperly called or constituted by reason of notice not having been given to such director. Attendance of a director at a meeting of the directors is a waiver of notice of the meeting unless that director attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

17.10 Quorum

The quorum necessary for the transaction of the business of the directors may be set by the directors to a number not less than 50% of the directors in office, and, if not so set, is deemed to be 50% of the directors then in office.

17.11 Validity of Acts Where Appointment Defective

Subject to the *Business Corporations Act*, an act of a director or officer is not invalid merely because of an irregularity in the election or appointment or a defect in the qualification of that director or officer.

17.12 Consent Resolutions in Writing

A resolution of the directors or of any committee of the directors may be passed without a meeting:

- (1) in all cases, if each of the directors entitled to vote on the resolution consents to it in writing; or
- (2) in the case of a resolution to approve a contract or transaction in respect of which a director has disclosed that he or she has or may have a disclosable interest, if each of the other directors who are entitled to vote on the resolution who have not made such a disclosure consents in writing to the resolution.

A consent in writing under this Article 17.12 may be by any written instrument, fax, e-mail or any other method of transmitting legibly recorded messages in which the consent of the director is evidenced, whether or not the signature of the director is included in the record. A consent in writing may be in two or more counterparts, which together are deemed to constitute one consent in writing. A resolution of the directors or of any committee of the directors passed in accordance with this Article 17.12 is effective on the date stated in the consent in writing or on the latest date stated on any counterpart and is deemed to be a proceeding at a meeting of the directors or of the committee of the directors and to be as valid and effective as if it had been passed at a meeting of the directors or of the committee of the directors that satisfies all the requirements of the *Business Corporations Act* and all the requirements of these Articles relating to meetings of the directors or of a committee of the directors.

18. EXECUTIVE AND OTHER COMMITTEES

18.1 Appointment and Powers of Other Committees

The directors may, by resolution:

- (1) appoint one or more committees consisting of a director or directors that they consider appropriate;
- (2) delegate to a committee appointed under paragraph (1) or to any officer or officers of the Company any of the directors' powers, except:
 - (i) the power to fill vacancies in the board of directors;
 - (ii) the power to remove a director;
 - (iii) the power to create a committee of the directors or to change the membership of, or fill vacancies in, any committee of the directors; and
 - (iv) the power to appoint or remove the president or chief executive officer of the Company; and
- (3) make any delegation referred to in paragraph (2) subject to the conditions set out in the resolution or any subsequent directors' resolution.

18.2 Audit Committee

The directors shall appoint from among its number an audit committee to be composed of not fewer than three directors in compliance with all regulatory requirements and to provide to the audit committee the powers and duties as determined by the directors.

18.3 Powers of Board

The directors may, at any time, with respect to a committee appointed under Articles 18.1 or 18.2:

- (1) revoke or alter the authority given to the committee, or override a decision made by the committee, except as to acts done before such revocation, alteration or overriding;
- (2) terminate the appointment of, or change the membership of, the committee; and
- (3) fill vacancies in the committee.

18.4 Transaction of Business

The power of a committee of directors may be exercised by a meeting at which a quorum is present or by resolution consented to in writing by all members of such committee who would have been entitled to vote on that resolution at a meeting of the committee. Meetings of such committee may be held at any place in or outside of Canada, by telephone or by other communications facilities.

18.5 Procedure

Subject to the *Business Corporations Act*:

- (1) each committee of directors shall have power to fix its quorum at not less than 50% of its members, to elect its chair and to regulate its procedure; and
- (2) questions arising at any meeting of a committee at which quorum is present shall be determined by a majority of votes of the members present.

19. OFFICERS

19.1 Directors May Appoint Officers

The directors may, from time to time, appoint such officers, if any, as the directors determine and the directors may, at any time, terminate any such appointment.

19.2 Functions, Duties and Powers of Officers

The directors may, for each officer:

- (1) determine the title of the officer;
- (2) determine the functions and duties of the officer or permit the president or chief executive officer to make that determination;
- (3) delegate to the officer any of the powers exercisable by the directors on such terms and conditions and with such restrictions as the directors think fit; and
- (4) revoke, withdraw, alter or vary all or any of the functions, duties and powers of the officer or permit the president or chief executive officer to make such determination.

19.3 Qualifications

No officer may be appointed unless that officer is qualified in accordance with the *Business Corporations Act*. One person may hold more than one position as an officer of the Company. Any person appointed as the chair of the board must be a director. Any officer need not be a director.

19.4 Terms of Appointment

All appointments of officers are to be made on the terms and conditions determined by the directors, or if directed by the directors, by the chief executive officer or such other officer designated by the directors, and are subject to termination at the pleasure of the directors.

20. INDEMNIFICATION

20.1 Mandatory Indemnification of Eligible Parties

Subject to the *Business Corporations Act*, the Company must indemnify an eligible party and his or her heirs and legal personal representatives against all eligible penalties to which such person is or may be liable, and the Company must indemnify, and pay expenses in advance of the final disposition of an eligible proceeding in accordance with, and to the fullest extent permitted by, the *Business Corporations Act*.

20.2 Indemnification of Other Persons

Subject to any restrictions in the *Business Corporations Act*, the Company may indemnify any person.

20.3 Non-Compliance with Business Corporations Act

The failure of an eligible party or any other person to comply with the *Business Corporations Act* or these Articles does not invalidate any indemnity to which he or she is entitled under this Part 20.

20.4 Company May Purchase Insurance

The Company may purchase and maintain insurance for the benefit of any person (or his or her heirs or legal personal representatives) referred to in this Part 20.

20.5 Indemnity Agreements

The Company is authorized to execute agreements evidencing its indemnity in favour of the persons contemplated by Articles 20.1 and 20.2 to the fullest extent permitted by law.

21. DIVIDENDS

21.1 Payment of Dividends Subject to Special Rights

The provisions of this Part 21 are subject to the rights, if any, of shareholders holding shares with special rights as to dividends.

21.2 Declaration of Dividends

Subject to the *Business Corporations Act*, the directors may from time to time declare and authorize payment of such dividends as the directors may deem advisable.

21.3 No Notice Required

The directors need not give notice to any shareholder of any declaration under Article 21.2.

21.4 Record Date

The directors may set a date as the record date for the purpose of determining shareholders entitled to receive payment of a dividend. The record date must not precede the date on which the dividend is to be paid by more than two months. If no record date is set, the record date is 5:00 p.m. (Vancouver time) on the date on which the directors pass the resolution declaring the dividend.

21.5 Manner of Paying Dividend

A resolution declaring a dividend may direct payment of the dividend wholly or partly in money or by the distribution of specific assets or of fully paid shares or of bonds, debentures or other securities of the Company or any other corporation, or in any one or more of those ways.

21.6 Settlement of Difficulties

If any difficulty arises in regard to a distribution under Article 21.5, the directors may settle the difficulty as they deem advisable, and, in particular, may:

- (1) set the value for distribution of specific assets;
- (2) determine that money in substitution for all or any part of the specific assets to which any shareholders are entitled may be paid to any shareholders on the basis of the value so fixed in order to adjust the rights of all parties; and
- (3) vest any such specific assets in trustees for the persons entitled to the dividend.

21.7 Dividends to be Paid in Accordance with Number of Shares

All dividends on shares of any class or series of shares must be declared and paid according to the number of such shares held.

21.8 When Dividend Payable

Any dividend may be made payable on such date as is fixed by the directors.

21.9 Receipt by Joint Shareholders

If several persons are joint shareholders of any share, any one of them may give an effective receipt for any dividend, bonus or other money payable in respect of the share.

21.10 Dividend Bears No Interest

No dividend bears interest against the Company.

21.11 Fractional Dividends

If a dividend to which a shareholder is entitled includes a fraction of the smallest monetary unit of the currency of the dividend, that fraction may be disregarded in making payment of the dividend and that payment represents full payment of the dividend.

21.12 Payment of Dividends

Any dividend, bonuses or other moneys payable in cash in respect of shares may be paid by cheque sent through the post or by electronic transfer, so authorized by the shareholder, directed to the registered address of the holder, or in the case of joint holders, to the registered address of that one of the joint holders who is first named on the central securities register, or to such person and to such address as the holder or joint holders may direct in writing. Every such cheque shall be made payable to the order of the person whom it is sent. The mailing of such cheque or the forwarding by electronic transfer shall, to the extent of the sum represented thereby (plus the amount of any tax required by law to be deducted) discharge all liability for the dividend, unless such cheque shall not be paid on presentation or the amount of tax so deducted shall not be paid to the appropriate taxing authority.

21.13 Capitalization of Retained Earnings or Surplus

Notwithstanding anything contained in these Articles, the directors may from time to time capitalize any retained earnings or surplus of the Company and may from time to time issue, as fully paid, shares or any bonds, debentures or other securities of the Company as a dividend representing the retained earnings or surplus so capitalized or any part thereof.

21.14 Unclaimed Dividends

Any dividend unclaimed after a period of three years from the date on which the same has been declared to be payable shall be forfeited and shall revert to the Company. The Company shall not be liable to any person in respect of any dividend that is forfeited to the Company or delivered to any public official pursuant to any applicable abandoned property, escheat or similar law.

22. ACCOUNTING RECORDS AND AUDITOR

22.1 Recording of Financial Affairs

The directors must cause adequate accounting records to be kept to record properly the financial affairs and condition of the Company and to comply with the *Business Corporations Act*.

22.2 Inspection of Accounting Records

Unless the directors determine otherwise, no shareholder of the Company is entitled to inspect or obtain a copy of any accounting records of the Company.

22.3 Remuneration of Auditor

The directors may set the remuneration of the auditor of the Company.

23. NOTICES

23.1 Method of Giving Notice

Unless the *Business Corporations Act* or these Articles provide otherwise, a notice, statement, report or other record required or permitted by the *Business Corporations Act* or these Articles to be sent by or to a person may be sent by any one of the following methods:

- (1) mail addressed to the person at the applicable address for that person as follows:
 - (i) for a record mailed to a shareholder, the shareholder's registered address;
 - (ii) for a record mailed to a director or officer, the prescribed address for mailing shown for the director or officer in the records kept by the Company or the mailing address provided by the recipient for the sending of that record or records of that class; or
 - (iii) in any other case, the mailing address of the intended recipient;
- (2) delivery at the applicable address for that person as follows, addressed to the person:
 - (i) for a record delivered to a shareholder, the shareholder's registered address;
 - (ii) for a record delivered to a director or officer, the prescribed address for delivery shown for the director or officer in the records kept by the Company or the delivery address provided by the recipient for the sending of that record or records of that class; or

- (iii) in any other case, the delivery address of the intended recipient;
- (3) sending the record by fax to the fax number provided by the intended recipient for the sending of that record or records of that class;
- (4) sending the record by e-mail to the e-mail address provided by the intended recipient for the sending of that record or records of that class;
- (5) physical delivery to the intended recipient; or
- (6) creating and providing the record that is posted on or made available through a generally accessible electronic source and providing the person notice in writing, including by mail, courier, delivery, fax or e-mail, of the availability and location of the record.

23.2 Deemed Receipt

A notice, statement, report or other record that is:

- (1) mailed to a person by ordinary mail to the applicable address for that person referred to in Article 23.1 is deemed to be received by the person to whom it was mailed on the day (Saturdays, Sundays and holidays excepted) following the date of mailing;
- (2) faxed to a person to the fax number provided by that person referred to in Article 23.1 is deemed to be received by the person to whom it was faxed on the day it was faxed;
- (3) e-mailed to a person to the e-mail address provided by that person referred to in Article 23.1 is deemed to be received by the person to whom it was e-mailed on the day it was e-mailed; and
- (4) delivered by posting it on or making it available through a generally accessible electronic source referred to in Article 23.1 is deemed to be received by the person on the day such person is sent notice in writing, including by mail, courier, delivery, fax or e-mail, of the availability and location of such notice, statement, report, document or other record.

23.3 Certificate of Sending

A certificate signed by the secretary, if any, or other officer of the Company or of any other corporation acting in that capacity on behalf of the Company stating that a notice, statement, report or other record was sent in accordance with Article 23.1 is conclusive evidence of that fact.

23.4 Notice to Joint Shareholders

A notice, statement, report or other record may be provided by the Company to the joint shareholders of a share by providing such record to the joint shareholder first named in the central securities register in respect of the share.

23.5 Notice to Legal Personal Representatives and Trustees

A notice, statement, report or other record may be provided by the Company to the persons entitled to a share in consequence of the death, bankruptcy or incapacity of a shareholder by:

- (1) mailing the record, addressed to them:
 - (i) by name, by the title of the legal personal representative of the deceased or incapacitated shareholder, by the title of trustee of the bankrupt shareholder or by any similar description; and

- (ii) at the address, if any, supplied to the Company for that purpose by the persons claiming to be so entitled; or
- (2) if an address referred to in paragraph (1)(i) has not been supplied to the Company, by giving the notice in a manner in which it might have been given if the death, bankruptcy or incapacity had not occurred.

23.6 Undelivered Notices

If on two consecutive occasions, a notice, statement, report or other record is sent to a shareholder pursuant to Article 23.1 and on each of those occasions any such record is returned because the shareholder cannot be located, the Company shall not be required to send any further records to the shareholder until the shareholder informs the Company in writing of his or her new address.

23.7 Omissions and Errors

The accidental omission to give any notice to any shareholder, director, officer, auditor or member of a committee of the directors or the non-receipt of any notice by any such person or any error in any notice not affecting the substance thereof shall not invalidate any action taken at any meeting held pursuant to such notice or otherwise founded thereon.

23.8 Unregistered Shareholders

Every person who becomes entitled to any share by any means whatsoever shall be bound by every notice in respect of such share which shall have been duly given to the shareholder from whom he, she or it derives his, her or its title to such share prior to his, her or its name and address being entered on the central securities register (whether such notice was given before or after the happening of the event upon which he, she or it became so entitled) and prior to his furnishing to the Company the proof of authority of his entitlement prescribed by the *Business Corporations Act*.

24. SEAL AND EXECUTION OF DOCUMENTS

24.1 Who May Attest Seal

Except as provided in Articles 24.2 and 24.3, the Company's seal, if any, must not be impressed on any record except when that impression is attested by the signatures of:

- (1) any two directors;
- (2) any officer, together with any director;
- (3) if the Company only has one director, that director; or
- (4) any one or more directors or officers or persons as may be determined by the directors.

24.2 Sealing Copies

For the purpose of certifying under seal a certificate of incumbency of the directors or officers of the Company or a true copy of any resolution or other document, despite Article 24.1, the impression of the seal may be attested by the signature of any director or officer or the signature of any other person as may be determined by the directors.

24.3 Mechanical Reproduction of Seal

The directors may authorize the seal to be impressed by third parties on share certificates or bonds, debentures or other securities of the Company as they may determine appropriate from time to time. To enable the seal to be impressed on any share certificates or bonds, debentures or other securities of the Company, whether in definitive or

interim form, on which facsimiles of any of the signatures of the directors or officers of the Company are, in accordance with the *Business Corporations Act* or these Articles, printed or otherwise mechanically reproduced, there may be delivered to the person employed to engrave, lithograph or print such definitive or interim share certificates or bonds, debentures or other securities one or more unmounted dies reproducing the seal and such persons as are authorized under Article 24.1 to attest the Company's seal may in writing authorize such person to cause the seal to be impressed on such definitive or interim share certificates or bonds, debentures or other securities by the use of such dies. Share certificates or bonds, debentures or other securities to which the seal has been so impressed are for all purposes deemed to be under and to bear the seal impressed on them.

24.4 Cheques, Drafts, Notes, Etc.

All cheques, drafts or orders for the payment of money and all notes, acceptances and bills of exchange shall be signed by such director or directors, officer or officers or other person or persons, whether or not officers of the Company, and in such manner as the directors, or such officer or officers as may be delegated authority by the directors to determine such matters, may from time to time designate.

24.5 Execution of Documents Generally

The directors may from time to time by resolution appoint any one or more persons, officers or directors for the purpose of executing any instrument, document or agreement in the name of and on behalf of the Company for which the seal need not be affixed and, if no such person, officer or director is appointed, then any one officer or director of the Company may execute such instrument, document or agreement.

25. SPECIAL RIGHTS AND RESTRICTIONS ATTACHING TO THE SUBORDINATE VOTING SHARES

The subordinate voting shares of the Company (the "**Subordinate Voting Shares**") shall have the following special rights and restrictions attached thereto:

25.1 Voting Rights

(1) Voting Rights.

Holders of Subordinate Voting Shares shall be entitled to notice of and to attend (in person or by proxy) at any meeting of the shareholders of the Company, except a meeting of which only holders of another particular class or series of shares of the Company shall have the right to vote. At each such meeting, holders of Subordinate Voting Shares shall be entitled to one vote in respect of each Subordinate Voting Share held.

(2) Alteration to Rights of Subordinate Voting Shares.

As long as any Subordinate Voting Shares remain outstanding, the Company will not, without the consent of the holders of the Subordinate Voting Shares by separate special resolution, prejudice or interfere with any right or special right attached to the Subordinate Voting Shares.

25.2 Dividends

Holders of Subordinate Voting Shares shall be entitled to receive, as and when declared by the directors, dividends in cash or property of the Company. No dividend will be declared or paid on the Subordinate Voting Shares unless the Company simultaneously declares or pays, as applicable, equivalent dividends (on an as-converted to Subordinate Voting Share basis) on the multiple voting shares of the Company (the "**Multiple Voting Shares**"). In the event of the payment of a dividend in the form of shares, holders of Subordinate Voting Shares shall receive Subordinate Voting Shares, unless otherwise determined by the directors.

25.3 Liquidation, Dissolution or Winding Up

In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or in the event of any other distribution of assets of the Company among its shareholders for the purpose of winding up its affairs, the holders of Subordinate Voting Shares shall, subject to the prior rights of the holders of any shares of the Company ranking in priority to the Subordinate Voting Shares, be entitled to participate rateably in such distribution of assets of the Company along with all other holders of Multiple Voting Shares (on an as-converted to Subordinate Voting Share basis) and Subordinate Voting Shares.

25.4 Rights to Subscribe; Pre-Emptive Rights

The holders of Subordinate Voting Shares are not entitled to a right of first refusal to subscribe for, purchase or receive any part of any issue of Subordinate Voting Shares, or bonds, debentures or other securities of the Company now or in the future.

25.5 Subdivision or Consolidation

No subdivision or consolidation of the Subordinate Voting Shares or Multiple Voting Shares shall occur unless, simultaneously, the Subordinate Voting Shares and Multiple Voting Shares are subdivided or consolidated in the same manner or such other adjustment is made so as to maintain and preserve the relative rights of the holders of the shares of each of the said classes. Subject to Article 25.6 immediately below, the Subordinate Voting Shares cannot be converted into any other class of shares.

25.6 Conversion of Subordinate Voting Shares Upon an Offer

In the event that an offer is made to purchase Multiple Voting Shares:

- (1) if there is a published market for the Multiple Voting Shares, and the offer is one which is required to be made to all or substantially all the holders of Multiple Voting Shares in a province or territory of Canada to which the requirement applies pursuant to (x) Applicable Securities Laws or (y) the rules of any stock exchange on which the Multiple Voting Shares of the Company are listed, unless an identical offer concurrently is made to purchase Subordinate Voting Shares; or
- (2) if the Multiple Voting Shares are not then listed, and the offer is one which would have been required to be made to all or substantially all the holders of Multiple Voting Shares in a province or territory of Canada pursuant to (x) Applicable Securities Laws or (y) the rules of any stock exchange had the Multiple Voting Shares been listed,

then each Subordinate Voting Share shall become convertible at the option of the holder into Multiple Voting Shares at the inverse of the Conversion Ratio (as defined in Article 26.5(5)(i)) then in effect at any time while the offer is in effect until one day after the time prescribed by Applicable Securities Laws for the offeror to take up and pay for such shares as are to be acquired pursuant to the offer. The conversion right may only be exercised in respect of Subordinate Voting Shares for the purpose of depositing the resulting Multiple Voting Shares under the offer, and for no other reason. In such event, the Company shall deposit or cause the transfer agent for the Subordinated Voting Shares to deposit under the offer the resulting Multiple Voting Shares, on behalf of the holder.

To exercise such conversion right, the holder or his or its attorney duly authorized in writing shall:

- (1) give written notice to the transfer agent of the exercise of such right, and of the number of Subordinate Voting Shares in respect of which the right is being exercised;
- (2) deliver to the transfer agent the share certificate(s), if any, or Acknowledgement(s) representing the Subordinate Voting Shares in respect of which the right is being exercised; and

- (3) pay any applicable share certificate or Acknowledgement fee, stamp tax or similar duty on or in respect of such conversion.

No share certificates representing the Multiple Voting Shares, resulting from the conversion of the Subordinate Voting Shares will be delivered to the holders on whose behalf such deposit is being made. If Multiple Voting Shares, resulting from the conversion and deposited pursuant to the offer, are withdrawn by the holder or are not taken up by the offeror, or the offer is abandoned, withdrawn or terminated by the offeror or the offer otherwise expires without such Multiple Voting Shares being taken up and paid for, the Multiple Voting Shares resulting from the conversion will be re-converted into Subordinate Voting Shares at the then Conversion Ratio and the Company shall send or cause the transfer agent to send to the holder a share certificate or Acknowledgement representing the Subordinate Voting Shares. In the event that the offeror takes up and pays for the Multiple Voting Shares resulting from conversion, the Company shall cause the transfer agent to deliver to the holders thereof the consideration paid for such shares by the offeror.

26. SPECIAL RIGHTS AND RESTRICTIONS ATTACHING TO THE MULTIPLE VOTING SHARES

The Multiple Voting Shares of the Company shall have the following special rights and restrictions attached thereto:

26.1 Voting Rights

(1) Voting Rights.

Holders of Multiple Voting Shares shall be entitled to notice of and to attend (in person or by proxy) at any meeting of the shareholders of the Company, except a meeting of which only holders of another particular class or series of shares of the Company shall have the right to vote. At each such meeting, holders of Multiple Voting Shares will be entitled to one vote in respect of each Subordinate Voting Share into which such Multiple Voting Share could be converted as of the record date fixed for the determination of the holders of Subordinate Voting Shares entitled to vote at such meeting, which for greater certainty, shall initially equal $\leq^*$ votes per Multiple Voting Share.

(2) Alteration to Rights of Multiple Voting Shares.

As long as any Multiple Voting Shares remain outstanding, the Company will not, without the consent of the holders of the Multiple Voting Shares by separate special resolution, prejudice or interfere with any right or special right attached to the Multiple Voting Shares. Consent of the holders of a majority of the outstanding Multiple Voting Shares by separate ordinary resolution shall be required for any action that authorizes or creates shares of any class having preferences superior to or on a parity with the Multiple Voting Shares. In connection with the exercise of the voting rights contained in this Article 26.1(2), each holder of Multiple Voting Shares will have one vote in respect of each Multiple Voting Share held.

26.2 Dividends

Holders of Multiple Voting Shares shall have the right to receive dividends, out of any cash or other assets of the Company legally available therefor, *pari passu* (on an as-converted to Subordinated Voting Share basis, assuming conversion of all Multiple Voting Shares into Subordinate Voting Shares at the Conversion Ratio as of the record date fixed for the determination of the holders of Subordinate Voting Shares entitled to receive such dividend) as to dividends and any declaration or payment of any dividend on the Subordinate Voting Shares. No dividend will be declared or paid on the Multiple Voting Shares unless the Company simultaneously declares or pays, as applicable, equivalent dividends (on an as-converted to Subordinate Voting Share basis) on the Subordinate Voting Shares. In the event of the payment of a dividend in the form of shares, holders of Multiple Voting Shares shall receive Multiple Voting Shares, unless otherwise determined by the directors. Holders of fractional Multiple Voting Shares shall be entitled to receive any dividend declared on the Multiple Voting Shares, in an amount equal to the dividend per Multiple Voting Share multiplied by the fraction thereof held by such holder.

26.3 Liquidation, Dissolution or Winding Up

In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or in the event of any other distribution of assets of the Company among its shareholders for the purpose of winding up its affairs, the holders of Multiple Voting Shares will, subject to the prior rights of the holders of any shares of the Company ranking in priority to the Multiple Voting Shares, be entitled to participate rateably in such distribution of assets of the Company along with all other holders of Multiple Voting Shares (on an as-converted to Subordinate Voting Share basis) and Subordinate Voting Shares.

26.4 Rights to Subscribe; Pre-Emptive Rights

The holders of Multiple Voting Shares are not entitled to a right of first refusal to subscribe for, purchase or receive any part of any issue of Subordinate Voting Shares, Multiple Voting Shares, or bonds, debentures or other securities of the Company now or in the future.

26.5 Conversion

Subject to the conversion restrictions set forth in this Article 26.5, holders of Multiple Voting Shares shall have conversion rights as follows (the “**Conversion Rights**”):

- (1) **Right to Convert.** Each Multiple Voting Share shall be convertible, at the option of the holder thereof, at any time after the date of issuance of such share at the office of the Company or any transfer agent for such shares, into fully paid and non-assessable Subordinate Voting Shares as is determined by multiplying the number of Multiple Voting Shares by the Conversion Ratio applicable to such share, determined as hereafter provided, in effect on the date the Multiple Voting Share is surrendered for conversion. The “**Conversion Ratio**” for shares of Multiple Voting Shares shall be $\frac{1}{10}$ Subordinate Voting Shares for each Multiple Voting Share; provided, however, that the Conversion Ratio shall be subject to adjustment as set forth in Articles 26.6 and 26.7 hereof.
- (2) **Conversion Limitations.** Before any holder of Multiple Voting Shares shall be entitled to convert the same into Subordinate Voting Shares, the directors (or a committee thereof) shall designate an officer of the Company to determine if any conversion limitation set forth in Article 26.5(3) or 26.5(4) hereof shall apply to the conversion of Multiple Voting Shares.
- (3) **Foreign Private Issuer Protection Limitation:** The Company will use commercially reasonable efforts to maintain its status as a “foreign private issuer” (as determined in accordance with Rule 3b-4 under the *Securities Exchange Act of 1934*, as amended (the “**Exchange Act**”). Accordingly, the Company shall not affect any conversion of Multiple Voting Shares, and the holders of Multiple Voting Shares shall not have the right to convert any portion of the Multiple Voting Shares, pursuant to Article 26.5(1) or otherwise, to the extent that after giving effect to all permitted issuances after such conversions of Multiple Voting Shares, the aggregate number of Subordinate Voting Shares and Multiple Voting Shares held of record, directly or indirectly, by residents of the United States (as determined in accordance with Rules 3b-4 and 12g3-2(a) under the Exchange Act (“**U.S. Residents**”)) would exceed forty percent (40%) (the “**40% Threshold**”) of the aggregate number of Subordinate Voting Shares and Multiple Voting Shares issued and outstanding after giving effect to such conversions (the “**FPI Protective Restriction**”). The directors may by resolution increase the 40% Threshold to an amount not to exceed 50% and in the event of any such increase all references to the 40% Threshold herein, shall refer instead to the amended threshold set by such resolution.
- (4) **Conversion Limitations.** In order to effect the FPI Protective Restriction, each holder of Multiple Voting Shares will be subject to the 40% Threshold based on the number of Multiple Voting Shares held by such holder as of the date of the initial issuance of the Multiple Voting

Shares and thereafter at the end of each of the Company's subsequent fiscal quarters (each, a "**Determination Date**"), calculated as follows:

$$X = [(A \times 0.4) - B] \times (C/D)$$

Where on the Determination Date:

X = Maximum number of Subordinate Voting Shares available for issue upon conversion of Multiple Voting Shares by a holder.

A = The aggregate number of Subordinate Voting Shares and Multiple Voting Shares issued and outstanding on the Determination Date.

B = Aggregate number of Subordinate Voting Shares and Multiple Voting Shares held of record, directly or indirectly, by U.S. Residents on the Determination Date.

C = Aggregate number of Multiple Voting Shares held by holder on the Determination Date.

D = Aggregate number of all Multiple Voting Shares on the Determination Date.

For purposes of this Article 26.5(4), the directors (or a committee thereof) shall designate an officer of the Company to determine as of each Determination Date: (A) the 40% Threshold and (B) the FPI Protective Restriction. Within thirty (30) days following each Determination Date (a "**Notice of Conversion Limitation**"), the Company will provide each holder of record a notice of the FPI Protective Restriction and the impact the FPI Protective Restriction has on the ability of each holder to exercise the right to convert Multiple Voting Shares held by the holder. To the extent that requests for conversion of Multiple Voting Shares subject to the FPI Protective Restriction would result in the 40% Threshold being exceeded, the number of such Multiple Voting Shares eligible for conversion held by a particular holder shall be prorated relative to the number of Multiple Voting Shares submitted for conversion. To the extent that the FPI Protective Restriction contained in this Article 26.5(4) applies, the determination of whether Multiple Voting Shares are convertible shall be in the sole discretion of the Company.

- (5) **Mandatory Conversion.** Notwithstanding Article 26.5(3), the Company may require each holder of Multiple Voting Shares to convert all, and not less than all, the Multiple Voting Shares at the applicable Conversion Ratio (a "**Mandatory Conversion**") if at any time all the following conditions are satisfied (or otherwise waived by special resolution of holders of Multiple Voting Shares):
- (i) the Subordinate Voting Shares issuable upon conversion of all the Multiple Voting Shares are registered for resale and may be sold by the holder thereof pursuant to an effective registration statement and/or prospectus covering the Subordinate Voting Shares under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**");
 - (ii) the Company is subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act; and
 - (iii) the Subordinate Voting Shares are listed or quoted (and are not suspended from trading) on a recognized North American stock exchange or by way of reverse takeover transaction on the Toronto Stock Exchange, the TSX Venture Exchange, the Canadian Securities Exchange or Aequitas NEO Exchange (or any other stock exchange recognized as such by the Ontario Securities Commission).

The Company will issue or cause its transfer agent to issue each holder of Multiple Voting Shares of record a notice of Mandatory Conversion at least 20 days prior to the record date of the

Mandatory Conversion, which shall specify therein, (i) the number of Subordinate Voting Shares into which the Multiple Voting Shares are convertible and (ii) the address of record for such holder. On the record date of a Mandatory Conversion, the Company will issue or cause its transfer agent to issue each holder of record on the Mandatory Conversion Date certificates or Acknowledgements representing the number of Subordinate Voting Shares into which the Multiple Voting Shares are so converted and each certificate or Acknowledgement representing the Multiple Voting Shares shall be null and void.

- (6) **Beneficial Ownership Restriction.** The Company shall not affect any conversion of Multiple Voting Shares, and a holder thereof shall not have the right to convert any portion of its Multiple Voting Shares, pursuant to Article 26.5(1) or otherwise, to the extent that after giving effect to such issuance after conversion as set forth on the applicable Conversion Notice, the holder (together with the holder's affiliates (each, an "**Affiliate**" as defined in Rule 12b-2 under the Exchange Act), and any other persons acting as a group together with the holder or any of the holder's Affiliates), would beneficially own in excess of 9.99% of the number of the Subordinate Voting Shares outstanding immediately after giving effect to the issuance of Subordinate Voting Shares issuable upon conversion of the Multiple Voting Shares subject to the Conversion Notice (the "**Beneficial Ownership Limitation**").

For purposes of the foregoing sentence, the number of Subordinate Voting Shares beneficially owned by the holder and its Affiliates shall include the number of Subordinate Voting Shares issuable upon conversion of Multiple Voting Shares with respect to which such determination is being made, but shall exclude the number of Subordinate Voting Shares which would be issuable upon (i) conversion of the remaining, non-converted portion of Multiple Voting Shares beneficially owned by the holder or any of its Affiliates and (ii) exercise or conversion of the unexercised or non-converted portion of any other securities of the Company subject to a limitation on conversion or exercise analogous to the limitation contained herein beneficially owned by the holder or any of its Affiliates. In any case, the number of outstanding Subordinate Voting Shares shall be determined after giving effect to the conversion or exercise of securities of the Company, including Multiple Voting Shares subject to the Conversion Notice, by the holder or its Affiliates since the date as of which such number of outstanding Subordinate Voting Shares was reported. Except as set forth in the preceding sentence, for purposes of this Article 26.5(6), beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder based on information provided by the shareholder to the Company in the Conversion Notice.

To the extent that the Beneficial Ownership Limitation applies and the Company can convert some, but not all, of such Multiple Voting Shares submitted for conversion, the Company shall convert Multiple Voting Shares up to the Beneficial Ownership Limitation in effect, based on the number of Multiple Voting Shares submitted for conversion on such date. The determination of whether Multiple Voting Shares are convertible (in relation to other securities owned by the holder together with any Affiliates) and of which Multiple Voting Shares are convertible shall be in the sole discretion of the Company, and the submission of a Conversion Notice shall be deemed to be the holder's certification as to the holder's beneficial ownership of Subordinate Voting Shares of the Company, and the Company shall have the right, but not the obligation, to verify or confirm the accuracy of such beneficial ownership.

The holder, upon written notice to the Company, may increase or decrease the Beneficial Ownership Limitation provisions of this Article 26.5(6), provided that the Beneficial Ownership Limitation in no event exceeds 19.99% of the number of the Subordinate Voting Shares outstanding immediately after giving effect to the issuance of Subordinate Voting Shares upon conversion of Multiple Voting Shares subject to the Conversion Notice and the provisions of this Article 26.5(6) shall continue to apply. Any increase in the Beneficial Ownership Limitation will not be effective until the 61st day after such notice is delivered to the Company. The provisions of this paragraph shall not be construed and implemented in a manner otherwise than in strict conformity with the terms of this Article 26.5(6) or to correct this paragraph (or any portion

hereof) which may be defective or inconsistent with the intended Beneficial Ownership Limitation herein contained or to make changes or supplements necessary or desirable to properly give effect to such limitation. The limitations contained in this paragraph shall apply to a successor holder of Multiple Voting Shares.

- (7) **Disputes.** In the event of a dispute as to the number of Subordinate Voting Shares issuable to a Holder in connection with a conversion of Multiple Voting Shares, the Company shall issue to the Holder the number of Subordinate Voting Shares not in dispute and resolve such dispute in accordance with Article 26.11 hereof.
- (8) **Mechanics of Conversion.** Before any holder of Multiple Voting Shares shall be entitled to convert Multiple Voting Shares into Subordinate Voting Shares, the holder thereof shall surrender the certificate(s) , if any, or Acknowledgement(s) therefor, duly endorsed, at the office of the Company or of any transfer agent for Subordinate Voting Shares , and shall give written notice to the Company at its principal corporate office, of the election to convert the same (each, a “**Conversion Notice**”) and the Subordinate Voting Shares resulting therefrom shall be registered in the name of the registered holder of the Multiple Voting Shares converted or, subject to payment by the registered holder of any share transfer, certificate or Acknowledgement fee or applicable taxes and compliance with any other reasonable requirements of the Company (including, for certainty and without limitation, the 40% Threshold, the FPI Protective Restriction and the Beneficial Ownership Limitation) in respect of such transfer, in such name or names as such registered holder may direct in writing. Upon receipt of such notice and certificate(s) or Acknowledgement(s) and, as applicable, compliance with such other requirements, the Company shall (or shall cause its transfer agent to), at its expense, as soon as practicable thereafter, remove or cause the removal of such holder from the register of holders in respect of the Multiple Voting Shares for which the conversion right is being exercised, add the holder (or any person or persons in whose name or names such converting holder shall have directed the resulting Subordinate Voting Shares to be registered) to the securities register of holders in respect of the resulting Subordinate Voting Shares, cancel or cause the cancellation of the certificate(s) or Acknowledgement(s) representing such Multiple Voting Shares and issue and deliver at such office to such holder, or to the nominee or nominees of such holder, a certificate or certificates or Acknowledgement, representing the Subordinate Voting Shares issued upon the conversion of such Multiple Voting Shares. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of such surrender of the Multiple Voting Shares to be converted, and the person or persons entitled to receive the Subordinate Voting Shares issuable upon such conversion shall be treated for all purposes as the record holder or holders of such Subordinate Voting Shares as of such date. If less than all of the Multiple Voting Shares represented by any certificate or Acknowledgement are to be converted, the holder shall be entitled to receive a new certificate or Acknowledgement representing the Multiple Voting Shares represented by the original certificate or Acknowledgement which are not to be converted. A Multiple Voting Share that is converted into Subordinate Voting Shares as provided for in this Article 26.5(8) will automatically be cancelled.

26.6 Adjustments for Distributions

In the event the Company shall declare a distribution to holders of Subordinate Voting Shares payable in securities of other persons, evidences of indebtedness issued by the Company or other persons, assets (excluding cash dividends) or options or rights not otherwise causing adjustment to the Conversion Ratio (a “**Distribution**”), then, in each such case for the purpose of this Article 26.6, the holders of Multiple Voting Shares shall be entitled to a proportionate share of any such Distribution as though they were the holders of the number of Subordinate Voting Shares into which their Multiple Voting Shares are convertible as of the record date fixed for the determination of the holders of Subordinate Voting Shares entitled to receive such Distribution.

26.7 Recapitalizations; Stock Splits

If at any time or from time-to-time, the Company shall (i) effect a recapitalization of the Subordinate Voting Shares; (ii) issue Subordinate Voting Shares as a dividend or other distribution on outstanding Subordinate Voting Shares; (iii) subdivide the outstanding Subordinate Voting Shares into a greater number of Subordinate Voting Shares; (iv) consolidate the outstanding Subordinate Voting Shares into a smaller number of Subordinate Voting Shares; or (v) effect any similar transaction or action (each, a “**Recapitalization**”), provision shall be made so that the holders of Multiple Voting Shares shall thereafter be entitled to receive, upon conversion of Multiple Voting Shares, the number of Subordinate Voting Shares or other securities or property of the Company or otherwise, to which a holder of Subordinate Voting Shares deliverable upon conversion would have been entitled on such Recapitalization. In any such case, appropriate adjustment shall be made in the application of the provisions of this Article 26.7 with respect to the rights of the holders of Multiple Voting Shares after the Recapitalization to the end that the provisions of this Article 26.7 (including adjustment of the Conversion Ratio then in effect and the number of Subordinate Voting Shares issuable upon conversion of Multiple Voting Shares) shall be applicable after that event as nearly equivalent as may be practicable.

26.8 No Fractional Shares and Certificate as to Adjustments

No fractional Subordinate Voting Shares shall be issued upon the conversion of any Multiple Voting Shares and the number of Subordinate Voting Shares to be issued shall be rounded down to the nearest whole Subordinate Voting Share without any payment in respect of such rounded down fractional Subordinate Voting Share. Whether or not fractional Subordinate Voting Shares are issuable upon such conversion shall be determined on the basis of the total number of Multiple Voting Shares the holder is at the time converting into Subordinate Voting Shares and the number of Subordinate Voting Shares issuable upon such aggregate conversion.

26.9 Adjustment Notice

Upon the occurrence of each adjustment or readjustment of the Conversion Ratio pursuant to Article 26.6 or 26.7, the Company, at its expense, shall promptly compute such adjustment or readjustment in accordance with the terms hereof and prepare and furnish to each holder of Multiple Voting Shares a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. The Company shall, upon the written request at any time of any holder of Multiple Voting Shares, furnish or cause to be furnished to such holder a like certificate setting forth (A) such adjustment and readjustment, (B) the Conversion Ratio for Multiple Voting Shares at the time in effect, and (C) the number of Subordinate Voting Shares and the amount, if any, of other property which at the time would be received upon the conversion of a Multiple Voting Share.

26.10 Effect of Conversion

All Multiple Voting Shares which shall have been surrendered for conversion as herein provided shall no longer be deemed to be outstanding and all rights with respect to such shares shall immediately cease and terminate at the time of conversion (the “**Conversion Time**”), except only the right of the holders thereof to receive Subordinate Voting Shares in exchange therefor.

26.11 Disputes

Any holder of Multiple Voting Shares that beneficially owns more than 5% of the issued and outstanding Multiple Voting Shares may submit a written dispute notice as to the determination of the Conversion Ratio or the arithmetic calculation of the Conversion Ratio (as defined herein), the 40% Threshold, FPI Protective Restriction or the Beneficial Ownership Limitation by the Company to the directors, which dispute notice shall include the basis for the disputed determinations or arithmetic calculations. The Company shall respond to the holder within five (5) business days of receipt, or deemed receipt, of the dispute notice with a written calculation of the Conversion Ratio, the 40% Threshold, FPI Protective Restriction or the Beneficial Ownership Limitation, as applicable. If the holder and the Company are unable to agree upon such determination or calculation of the Conversion Ratio, the 40% Threshold, FPI Protective Restriction or the Beneficial Ownership Limitation, as applicable, within five (5) business days of such response, then the Company and the holder shall, within two (2) business days thereafter, submit the

disputed arithmetic calculation of the Conversion Ratio, the 40% Threshold, FPI Protective Restriction or the Beneficial Ownership Limitation, as applicable, to the Company's independent, outside accountant. The Company, at the Company's expense, shall cause the accountant to perform the determinations or calculations and notify the Company and the holder of the results no later than five (5) business days from the time it receives the disputed determinations or calculations. Such accountant's determination or calculation, as the case may be, shall be binding upon all parties absent demonstrable error.

26.12 Conversion of Multiple Voting Shares Upon an Offer

In addition to the conversion rights set out in Article 26.5, in the event that an offer is made to purchase Subordinate Voting Shares:

- (1) if there is a published market for the Subordinate Voting Shares, and the offer is one which is required to be made to all or substantially all the holders of Subordinate Voting Shares in a province or territory of Canada to which the requirement applies pursuant to (x) Applicable Securities Laws or (y) the rules of any stock exchange on which the Subordinate Voting Shares of the Company are listed, unless an identical offer concurrently is made to purchase Multiple Voting Shares; or
- (2) if the Subordinate Voting Shares are not then listed, and the offer is one which would have been required to be made to all or substantially all the holders of Subordinate Voting Shares in a province or territory of Canada pursuant to (x) Applicable Securities Laws or (y) the rules of any stock exchange had the Subordinate Voting Shares been listed,

then each Multiple Voting Share shall become convertible at the option of the holder into Subordinate Voting Shares at the Conversion Ratio then in effect, at any time while the offer is in effect until one day after the time prescribed by Applicable Securities Laws for the offeror to take up and pay for such shares as are to be acquired pursuant to the offer. The conversion right in this Article 26.12 may only be exercised in respect of Multiple Voting Shares for the purpose of depositing the resulting Subordinate Voting Shares under the offer, and for no other reason. In such event, the Company shall or shall cause its transfer agent for the Subordinate Voting Shares to deposit under the offer the resulting Subordinate Voting Shares, on behalf of the holder.

To exercise such conversion right, the holder or his or its attorney duly authorized in writing shall:

- (1) give written notice to the transfer agent of the exercise of such right, and of the number of Multiple Voting Shares in respect of which the right is being exercised;
- (2) deliver to the transfer agent the share certificate(s) or Acknowledgements, if any representing the Multiple Voting Shares in respect of which the right is being exercised; and
- (3) pay any applicable share certificate or Acknowledgement fee, stamp tax or similar duty on or in respect of such conversion.

No share certificates representing the Subordinate Voting Shares, resulting from the conversion of the Multiple Voting Shares will be delivered to the holders on whose behalf such deposit is being made. If Subordinate Voting Shares, resulting from the conversion and deposited pursuant to the offer, are withdrawn by the holder or are not taken up by the offeror, or the offer is abandoned, withdrawn or terminated by the offeror or the offer otherwise expires without such Subordinate Voting Shares being taken up and paid for, the Subordinate Voting Shares resulting from the conversion will be re-converted into Multiple Voting Shares at the inverse of Conversion Ratio then in effect and the Company shall send, or cause its transfer agent to send, to the holder a share certificate or Acknowledgement representing the Multiple Voting Shares. In the event that the offeror takes up and pays for the Subordinate Voting Shares resulting from conversion, the Company shall or shall cause its transfer agent to deliver to the holders thereof the consideration paid for such shares by the offeror.

26.13 Notice of Record Date

Except as otherwise provided under applicable law, in the event of any taking by the Company of a record of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive any dividend (other than a cash dividend) or other distribution, any right to subscribe for, purchase or otherwise acquire any shares of any class or any other securities or property, or to receive any other right, the Company shall provide written notice to each holder of Multiple Voting Shares, at least 20 days prior to the date specified therein, a notice specifying the date on which any such record is to be taken for the purpose of such dividend, distribution or right, and the amount and character of such dividend, distribution or right.

26.14 Redemption of Shares

- (1) For the purposes of this Article 26.14, the following terms will have the meaning specified below:
- (i) **“Business”** means the business of PsyBio as currently carried on which includes but is not limited to the research, development, and manufacture of biosynthetic psychoactive compounds including psilocybin (its intermediates) and other molecules for the treatment of mental health disorders, the utilization of a proprietary platform technology and all associated testing and studies in connection with the foregoing.
 - (ii) **“Fair Market Value”** will equal: (i) the volume weighted average trading price (VWAP) of the Shares to be redeemed for the five (5) Trading Day period immediately after the date of the Redemption Notice on the TSX Venture Exchange or other national or regional securities exchange on which such Shares are listed, or (ii) if no such quotations are available, the fair market value per share of such Shares as set forth in the Valuation Opinion.
 - (iii) **“Governmental Authority”** or **“Governmental Authorities”** means any United States or foreign, federal, state, county, regional, local or municipal government, any agency, administration, board, bureau, commission, department, service, or other instrumentality or political subdivision of the foregoing, and any Person with jurisdiction exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government or monetary policy (including any court or arbitration authority).
 - (iv) **“Licenses”** means all licenses, permits, approvals, orders, authorizations, registrations, findings of suitability, franchises, exemptions, waivers and entitlements issued by a Governmental Authority required for, or relating to, the conduct of the Business.
 - (v) **“ownership”** (and derivatives thereof) means (i) ownership of record as evidenced in the Company’s share register, (ii) “beneficially own” as defined in Section 1(1) of the *Business Corporations Act*, provided that, in respect of a security, “beneficially own” shall also include the interest of an entitlement holder, as defined in the *Securities Transfer Act* (British Columbia), with respect to that security, but does not include the interest of an entitlement holder that is a securities intermediary, as defined in the *Securities Transfer Act* (British Columbia), that has established a security entitlement, as defined in the *Securities Transfer Act* (British Columbia), in favour of its entitlement holder with respect to that security, or (iii) the power to exercise control or direction over a security;
 - (vi) **“Person”** means an individual, partnership, Company, limited liability company, trust or any other entity.
 - (vii) **“Redemption”** has the meaning ascribed thereto in Article 26.14(5).

- (viii) **“Redemption Date”** means the date on which the Company will redeem and pay for the Shares pursuant to this Article 26.14. The Redemption Date will be not less than thirty (30) Trading Days following the date of the Redemption Notice unless a Governmental Authority requires that the Shares be redeemed as of an earlier date, in which case, the Redemption Date will be such earlier date and if there is an outstanding Redemption Notice, the Company will issue an amended Redemption Notice reflecting the new Redemption Date forthwith.
 - (ix) **“Redemption Notice”** has the meaning ascribed thereto in this Article 26.14.
 - (x) **“Redemption Price”** means the price per Share to be paid by the Company on the Redemption Date for the redemption of Shares pursuant to this Article 26.14 and will be equal to the Fair Market Value of a Share, unless otherwise required by any Governmental Authority;
 - (xi) **“Shares”** means the Subordinate Voting Shares or the Multiple Voting Shares of the Company.
 - (xii) **“Significant Interest”** means ownership of five percent (5%) or more of all of the issued and outstanding shares of the Company.
 - (xiii) **“Subject Shareholder”** means a person, a group of persons acting in concert or a group of persons who, the directors reasonably believe, are acting jointly or in concert.
 - (xiv) **“Trading Day”** means a day on which trades of the Shares are executed on the TSX Venture Exchange or any national or regional securities exchange on which the Shares are listed.
 - (xv) **“Unsuitable Person”** means:
 - (A) Any person (including a Subject Shareholder) with a Significant Interest who a Governmental Authority granting the Licenses has determined to be unsuitable to own Shares; or
 - (B) any person (including a Subject Shareholder) with a Significant Interest whose ownership of Shares may result in the loss, suspension or revocation (or similar action) with respect to any Licenses or in the Company being unable to obtain any new Licenses in the normal course, including, but not limited to, as a result of such person’s failure to apply for a suitability review from or to otherwise fail to comply with the requirements of a Governmental Authority, as determined by the directors, in their sole discretion, after consultation with legal counsel and if a license application has been filed, after consultation with the applicable Governmental Authority.
 - (xvi) **“Valuation Opinion”** means a valuation and fairness opinion from an investment banking firm of nationally recognized standing in Canada (qualified to perform such task and which is disinterested in the contemplated redemption and has not in the then past two years provided services for a fee to the Company or its affiliates) or a disinterested nationally recognized accounting firm.
- (2) Subject to Article 26.14(4), no Subject Shareholder will acquire or dispose of a Significant Interest, directly or indirectly, in one or more transactions, without providing 15 days’ advance written notice to the Company by mail sent to the Company’s registered office to the attention of the Corporate Secretary.

- (3) If the directors reasonably believe that a Subject Shareholder may have failed to comply with the provisions of Article 26.14(2), the Company may apply to the Ontario Superior Court of Justice, or such other court of competent jurisdiction for an order directing that the Subject Shareholder disclose the number of Shares held.
- (4) The provisions of Article 26.14(2) and 26.14(3) will not apply to the ownership, acquisition or disposition of Shares as a result of:
 - (i) any transfer of Shares occurring by operation of law including, inter alia, the transfer of Shares of the Company to a trustee in bankruptcy;
 - (ii) an acquisition or proposed acquisition by one or more underwriters or portfolio managers who hold Shares for the purposes of distribution to the public or for the benefit of a third party provided that such third party is in compliance with this Article 26.14(4)(ii); or
 - (iii) the conversion, exchange or exercise of securities of the Company (other than the Shares) duly issued or granted by the Company, into or for Shares, in accordance with their respective terms.
- (5) At the option of the Company, Shares owned by an Unsuitable Person may be redeemed by the Company (the “**Redemption**”) for the Redemption Price out of funds lawfully available on the Redemption Date. Shares redeemable pursuant to this Article 26.14(5) will be redeemable at any time and from time to time pursuant to the terms hereof.
- (6) In the case of a Redemption, the Company will send a written notice to the holder of the Shares called for Redemption, which will set forth: (i) the Redemption Date, (ii) the number of Shares to be redeemed on the Redemption Date, (iii) the formula pursuant to which the Redemption Price will be determined and the manner of payment therefor, (iv) the place where such Shares (or certificate or Acknowledgment thereto, as applicable) will be surrendered for payment, duly endorsed in blank or accompanied by proper instruments of transfer, (v) a copy of the Valuation Opinion (if the Company is no longer listed on the TSX Venture Exchange or another recognized securities exchange), and (vi) any other requirement of surrender of the Shares to be redeemed (the “**Redemption Notice**”). The Redemption Notice may be conditional such that the Company need not redeem the Shares owned by an Unsuitable Person on the Redemption Date if the directors determine, in their sole discretion, that such Redemption is no longer advisable or necessary on or before the Redemption Date. The Company will send a written notice confirming the amount of the Redemption Price to the holder of the shares subject to Redemption as soon as possible following the determination of such Redemption Price.
- (7) The Company may pay the Redemption Price by using its existing cash resources, incurring debt, issuing additional Shares, issuing a promissory note in the name of the Unsuitable Person, or by using a combination of the foregoing sources of funding.
- (8) To the extent required by applicable laws, the Company may deduct and withhold any tax from the Redemption Price. To the extent any amounts are so withheld and are timely remitted to the applicable Governmental Authority, such amounts shall be treated for all purposes herein as having been paid to the Person in respect of which such deduction and withholding was made.
- (9) On and after the date the Redemption Notice is delivered, any Unsuitable Person owning Shares called for Redemption will cease to have any voting rights with respect to such Shares and on and after the Redemption Date specified therein, such holder will cease to have any rights whatsoever with respect to such Shares other than the right to receive the Redemption Price, without interest, on the Redemption Date; provided, however, that if any such Shares come to be owned solely by persons other than an Unsuitable Person (such as by transfer of such Shares to a liquidating trust, subject to the approval of any applicable Governmental Authority), such persons may exercise

voting rights of such Shares and the directors may determine, in their sole discretion, not to redeem such Shares. Following any Redemption in accordance with the terms of this Article 26.14, the redeemed Shares will be cancelled.

- (10) All notices given by the Company to holders of Shares pursuant to this Article 26.14, including the Redemption Notice, will be in writing in accordance with Article 23.
- (11) The Company's right to redeem Shares pursuant to this Article 26.14 will not be exclusive of any other right the Company may have or hereafter acquire under any agreement or any provision of the articles or the bylaws of the Company or otherwise with respect to the acquisition by the Company of shares or any restrictions on holders thereof.
- (12) In connection with the conduct of its Business, the Company may require that a Subject Shareholder provide to one or more Governmental Authorities, if and when required, information and fingerprints for a criminal background check, individual history form(s), and other information required in connection with applications for Licenses.
- (13) In the event that any provision (or portion of a provision) of this Article 26.14 or the application thereof becomes or is declared by a court of competent jurisdiction to be illegal, void or unenforceable, the remainder of this Article 26.14 (including the remainder of such provision, as applicable) will continue in full force and effect.

SCHEDULE "B"

LEO ACQUISITIONS CORP. AUDIT COMMITTEE CHARTER (the "Charter")

1. PURPOSE AND COMPOSITION

The purpose of the Audit Committee (the "**Committee**") of Leo Acquisitions Corp. (the "**Corporation**") is to assist the Board of Directors (the "**Board**") in reviewing:

- (i) the Corporation's financial disclosure;
- (ii) the qualifications and independence of the Corporation's external auditor; and
- (iii) the performance of the external auditor.

The Audit Committee shall be comprised of a minimum of 3 directors including a committee chair. While the Corporation is a "venture issuer" as defined in National Instrument 52-110 - *Audit Committees* ("**NI 52-110**"), a majority of the Audit Committee members shall, in the opinion of the Board, be independent directors under NI 52-110. Once the Corporation ceases to be a "venture issuer" as defined in NI 52-110, all of the Audit Committee members shall, in the opinion of the Board, be independent directors under NI 52-110. Each member of the Committee shall have a working knowledge of basic finance and accounting practices, and shall be "financially literate" as defined in NI 52-110. The chair of the Committee must have accounting or related financial management experience.

2. RESPONSIBILITIES AND DUTIES

To fulfill its responsibilities and duties the Committee shall:

- (a) ***Financial Disclosure***
 - (i) review the Corporation's:
 - (ii) interim and annual financial statements;
 - (iii) management's discussions and analyses;
 - (iv) interim and annual earnings press releases;
 - (v) annual information forms;
 - (vi) prospectuses;
 - (vii) other documents containing audited or unaudited financial information, at its discretion;
 - (viii) report thereon to the Board before such documents are approved by the Board and disclosed to the public; and
 - (ix) be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, other than the disclosure provided by the financial statements, management's discussions and analyses and earnings press releases, and shall periodically assess the adequacy of those procedures.

(b) External Audit

- (i) recommend to the Board the external auditor to be appointed for purposes of preparing or issuing an auditor's report or performing other audit, review or attest services;
- (ii) review and approve the audit plan, the terms of the external auditor's engagement, the appropriateness and reasonableness of proposed audit fees, and any issues relating to the payment of audit fees, and make a recommendation to the Board with respect to the compensation of the external auditor;
- (iii) review the independence of the external auditor;
- (iv) meet with the external auditor and with management to discuss the audit plan, audit findings, any restrictions on the scope of the external auditor's work, and any problems that the external auditor experiences in performing the audit;
- (v) review with the external auditor and management any changes in Generally Accepted Accounting Principles ("GAAP") that may be material to the Corporation's financial reporting;
- (vi) review pro forma or adjusted information not in accordance with GAAP;
- (vii) have the authority to communicate directly with the external auditor;
- (viii) require the external auditor to report directly to the Committee;
- (ix) directly oversee the work of the external auditor that is related to the preparation or issue of an auditor's report or other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditor regarding financial reporting;
- (x) meet with the external auditor to discuss the annual financial statements (including the report of the external auditor thereon) and the interim financial statements (including the review engagement report of the external auditor thereon);
- (xi) review any management letter containing the recommendations of the external auditor, and the response and follow up by management in relation to any such recommendations;
- (xii) review any evaluation of the Corporation's internal control over financial reporting conducted by the external auditor, together with management's response;
- (xiii) pre-approve (or delegate such pre-approval to one or more of its independent members) in accordance with a pre-approval policy, all engagements for non-audit services to be provided to the Corporation or its subsidiary entities by the external auditor, together with all non-audit services fees, and consider the impact of such engagements and fees on the independence of the external auditor;
- (xiv) review and approve the Corporation's hiring policy regarding partners, employees and former partners and employees of the present and former external auditor of the Corporation; and
- (xv) in the event of a change of auditor, review and approve the Corporation's disclosure relating thereto.

(c) ***Financial Complaints Handling Procedures***

- (i) establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and
- (ii) establish procedures for the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

3. OPERATION OF THE COMMITTEE

In connection with the discharge of its duties and responsibilities, the Committee shall observe the following procedures:

- (i) ***Reporting.*** The Committee shall report to the Board.
- (ii) ***Meetings.*** The Committee shall meet at least four times every year, and more often if necessary, to discharge its duties and responsibilities hereunder.
- (iii) ***Advisors.*** The Committee shall have the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties and to set and pay, at the Corporation's expense, the compensation of such advisors.
- (iv) ***Chairman.*** The Committee will recommend a director as chair of the Committee to the Board for approval.

If the chair of the Committee is not present at any meeting of the Committee, one of the other members of the Committee present at the meeting shall be chosen by the Committee to preside.

- (v) ***Quorum.*** A majority of committee members, present in person, by video- conference, by telephone or by a combination thereof, shall constitute a quorum.
- (vi) ***Secretary.*** The Committee shall appoint a secretary who need not be a member of the Committee or a director of the Corporation. The Secretary shall keep minutes of the meetings of the Committee.
- (vii) ***Calling of Meetings.*** A meeting of the Committee may be called by the chair of the Committee, by the external auditor of the Corporation, or by any member of the Committee.
- (viii) ***Notice of meeting.*** Notice of the time and place of every meeting may be given orally, in writing, by facsimile or by e-mail to each member of the Committee at least 48 hours prior to the time fixed for such meeting.

A member may in any manner waive notice of the meeting. Attendance of a member at the meeting shall constitute waiver of notice of the meeting, except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting was not lawfully called.

- (ix) ***Auditor's Attendance at Meetings.*** The external auditor shall be entitled to receive notice of every meeting of the Committee and, at the expense of the Corporation, to attend and be heard at any meeting of the Committee. If so requested by a member of the Committee, the external auditor shall attend every meeting of the Committee held during the term of office of the external auditor.
- (x) ***Access To Information.*** The Committee shall have access to any information, documents and records that are necessary in the performance of its duties and the discharge of its responsibilities under this Charter.

- (xi) ***Review Of Charter.*** The Committee shall periodically review this Charter and recommend any changes to the Board as it may deem appropriate.
- (xii) ***Reporting.*** The chair of the Committee shall report to the Board, at such times and in such manner, as the Board may from time to time require and shall promptly inform the Board of any significant issues raised during the performance of the functions as set out herein, by the external auditor or any Committee member, and shall provide the Board with copies of any written reports or letters provided by the external auditor to the Committee.

SCHEDULE "C"

LEO ACQUISITIONS CORP.

STOCK OPTION PLAN (the "Plan")

1. **PURPOSE**

Leo Acquisitions Corp. (the "**Corporation**") is committed to providing appropriate incentives to Eligible Persons to acquire a proprietary interest in the Corporation in order to continue their participation in the affairs of the Corporation and to increase their efforts on behalf of the Corporation. The purpose of this Plan is to advance the interests of the Corporation by: (a) providing Eligible Persons with additional incentive; (b) encouraging share ownership by such Eligible Persons; (c) increasing the proprietary interest of Eligible Persons in the success of the Corporation; (d) encouraging Eligible Persons to remain with the Corporation or its Subsidiaries; and (e) attracting new employees, directors and officers.

2. **INTERPRETATION**

2.1 **Definitions.** In this Plan, the following words have the following meanings:

- (a) "**acting jointly or in concert**" means the determination of whether a person or group of persons is acting jointly or in concert shall be determined in accordance with the Ontario Securities Act;
- (b) "**Affiliate**" means any corporation that is an Affiliate of the Corporation within the meaning set forth in Exchange Policy;
- (c) "**Applicable Securities Laws**" means the Ontario Securities Act and the equivalent legislation in the other provinces and in the territories of Canada, as may be applicable and as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commissions and similar regulatory authorities of each of the provinces and territories of Canada;
- (d) "**Blackout Period**" means a period of time when, pursuant to any policies of the Corporation, securities of the Corporation may not be traded by certain persons as designated by the Corporation, including an Optionee as a result of the existence of undisclosed Material Information, but excludes any period during which a regulator has halted trading in the Corporation's securities, and which expires upon the public announcement of such Material Information;
- (e) "**Board**" means the board of directors of the Corporation, and includes any committee of the Board to which responsibilities with respect to the Plan have been delegated;
- (f) "**Business Day**" means a day which is not a Saturday, Sunday or a civic or statutory holiday in Toronto, Ontario;
- (g) "**Change of Control**" means the first to occur of any of the following events:
 - (i) any event or series of related events or transaction or series of related transactions as a result of which or pursuant to which any person or group of persons acting jointly or in concert acquires, directly or indirectly, beneficial ownership of or control or direction over Voting Shares of the Corporation (other than pursuant to a treasury issuance of Voting Shares of the Corporation), or Voting Shares of the Corporation are redeemed or otherwise acquired by the Corporation or are cancelled, where, immediately following the occurrence of such event or series of events or completion of such transaction or series of transactions, the number of Voting Shares of the

Corporation beneficially owned, directly or indirectly, or over which control or direction is exercised by such person or group of persons acting jointly or in concert totals for the first time Voting Shares of the Corporation carrying more than 50% of the votes attaching to all Voting Shares of the Corporation outstanding immediately following such occurrence or completion;

- (ii) any event or series of related events or transaction or series of related transactions as a result of which or pursuant to which Voting Shares of the Corporation are converted into or exercised or exchanged for securities of another person (the "**Resulting Person**") and any person or group of persons acting jointly or in concert acquires, directly or indirectly, beneficial ownership of or control or direction over Voting Shares of such Resulting Person where, immediately following the occurrence of such event or series of events or completion of such transaction or series of transactions, the number of Voting Shares of the Resulting Person beneficially owned, directly or indirectly, or over which control or direction is exercised by such person or group of persons acting jointly or in concert totals for the first time Voting Shares of the Resulting Person carrying more than 50% of the votes attaching to all Voting Shares of the Resulting Person outstanding immediately following such occurrence or completion;
 - (iii) a change in the composition of the Board as a result of a contested election of directors of the Corporation, with the result that less than 50% of the directors of the Corporation elected in such election are comprised of the individuals who were directors of the Corporation prior to such contested election;
 - (iv) the sale, lease, exchange or other transfer or disposition, in a single transaction or a series of related transactions (including by way of the liquidation, dissolution, winding-up or other distribution by the Corporation or any subsidiary of the Corporation) of assets having a Fair Market Value equal to 50% or more of the Fair Market Value (as determined by the Board) of all of the assets of the Corporation on a consolidated basis, excluding a transaction or series of related transactions between the Corporation or any subsidiary of the Corporation or between subsidiaries of the Corporation; or
 - (v) the determination by the Board that a change in legal or effective control of the Corporation has occurred or is imminent;
- (h) "**Consultant**" has the same meaning as set forth in Exchange Policy provided that such Optionee is also a "consultant" as defined in NI 45-106;
 - (i) "**Consultant Company**" has the same meaning as set forth in Exchange Policy provided that such Optionee is also a "consultant" as defined in NI 45-106;
 - (j) "**Corporation**" means Leo Acquisitions Corp. a corporation existing under the laws of Ontario;
 - (k) "**Director**" has the same meaning as set forth in Exchange Policy provided that such Director is also a "director" as defined in NI 45-106;
 - (l) "**Discounted Market Price**" has the same meaning as set forth in Exchange Policy;
 - (m) "**Disinterested Shareholder Approval**" means disinterested Shareholder approval, as may be applicable in the circumstances, as described in Exchange Policy;
 - (n) "**Effective Date**" for an Option means the date on which the Option is granted;
 - (o) "**Eligible Person**" means, subject to the Applicable Securities Law and Exchange Policy, any Employee, Director, Consultant or Management Company Employee who is approved for participation in the Plan by the Board;

- (p) **"Employee"** has the same meaning as set forth in Exchange Policy provided that such Employee is also a "employee" as under Applicable Securities Laws;
- (q) **"Exchange"** means the TSX Venture Exchange or any successor or assign thereof;
- (r) **"Exchange Hold Period"** means, if applicable, the four month resale restriction imposed by the Exchange pursuant to Exchange Policy;
- (s) **"Exchange Policy"** means Policy 4.4 – Incentive Stock Options as set forth in the Exchange's published Corporate Finance Manual, together with such other published policies of the Exchange and the bulletins, notices, appendices and forms related thereto, as from time to time amended or re-adopted;
- (t) **"Exercise Form"** means the notice of exercise delivered by an Optionee to the Corporation upon the exercise of any Option hereunder in such other form as the Board may approve for any one or more Optionees or for a group of Optionees, as same may be amended from time to time;
- (u) **"Exercise Period"** means the period of time during which an Option granted under the Plan may be exercised (provided, however, that the Exercise Period may not exceed ten (10) years from the relevant Effective Date unless permitted under Section 6.5;
- (v) **"Exercise Price"** means the price per Share at which Shares may be purchased under an Option, as the same may be adjusted from time to time in accordance with the terms hereof;
- (w) **"Expiry Date"** has the meaning prescribed under Section 6.5 of this Plan;
- (x) **"Fair Market Value"** means the highest price, expressed in dollars, that the Share would bring in an open and unrestricted market between a willing buyer and a willing seller who are both knowledgeable, informed, and prudent, and who are acting independently of each other and who deal with each other at arm's length for purposes of the ITA;
- (y) **"Holder"** means a holder of an Option under the Plan;
- (z) **"Insider"** has the same meaning as set forth in Exchange Policy;
- (aa) **"IR Activities"** has the same meaning as "*Investor Relations Activities*" as set forth in Exchange Policy;
- (bb) **"ITA"** means the *Income Tax Act* (Canada);
- (cc) **"Merger and Acquisition Transaction"** means (i) any merger; (ii) any acquisition; (iii) any amalgamation; (iv) any offer for Shares which if successful would entitle the offeror to acquire more than 50% of all Shares; (v) any arrangement or other scheme of reorganization; or (vi) any consolidation, that results in a Change of Control;
- (dd) **"Option"** means the right to purchase Shares granted to an Eligible Person in accordance with the terms of the Plan;
- (ee) **"Option Agreement"** means the notice of grant of an Option delivered by the Corporation hereunder to an Optionee in such other form as the Board may approve for any one or more Optionees or for a group of Optionees, as same may be amended from time to time;
- (ff) **"Optioned Shares"** means Shares subject to an Option;
- (gg) **"Optionee"** means an Eligible Person to whom an Option is granted by the Corporation under the Plan, whether a Director, Employee, or Consultant;

- (hh) "**Management Company Employee**" has the same meaning as set forth in Exchange Policy provided that such Optionee is also a "director" or "consultant" as defined in NI 45-106;
- (ii) "**Market Price**" has the same meaning as set forth in Exchange Policy;
- (jj) "**Material Information**" has the same meaning as set forth in Exchange Policy;
- (kk) "**NI 13-101**" means National Instrument 13-101 – *System for Electronic Document Analysis and Retrieval* of the Canadian Securities Administrators;
- (ll) "**NI 45-106**" means National Instrument 45-106 - *Prospectus and Registration Exemptions* of the Canadian Securities Administrators;
- (mm) "**Ontario Securities Act**" means the *Securities Act* (Ontario);
- (nn) "**person**" or "**persons**" means any individual, partnership, limited partnership, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, regulatory body or agency, government or governmental agency, authority or entity however designated or constituted;
- (oo) "**persons retained to provide IR Activities**" shall include any Consultant that performs IR Activities and any Employee or Director whose role and duties primarily consist of IR Activities;
- (pp) "**Plan**" means this 2019 Stock Option Plan of the Corporation, as from time to time amended or re-adopted;
- (qq) "**public announcement**" shall mean disclosure in a press release reported by a national news service in Canada, or, if applicable, in a document publicly filed by or on behalf of the Corporation under its profile on SEDAR;
- (rr) "**Regulatory Approval**" means the approval or acceptance, as the case may be, of any securities or other applicable regulatory agency (including the Exchange pursuant to Exchange Policy) which may have jurisdiction in the circumstances;
- (ss) "**SEDAR**" means the System for Electronic Document Analysis and Retrieval described in NI 13-101 and available for public view at www.sedar.com;
- (tt) "**Shares**" means the common shares without par value which the Corporation is from time to time authorized to issue;
- (uu) "**Subsidiary**" means a corporation which is a subsidiary of the Corporation as defined in the Ontario Securities Act;
- (x) "**Termination Date**" means:
 - (i) in the case of an Optionee whose employment or term of office with the Corporation or a Subsidiary terminates in the circumstances set out in Subsection 8.2(a) or the date that is designated by the Corporation or the Subsidiary, as the case may be, as the last day of such person's employment or term of office with the Corporation or the Subsidiary, as the case may be;
 - (ii) in the case of an Optionee whose employment or term of office with the Corporation or a Subsidiary terminates in the circumstances set out in Subsection 8.3(a)(ii), the date of the notice of termination of employment or term of office given by the Corporation or the Subsidiary, as the case may be;

- (iii) in the case of an Optionee whose employment or term of office with the Corporation or a Subsidiary terminates in the circumstances set out in Subsection 8.3(a)(i) or Subsection 8.3(a)(iii), the date of resignation or retirement, as the case may be;
- (iv) in the case of an Optionee whose consulting arrangements (or, if applicable, those of its Consulting Company if the Optionee is an individual) are terminated by the Corporation or a Subsidiary in the circumstances set out in Subsection 8.2(b), the date that is designated by the Corporation or the Subsidiary, as the case may be, as the last day of the Optionee's consulting arrangements (or those of its Consulting Company) with the Corporation or the Subsidiary, as the case may be;
- (v) in the case of an Optionee whose consulting arrangements (or, if applicable, those of its Consulting Company if the Optionee is an individual) are terminated in the circumstances set out in Subsection 8.3(b), the date of the notice of termination given to the Optionee (or, if applicable, those of its Consulting Company if the Optionee is an individual) or the expiry of the original term or any subsequent renewal term of the consulting arrangements, as the case may be;

and in each such case, "Termination Date" specifically does not mean the date on which any period of reasonable notice that the Corporation or the Subsidiary, as the case may be, may be required at law to provide to the Optionee would expire; and

- (ww) "**Voting Share**" means any share or other security that carries a voting right either under all circumstances or under some circumstances that have occurred and are continuing and also includes any share or other security that is convertible into or exercisable or exchangeable (in each case, whether at the time or at any time in the future and whether or not on condition or the occurrence of any contingency) for a Voting Share.

2.2 **Interpretation.** In this Plan, unless the context otherwise requires:

- (a) words importing the singular include the plural and vice versa and words importing gender include all genders and neuter;
- (b) the division of this Plan into articles, sections, and paragraphs and the insertion of headings herein are for convenience of reference only and shall not affect in anyway the meaning or interpretation of this Plan and the terms "this Plan", "hereof", "herein", "hereto", "hereunder" and similar expressions refer to this Plan and not to any particular article, section or other portion hereof and include any instrument supplementary or ancillary hereto or thereto;
- (c) the word "including", when following a general statement or term, is not to be construed as limiting the general statement or term to any specific item or matter set forth or to similar items or matters, but rather as permitting the general statement or term to refer also to all other items or matters that could reasonably fall within its broadest possible scope;
- (d) if the date on which any action is required to be taken hereunder is not a Business Day, that action shall be required to be taken on the first Business Day prior to such date, unless specifically provided otherwise in this Plan; and
- (e) a reference to legislation, includes rules, regulations and forms made or promulgated under any such legislation and the published national instruments, multilateral instruments, policies, bulletins made thereunder, together with all amendments thereto in force from time to time, and any legislation, rules, regulations, forms and published national instruments, multilateral instruments, policies, bulletins that supplement or supersede such legislation.

- 2.3 **Governing Law.** This Plan and all matters to which reference is made herein shall be governed by and interpreted in accordance with the laws of the province of Ontario, Canada.

3. **ADMINISTRATION**

- 3.1 **Administration by the Board.** The Board, or if applicable any committee of the Board to which responsibilities with respect to the Plan have been delegated, shall be responsible for the general administration of the Plan and the proper execution of its provisions, the interpretation of the Plan and the determination of all questions arising hereunder. The day-to-day administration of the Plan may be delegated to such officers and employees of the Corporation or of a Subsidiary as the Board determines.

- 3.2 **Authority of the Board.** Subject to the limitations of the Plan, the Board has the authority to:

- (a) grant Options to purchase Shares to Eligible Persons;
- (b) determine the terms, including the limitations, restrictions and conditions, if any, upon such grants;
- (c) interpret the Plan and to adopt, amend and rescind such administrative guidelines and other rules and regulations relating to the Plan as it may from time to time deem advisable, subject to required Regulatory Approval; and
- (d) make all other determinations and to take all other actions in connection with the implementation and administration of the Plan as it may deem necessary or advisable.

Any decision, interpretation or other action made or taken in good faith by or at the direction of the Corporation or the Board (or any of its members) arising out of or in connection with the Plan shall be within the absolute discretion of all and each of them, as the case may be, and shall be final, binding and conclusive on the Corporation and Optionees and their respective heirs, executors, administrators, successors and assigns and all other persons.

- 3.3 **Accounts and Statements.** The Corporation will maintain, or cause to be maintained, records indicating the number of Options granted to each Optionee and the number of Optioned Shares issued under the Plan.

- 3.4 **Use of an Administrative Agent and Trustee.** The Board may in its sole discretion appoint from time to time one or more entities to act as administrative agent to administer the Options granted under the Plan and to act as trustee to hold and administer the assets that may be held in respect of Options granted under the Plan, the whole in accordance with the terms and conditions determined by the Board in its sole discretion. In such case, the Corporation and the administrative agent will maintain records showing the number of Options granted to each Optionee under the Plan.

4. **SHARES RESERVED**

- 4.1 **Shares Reserved Under the Plan.** The maximum number of Shares reserved for issuance under the Plan and all of the Corporation's other security based compensation arrangements at any given time is equal to ten percent (10%) of the issued and outstanding Shares as at the date of grant of an Option under the Plan, including all of the existing Common Shares currently subject to outstanding Options as of the Adoption Date (as **defined** below) which were granted prior to the implementation of this Plan and which, by the implementation of this Plan, are covered under this Plan and subject to adjustment or increase of such number pursuant to Subsections 10.2(a) and 10.2(b).

- 4.2 **Exercised Options.** Any Shares subject to an Option granted under the Plan which have been exercised by an Optionee, shall again be available for grants under the Plan and shall be considered to be part of the pool of Shares available for Options under the Plan and may be made the subject of a further Option

or Options granted pursuant to the Plan.

- 4.3 **Cancelled, Surrendered or Terminated Options.** If and to the extent any Option granted under the Plan expires or is cancelled, terminated or surrendered without having been exercised in whole or in part, the number of Shares in respect of which such Option expired or was cancelled or terminated shall be considered to be part of the pool of Shares available for Options under the Plan and may be made the subject of a further Option or Options granted pursuant to the Plan.
- 4.4 **No U.S. Registration.** Any Options granted under the Plan or Shares subject thereto have not been and will not be registered under the United States Securities Act of 1933, or the securities laws of any state of the United States. The Options granted under the Plan may not be exercised in the United States or by, or for the benefit or account of, any person in the United States or any U.S. Person as defined in United States Securities Act of 1933, unless such Options have been registered under the United States Securities Act of 1933 and the applicable securities laws of any such state or an exemption from such registration requirements is available. Shares issued upon exercise of any Option may not be offered or sold in the United States or to, or for the benefit or account of, any person in the United States or any U.S. Person as defined in United States Securities Act of 1933, unless such Shares have been registered under the United States Securities Act of 1933 and the applicable securities laws of any such state or an exemption from such registration requirements is available.

5. **ELIGIBILITY**

- 5.1 **Eligibility.** Eligible Persons are eligible to participate in the Plan, provided that eligibility to participate does not confer upon any Eligible Person any right to be granted Options pursuant to the Plan. The extent to which any Eligible Person is entitled to be granted Options pursuant to the Plan will be determined in the sole and absolute discretion of the Board. An Eligible Person may receive Options on more than one occasion and may receive separate Options, with differing terms, on any one or more occasions. With respect to Options granted to Employees, Consultants or Management Company Employees, the Board and the Optionee are responsible for ensuring and confirming that the Optionee is a *bona fide* Employee, Consultant or Management Company Employee, as the case may be.
- 5.2 **Continuing Eligibility.** Any Optionee to whom an Option is granted under the Plan who subsequently ceases to hold the position in which he received such Option shall continue to be eligible to hold such Option as an Optionee as long as otherwise continuing to be an Eligible Person in any capacity.
- 5.3 **Participation Voluntary.** Participation in the Plan by an Optionee will be voluntary.

6. **GRANT OF OPTIONS**

- 6.1 **Grant of Options.** The Board may, from time to time, subject to the provisions of the Plan and such other terms and conditions as the Board may prescribe, grant Options to any Eligible Person. Subject to specific variations approved by the Board, all terms and conditions set out in the Plan will be deemed to be incorporated into and form part of each Option granted under the Plan.
- 6.2 **Number of Shares Subject to Option.** Subject to the limitations set out in Article 7, the number of Shares subject to each Option shall be determined by the Board, and such number shall be set out in the Option Agreement evidencing the grant of such Option.
- 6.3 **Exercise Price.** The Board will establish the Exercise Price at the time each Option is granted and allocated to particular Eligible Persons and approved by the Board, provided that the Exercise Price shall not be less than the Discounted Market Price as of date of such grant of the Option or, if the Shares are not listed on the Exchange, the Fair Market Value determined in good faith by the Board. In addition to any resale restrictions under Applicable Securities Laws and the Plan, where the Exercise Price of any Option is priced at a discount to the Market Price on the date of grant, any such Option and any Shares

issued upon exercise of such Option prior to the expiry of the Exchange Hold Period will be subject to, and must contain a legend in respect of, the Exchange Hold Period commencing on the date such Options were granted.

6.4 **Vesting of Option Rights.** No Option may be exercised by an Optionee unless it is fully vested. Subject to the provisions of this Section 6.4 and Article 10, Options shall vest, and thereafter be exercisable:

- (a) over a period of eighteen (18) months from the Effective Date, with no more than one third (1/3) of such Options vesting in any six (6) month period therein; or
- (b) as otherwise determined by the Board in its discretion.

Notwithstanding the foregoing Options granted to persons retained to provide IR Activities shall vest at least over a period of twelve (12) months from the Effective Date, with no more than one quarter (1/4) of such Options vesting in any three (3) month period therein. The Board may impose such other restrictions or limitations or requirements upon the exercise of Options as the Board, in its sole and absolute discretion, may determine on the date of grant.

6.5 **Term and Expiry.** Subject to any accelerated termination as set forth in the Plan, all Options granted pursuant to the Plan will expire on the date (the "**Expiry Date**") as determined by the Board at the date of grant, provided that no Option may be exercised beyond five (5) years from the Effective Date. Notwithstanding the above, if the Expiry Date for any Option falls within a Blackout Period or within ten (10) Business Days from the expiration of a Blackout Period (such Options to be referred to as "**Restricted Options**"), the Expiry Date of such Restricted Options shall be automatically extended to the date that is the 10th Business Day following the end of the Blackout Period, such 10th Business Day to be considered the Expiry Date for such Restricted Options for all purposes under the Plan.

6.6 **Non-Assignable and Non-Transferable.** Options shall be non-assignable and non-transferable by a holder thereof other than by will or the laws of descent.

7. **LIMITATIONS OF OPTIONS**

7.1 **Grants to Persons.** Notwithstanding any other provision herein, the aggregate number of Shares reserved for issuance pursuant to Options granted to any one person (and any Consulting Company wholly owned by that person), within any twelve (12) month period shall not exceed 5% of the issued and outstanding Shares at the time of the grant of the Option unless the Corporation has received Disinterested Shareholder Approval in accordance with Exchange Policy.

7.2 **Grants to Insiders.** Notwithstanding any other provision herein,

- (a) the aggregate number of Shares reserved for issuance under Options granted to Insiders (as a group) and any other security based compensation arrangements of the Corporation at any point in time shall not exceed 10% of the issued and outstanding Shares at such time; or
- (b) the aggregate number of Shares reserved for issuance pursuant to Options granted to Insiders (as a group), within any twelve (12) month period shall not exceed 10% of the issued and outstanding Shares at the time of the grant of the Option;

unless the Corporation has received Disinterested Shareholder Approval in accordance with Exchange Policy. For the purposes of the limitations set forth in Subsections 7.2(a) and 7.2(b) above, Options held by an Insider at any point in time that were granted to such person prior to it becoming an Insider shall be considered Options granted to an Insider irrespective of the fact that the person was not an Insider at the time of grant.

7.3 **Grants to Consultants.** Notwithstanding Section 7.1, but subject to the limit set forth in Section 7.4,

the aggregate number of Shares reserved for issuance pursuant to Options granted to any one Consultant within a twelve (12) month period shall not exceed 2% of the issued and outstanding Shares at the time of the grant of the Option.

- 7.4 **Grants to Persons Providing IR Activities.** Notwithstanding Section 7.1, the aggregate number of Shares reserved for issuance pursuant to Options granted within any twelve (12) month period to persons retained to provide IR Activities shall not exceed 2% of the issued and outstanding Shares at the time of the grant of the Option.

8. TERMINATION OF OPTIONS

- 8.1 **Ceasing to be an Eligible Person (Death).** In the event an Optionee's employment or consulting arrangements (or, if applicable, those of its Consulting Company if the Consultant who is an Optionee is an individual) or term of office with the Corporation or a Subsidiary ceases by reason of the Optionee's death, then:

- (a) the executor or administrator of the Optionee's estate or the Optionee, as the case may be, may exercise any Options of the Optionee to the extent that the Options were exercisable at the date of such death and the right to exercise the Options terminates on the earlier of:
 - (i) the date that is twelve (12) months from the date of the Optionee's death; and
 - (ii) the date on which the Exercise Period of the particular Option expires;
- (b) any Options held by the Optionee that were not exercisable at the date of death immediately expire and are cancelled on such date; and
- (c) such Optionee's eligibility to receive further grants of Options under the Plan ceases as of the date of the Optionee's death.

- 8.2 **Ceasing to be an Eligible Person (Cause or Breach).** In the event:

- (a) an Optionee's employment or term of office with the Corporation or a Subsidiary is terminated by the Corporation or a Subsidiary for lawful cause, or
 - (b) an Optionee's consulting arrangements (or, if applicable, those of its Consulting Company if the Optionee is an individual) with the Corporation or a Subsidiary are terminated by the Corporation or a Subsidiary for breach of agreement prior to the expiry of the original term or any subsequent renewal term of such arrangements;
- then;
- (c) any Options held by such Optionee (or, if applicable, those of its Consulting Company), whether or not such Options are exercisable at the applicable Termination Date, immediately expire and are cancelled on the applicable Termination Date at a time determined by the Board, at its discretion; and
 - (d) such Optionee's eligibility to receive further grants of Options under the Plan ceases as of the applicable Termination Date.

- 8.3 **Ceasing to be an Eligible Person (Without Cause or Breach).** In the event:

- (a) an Optionee's employment or term of office with the Corporation or a Subsidiary terminates by reason of:

- (i) voluntary resignation by such Optionee;
 - (ii) termination by the Corporation or a Subsidiary without cause (whether such termination occurs with or without any or adequate reasonable notice or with or without any or adequate compensation in lieu of such reasonable notice); or
 - (iii) the retirement of such Optionee in accordance with the then customary policies and practices of the Corporation in relation to retirement; or
- (b) an Optionee's consulting arrangements (or, if applicable, those of its Consulting Company) with the Corporation or a Subsidiary are terminated in circumstances other than those referred to in Subsection 8.2(b);
- then;
- (c) any Options held by the Optionee (or, if applicable, those of its Consulting Company) that are exercisable at the Termination Date continue to be exercisable by the Optionee until the earlier of:
- (i) the date determined by the Board, at its discretion, which is not less than 90 days and not more than is twelve (12) months following the applicable Termination Date; and
 - (ii) the date on which the Exercise Period of the particular Option expires;
- (d) any Options held by the Optionee (or, if applicable, those of its Consulting Company) that are not exercisable at the Termination Date immediately expire and are cancelled upon the Termination Date; and
- (e) such Optionee's eligibility to receive further grants of Options under the Plan ceases as of the Termination Date.

Without limitation, and for greater certainty only, this Section 8.3 will apply regardless of whether the Optionee received compensation in respect of any termination by the Corporation or a Subsidiary without cause or was entitled to a period of notice of termination which would otherwise have permitted a greater portion of the Option to vest with the Optionee.

8.4 **Discretion to Permit Exercise.** Notwithstanding the provisions of Sections 8.2 and 8.3, the Board may, in its discretion, at any time prior to or following the events contemplated in such sections and in any Option Agreement, permit the exercise of any or all Options held by the Optionee in the manner and on terms authorized by the Board, provided that:

- (a) any Options granted to any Optionee which are subject to Sections 8.2 and 8.3 shall expire at a time to be determined by the Board following the applicable Termination Date;
- (b) subject to an extension pursuant to Section 6.5, the Board will not, in any case, authorize the exercise of an Option pursuant to this section beyond the Expiry Date of the particular Option; and
- (c) the Board will not, in any case, authorize the exercise of any or all Options of the Optionee on a date that is more than one (1) year after the earlier of: (i) the death of such Optionee; or (ii) the Termination Date.

9. **OPTION PROCEDURE**

9.1 **Option Commitment.** Upon grant of an Option hereunder to an Optionee, a senior officer of the Corporation designated by the Board will deliver to the Optionee an Option Agreement detailing the

terms of the Option. Upon the occurrence of an event to which Subsections 10.2(a) and 10.2(b) applies, and upon the surrender by the Optionee of the originally signed Option Agreement to which any Option relates, a senior officer of the Corporation designated by the Board may deliver to any Optionee with respect to any Option, a revised Option Agreement identified as such, with respect to Shares as to which the Option has not been exercised, reflecting the application of Subsections 10.2(a) and 10.2(b), as applicable, by reason of that event.

9.2 **Manner of Exercise.** Subject to the provisions of the Plan and the provisions of the Option Agreement issued to an Optionee, Options shall be exercisable by the Holder by delivering a fully completed Exercise Form to the Corporation specifying the number of Options to be exercised accompanied by payment in full of the aggregate Exercise Price therefor by cash payment, wire transfer or by certified cheque or bank draft payable to the Corporation (in each case in immediately available funds). The Exercise Form must be accompanied by: (a) the originally signed Option Agreement with respect to the Option being exercised; and (b) documents containing such representations, warranties, agreements and undertakings, including such as to the Holder's future dealings in such Shares, as counsel to the Corporation reasonably determines to be necessary or advisable in order to comply with or safeguard against the violation of Applicable Securities Laws or similar laws of any jurisdiction.

9.3 **Tax Matters.** Notwithstanding any other provision of this Plan, the Corporation's obligation to issue Shares to Holder pursuant to the exercise of an Option or otherwise pay an amount pursuant to the Plan or any Option shall be subject to the satisfaction of all federal, state, provincial, local and foreign tax obligations as may be required by applicable law, including, but not limited to, obligations to make withholdings, deductions or remittances in respect of any taxable benefits of a Holder arising under this Plan or any Option ("**tax withholding obligations**") and the Corporation shall have the power and right to:

- (a) deduct or withhold from all amounts payable to a Holder pursuant to this Plan, any Option, or otherwise in the course of the employment of the Optionee in respect of the Option with the Corporation or its Subsidiary, and
- (b) require the Holder to remit to the Corporation an amount sufficient to satisfy in full any tax withholding obligations as may be imposed on the Corporation by applicable law.

Further, the Corporation may require the Holder to satisfy, in whole or in part, such deduction or any tax withholding obligation by instructing the Corporation to withhold Shares that would otherwise have been received by the Holder upon exercise of any Options, and sell such Shares by Corporation as a trustee on behalf of the Holder, and remit the proceeds of such sale to the relevant taxing authority in satisfaction of the tax or withholding obligations. By participating in the Plan, the Participant consents to the foregoing and authorizes the Corporation or its Affiliate, as applicable, to effect the sale of such Shares on behalf of the Holder and to remit the proceeds of such sale to the relevant taxing authority in satisfaction of the tax or withholding obligations. Neither the Corporation nor any applicable Affiliate shall be responsible for obtaining any particular price for the Shares nor shall the Corporation or any applicable Affiliate be required to issue any Shares under the Plan unless the Holder has made suitable arrangements with the Corporation and any applicable Affiliate to fund any withholding obligation.

9.4 **Issuance of Shares.** Subject to the provisions of the Plan and the provisions of the Option Agreement issued to an Optionee, and upon the Corporation being satisfied that all of the conditions and requirements in this Article 9 have been fully met, the Holder shall be deemed to be a holder of record of the Shares to be issued pursuant to an exercise of an Option, and thereafter the Corporation shall, within a reasonable amount of time, cause the transfer agent and registrar of the Shares to deliver to the Optionee a certificate or certificates or a statement of account, representing in the aggregate the acquired Shares. Any certificate or certificates representing the Shares will bear any restrictive legend required by Applicable Securities Laws and as may apply under foreign securities laws including the applicable securities laws of U.S. and state securities laws unless, in the written opinion of counsel for the Holder delivered to and for the benefit of the Corporation (which counsel shall be reasonably satisfactory to the

Corporation), the Shares are not, at such time, required by law to bear such legend.

10. CAPITAL ADJUSTMENTS AND OTHER TRANSACTIONS

10.1 **General.** The existence of any Options does not affect in any way the right or power of the Corporation or its shareholders to make, authorize or determine any adjustment, recapitalization, reorganization or any other change in the Corporation's capital structure or its business, or any amalgamation, merger or consolidation involving the Corporation, to create or issue any bonds, debentures, shares or other securities of the Corporation or to determine the rights and conditions attaching thereto, to effect the dissolution or liquidation of the Corporation or any sale or transfer of all or any part of its assets or business, or to effect any other corporate act or proceeding, whether of a similar character or otherwise, whether or not any such action referred to in this section would have an adverse effect on the Plan or any Option granted hereunder, subject to Subsections 10.2(a) and 10.2(b).

10.2 **Adjustment.** In the event of:

- (a) a subdivision, consolidation or reclassification of Shares or any similar capital reorganization, or any other change to be made in the capitalization of the Corporation including an exchange of Shares for another security of the Corporation that, in the opinion of the Board, acting reasonably and in good faith, would warrant the replacement or amendment of any existing Options in order to adjust:
 - (i) the number of Shares or other securities that may be acquired on the exercise of any outstanding Options; or
 - (ii) the Exercise Price of any outstanding Options,
- (b) in order to preserve proportionately the rights and obligations of the Optionees, the Board will authorize such steps, subject to Regulatory Approval, if required, to be taken as are equitable and appropriate to that end, having regard to the availability of any deduction under the ITA to which the Optionee may be entitled.
- (c) an amalgamation, combination, merger or other reorganization involving the Corporation, by exchange of shares, by sale or lease of assets, or otherwise, that, in the opinion of the Board, acting reasonably and in good faith, warrants the replacement or amendment of any existing Options in order to adjust:
 - (i) the number of Shares or other securities that may be acquired on the exercise of any outstanding Options; or
 - (ii) the Exercise Price of any outstanding Options,
- (d) in order to preserve proportionately the rights and obligations of the Optionees, the Board will authorize such steps, subject to Regulatory Approval, if required, to be taken as are equitable and appropriate to that end, having regard to the availability of any deduction under the ITA to which the Optionee may be entitled.

Except as expressly provided in Subsections 10.2(a) and 10.2(b), neither the issue by the Corporation of shares of any class or securities convertible into or exchangeable for shares of any class, nor the conversion or exchange of such shares or securities, affects, and no adjustment by reason thereof is to be made with respect to: (i) the number of Shares that may be acquired on the exercise of any outstanding Options; or (ii) the Exercise Price of any outstanding Options.

10.3 **Fractional Shares.** The Corporation will not be required to issue fractional Shares in satisfaction of its obligations hereunder and any fractional interest in a Share that would, except for the provisions of this Section 10.3, be deliverable upon the exercise of an Option will be cancelled and not be deliverable by

the Corporation.

10.4 **Disputes.** If any questions arise at any time with respect to the Exercise Price or number of Optioned Shares or other securities deliverable upon exercise of an Option in any of the events set out in Subsections 10.2(a) and 10.2(b), such questions will be conclusively determined by the Corporation's auditors, or, if they decline to so act, any other firm of chartered accountants that the Corporation may designate and who will have access to all appropriate records and such determination will be binding upon the Corporation and all Optionees.

10.5 **Sale of Corporation, etc.** If the Board at any time by resolution declares it advisable to do so in connection with a Merger and Acquisition Transaction, the Board has the right but not the obligation, and without the consent of any Optionee, to provide for the conversion, exchange, replacement or substitution of any outstanding Options into or for options, rights or other securities of similar value of, or the assumption of outstanding Options by any entity or Affiliate participating in or resulting from a Merger and Acquisition Transaction. Any such conversion, exchange, replacement, substitution or assumption shall be on such terms as the Board in good faith may consider fair and appropriate in the circumstances. In addition, and notwithstanding this Section 10.5, the Board has the right but not the obligation, and without the consent of any Optionee, to determine, at its sole discretion, that:

- (a) any or all Options shall thereupon terminate; provided that only such outstanding Options that have vested shall remain exercisable until consummation of the Merger and Acquisition Transaction; or
- (b) Options not exercisable may be exercisable in full provided, however, that were any vesting of Options is required by Exchange Policy, written approval of the Exchange is first obtained.

10.6 **Change of Control.** If the Board at any time by resolution declares it advisable to do so in connection with a Change of Control, the Board has the right but not the obligation, and without the consent of any Optionee, to:

- (a) within a specified period of time prior to the completion of the Change in Control as determined by the Board but subject to and conditional upon the completion of the Change of Control, accelerate the dates upon which any or all outstanding Options shall vest and be exercisable or settled, without regard to whether such Options have otherwise vested in accordance with their terms and provided, however, that were any vesting of Options is required by Exchange Policy, written approval of the Exchange is first obtained;
- (b) permit each Optionee, within a specified period of time prior to the completion of the Change in Control as determined by the Board but subject to and conditional upon the completion of the Change of Control, to exercise all of the Optionee's outstanding Options; or
- (c) subject to and conditional upon the completion of the Change of Control, deem the Plan and all outstanding Options, vested and unvested, terminate, without further act or formality, except to the extent required as determined by the Board.

The Optionee shall execute such documents and instruments and take such other actions, including exercise or settlement of Options vesting pursuant to Subsection 10.6(a) or the Option Agreement, as may be required consistent with the foregoing; provided, however, that the exercise or settlement of Options vesting pursuant to Subsection 10.6(a) or the Option Agreement shall be subject to the completion of the Change of Control event. In taking any of the actions contemplated by this Section 10.6, the Board shall not be obligated to treat all Options held by any Optionee, or all Options in general, identically.

11. **AMENDMENTS & TERMINATION OF PLAN**

11.1 **Amendment of Option.** Subject to Applicable Securities Law and Exchange Policy, the Board may

amend the terms of any Option granted in accordance with the Plan upon obtaining, if required, Regulatory Approval and shareholder approval (including Disinterested Shareholder Approval, as applicable) provided that:

- (a) amendments to an Option to reduce the number of Shares under option; increase the Exercise Price; or cancel an Option will not require Regulatory Approval or shareholder approval provided there is a public announcement outlining the terms of the amendment;
- (b) no proposed amendment to an Option shall reduce the Exercise Price to an amount that is less than the Discounted Market Price at the time the amendment becomes effective;
- (c) if an amendment to an Option impairs such Option or is adverse to the Optionee thereof, the amendment shall only be made effective after the written consent of the affected Optionee to such amendment is received; and
- (d) if the amendment of an Option requires Regulatory Approval and/or shareholder approval (including Disinterested Shareholder Approval, as applicable), such amendment may be made prior to such approvals being given, but no such amended Options may be exercised unless and until such approvals are granted.

11.2 **Amendment of Plan.** Subject to Applicable Securities Law and Exchange Policy, the Board may amend the Plan, or any portion thereof, upon obtaining Regulatory Approval and, if required, shareholder approval (including Disinterested Shareholder Approval, as applicable) provided that amendments to the Plan to fix typographical errors and amendments to clarify existing provisions of the Plan that do not have the effect of altering the scope, nature and intent of such provisions will not require shareholder approval.

11.3 **Termination of Plan.** The Board may terminate the Plan at any time in its absolute discretion. If the Plan is so terminated, no further Options shall be granted, but the Options then outstanding shall continue in full force and effect in accordance with the provisions of the Plan for the duration of such time as any Option remains outstanding.

12. **GENERAL PROVISIONS**

12.1 **Effective Date and Approvals.** This Plan was approved and adopted by the Board on April 29, 2019 (the "Adoption Date") and is and shall be effective and in full force and effect in accordance with its terms and conditions from and after such Adoption Date subject to Regulatory Approval and initial shareholder approval and thereafter annual shareholder approval (including Disinterested Shareholder Approval, as applicable) as required pursuant to Applicable Securities Law and/or Exchange Policy. Any Options granted under the Plan prior to such approval shall be conditional upon such approval being given and no such Options may be exercised unless and until such approval have been obtained or given.

12.2 **Rights as Shareholder.** An Optionee has no rights whatsoever as a shareholder in respect of any of the Optioned Shares (including, without limitation, any right to receive dividends or other distributions therefrom or thereon) other than in respect of Optioned Shares purchased by and fully paid for and issued to the Optionee on exercise of the Option.

12.3 **Rights to Employment/Service.** Nothing contained in the Plan will confer upon any Optionee (or his Consulting Company) any right with respect to employment, term of office or consulting with the Corporation or a Subsidiary, or interfere in any way with the right of the Corporation to terminate the Optionee's employment, term of office or consulting arrangements (or those of his Consulting Company) at any time.

12.4 **No Listing Representation.** The Corporation makes no representation or warranty as to whether it will be successful in obtaining, or if applicable, maintaining, a listing for the Shares on any stock exchange

or as to the future market value of the Shares issued on the exercise of any Option.

- 12.5 **Notice.** Each notice, demand or communication required or permitted to be given under the Plan (each, a " **Notice**") will be in writing and shall be given by personal delivery, facsimile transmission or by email, if to the Corporation, to or to the attention of the Corporate Secretary of the Corporation in each case at the address, facsimile number or email address set forth on the Corporation's website or at such other address as the Corporation may advise an Optionee of, in writing, as being the address for delivery of a Notice to the Corporation, and if to an Optionee, at the most recent address, facsimile number or email address for the Optionee shown in the records of the Corporation. All such Notices given as aforesaid shall be deemed to have been given or made only at the time it is served by personal delivery upon the Corporate Secretary or Optionee, as the case may be, or if sent by facsimile or email transmission, upon receipt of confirmation that such transmission has been received; provided that if such delivery or electronic communication is made on a day which is a not a Business Day or later than 5:00 p.m. (Toronto time) on a day which is a Business Day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a Business day.
- 12.6 **Severability.** To the extent a provision of the Plan requires Regulatory Approval or shareholder approval which is not received, such provision shall be severed from the remainder of the Plan until the approval is received and the remainder of the Plan shall remain in full force and effect. If any provision of this Plan, or the application thereof, is determined for any reason and to any extent to be invalid or unenforceable, the remainder of this Plan and the application of such provision to other persons and circumstances shall remain in full force and effect to the fullest extent possible.
- 12.7 **Compliance with Law.** Notwithstanding any other provision herein, the Corporation is not obligated to grant any Options, issue any Shares or other securities, make any payments or take any other action if, in the opinion of the Board, on the advice of counsel for the Corporation, such action would require the filing and receipt of a prospectus or require the filing of a registration statement or otherwise constitute a violation by an Optionee or the Corporation of Applicable Securities Laws or any provision of any applicable law, including any statutory or regulatory enactment of any government or government agency. Optioned Shares shall not be issued with respect to an Option unless the exercise of such Option and the issuance and delivery of such Optioned Shares shall comply with all relevant provisions of law, including, without limitation, Applicable Securities Laws or similar laws of any jurisdiction, and the requirements of the Exchange, and such issuance shall be further subject to the approval of counsel for the Corporation with respect to such compliance. The inability of the Corporation to obtain from any regulatory body the authority deemed by the Corporation to be necessary for the lawful issuance and sale of any Optioned Shares under the Plan, or the inability of the Corporation to lawfully issue, sell, or deliver any Optioned Shares, shall relieve the Corporation of any liability with respect to the non-issuance, sale or delivery of such Optioned Shares.
- 12.8 **Merger of Stock Option Plan** Upon receipt of shareholder approval and Regulatory Approval of the Plan, the prior stock option plan of the Corporation shall be deemed to be merged herein, such that all options, if any, outstanding under the prior stock option plan of the Corporation shall be deemed to be outstanding under the Plan.

SCHEDULE D

SUMMARY OF DISSENT RIGHTS

Section 185 of the OBCA provides that a shareholder may only exercise the right to dissent with respect to all the shares of a class held by the shareholder on behalf of any one beneficial owner and registered in the shareholder's name. One consequence of this provision is that a shareholder may only exercise the right to dissent under section 185 of the OBCA in respect of the shares which are registered in that shareholder's name. In many cases, shares beneficially owned by a person (a "**Beneficial Holder**") are registered either: (i) in the name of an intermediary that the Beneficial Holder deals with in respect of the shares (such as banks, trust companies, securities dealers and brokers, trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans, and their nominees); or (ii) in the name of a clearing agency (such as CDS Clearing and Depositary Services Inc. ("**CDS**")) of which the intermediary is a participant. Accordingly, a Beneficial Holder will not be entitled to exercise the right to dissent under section 185 of the OBCA directly (unless the shares are re-registered in the Beneficial Holder's name). A Beneficial Holder who wishes to exercise the right to dissent should immediately contact the intermediary who the Beneficial Holder deals with in respect of the applicable shares and either: (i) instruct the intermediary to exercise the right to dissent on the Beneficial Holder's behalf (which, if the shares are registered in the name of CDS or another clearing agency, would require that the shares first be re-registered in the name of the intermediary); or instruct the intermediary to re-register the shares in the name of the Beneficial Holder, in which case the Beneficial Holder would then have to exercise the right to dissent directly.

A registered Shareholder who wishes to invoke the provisions of section 185 of the OBCA (a "**Dissenting Shareholder**") must send the Corporation a written objection to the Continuance Resolution (a "**Notice of Dissent**") at the following address: 45 Sheppard Ave. East, Suite 703, Toronto, Ontario M2N 5W9, Attention: Mr. Gerald Goldberg. The Notice of Dissent must be sent at or before the Meeting. The sending of a Notice of Dissent does not deprive a registered Shareholder of his or her right to vote on the Continuance Resolution, but a vote either in person or by proxy against the Continuance Resolution does not constitute a Notice of Dissent.

Within 10 days after the Continuance Resolution is approved, the Corporation must send a notice confirming passage for such resolution (the "**Approval Notice**") to those Dissenting Shareholders who have not withdrawn their Notices of Dissent and did not vote in favour of the Continuance Resolution at the Meeting. Within 20 days after receipt of such Approval Notice (or if a Dissenting Shareholder entitled to receive the Approval Notice does not receive such Approval Notice, within 20 days after he, she or it learns of the approval of the applicable resolution), a Dissenting Shareholder who has not withdrawn her, his or its Notice of Dissent and did not vote in favour of the Continuance Resolution at the Meeting must send the Corporation a written notice containing her, his or its name and address, the number of shares of the Corporation held and a demand for payment of the fair value of such shares and, within 30 days after sending such written notice, such Dissenting Shareholder must also send the Corporation the appropriate share certificate(s), if any. If the continuance of the Corporation into British Columbia becomes effective, the Corporation is required to determine the fair value of the Subordinate Voting Shares and/or Class B Multiple Voting Shares of the Corporation and to make a written offer to the Dissenting Shareholder to pay such amount. The fair value of those shares is to be determined as of the close of business on the last business day before the date on which the Continuance Resolution was adopted. If the Corporation fails to make a written offer or such offer is not accepted within 50 days after the continuance of the Corporation into British Columbia, the Corporation may apply to the court to fix the fair value of such Subordinate Voting Shares and/or Class B Multiple Voting Shares, as applicable. There is no obligation on the Corporation to apply to the court. If the Corporation fails to make such an application, a Dissenting Shareholder has the right to so apply within a further 20 days. If an application is made by either party, the final order of the court will fix the fair value of the Subordinate Voting Shares and/or Class B Multiple Voting Shares of all Dissenting Shareholders. The court may in its discretion allow a reasonable rate of interest on the amount payable to each Dissenting Shareholder from the date the shareholder ceased to have any rights by reason of their dissent until the date of payment.

A Dissenting Shareholder will cease to have any rights as a shareholder of the Corporation other than the right to be paid the fair value for her, his or its Subordinate Voting Shares and/or Class B Multiple Voting Shares upon the earliest of: (i) the continuance of the Corporation into British Columbia becoming effective; (ii) the Corporation and the Dissenting Shareholder entering into an agreement as to the payment to be made by the Corporation for the Dissenting Shareholder's shares; or (iii) the Court making an order fixing the fair value of the Subordinate Voting Shares and/or Class B Multiple Voting Shares. Until one of these three events occur, the Dissenting Shareholder may withdraw the Notice of Dissent or the Corporation may rescind the Continuance Resolution, and the dissent and appraisal proceedings in respect of such

Dissenting Shareholder will be discontinued.

Dissenting Shareholders will not have any right other than those granted under the OBCA to have their Subordinate Voting Shares and/or Class B Multiple Voting Shares, as applicable, appraised or to receive the fair value thereof.

The above is only a summary and is expressly subject to the dissenting shareholder provisions of section 185 of the OBCA. The Corporation is not required to notify, and the Corporation will not notify, Shareholders of the time periods within which action must be taken in order for a Shareholder to exercise the Shareholder's dissent rights. It is recommended that any Shareholder of the Corporation wishing to exercise a right to dissent should seek legal advice, as failure to comply strictly with the provisions of the OBCA may result in the loss or unavailability of the right to dissent.

SECTION 185 OF THE *BUSINESS CORPORATIONS ACT* (ONTARIO)

185 (1) Subject to subsection (3) and to sections 186 and 248, if a corporation resolves to,

- (a) amend its articles under section 168 to add, remove or change restrictions on the issue, transfer or ownership of shares of a class or series of the shares of the corporation;
- (b) amend its articles under section 168 to add, remove or change any restriction upon the business or businesses that the corporation may carry on or upon the powers that the corporation may exercise;
- (c) amalgamate with another corporation under sections 175 and 176;
- (d) be continued under the laws of another jurisdiction under section 181; or

Note: On a day to be named by proclamation of the Lieutenant Governor, subsection 185 (1) of the Act is amended by striking out "or" at the end of clause (d) and by adding the following clauses: (See: 2017, c. 20, Sched. 6, s. 24)

- (d.1) be continued under the Co-operative Corporations Act under section 181.1;
- (d.2) be continued under the Not-for-Profit Corporations Act, 2010 under section 181.2; or
- (e) sell, lease or exchange all or substantially all its property under subsection 184 (3),

a holder of shares of any class or series entitled to vote on the resolution may dissent. R.S.O. 1990, c. B.16, s. 185 (1).

Idem

(2) If a corporation resolves to amend its articles in a manner referred to in subsection 170 (1), a holder of shares of any class or series entitled to vote on the amendment under section 168 or 170 may dissent, except in respect of an amendment referred to in,

- (a) clause 170 (1) (a), (b) or (e) where the articles provide that the holders of shares of such class or series are not entitled to dissent; or
- (b) subsection 170 (5) or (6). R.S.O. 1990, c. B.16, s. 185 (2).

One class of shares

(2.1) The right to dissent described in subsection (2) applies even if there is only one class of shares. 2006, c. 34, Sched. B, s. 35.

Exception

- (3) A shareholder of a corporation incorporated before the 29th day of July, 1983 is not entitled to dissent under this

section in respect of an amendment of the articles of the corporation to the extent that the amendment,

- (a) amends the express terms of any provision of the articles of the corporation to conform to the terms of the provision as deemed to be amended by section 277; or
- (b) deletes from the articles of the corporation all of the objects of the corporation set out in its articles, provided that the deletion is made by the 29th day of July, 1986. R.S.O. 1990, c. B.16, s. 185 (3).

Shareholder's right to be paid fair value

- (4) In addition to any other right the shareholder may have, but subject to subsection (30), a shareholder who complies with this section is entitled, when the action approved by the resolution from which the shareholder dissents becomes effective, to be paid by the corporation the fair value of the shares held by the shareholder in respect of which the shareholder dissents, determined as of the close of business on the day before the resolution was adopted. R.S.O. 1990, c. B.16, s. 185 (4).

No partial dissent

- (5) A dissenting shareholder may only claim under this section with respect to all the shares of a class held by the dissenting shareholder on behalf of any one beneficial owner and registered in the name of the dissenting shareholder. R.S.O. 1990, c. B.16, s. 185 (5).

Objection

- (6) A dissenting shareholder shall send to the corporation, at or before any meeting of shareholders at which a resolution referred to in subsection (1) or (2) is to be voted on, a written objection to the resolution, unless the corporation did not give notice to the shareholder of the purpose of the meeting or of the shareholder's right to dissent. R.S.O. 1990, c. B.16, s. 185 (6).

Idem

- (7) The execution or exercise of a proxy does not constitute a written objection for purposes of subsection (6) R.S.O. 1990, c. B.16, s. 185 (7).

Notice of adoption of resolution

- (8) The corporation shall, within ten days after the shareholders adopt the resolution, send to each shareholder who has filed the objection referred to in subsection (6) notice that the resolution has been adopted, but such notice is not required to be sent to any shareholder who voted for the resolution or who has withdrawn the objection. R.S.O. 1990, c. B.16, s. 185 (8).

Idem

- (9) A notice sent under subsection (8) shall set out the rights of the dissenting shareholder and the procedures to be followed to exercise those rights. R.S.O. 1990, c. B.16, s. 185 (9).

Demand for payment of fair value

- (10) A dissenting shareholder entitled to receive notice under subsection (8) shall, within twenty days after receiving such notice, or, if the shareholder does not receive such notice, within twenty days after learning that the resolution has been adopted, send to the corporation a written notice containing,

- (a) the shareholder's name and address;
- (b) the number and class of shares in respect of which the shareholder dissents; and
- (c) a demand for payment of the fair value of such shares. R.S.O. 1990, c. B.16, s. 185 (10).

Certificates to be sent in

(11) Not later than the thirtieth day after the sending of a notice under subsection (10), a dissenting shareholder shall send the certificates, if any, representing the shares in respect of which the shareholder dissents to the corporation or its transfer agent. R.S.O. 1990, c. B.16, s. 185 (11); 2011, c. 1, Sched. 2, s. 1 (9).

Idem

(12) A dissenting shareholder who fails to comply with subsections (6), (10) and (11) has no right to make a claim under this section. R.S.O. 1990, c. B.16, s. 185 (12).

Endorsement on certificate

(13) A corporation or its transfer agent shall endorse on any share certificate received under subsection (11) a notice that the holder is a dissenting shareholder under this section and shall return forthwith the share certificates to the dissenting shareholder. R.S.O. 1990, c. B.16, s. 185 (13).

Rights of dissenting shareholder

(14) On sending a notice under subsection (10), a dissenting shareholder ceases to have any rights as a shareholder other than the right to be paid the fair value of the shares as determined under this section except where,

- (a) the dissenting shareholder withdraws notice before the corporation makes an offer under subsection (15);
- (b) the corporation fails to make an offer in accordance with subsection (15) and the dissenting shareholder withdraws notice; or
- (c) the directors revoke a resolution to amend the articles under subsection 168 (3), terminate an amalgamation agreement under subsection 176 (5) or an application for continuance under subsection 181 (5), or abandon a sale, lease or exchange under subsection 184 (8),

in which case the dissenting shareholder's rights are reinstated as of the date the dissenting shareholder sent the notice referred to in subsection (10). R.S.O. 1990, c. B.16, s. 185 (14); 2011, c. 1, Sched. 2, s. 1 (10).

Same

(14.1) A dissenting shareholder whose rights are reinstated under subsection (14) is entitled, upon presentation and surrender to the corporation or its transfer agent of any share certificate that has been endorsed in accordance with subsection (13),

- (a) to be issued, without payment of any fee, a new certificate representing the same number, class and series of shares as the certificate so surrendered; or
- (b) if a resolution is passed by the directors under subsection 54 (2) with respect to that class and series of shares,
 - (i) to be issued the same number, class and series of uncertificated shares as represented by the certificate so surrendered, and
 - (ii) to be sent the notice referred to in subsection 54 (3). 2011, c. 1, Sched. 2, s. 1 (11).

Same

(14.2) A dissenting shareholder whose rights are reinstated under subsection (14) and who held uncertificated shares at the time of sending a notice to the corporation under subsection (10) is entitled,

- (a) to be issued the same number, class and series of uncertificated shares as those held by the dissenting shareholder at

the time of sending the notice under subsection (10); and

(b) to be sent the notice referred to in subsection 54 (3). 2011, c. 1, Sched. 2, s. 1 (11).

Offer to pay

(15) A corporation shall, not later than seven days after the later of the day on which the action approved by the resolution is effective or the day the corporation received the notice referred to in subsection (10), send to each dissenting shareholder who has sent such notice,

(a) a written offer to pay for the dissenting shareholder's shares in an amount considered by the directors of the corporation to be the fair value thereof, accompanied by a statement showing how the fair value was determined; or

(b) if subsection (30) applies, a notification that it is unable lawfully to pay dissenting shareholders for their shares. R.S.O. 1990, c. B.16, s. 185 (15).

Idem

(16) Every offer made under subsection (15) for shares of the same class or series shall be on the same terms. R.S.O. 1990, c. B.16, s. 185 (16).

Idem

(17) Subject to subsection (30), a corporation shall pay for the shares of a dissenting shareholder within ten days after an offer made under subsection (15) has been accepted, but any such offer lapses if the corporation does not receive an acceptance thereof within thirty days after the offer has been made. R.S.O. 1990, c. B.16, s. 185 (17).

Application to court to fix fair value

(18) Where a corporation fails to make an offer under subsection (15) or if a dissenting shareholder fails to accept an offer, the corporation may, within fifty days after the action approved by the resolution is effective or within such further period as the court may allow, apply to the court to fix a fair value for the shares of any dissenting shareholder. R.S.O. 1990, c. B.16, s. 185 (18).

Idem

(19) If a corporation fails to apply to the court under subsection (18), a dissenting shareholder may apply to the court for the same purpose within a further period of twenty days or within such further period as the court may allow. R.S.O. 1990, c. B.16, s. 185 (19).

Idem

(20) A dissenting shareholder is not required to give security for costs in an application made under subsection (18) or (19). R.S.O. 1990, c. B.16, s. 185 (20).

Costs

(21) If a corporation fails to comply with subsection (15), then the costs of a shareholder application under subsection (19) are to be borne by the corporation unless the court otherwise orders. R.S.O. 1990, c. B.16, s. 185 (21).

Notice to shareholders

(22) Before making application to the court under subsection (18) or not later than seven days after receiving notice of an application to the court under subsection (19), as the case may be, a corporation shall give notice to each dissenting shareholder who, at the date upon which the notice is given,

- (a) has sent to the corporation the notice referred to in subsection (10); and
- (b) has not accepted an offer made by the corporation under subsection (15), if such an offer was made,

of the date, place and consequences of the application and of the dissenting shareholder's right to appear and be heard in person or by counsel, and a similar notice shall be given to each dissenting shareholder who, after the date of such first mentioned notice and before termination of the proceedings commenced by the application, satisfies the conditions set out in clauses (a) and (b) within three days after the dissenting shareholder satisfies such conditions. R.S.O. 1990, c. B.16, s. 185 (22).

Parties joined

(23) All dissenting shareholders who satisfy the conditions set out in clauses (22) (a) and (b) shall be deemed to be joined as parties to an application under subsection (18) or (19) on the later of the date upon which the application is brought and the date upon which they satisfy the conditions, and shall be bound by the decision rendered by the court in the proceedings commenced by the application. R.S.O. 1990, c. B.16, s. 185 (23).

Idem

(24) Upon an application to the court under subsection (18) or (19), the court may determine whether any other person is a dissenting shareholder who should be joined as a party, and the court shall fix a fair value for the shares of all dissenting shareholders. R.S.O. 1990, c. B.16, s. 185 (24).

Appraisers

(25) The court may in its discretion appoint one or more appraisers to assist the court to fix a fair value for the shares of the dissenting shareholders. R.S.O. 1990, c. B.16, s. 185 (25).

Final order

(26) The final order of the court in the proceedings commenced by an application under subsection (18) or (19) shall be rendered against the corporation and in favour of each dissenting shareholder who, whether before or after the date of the order, complies with the conditions set out in clauses (22) (a) and (b). R.S.O. 1990, c. B.16, s. 185 (26).

Interest

(27) The court may in its discretion allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective until the date of payment. R.S.O. 1990, c. B.16, s. 185 (27).

Where corporation unable to pay

(28) Where subsection (30) applies, the corporation shall, within ten days after the pronouncement of an order under subsection (26), notify each dissenting shareholder that it is unable lawfully to pay dissenting shareholders for their shares. R.S.O. 1990, c. B.16, s. 185 (28).

Idem

(29) Where subsection (30) applies, a dissenting shareholder, by written notice sent to the corporation within thirty days after receiving a notice under subsection (28), may,

- (a) withdraw a notice of dissent, in which case the corporation is deemed to consent to the withdrawal and the shareholder's full rights are reinstated; or
- (b) retain a status as a claimant against the corporation, to be paid as soon as the corporation is lawfully able to do so or,

in a liquidation, to be ranked subordinate to the rights of creditors of the corporation but in priority to its shareholders. R.S.O. 1990, c. B.16, s. 185 (29).

Idem

(30) A corporation shall not make a payment to a dissenting shareholder under this section if there are reasonable grounds for believing that,

- (a) the corporation is or, after the payment, would be unable to pay its liabilities as they become due; or
 - (b) the realizable value of the corporation's assets would thereby be less than the aggregate of its liabilities.
- R.S.O. 1990, c. B.16, s. 185 (30).

Court order

(31) Upon application by a corporation that proposes to take any of the actions referred to in subsection (1) or (2), the court may, if satisfied that the proposed action is not in all the circumstances one that should give rise to the rights arising under subsection (4), by order declare that those rights will not arise upon the taking of the proposed action, and the order may be subject to compliance upon such terms and conditions as the court thinks fit and, if the corporation is an offering corporation, notice of any such application and a copy of any order made by the court upon such application shall be served upon the Commission. 1994, c. 27, s. 71 (24).

Commission may appear

(32) The Commission may appoint counsel to assist the court upon the hearing of an application under subsection (31), if the corporation is an offering corporation. 1994, c. 27, s. 71 (24).

SCHEDULE E
NEW STOCK OPTION PLAN

See attached.

PSYBIO THERAPEUTICS CORP.

STOCK OPTION PLAN

1. Purpose of the Plan

The purpose of the Plan is to provide the Participants with an opportunity to purchase Subordinate Voting Shares and benefit from the appreciation thereof. This proprietary interest in the Corporation will provide an increased incentive for the Participants to contribute to the future success and prosperity of the Corporation, thus enhancing the value of the Subordinate Voting Shares for the benefit of all the shareholders and increasing the ability of the Corporation and its Subsidiaries to attract and retain individuals of exceptional skill.

2. Defined Terms

2.1 Where used herein, the following terms shall have the following meanings (all other capitalized terms used and not defined herein shall have the meanings ascribed to them in the TSX Venture Exchange Corporate Finance Manual):

- (a) **“Acceleration Right”** means the Participant’s right, in certain circumstances, to exercise its outstanding Option as to all or any of the Subordinate Voting Shares in respect of which such Option has not previously been exercised and which the Participant is entitled to exercise, including in respect of Subordinate Voting Shares not otherwise vested at such time;
- (b) **“Board”** means the board of directors of the Corporation;
- (c) **“Business Day”** means each day other than a Saturday, Sunday or statutory holiday in British Columbia, Canada;
- (d) **“Corporation”** means PsyBio Therapeutics Corp., and includes any successor corporation thereof;
- (e) **“Date of Termination of Investor Relations Activities”** has the meaning in Section 4.4(g);
- (f) **“Exchange”** means the TSX Venture Exchange or, if the Subordinate Voting Shares are not then listed and posted for trading on the TSX Venture Exchange, then on any stock exchange in Canada on which such shares are listed and posted for trading or any other regulatory body having jurisdiction as may be selected for such purpose by the Board;
- (g) **“Exercise Notice”** means the notice in writing signed by the Participant or the Participant’s legal personal representatives addressed to the Corporation specifying an intention to exercise all or a portion of the Option;
- (h) **“Expiry Time”** means the time at which the Options will expire, being 4:00 p.m. (Toronto time) on a date to be fixed by the Board at the time the Option is granted, which date will not be more than ten years from the date of grant;
- (i) **“Fair Market Value”** means, for the purposes of Sections 4.5 and 9.4 hereof, at any date in respect of the Subordinate Voting Shares, the closing price of the Subordinate Voting Shares as reported by the TSX Venture Exchange on the last trading day immediately preceding such date or, if the Subordinate Voting Shares are not listed on any stock exchange, a price determined by the Board;
- (j) **“Insider”** has the meaning ascribed thereto in the Exchange Corporate Finance Manual;
- (k) **“Multiple Voting Shares”** means the multiple voting shares in the capital of the Corporation;
- (l) **“Option”** means an option to purchase Subordinate Voting Shares from treasury granted by the Corporation to a Participant, subject to the provisions contained herein;

- (m) **“Option Price”** means the price per share at which Subordinate Voting Shares may be purchased under the Option, as the same may be adjusted herein;
- (n) **“Participants”** means the directors, officers and employees of, and consultants to, the Corporation or its Subsidiaries, as defined by the relevant Exchange and, subject to compliance with the applicable requirements of the Exchange, the Personal Holding Companies of such persons, to whom an Option has been granted by the Board pursuant to the Plan and which Option or a portion thereof remains unexercised;
- (o) **“Personal Holding Company”** means a company of which 100% of the voting shares are beneficially owned, directly or indirectly, by a director, officer or employee of, or consultant to, the Corporation or its Subsidiaries and such entity shall be bound by the Plan in the same manner as if the Options were held directly;
- (p) **“Plan”** means this stock option plan of the Corporation, as the same may be amended or varied from time to time;
- (q) **“Subordinate Voting Shares”** means the subordinate voting shares in the capital of the Corporation or, in the event of an adjustment contemplated by Article 8 hereof, such shares to which a Participant may be entitled upon the exercise of an Option as a result of such adjustment;
- (r) **“Subsidiary”** means any corporation that is a subsidiary of the Corporation, as such term is defined under the *Business Corporations Act* (British Columbia), as such provision is from time to time amended, varied or re-enacted, or a “related entity” as defined in section 2.22 of National Instrument 45-106; and
- (s) **“Take-Over Bid”** has the meaning ascribed thereto in the *Securities Act* (British Columbia), as such provision is from time to time amended, varied or re-enacted.
- (t) **“TSX”** means the Toronto Stock Exchange.

3. Administration of the Plan

3.1 The Board shall administer this Plan. Options granted under the Plan shall be granted in accordance with determinations made by the Board pursuant to the provisions of the Plan as to: (a) the Participants to whom and the time or times at which the Options will be granted; the number of Subordinate Voting Shares which shall be the subject of each Option; (b) any vesting provisions attaching to the Option; and (c) the terms and provisions of the respective stock option agreements, provided however, that each director, officer, employee or consultant shall have the right not to participate in the Plan and any decision not to participate therein shall not affect the employment by or engagement with the Corporation. The Board shall ensure that Participants under the Plan are eligible to participate under the Plan, and, if required by the Exchange, shall represent and confirm that the Participant is a bona fide employee, consultant or management company employee (as defined in the policies of the Exchange).

3.2 The Board may, from time to time, adopt such rules and regulations for administering the Plan as it may deem proper and in the best interests of the Corporation and may, subject to applicable law, delegate its powers hereunder to administer the Plan to a committee of the Board (the **“Committee”**). The Committee shall be comprised of two or more members of the Board who shall serve at the pleasure of the Board. Vacancies occurring on the Committee shall be filled by the Board.

3.3 The Committee (or the Board where the Committee has not been constituted) shall have the power to delegate to any member of the Board or officer so designated (the **“Administrator”**), the power to determine which Participants are to be granted Options and to grant such Options, the number of Subordinate Voting Shares purchasable under each Option, the Option Price and the time or times when and the manner in which Options are exercisable, and the Administrator shall make such determinations in accordance with the provisions of this Plan and with applicable securities and stock exchange regulatory requirements, subject to final approval by the Committee or Board.

4. Granting of Option

4.1 Participants may be granted Options from time to time. The grant of Options will be subject to the conditions contained herein and may be subject to additional conditions determined by the Board from time to time. Each Option granted hereunder shall be evidenced by an agreement in writing, signed on behalf of the Corporation and by the Participant, in such form as the Board shall approve from time to time. Each such agreement shall recite that it is subject to the provisions of this Plan.

4.2 The aggregate number of Subordinate Voting Shares of the Corporation allocated and made available to be granted to Participants under the Plan shall not exceed 10% of the issued and outstanding Subordinate Voting Shares of the Corporation as at the date of grant (on a non-diluted basis, but on an as-converted basis as it relates to the Multiple Voting Shares). Any issuance of Subordinate Voting Shares from treasury pursuant to the exercise of Options shall automatically replenish the number of Subordinate Voting Shares available for Option grants under the Plan. Subordinate Voting Shares in respect of which Options are cancelled or not exercised prior to expiry, for any reason, shall be available for subsequent Option grants under the Plan. No fractional shares may be purchased or issued hereunder.

4.3 The Corporation shall at all times, during the term of the Plan, reserve and keep available such number of Subordinate Voting Shares as will be sufficient to satisfy the requirements of the Plan.

4.4 Any grant of Options under the Plan shall be subject to the following restrictions:

- (a) the aggregate number of Subordinate Voting Shares reserved for issuance pursuant to Options granted to any one Participant, other than a consultant, in any 12 month period may not exceed 5% of the Corporation's total issued and outstanding Subordinate Voting Shares (on an as-converted basis as it relates to the Multiple Voting Shares), unless disinterested shareholder approval is obtained;
- (b) the aggregate number of Subordinate Voting Shares issuable pursuant to Options granted to Insiders pursuant to the Plan and other security based compensation arrangements may not exceed 10% of the Corporation's total issued and outstanding Subordinate Voting Shares (on an as-converted basis as it relates to the Multiple Voting Shares), unless disinterested shareholder approval is obtained;
- (c) the aggregate number of Subordinate Voting Shares issued to Insiders pursuant to the Plan and other security based compensation arrangements in any 12 month period may not exceed 10% of the Corporation's total issued and outstanding Subordinate Voting Shares (on an as-converted basis as it relates to the Multiple Voting Shares), unless disinterested shareholder approval is obtained;
- (d) no more than 2% of the total issued and outstanding Subordinate Voting Shares (on an as-converted basis as it relates to the Multiple Voting Shares) at the time of grant may be granted to any one consultant in any 12 month period;
- (e) no more than an aggregate of 2% of the total issued and outstanding Subordinate Voting Shares (on an as-converted basis as it relates to the Multiple Voting Shares) at the time of grant may be granted to all persons engaged to conduct Investor Relations Activities in any 12 month period;
- (f) Options granted to all persons engaged to conduct Investor Relations Activities must vest in stages over 12 months with no more than 25% of such Options vesting in any three month period; and
- (g) if a person employed to perform Investor Relations Activities ceases to be a Participant for any reason other than death (such as by reason of disability, resignation dismissal or termination of contract), then the Expiry Time of its Options vested on the date such person ceases to be a Participant (the "**Date of Termination of Investor Relations Activities**"), shall be the earlier of: (i) the original expiry date; or (ii) 30 days from the Date of Termination of Investor Relations Activities.

4.5 Provided that the Corporation is listed on the TSX and is in compliance with applicable TSX requirements, the Board may grant Options which allow a Participant to elect to exercise its Option on a "cashless basis", whereby the

Participant, instead of making a cash payment for the aggregate exercise price, shall be entitled to be issued such number of Subordinate Voting Shares equal to the number which results when: (i) the difference between the aggregate Fair Market Value of the Subordinate Voting Shares underlying the Option and the aggregate exercise price of such Option is divided by (ii) the Fair Market Value of each Subordinate Voting Share. For greater certainty, the Options may not be exercised on a “cashless basis” while the Subordinate Voting Shares are listed on the Exchange.

4.6 All Options granted pursuant to this Plan shall be subject to rules and policies of the Exchange and any other regulatory body having jurisdiction.

4.7 A Participant who has been granted an Option may, if otherwise eligible, and if permitted under the policies of the Exchange, be granted an additional Option if the Board so determines.

5. Option Price

5.1 Subject to applicable Exchange approval, the Option Price shall be fixed by the Board at the time the Option is granted to a Participant. In no event shall the price be less than the Discounted Market Price (as defined in the policies of the Exchange). If a press release fixing the price is not issued, the Discounted Market Price is the closing price per Subordinate Voting Share on the Exchange on the last trading day preceding the date of grant on which there was a closing price (less the applicable discount) or, if the Subordinate Voting Shares are not listed on any stock exchange, a price determined by the Board; provided that, if the Board, in its sole discretion, determines that the closing price on the last trading day preceding the date of grant would not be representative of the market price of the Subordinate Voting Shares, then the Board may base the price on the greater of the closing price and the weighted average price per share for the Subordinate Voting Shares for five (5) consecutive trading days ending on the last trading day preceding the date of grant on which there was a closing price on the Exchange. The weighted average price shall be determined by dividing the aggregate sale price of all Subordinate Voting Shares sold on the Exchange during the said five (5) consecutive trading days, by the total number of Subordinate Voting Shares so sold.

5.2 Once the Option Price has been determined by the Board, accepted by the Exchange and the Option has been granted, if the Participant is an Insider, the Option Price may only be reduced if disinterested shareholder approval is obtained; provided that such disinterested shareholder approval is then a requirement of the Exchange or other regulatory body having jurisdiction.

6. Term of Option

6.1 The term of the Option shall be a period of time fixed by the Board, not to exceed ten years from the date of grant. Unless the Board determines otherwise, Options shall be exercisable in whole or in part at any time during this period in accordance with such vesting provisions, conditions or limitations (including applicable hold periods) as are herein contained or as the Board may from time to time impose, or as may be required by the Exchange or under applicable securities law.

6.2 Each Option and all rights thereunder shall be expressed to expire at the Expiry Time, but shall be subject to earlier termination in accordance with Section 11 hereof.

6.3 Subject to any specific requirements of the Exchange, the Board shall determine the vesting period or periods within the Option term, during which a Participant may exercise an Option or a portion thereof.

6.4 In addition to any resale restriction under securities laws, an Option may be subject to a four month Exchange hold period commencing on the date the Option is granted.

6.5 Except in the case of a Participant's Option that terminates pursuant to Section 11.3 below, in the event that the term of any Option expires within or immediately following a “blackout period” imposed by the Corporation, the Option shall expire on the date (the “**Blackout Expiration Date**”) that is ten Business Days following the end of such blackout period. The Blackout Expiration Date shall not be subject to the discretion of the Board.

7. Exercise of Option

7.1 Subject to the provisions of the Plan and the terms of any stock option agreement, an Option or a portion thereof may be exercised, from time to time, by delivery of the Exercise Notice to the Corporation's principal office in Vancouver, British Columbia. The Exercise Notice shall state the intention of the Participant or the Participant's legal personal representative to exercise the said Option or a portion thereof and specify the number of Subordinate Voting Shares in respect of which the Option is then being exercised, and shall be accompanied by the full purchase price of the Subordinate Voting Shares which are the subject of the exercise. Such Exercise Notice shall contain the Participant's undertaking to comply, to the satisfaction of the Corporation, with all applicable requirements of the Exchange and any applicable regulatory authorities.

8. Adjustments in Shares

8.1 If the outstanding shares of the Corporation are increased, decreased, changed into or exchanged for a different number or kind of shares or securities of the Corporation through a re-organization, plan of arrangement, merger, recapitalization, re-classification, stock dividend, subdivision or consolidation, an appropriate and proportionate adjustment shall be made by the Board, in its discretion, in the number or kind of shares optioned and the exercise price per share with respect to: (a) previously granted and unexercised Options or portions thereof; and (b) Options which may be granted subsequent to any such change in the Corporation's capital.

8.2 Determinations by the Board as to what adjustments shall be made, and the extent thereof, shall be final, binding and conclusive. The Corporation shall not be obligated to issue fractional securities in satisfaction of any of its obligations hereunder.

9. Accelerated Vesting

9.1 In the event that certain events such as a liquidation or dissolution of the Corporation or a re-organization, plan of arrangement, merger or consolidation of the Corporation with one or more corporations, as a result of which the Corporation is not the surviving corporation, or the sale by the Corporation of all or substantially all of the property and assets of the Corporation to another corporation prior to the Expiry Time, are proposed or contemplated, the Board may, notwithstanding the terms of this Plan or any stock option agreements issued hereunder, exercise its discretion, by way of resolution, to permit accelerated vesting of Options on such terms as the Board sees fit at that time. If the Board, in its sole discretion, determines that the Subordinate Voting Shares subject to any Option granted hereunder shall vest on an accelerated basis, all Participants entitled to exercise an unexercised portion of Options then outstanding shall have the right at such time, upon written notice being given by the Corporation, to exercise such Options to the extent specified and permitted by the Board and within the time period specified by the Board, which shall not extend past the Expiry Time.

9.2 An Option may provide that whenever the Corporation's shareholders receive a Take-Over Bid and the Corporation supports this bid, pursuant to which the "offeror" would, as a result of such Take-Over Bid being successful, beneficially own in excess of 50% of the outstanding Subordinate Voting Shares, the Participant may exercise the Acceleration Right. The Acceleration Right shall commence on the date of the mailing of the Board circular recommending acceptance of the Take-Over Bid and end on the earlier of:

- (a) the Expiry Time; and
- (b) (i) in the event the Take-Over Bid is unsuccessful, the expiry date of the Take-Over Bid; and (ii) in the event the Take-Over Bid is successful, the tenth (10th) day following the expiry date of the Take-Over Bid.

9.3 At the time of the termination of the Acceleration Right, the original vesting terms of the Options shall be reinstated with respect to the Subordinate Voting Shares issuable thereunder which were not acquired by the holders of such Options pursuant to the terms thereof. Notwithstanding the foregoing, the Acceleration Right may be extended for such longer period as the Board may resolve.

9.4 Provided that the Corporation is listed on the TSX and is in compliance with applicable TSX requirements, the Corporation may satisfy any obligations to a Participant hereunder by paying to the Participant in cash the difference between the exercise price of all unexercised Options granted hereunder and the Fair Market Value of the Subordinate Voting

Shares to which the Participant would be entitled upon exercise of all unexercised Options, regardless of whether all conditions of exercise relating to continuous employment have been satisfied.

10. Decisions of the Board

All decisions and interpretations of the Board respecting the Plan or Options granted thereunder shall be conclusive and binding on the Corporation and the Participants and their respective legal personal representatives and on all directors, officers, employees and consultants of the Corporation who are eligible to participate under the Plan.

11. Ceasing to be a Director, Officer, Employee or Consultant

11.1 Subject to the terms of the applicable stock option agreements and subject to Section 11.4 hereof, in the event of the Participant ceasing to be a director, officer, employee or consultant of the Corporation or a Subsidiary for any reason other than death, including the resignation or retirement of the Participant or the termination by the Corporation or a Subsidiary of the employment of the Participant, prior to the Expiry Time, such Option (including an Option held by a Participant's Personal Holding Company) may be exercised as to such Subordinate Voting Shares in respect of which the Option has not previously been exercised (and as the Participant would have been entitled to exercise) at any time up to and including (but not after) the earlier of: (a) the Expiry Time; and (b) a date that is ninety (90) days (or such other period as may be determined by the Board, provided that such period is not more than one year) following the effective date of such resignation or retirement or a date that is ninety (90) days (or such other period as may be determined by the Board, provided that such period is not more than one year) following the date notice of termination of employment is given by the Corporation or a Subsidiary, whether such termination is with or without reasonable notice, and subject to such shorter period as may be otherwise specified in the stock option agreement, after which date the Option shall forthwith expire and terminate and be of no further force or effect whatsoever.

11.2 In consideration of the Option hereby granted, in the event of the resignation or retirement of the Participant or the termination of employment by the Corporation without cause, the Participant hereby covenants not to sue the Corporation for damages arising from the loss of rights granted hereunder and releases the Corporation from any damages.

11.3 Notwithstanding the foregoing, in the event of termination for cause, such Option (including an Option held by a Participant's Personal Holding Company) shall expire and terminate immediately at the time of delivery of notice of termination of employment for cause to the Participant by the Corporation or a Subsidiary and shall be of no further force or effect whatsoever as to the Subordinate Voting Shares in respect of which an Option has not previously been exercised.

11.4 In the event of the death of a Participant on or prior to the Expiry Time, such Option (including an Option held by a Participant's Personal Holding Company) may be exercised as to such of the Subordinate Voting Shares in respect of which such Option has not previously been exercised (and as the Participant would have been entitled to purchase), by the legal personal representatives of the Participant at any time up to and including (but not after) a date one (1) year from the date of death of the Participant, after which date the Option shall forthwith expire and terminate and be of no further force or effect whatsoever.

11.5 Options shall not be affected by any change of employment of the Participant where the Participant continues to be employed by the Corporation or any of its Subsidiaries.

12. Transferability

All benefits, rights and options accruing to any Participant in accordance with the terms and conditions of the Plan shall not be transferable or assignable unless specifically provided herein or to the extent, if any, permitted by the Exchange.

13. Amendment or Discontinuance of Plan

(a) The approval of the Board and the requisite approval from the Exchange and the shareholders shall be required for any of the following amendments to be made to the Plan:

- (i) any increase to the fixed maximum percentage of Subordinate Voting Shares issuable under the Plan;
 - (ii) a reduction in the exercise price or purchase price of an Option (other than for standard anti-dilution purposes) held by or benefiting an Insider;
 - (iii) an increase in the maximum number of Subordinate Voting Shares that may be issued to Insiders within any one year period or that are issuable to Insiders at any time;
 - (iv) an extension of the term of an Option held by or benefiting an Insider;
 - (v) any change to the definition of "Participants" which would have the potential of broadening or increasing Insider participation;
 - (vi) the addition of any form of financial assistance;
 - (vii) any amendment to a financial assistance provision which is more favourable to Participants;
 - (viii) provided that the Corporation is listed on the TSX, the addition of a cashless exercise feature, payable in cash or securities which does not provide for a full deduction of the number of underlying securities from the Plan reserve;
 - (ix) the addition of a deferred or restricted share unit or any other provision which results in Participants receiving securities while no cash consideration is received by the Corporation; and
 - (x) any other amendments that may lead to significant or unreasonable dilution in the Corporation's outstanding securities or may provide additional benefits to Participants, especially Insiders, at the expense of the Corporation and its existing shareholders.
- (b) The Board may, without shareholder approval but subject to receipt of requisite approval as required by the Exchange, in its sole discretion make all other amendments to the Plan that are not of the type contemplated in subsection 13(a) above including, without limitation:
- (i) amendments of a housekeeping nature;
 - (ii) a change to the vesting provisions of an Option or the Plan;
 - (iii) a change to the termination provisions of an Option or the Plan which does not entail an extension beyond the original expiry date, except as contemplated in Section 6.5 above; and
 - (iv) provided that the Corporation is listed on the TSX, the addition of a cashless exercise feature, payable in cash or securities, which provides for a full deduction of the number of underlying securities from the Plan reserve.

14. Participants' Rights

14.1 A Participant shall not have any rights as a shareholder of the Corporation until the issuance of a certificate for Subordinate Voting Shares upon the exercise of an Option or a portion thereof, and then only with respect to the Subordinate Voting Shares represented by such certificate or certificates.

14.2 Nothing in the Plan or any Option shall confer upon any Participant any rights to continue in the employ of the Corporation or any Subsidiary or affect in any way the right of the Corporation or any such Subsidiary to terminate the employment of the Participant at any time; nor shall anything in the Plan or any Option be deemed or construed to constitute an agreement, or an expression of intent, on the part of the Corporation or any such Subsidiary to extend the employment of any Participant beyond the time such Participant would normally retire pursuant to the provisions of any present or future

retirement plan of the Corporation or any Subsidiary, or beyond the time at which he would otherwise be retired pursuant to the provisions of any contract of employment with the Corporation or any Subsidiary.

15. Approvals

15.1 The Plan shall be subject, if applicable, to the approval of the Exchange or other regulatory body having jurisdiction at that time and, if so required thereby, to the approval of the shareholders of the Corporation.

15.2 Any Options granted prior to such approval and acceptance shall be conditional upon such approval and acceptance being given and no such Options may be exercised unless such approval and acceptance is given.

16. Government Regulation

16.1 The Corporation's obligation to issue and deliver Subordinate Voting Shares under any Option is subject to:

- (a) the satisfaction of all requirements under applicable securities laws in respect thereof and obtaining all regulatory approvals as the Corporation shall determine to be necessary or advisable in connection with the authorization, issuance or sale thereof;
- (b) the admission of such Subordinate Voting Shares to listing on any stock exchange on which such Subordinate Voting Shares may then be listed; and
- (c) the receipt from the Participant of such representations, warranties, agreements and undertakings as to future dealings in such Subordinate Voting Shares as the Corporation determines to be necessary or advisable in order to safeguard against the violation of the securities laws of any jurisdiction.

16.2 In this regard, the Corporation shall take all reasonable steps to obtain such approvals and registrations as may be necessary for the issuance of such Subordinate Voting Shares and for the listing of such Subordinate Voting Shares on the Exchange, in compliance with applicable securities laws. If any shares cannot be issued to any Participant for whatever reason, the obligation of the Corporation to issue such shares shall terminate and the Option Price paid to the Corporation will be returned to the Participant.

17. Costs

The Corporation shall pay all costs of administering the Plan.

18. Interpretation

This Plan shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein.

19. Compliance with Applicable Law

If any provision of the Plan or any Option contravenes any law or any order, policy, bylaw or regulation of any regulatory body or the Exchange, then such provision shall be deemed to be amended to the extent required to bring such provision into compliance therewith.

