

MJ BIOSCIENCE CORP.

Form 51-102F6V

Statement of Executive Compensation – Venture Issuers (for the financial year ended October 31, 2018)

GENERAL

For the purpose of this Statement of Executive Compensation:

“Company” means MJ Bioscience Corp.;

“compensation securities” includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the company or one of its subsidiaries for services provided or to be provided, directly or indirectly, to the company or any of its subsidiaries;

“NEO” or “named executive officer” means each of the following individuals:

- (a) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief executive officer (**“CEO”**), including an individual performing functions similar to a CEO;
- (b) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief financial officer (**“CFO”**), including an individual performing functions similar to a CFO;
- (c) in respect of the Company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000 for that financial year; and
- (d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the Company, and was not acting in a similar capacity, at the end of that financial year.

As at the end of the Company’s two most recently completed financial years ended October 31, 2017 and 2018, the Company had two NEOs, whose names and positions held within the Company are set out in the table of compensation below.

DIRECTOR AND NEO COMPENSATION

Director and NEO compensation, excluding options and compensation securities

The following table sets forth all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company or its subsidiary, to each NEO and director of the Company, in any capacity, including, for greater certainty, all plan and non-plan compensation, direct and indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite paid, payable, awarded, granted, given or otherwise provided to the NEO or a director of the Company for services provided and for services to be provided, directly or indirectly, to the Company or its subsidiary.

Table of compensation excluding compensation securities							
Name and position	Year Ended Oct 31	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Brent Hahn⁽¹⁾ CEO, President & Director	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil
Barry Hartley⁽²⁾ CFO, Corporate Secretary & Director	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil
Jesse Hahn⁽³⁾ Director	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil
James McCrea⁽⁴⁾ Director	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	N/A	N/A	N/A	N/A	N/A	N/A

NOTES:

(1) Brent Hahn was appointed CEO, President and Director effective June 1, 2016.

(2) Barry Hartley was appointed CFO and Director effective June 1, 2016.

(3) Jesse Hahn was appointed as Director effective June 1, 2016.

(4) James McCrea was appointed as Director effective July 27, 2018.

Stock Options and Other Compensation Securities

The Company did not grant or issue any compensation securities to any director or NEO during the financial year ended October 31, 2018. No compensation securities were outstanding as at October 31, 2018.

Exercise of Compensation Securities by Directors and NEOs

There were no compensation securities exercised by a director or NEO during the financial year ended October 31, 2018.

Stock Option Plans and Other Incentive Plans

The Company implemented a stock option plan on June 25, 2018 (the “**Stock Option Plan**”), enabling the Board to grant stock options to purchase common shares in the capital of the Company from time to time to eligible persons (collectively, “**Optionees**”) in consideration of such Optionees providing services to the Company or a subsidiary of the Company. The number of stock options granted by the Company to Optionees is determined by the Board, within the guidelines established by the Plan. The stock options enable such persons to purchase common shares at a price fixed under such guidelines. The stock options are exercisable by the Optionee giving the Company notice and payment of the exercise price for the number of common shares to be acquired.

The purpose of the Stock Option Plan is to attract provide incentive to directors, senior officers, employees, consultants and others services providers to the Company and its subsidiaries, and thereby advance the Company’s interests, by affording such persons with an opportunity to acquire an equity interest in the Company through the issuance of stock options.

Under the Stock Option Plan, the maximum number of common shares reserved for issuance, including stock options currently outstanding, is equal to ten (10%) percent of the common shares outstanding from time to time (the “**10% Maximum**”). The 10% Maximum is an “evergreen” provision, meaning that, following the exercise, termination, cancellation or expiration of any stock options, a number of common

shares equivalent to the number of options so exercised, terminated, cancelled or expired would automatically become reserved and available for issuance in respect of future stock option grants.

The following information summarizes the key terms and is intended to be a brief description of the Company's Stock Option Plan.

Limitation on Option Grants

The following restrictions on the granting of Options are applicable under the Stock Option Plan:

Individuals. The aggregate number of Shares subject to an option that may be granted to any one individual in any 12-month period under this Plan shall not exceed 5% of the issued and outstanding Shares determined at the time of such grant.

Optionees Performing Investor Relations Activities. The aggregate number of Shares subject to an option that may be granted to any one person conducting Investor Relations Activities in any 12-month period under this Plan shall not exceed 2% of the issued and outstanding Shares determined at the time of such grant.

Consultants. The aggregate number of Shares subject to an option that may be granted to any one Consultant in any 12-month period under this Plan shall not exceed 2% of the issued and outstanding Shares determined at the time of such grant.

Exercise Price

If the Common Shares are listed on the Canadian Securities Exchange (the "**Exchange**"), subject to a minimum price of \$0.05 per share, the exercise price for an option under the Stock Option Plan may not be lower than the greater of the closing market price of the Shares on (a) the trading day prior to the date of grant of the stock options; and (b) the date of grant of the stock options, less any applicable discount allowed by the Exchange. If any options are granted within 90 days of a public distribution by prospectus, then the minimum exercise price shall be the greater of the closing market price of the Shares on (a) the trading day prior to the date of grant of the stock options; and (b) the date of grant of the stock options, less any applicable discount allowed by the Exchange and (c) the price per share paid by the investors for Shares acquired under the public distribution. The 90-day period shall commence on the date the Company is issued a final receipt for the prospectus.

Term and Vesting

Any option must be exercised within a term set by the Board at the time of grant, such term not to exceed five (5) years from the date of the granting of the option. The Board may, in its absolute discretion, determine the vesting provisions of options granted under this Plan with the exception that options granted to any person engaged in Investor Relations Activities shall vest in stages over 12 months with no more than $\frac{1}{4}$ of the stock options vesting in any three-month period.

Termination of Options

Unless the Board determines otherwise, options will terminate in the following circumstances:

Ceasing to Hold Office – Directors and Officers. If a Director or Officer ceases to hold office for any reason other than death, such Director or Officer shall have the right to exercise any vested option granted to him under this Plan and not exercised prior to such cessation of office within a period of 90 days after the date of such cessation of office, or such shorter period as may be set out in the Optionee's written agreement.

Termination of Employment or Engagement – Employees and Consultants. If an Employee or Consultant ceases to be so engaged by the Company for any reason other than death, such Employee or Consultant shall have the right to exercise any vested option granted to him under this Plan and not exercised prior to such cessation of office within a period of 90 days after the date of such termination, or such shorter period as may be set out in the Optionee's written agreement.

Termination of Investor Relations Activities. If an Optionee who is engaged in Investor Relations Activities ceases to be so engaged by the Company, such Optionee shall have the right to exercise any vested option granted to the Optionee under this Plan and not exercised prior to such termination within

a period of 30 days after the date of termination, or such shorter period as may be set out in the Optionee's written agreement.

Death of Optionee. If an Optionee dies prior to the expiry of an option, his heirs or administrators may within 12 months from the date of the Optionee's death exercise that portion of an option granted to the Optionee under this Plan which remains vested and outstanding.

Other Provisions

The Stock Option Plan contains provisions governing the acceleration of the vesting of options in the event of a change of control of the Company or in the event of a take-over proposal.

As at the financial year end of **October 31, 2018**, there were no stock options issued and outstanding.

Employment, consulting and management agreements

The Company does not have any employment, consulting or management agreements or any formal arrangements or agreements with any of the Company's current NEOs or directors.

Termination and Change of Control Benefits

The Company does not have a compensation plan, contract, or arrangement where a NEO is entitled to receive more than \$50,000 to compensate such executive officers in connection with any termination (whether voluntary, involuntary or constructive), resignation or retirement, or as a result of a change in control of the Company or a change in the NEOs responsibilities.

Oversight and description of director and named executive officer compensation

The Company does not have a formal compensation program. The Board is responsible for ensuring that the Company has in place an appropriate plan for executive compensation and for making recommendations with respect to the compensation of the Company's executive officers. The Board is responsible for all matters relating to the compensation of the directors and executive officers of the Company with respect to: (i) general compensation goals and guidelines and the criteria by which bonuses and stock compensation awards are determined; (ii) amendments to any equity compensation plans adopted by the Board and changes in the number of shares reserved for issuance thereunder; and (iii) other plans that are proposed for adoption or adopted by the Company for the provision of compensation. The general objectives of the Company's compensation strategy are to: (a) compensate management in a manner that encourages and rewards a high level of performance and outstanding results with a view to increasing long-term shareholder value; (b) align management's interests with the long-term interests of shareholders; (c) provide a compensation package that is commensurate with other diversified industry companies to enable the Company to attract and retain talent; and (d) ensure that the total compensation package is designed in a manner that takes into account the constraints that the Company is under by virtue of the fact that it is a diversified industry company without a history of earnings.

Pension disclosure

The Company does not have any pension, defined benefit, defined contribution or deferred compensation plans in place.