



**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING
OF SHAREHOLDERS OF
AND
MANAGEMENT INFORMATION CIRCULAR**

**Meeting to be held on
OCTOBER 8, 2020**

CORE ONE LABS INC.
SUITE 3123 – 595 BURRARD STREET
VANCOUVER, BC V7X 1J1
TEL: (604) 416-2965

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE is hereby given that the annual general and special meeting (the “**Meeting**”) of the shareholders of Core One Labs Inc. (the “**Corporation**”), will be held at Suite 3123, 595 Burrard Street, Vancouver, British Columbia, V7X 1J1, on Thursday October 8, 2020 at 11:00 a.m. for the following purposes:

1. To receive and consider the audited financial statements of the Corporation for the two fiscal years ended December 31, 2019, December 31, 2018, respectively, together with auditor's report and the management discussion and analysis related thereto.
2. To re-appoint Dale Matheson Carr-Hilton Labonte LLP as the auditor of the Corporation for the ensuing year and to authorize the directors to fix the remuneration to be paid to the auditor.
3. To fix the number of directors for the ensuing year at five (5).
4. To elect directors for the ensuing year.
5. To approve the Corporation's stock option plan.
6. To transact such other business as may properly be transacted at such meeting or at any adjournment thereof.

An information circular, containing details of matters to be considered at the Meeting, accompanies this notice.

A shareholder who is unable to attend the Meeting in person and who wishes to ensure that such shareholder's shares will be voted at the Meeting is requested to complete, date and sign the enclosed form of proxy and deliver it in accordance with the instructions set out in the form of proxy and in the information circular. As set out in the notes, the enclosed form of proxy is solicited by management, but, you may amend it to appoint another person (who need not be a shareholder) to attend and act for you at the Meeting other than the persons named in the form of proxy if you so desire by inserting in the blank space provided in the form of proxy the name of the person you wish to represent you at the Meeting.

In light of ongoing concerns regarding the spread of COVID-19, shareholders are encouraged to vote on the matters before the Meeting by proxy. We encourage shareholders not to attend the Meeting in person, particularly if they are experiencing any of the described COVID-19 symptoms. As always, we encourage shareholders to vote their shares prior to the Meeting by following the voting instructions in the accompanying information circular. We may take additional precautionary measures in relation to the Meeting in response to further developments with the COVID-19 outbreak. In the event it is not possible or advisable to hold the Meeting in person, we will announce alternative arrangements for the Meeting as promptly as practicable, which may include delaying the Meeting or holding the Meeting entirely by electronic means, telephone or other communication facilities. **If you are a registered shareholder or appointed proxyholder and are planning to attend the Meeting, please notify the Company in advance of the Meeting by sending an email to joel@core1labs.com.**

DATED at Vancouver, British Columbia, this 13th day of August, 2020.

BY ORDER OF THE BOARD OF DIRECTORS

“Joel Shacker”

Joel Shacker
Chief Executive Officer and Director

CORE ONE LABS INC.

SUITE 3123 – 595 BURRARD STREET
VANCOUVER, BC V7X 1J1
TEL: (604) 416-2965

INFORMATION CIRCULAR

(containing information as at August 13, 2020 unless indicated otherwise)

**For the Annual General and Special Meeting
to be held on Thursday, October 8, 2020**

SOLICITATION OF PROXIES

This information circular (“**Circular**”) is furnished in connection with the solicitation of proxies by the management of Core One Labs Inc. (the “**Corporation**”) for use at the annual general and Special meeting (the “**Meeting**”), of the shareholders (the “**Shareholders**”) of the Corporation, to be held on Thursday, October 8, 2020 at the time and place and for the purposes set forth in the accompanying notice of meeting and at any adjournment thereof. The enclosed instrument of proxy is solicited by the management of the Corporation. The solicitation will be primarily by mail, however, proxies may be solicited personally or by telephone by the regular officers and employees of the Corporation. The cost of solicitation will be borne by the Corporation.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the accompanying form of proxy (the “**Proxy**”) are directors and/or officers of the Corporation.

A SHAREHOLDER HAS THE RIGHT TO APPOINT A PERSON (WHO NEED NOT BE A SHAREHOLDER) TO ATTEND AND ACT FOR HIM OR HER ON HIS OR HER BEHALF AT THE MEETING OTHER THAN THE PERSONS NAMED IN THE ENCLOSED INSTRUMENT OF PROXY. TO EXERCISE THIS RIGHT, A SHAREHOLDER SHALL STRIKE OUT THE NAMES OF THE PERSONS NAMED IN THE INSTRUMENT OF PROXY AND INSERT THE NAME OF HIS OR HER NOMINEE IN THE BLANK SPACE PROVIDED, OR COMPLETE ANOTHER INSTRUMENT OF PROXY. A PROXY WILL NOT BE VALID UNLESS IT IS DEPOSITED WITH THE CORPORATION'S REGISTRAR AND TRANSFER AGENT, COMPUTERSHARE INVESTOR SERVICES INC., 100 UNIVERSITY AVENUE, 9TH FLOOR, TORONTO, ONTARIO, M5J 2Y1, OR BY TOLL FREE FAX 1.866.249.7775 NOT LESS THAN 48 HOURS (EXCLUDING SATURDAYS, SUNDAYS AND HOLIDAYS) BEFORE THE TIME OF THE MEETING OR ADJOURNMENT THEREOF.

The Proxy must be signed and dated by the Shareholder or by his or her attorney in writing, or, if the Shareholder is a company, it must either be under its common seal or signed by a duly authorized officer.

A Shareholder who has given a Proxy may revoke it at any time before it is exercised. In addition to revocation in any other manner permitted by law, a Proxy may be revoked by instrument in writing executed by the Shareholder or by his or her attorney authorized in writing, or, if the Shareholder is a corporation, it must either be under its common seal, or signed by a duly authorized officer and deposited with the Corporation's registrar and transfer agent, **Computershare Investor Services Inc., 100 University Avenue, 9th floor, Toronto, Ontario, M5J 2Y1**, at any time up to and including the last business day preceding the Meeting, or any adjournment of it, at which the Proxy is to be used, or to the Chairman of the Meeting on the day of the Meeting or any adjournment of it. A revocation of a Proxy does not affect any matter on which a vote has been taken prior to the revocation.

VOTING OF SHARES AND EXERCISE OF DISCRETION OF PROXIES

In light of ongoing concerns regarding the spread of COVID-19, Shareholders are encouraged to vote on the matters before the Meeting by Proxy. We encourage Shareholders not to attend the Meeting in person, particularly if they are experiencing any of the described COVID-19 symptoms. As always, we encourage Shareholders to vote their common shares prior to the Meeting by following the instructions set out herein.

We may take additional precautionary measures in relation to the Meeting in response to further developments with the COVID-19 outbreak. In the event it is not possible or advisable to hold the Meeting in person, we will announce alternative arrangements for the Meeting as promptly as practicable, which may include delaying the Meeting or holding the Meeting entirely by electronic means, telephone or other communication facilities. **If you are a registered shareholder or appointed proxyholder and are planning to attend the Meeting, please notify the Company in advance of the Meeting by sending an email to joel@corellabs.com.**

The common shares represented by the Proxy will be voted or withheld from voting in accordance with the instructions of the Shareholder on any ballot that may be called for and, if the Shareholder specifies a choice on the Proxy with respect to any matter to be acted upon, the shares will be voted accordingly. On any poll, the persons named in the Proxy (the “**Proxyholders**”) will vote the shares in respect of which they are appointed. Where directions are given by the Shareholder in respect of voting for or against any resolution, the Proxyholder will do so in accordance with such direction.

The Proxy, when properly signed, confers discretionary authority on the Proxyholder with respect to amendments or variations to the matters which may properly be brought before the Meeting. At the time of printing this Circular, management is not aware that any such amendments, variations or other matters are to be presented for action at the Meeting. However, if any other matters which are not now known to management should properly come before the Meeting, the proxies hereby solicited will be exercised on such matters in accordance with the best judgment of the Proxyholder.

IN THE ABSENCE OF ANY INSTRUCTION IN THE PROXY, IT IS INTENDED THAT SUCH SHARES WILL BE VOTED IN FAVOUR OF THE MOTIONS PROPOSED TO BE MADE AT THE MEETING AS STATED UNDER THE HEADINGS IN THIS INFORMATION CIRCULAR. The enclosed Proxy, when properly signed, confers discretionary authority with respect to amendments or variations to the matters which may properly be brought before the Meeting. At the time of printing this information circular, the management of the Corporation is not aware that any such amendments, variations or other matters are to be presented for action at the Meeting. However, if any other matters which are not now known to the management should properly come before the Meeting, the proxies hereby solicited will be voted on such matters in accordance with the best judgment of the nominee.

In order to approve a motion proposed at the Meeting, a majority greater than one-half of the votes cast will be required unless the motion requires a special resolution, in which case a majority of not less than two-thirds of the votes cast will be required. In the event a motion proposed at the Meeting requires disinterested Shareholder approval, common shares held by Shareholders of the Corporation who have an interest in the motion and common shares held by their “associates”, as such term is defined under applicable securities laws, will be excluded from the count of votes cast on such motion.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

General

The authorized capital of the Corporation consists of an unlimited number of common shares without par value and an unlimited number of preferred shares without par value. There were 70,967,507 common shares of the Corporation issued and outstanding as of the close of business on August 13, 2020, each share carrying the right to one vote. There were no preferred shares issued and outstanding as of the close of business on August 13, 2020.

Only Shareholders of record as at the close of business on August 13, 2020 (the “**Record Date**”) who either personally attend the Meeting or who have completed and delivered a form of Proxy in the manner and subject to the provisions described under the heading “*Appointment and Revocation of Proxies*” shall be entitled to vote, or have their common shares voted, at the Meeting, or any adjournment thereof. On any poll, each Shareholder of record holding common shares of the Corporation on the Record Date is entitled to one vote for each common share registered in his or her name on the list of Shareholders as at the Record Date.

Advice to Beneficial Holders of Common Shares

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. Shareholders who do not hold their common shares in their own name (referred to in this information circular as “**Beneficial Shareholders**”) 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. If common shares are listed in an account statement provided to a Shareholder by a broker, then, in almost all cases, those common shares will not be registered in the Shareholder's name on the records of the Corporation. Such common shares will more likely be registered under the name of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of such common shares are registered under the name CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). The common shares held by brokers or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, a broker and its agents are prohibited from voting shares for the broker's clients. **Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their common shares are communicated to the appropriate person.**

Applicable regulatory rules require intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of Shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their shares are voted at the Meeting. The purpose of the form of proxy or voting instruction form provided to a Beneficial Shareholder by its broker, agent or nominee is limited to instructing the registered holder of the common shares on how to vote such shares on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Investor Communications (“**Broadridge**”). Broadridge typically supplies a voting instruction form, mails those forms to Beneficial Shareholders and asks those Beneficial Shareholders to return the forms to Broadridge or follow specific telephone or other voting procedures. Broadridge then tabulates the results of all instructions received by it and provides appropriate instructions respecting the voting of the shares to be represented at the Meeting. **A Beneficial Shareholder receiving a voting instruction form from Broadridge cannot use that form to vote common shares directly at the Meeting. Instead, the voting instruction form must be returned to Broadridge or the alternate voting procedures must be completed well in advance of the Meeting in order to ensure such common shares are voted.**

Although Beneficial Shareholders may not be recognized directly at the Meeting for the purpose of voting common shares registered in the name of their broker, agent or nominee, a Beneficial Shareholder may attend the Meeting as a proxyholder for a Shareholder and vote common shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their common shares as proxyholder for the registered Shareholder should contact their broker, agent or nominee well in advance of the Meeting to determine the steps necessary to permit them to indirectly vote their common shares as a proxyholder.

The Corporation will not pay for an intermediary to deliver proxy related materials and voting instruction forms to objecting beneficial owners (called OBOs for Objecting Beneficial Owners). OBOs have objected to their intermediary disclosing ownership information about themselves to the Corporation. Accordingly, OBOs will not receive the materials unless their intermediary assumes the costs of delivery.

The Corporation is not relying on the “notice-and-access” delivery procedures outlined in National Instrument 54-101 to distribute copies of the proxy related materials in connection with the Meeting.

Principal Holders of Voting Shares

To the knowledge of the directors and senior officers of the Corporation, as of the date of this Circular, there are no persons or corporations that beneficially own, directly or indirectly, or exercise control or direction over, common shares carrying more than 10% of the voting rights attached to all outstanding common shares of the Corporation.

EXECUTIVE COMPENSATION

Definitions: For the purpose of this Circular:

“**Chief Executive Officer**” or “**CEO**” of the Corporation means an individual who acted as chief executive officer of the Corporation or acted in a similar capacity for any part of the most recently completed financial year.

“**Chief Financial Officer**” or “**CFO**” of the Corporation means an individual who acted as chief financial officer of the Corporation or acted in a similar capacity for any part of the most recently completed financial year.

“**closing market price**” means the price at which the Corporation's security was last sold, on the applicable date, in the security's principal marketplace in Canada.

“**company**” includes other types of business organizations such as partnerships, trusts and other unincorporated business entities.

“**equity incentive plan**” means an incentive plan, or portion of an incentive plan, under which awards are granted and that falls within the scope of IFRS 2 *Share-based Payment*.

“**grant date**” means a date determined for financial statement reporting purposes under IFRS 2 *Share-based Payment*.

“**incentive plan**” means any plan providing compensation that depends on achieving certain performance goals or similar conditions within a specified period.

“**incentive plan award**” means compensation awarded, earned, paid or payable under an incentive plan.

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

- (a) each CEO;
- (b) each CFO;
- (c) each of the Corporation's three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000 for that financial year; and
- (d) each additional individual who would be an NEO under paragraph (c) above, but for the fact that the individual was neither an executive officer of the Corporation, nor acting in a similar capacity, at the end of that financial year.

“**non-equity incentive plan**” means an incentive plan or portion of an incentive plan that is not an equity incentive plan.

“**option-based award**” means an award under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights, and similar instruments that have option-like features.

“**plan**” includes any plan, contract, authorization, or arrangement, whether or not set out in any formal document, where cash, securities, similar instruments or any other property may be received, whether for one or more persons.

“**share-based award**” means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units, and stock.

On September 6, 2019 the Corporation changed its name from Lifestyle Delivery Systems Inc. to Core One Labs Inc. to more accurately reflect the Corporation's operational expertise, as well as the Corporation's overall product and service offerings. In conjunction with the name change, the Corporation consolidated its issued and outstanding common shares on the basis of six (6) pre-consolidated shares for every one (1) post-consolidated share. On July 9, 2020 the Corporation further consolidated its issued and outstanding common shares on the basis of two (2) pre-consolidated shares for every one (1) post-consolidated share. All shares, options, warrants and per share amounts were adjusted to reflect the consolidation ratios and are presented in this Circular on a post-consolidation basis.

COMPENSATION DISCUSSION AND ANALYSIS

The compensation of the Corporation's Named Executive Officers has been established with a view of attracting and retaining executives critical to the Corporation's short and long-term success and to continue providing executives with compensation that is in accordance with existing market standards. As the Corporation does not have a Compensation Committee, compensation provided to the Corporation's NEOs is determined by the board of directors (the “**Board of Directors**”) as a whole and reviewed annually. In establishing executive compensation policies, the Board of Directors take into consideration the recommendations of management and, following discussion and review, considers them for final approval.

Compensation of the Corporation's Named Executive Officers is comprised of a base salary or consulting fees, performance-based bonuses payable in cash or shares in the Corporation and equity participation through the Corporation's stock option plan (as more particularly described below). Through its executive compensation practices,

the Corporation seeks to provide value to its Shareholders by employing a strong executive leadership team. Specifically, the Corporation's executive compensation structure seeks to attract and retain talented and experienced executives necessary to achieve the Corporation's strategic objectives, motivate and reward executives whose knowledge, skills and performance are critical to the Corporation's success, and align the interests of the Corporation's executives and Shareholders by motivating executives to increase shareholder value.

Within the context of the overall objectives of the Corporation's compensation practices, the Corporation determined the specific amounts of compensation to be paid to its executives during the year ended December 31, 2019 based on a number of factors including the roles and responsibilities of the Corporation's executives, the individual experience and skills of, and expected contributions from, the Corporation's executives, the Corporation's executives' historical compensation and performance within the Corporation, and any contractual commitments the Corporation has made to its executives regarding compensation.

The Board of Directors of the Corporation has not conducted a formal evaluation of the implications of the risks associated with the Corporation's compensation practices and policies. Risk management is a consideration of the Board of Directors when implementing its compensation policies and the Board of Directors do not believe that the Corporation's compensation policies result in unnecessary or inappropriate risk taking including risks that are likely to have a material adverse effect on the Corporation.

Base Salary

The Corporation believes that a competitive base salary is a necessary element of any compensation program that is designed to attract and retain talented and experienced executives. The Corporation also believes that attractive base salaries can motivate and reward executives for their overall performance.

To the extent that the Corporation has entered into employment agreements with its executives, the base salaries of such individuals reflect the base salaries that the Corporation negotiated with them. The base salaries that the Corporation negotiated with its executives were based on the individual experience and skills of, and expected contribution from, each executive, the roles and responsibilities of the executive, the base salaries of the Corporation's existing executives and other factors. The employment agreements that were entered into with certain of the Corporation's Named Executive Officers are summarized under "*Named Executive Officer Employment Agreements*" below.

Option Based Awards

The Corporation has in effect a "rolling" stock option plan approved by the Board of Directors on July 8, 2020 (the "**Stock Option Plan**"). The Stock Option Plan replaced the Corporation's previous "rolling" stock option plan, which was adopted on April 21, 2011 and amended on April 8, 2013. The Stock Option Plan is meant to provide effective incentives to directors, officers, and senior management personnel and consultants of the Corporation and to enable the Corporation to attract and retain experienced and qualified individuals in those positions by permitting such individuals to directly participate in an increase in per share value created for the Corporation's shareholders. In determining option grants to the Named Executive Officers, the Board of Directors together with management takes into consideration factors that include the amount and exercise price of previous option grants, the NEO's experience, level of expertise and responsibilities, and the contributions of each NEO towards the completion of corporate transactions in any given fiscal year.

The Stock Option Plan was adopted by the Board of Directors on July 8, 2020, and the Corporation will be asking Shareholders to approve the Stock Option Plan at the Meeting. The significant terms of the Corporation's Stock Option Plan are set out below under the heading "*Particulars of Matters to be Acted Upon – Approval of Rolling Stock Option Plan*".

Use of Financial Instruments

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

SUMMARY COMPENSATION TABLE

In accordance with the provisions of applicable securities legislation, the Corporation had four (4) Named Executive Officers during the financial year ended December 31, 2019, namely Casey Fenwick (President), Brad Eckenweiler (CEO), Yana Silina (CFO and Corporate Secretary) and Dr. John Sanderson (Chief Science Officer).

The following table sets out certain information respecting the compensation paid to the Named Executive Officers of the Corporation during the financial years ended December 31, 2019, December 31, 2018, and December 31, 2017:

NEO Name And Principal Position	Financial Year ended	Salary (\$)	Share- based awards (\$)	Option- based awards ⁽⁶⁾ (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other comp- ensation ⁽⁷⁾ (\$)	Total comp- ensation (\$)
					Annual incentiv e plans	Long- term incentive plans			
Casey Fenwick ⁽¹⁾ President	Dec 31, 2019	238,842	N/A	1,130,665	Nil	Nil	Nil	Nil	1,369,507
	Dec 31, 2018	N/A	N/A	N/A	Nil	N/A	N/A	N/A	N/A
	Dec 31, 2017	N/A	N/A	N/A	Nil	N/A	N/A	N/A	N/A
Brad Eckenweiler ⁽²⁾ CEO	Dec 31, 2019	Nil	Nil	294,632	Nil	Nil	Nil	397,090	691,722
	Dec 31, 2018	Nil	Nil	342,391	Nil	Nil	Nil	390,125	732,516
	Dec 31, 2017	Nil	Nil	1,584,719	Nil	Nil	Nil	389,580	1,974,299
Yana Silina ⁽³⁾ CFO & Corporate Secretary	Dec 31, 2019	Nil	Nil	146,219	Nil	Nil	Nil	119,682	265,901
	Dec 31, 2018	Nil	Nil	Nil	Nil	Nil	Nil	116,125	116,125
	Dec 31, 2017	Nil	Nil	225,797	N/A	N/A	N/A	81,916	307,714
Dr. John Sanderson ⁽⁴⁾ CSO	Dec 31, 2019	Nil	Nil	146,219	Nil	Nil	Nil	79,413	225,632
	Dec 31, 2018	Nil	Nil	Nil	Nil	Nil	Nil	78,881	78,881
	Dec 31, 2017	Nil	590,000	451,194	Nil	Nil	Nil	38,958	1,080,152
James Pakulis ⁽⁵⁾ Former President	Dec 31, 2019	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Dec 31, 2018	Nil	Nil	Nil	Nil	Nil	Nil	70,740	70,740
	Dec 31, 2017	Nil	Nil	376,328	Nil	Nil	Nil	77,916	454,244

Notes:

- (1) *Mr. Casey Fenwick has served as the President of the Corporation since February 4, 2019. Mr. Fenwick receives an annual salary of US\$180,000 in addition to regular payroll benefits the Corporation set up for its US-based employees.*
- (2) *Mr. Brad Eckenweiler was appointed CEO of the Corporation on May 22, 2015. On July 31, 2015 the Corporation entered into a consulting agreement with Mr. Eckenweiler for a one-year term for US\$6,700 per month (the "Consulting Agreement"). Effective July 1, 2016, the Corporation agreed to extend the agreement for an additional one year term for US\$25,000 per month. On February 28, 2017, the Consulting Agreement was amended further to extend the initial term to February 28, 2021, with automatic renewals for successive one year periods thereafter. The Corporation may terminate Mr. Eckenweiler's Consulting Agreement without due cause by agreeing to pay Mr. Eckenweiler a lump sum amount equal to the product of the monthly remuneration (US\$25,000 per month) multiplied by eighteen (18) months, regardless of the length of time remaining on the then current term of the Consulting Agreement. Mr. Eckenweiler resigned as CEO of the Corporation on July 3, 2020.*
- (3) *Ms. Yana Silina served as Chief Financial Officer and Corporate Secretary of the Corporation since November 27, 2015. On May 1, 2017, the Corporation and Ms. Silina entered into a management consulting agreement for US\$7,500 per month for a term of two years, expiring May 1, 2019, with automatic renewals for successive one year periods thereafter. Ms. Silina resigned as CFO of the Corporation on April 30, 2020.*
- (4) *Dr. John Sanderson has served as the Chief Science Officer of the Corporation since August 26, 2016. On July 1, 2017 the Corporation entered into a consulting agreement with Dr. Sanderson for US\$5,000 per month extending for a term of three years expiring on June 30, 2020, with automatic renewals for successive one-year periods thereafter.. On May 23, 2017, in consideration for an exclusive worldwide license to the technology relating to the transmucosal delivery of biologically active substances granted to the Corporation by Dr. Sanderson and Nanostrips Inc., a company controlled by Dr. Sanderson, the Corporation issued Dr. Sanderson 1,000,000 common shares of the Corporation valued at \$590,000.*
- (5) *Mr. James Pakulis served as a Director and President of the Corporation from November 27, 2015 to November 16, 2018. On May 1, 2017, the Corporation and Mr. Pakulis entered into a management consulting agreement for US\$5,000*

per month extending for a term of two (2) years expiring on May 1, 2019, with automatic renewals for successive one-year periods thereafter. Mr. Pakulis resigned as President and Director on November 16, 2018, effectively terminating the management consulting agreement.

(6) All outstanding options were cancelled by the Corporation on December 27, 2019.

(7) Includes amounts paid or accrued.

INCENTIVE PLAN AWARDS

The following table sets forth information concerning all awards outstanding at the end of the financial year ended December 31, 2019 for each Named Executive Officer.

OUTSTANDING SHARE-BASED AWARDS AND OPTION-BASED AWARDS TABLE

NEO Name	Option-based Awards ⁽¹⁾				Share-based Awards ⁽²⁾		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾ (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Casey Fenwick	Nil	N/A	N/A	Nil	N/A	N/A	N/A
Brad Eckenweiler	Nil	N/A	N/A	Nil	N/A	N/A	N/A
Yana Silina	Nil	N/A	N/A	Nil	N/A	N/A	N/A
Dr. John Sanderson	Nil	N/A	N/A	Nil	N/A	N/A	N/A

Notes:

(1) All outstanding option-based awards were cancelled by the Corporation on December 27, 2019.

(2) The Corporation has not granted any share-based awards.

Incentive Plan Awards – Value Vested or Earned During the Year

A total of 808,167 stock options held by Named Executive Officers vested during the year ended December 31, 2019. None of the Named Executive Officers exercised any stock options during the year ended December 31, 2019. The following table summarizes, for the Named Executive Officers of the Corporation, the value of incentive plan awards vested or earned during the year ended December 31, 2019.

NEO Name	Option-based awards – Value vested during the year (\$) ⁽¹⁾	Share-based awards – Value vested during the year (\$) ⁽²⁾	Non-equity incentive plan compensation – Value earned during the year (\$)
Casey Fenwick	1,130,665	N/A	N/A
Brad Eckenweiler	294,632	N/A	N/A
Yana Silina	146,219	N/A	N/A
Dr. John Sanderson	146,219	N/A	N/A

Notes:

(1) All outstanding option-based awards were cancelled by the Corporation on December 27, 2019.

(2) *The Corporation has not granted any share-based awards.*

NAMED EXECUTIVE OFFICER EMPLOYMENT AND CONSULTING AGREEMENTS

The Corporation has entered into employment or management consulting agreements with certain of its NEOs, namely Brad Eckenweiler, Casey Fenwick, John Sanderson and Yana Silina, which contain terms relating to duties, salaries, compensation, benefits, termination, change of control and severance. The benefits provided to the Corporation's NEOs who are employees of the Corporation are standard benefits, as provided to all of its employees, which include life insurance, short and long-term disability insurance, health and medical insurance programs and plans. The following sets out further details for the respective NEO relating to their agreement with the Corporation with respect to other terms of their contract.

Brad Eckenweiler

On July 31, 2015 the Corporation entered into the Consulting Agreement with Mr. Eckenweiler for a one-year term for US\$6,700 per month. Effective July 1, 2016, the Corporation agreed to extend the agreement for an additional one year term for US\$25,000 per month. On February 28, 2017, the Consulting Agreement was amended further to extend the initial term to February 28, 2021, with automatic renewals for successive one year periods thereafter. The Corporation may terminate Mr. Eckenweiler's Consulting Agreement without due cause by agreeing to pay Mr. Eckenweiler a lump sum amount equal to the product of the monthly remuneration (US\$25,000 per month) multiplied by eighteen (18) months, regardless of the length of time remaining on the then current term of the Consulting Agreement. Mr. Eckenweiler resigned as CEO of the Corporation on July 3, 2020.

Casey Fenwick

On February 4, 2019, the Corporation and Casey Fenwick entered into an agreement whereby Mr. Fenwick fulfills the role of President of the Corporation on a full time basis. The agreement is for an initial term of one year and is subject to automatic renewal for successive periods of one year unless otherwise terminated. Pursuant to this agreement, Mr. Fenwick is entitled to receive an annual salary in the amount of US\$180,000 and was granted options for the purchase of 166,667 shares of Company's common stock at \$5.58 per share. These options were canceled by the Corporation on December 27, 2019. The Corporation may terminate Mr. Fenwick's employment any time without cause, provided, however, that Mr. Fenwick shall be entitled to severance pay in the amount computed by multiplying the monthly base salary amount by the greater of (i) one half of the number of months remaining in the term or (ii) 6 months, in addition to accrued but unpaid Base Salary and accrued vacation, less deductions required by law.

John Sanderson

Dr. John Sanderson has served as the Corporation's Chief Science Officer since April 26, 2016. On July 1, 2017 the Corporation entered into a consulting agreement with Dr. Sanderson for US\$5,000 per month. On May 23, 2017, in consideration for an exclusive worldwide license to the technology relating to the transmucosal delivery of biologically active substances granted to the Corporation by Dr. Sanderson and Nanostrips Inc., a company controlled by Dr. Sanderson, the Corporation issued Dr. Sanderson 1,000,000 pre-consolidation common shares of the Corporation valued at \$590,000.

Yana Silina

On May 1, 2017, the Corporation and Ms. Silina entered into a management consulting agreement for US\$7,500 per month for a term of two years, expiring May 1, 2019, with automatic renewals for successive one year periods thereafter. Ms. Silina resigned as CFO of the Corporation on April 30, 2020.

James Pakulis

On May 1, 2017, the Corporation and Mr. Pakulis entered into a management consulting agreement for US\$5,000 per month extending for a term of two (2) years expiring on May 1, 2019, with automatic renewals for successive one-year periods thereafter. Mr. Pakulis resigned as President and Director on November 16, 2018, effectively terminating the management consulting agreement.

TERMINATION AND CHANGE OF CONTROL BENEFITS

Except as described above, there are no other compensatory plans or arrangements with respect to any of the NEOs resulting from the resignation, retirement, or any other termination of the officer's employment, or from a change of the NEOs responsibilities following a change of control.

PENSION PLAN BENEFITS

No pension, retirement or deferred compensation plans, including defined contribution plans, have been instituted by the Corporation and none are proposed at this time.

DIRECTOR COMPENSATION

During the financial year ended December 31, 2019, there were four (4) individuals who served as a director of the Corporation for either all or a portion of the year, three (3) of which were also Named Executive Officers of the Corporation – namely Casey Fenwick, Brad Eckenweiler and Dr. John Sanderson.

The following table sets out the amounts of compensation paid to directors of the Corporation other than Named Executive Officers during the financial year ended December 31, 2019.

DIRECTORS COMPENSATION TABLE

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation ⁽⁴⁾ (\$)	Total (\$)
Brad Eckenweiler ⁽¹⁾	Nil	Nil	294,632	Nil	Nil	397,090	691,722
John Sanderson ⁽²⁾	Nil	Nil	146,219	Nil	Nil	79,413	225,632
Casey Fenwick ⁽³⁾	Nil	Nil	1,130,665	Nil	Nil	238,842	1,369,507

Notes:

- (1) Mr. Eckenweiler served as a director of the Corporation from May 22, 2015 until July 3, 2020.
- (2) Dr. Sanderson has served as a director of the Corporation since January 25, 2018.
- (3) Mr. Fenwick has served as a director of the Corporation since February 4, 2019.
- (4) Includes amounts payable under employment agreements and/or consulting contracts.

NARRATIVE DISCUSSION

Other than the granting of stock options from time to time, the Corporation does not have any other arrangements pursuant to which directors are compensated by the Corporation or its subsidiaries for their services in their capacity as directors, or for committee participation, involvement in special assignments or for services as consultants or experts during the financial year ended December 31, 2019 or subsequently, up to and including the date of this Circular.

SHARE-BASED AWARDS, OPTION-BASED AWARDS AND NON-EQUITY PLAN COMPENSATION

The following table sets forth information concerning all awards outstanding at the end of the financial year ended December 31, 2019, for each director of the Corporation other than Named Executive Officers.

OUTSTANDING SHARE-BASED AWARDS AND OPTION-BASED AWARDS TABLE

Name	Option-based Awards ⁽¹⁾				Share-based Awards ⁽²⁾		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes:

- (1) All outstanding option-based awards were cancelled by the Corporation on December 27, 2019.
- (2) The Corporation has not granted any share-based awards.

Incentive Plan Awards – Value Vested or Earned During the Year

No incentive plan awards that were previously granted to non-NEO directors vested during the year ended December 31, 2019 and no incentive plan awards were granted to non-NEO directors during the year ended December 31, 2019.

None of the non-NEO directors exercised any stock options during the year ended December 31, 2019.

MANAGEMENT CONTRACTS

Management functions of the Corporation or any of its subsidiaries are not to any substantial degree performed by a person other than the directors or executive officers of the Corporation.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The Corporation has in effect a “rolling” Stock Option Plan approved by the Board of Directors on July 8, 2020. The Stock Option Plan replaced the Corporation’s previous “rolling” stock option plan, which was adopted on April 21, 2011 and amended on April 8, 2013. The Corporation adopted a “rolling” stock option plan on April 21, 2011, which was subsequently approved by the Shareholders of the Corporation. Pursuant to the Stock Option Plan, the Corporation can grant options up to a maximum of 10% of the Corporation’s issued and outstanding common shares.

The following table sets out particulars of the compensation plans under which equity securities of the Corporation are authorized for issuance as of December 31, 2019. On September 6, 2019 the Corporation completed a share consolidation on the basis of one post-consolidated common share for every six pre-consolidated shares, and subsequently, on July 9, 2020 completed a share consolidation on the basis of one post-consolidate share for every two pre-consolidated common shares. All figures reflect the share consolidations.

EQUITY COMPENSATION PLAN INFORMATION

Plan Category	A Number of securities to be issued upon exercise of outstanding options, warrants and rights	B Weighted average exercise price of outstanding options, warrants and rights	C Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column A)
Equity compensation plans approved by securityholders ⁽¹⁾	Nil	Nil	Nil
Equity compensation plans not approved by securityholders	Nil	N/A	Nil
TOTALS:	Nil	N/A	Nil

Note:

(1) All outstanding options were cancelled on December 27, 2019.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As of the date hereof, other than “routine indebtedness” as defined in applicable securities legislation, none of:

- (a) the executive officers, directors, employees and former executive officers, directors and employees of the Corporation or any of its subsidiaries;
- (b) the proposed nominees for election as a director of the Corporation; or
- (c) any associates of the foregoing persons;

is or has been indebted to the Corporation or any of its subsidiaries or has been indebted to any other entity where that indebtedness was the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries, and which was not entirely repaid on or before the date of this information circular.

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

No person who has been a director, senior officer or insider of the Corporation, no proposed nominee for director 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 matters to be acted upon at the Meeting other than the election of directors.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

For purposes of the following discussion, “**Informed Person**” means (a) a director or executive officer of the Corporation; (b) a director or executive officer of a person or company that is itself an Informed Person or a subsidiary of the Corporation; (c) any person or company who beneficially owns, or controls or directs, directly or indirectly, voting securities of the Corporation or a combination of both carrying more than 10 percent of the voting rights attached to all outstanding voting securities of the Corporation, other than the voting securities held by the person or company as underwriter in the course of a distribution; and (d) the Corporation itself if it has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

Except as disclosed elsewhere in this Circular or in the Notes to the Corporation's financial statements for the financial years ended December 31, 2019, none of:

- (a) the Informed Persons of the Corporation;
- (b) the proposed nominees for election as a director of the Corporation; or

(c) any associate or affiliate of the foregoing persons,

has any material interest, direct or indirect, in any transaction since the commencement of the Corporation's financial year ended December 31, 2019 or in any proposed transaction which has materially affected or would materially affect the Corporation or any subsidiary of the Corporation.

FINANCIAL STATEMENTS

REQUEST FOR FINANCIAL STATEMENTS

National Instrument 51-102 "Continuous Disclosure Obligations" sets out the procedures for a Shareholder to receive financial statements. If you wish to receive financial statements, you may use the enclosed form or provide instructions in any other written format. Registered Shareholders must also provide written instructions in order to receive the Financial Statements.

PARTICULARS OF MATTERS TO BE ACTED UPON

Presentation of Financial Statements

The audited financial statements of the Corporation for the years ended December 31, 2019 and December 31, 2018 (the "**Financial Statements**"), together with the auditor's report thereon (the "**Auditor's Report**"), will be presented to Shareholders at the Meeting, but no vote thereon is required. The Financial Statements, the Auditor's Report and related management's discussion and analysis ("**MD&A**") are available on the Company's SEDAR profile at www.sedar.com. The Notice of Annual General and Special Meeting of Shareholders, Circular, Request for Financial Statements and form of Proxy will be available from the Corporation's Registrar and Transfer Agent, Computershare Investor Services Inc., 510 Burrard Street, 3rd floor, Vancouver, British Columbia, V6C 3B9, or from the Corporation's head office located at Suite 3123, 595 Burrard Street, PO Box 49139, Bentall Three, Vancouver, British Columbia, V7X 1J1.

Appointment and Remuneration of Auditor

The Board of Directors proposes to re-appoint Dale Matheson Carr-Hilton Labonte LLP, Chartered Accountants, of Vancouver, British Columbia as auditor of the Corporation. Unless otherwise instructed, the proxies given pursuant to this solicitation will be voted for the appointment of Dale Matheson Carr-Hilton Labonte LLP, Chartered Accountants as auditor of the Corporation to hold office until the close of the next annual general meeting of the Corporation. It is proposed that the remuneration to be paid to the auditor of the Corporation be fixed by the Board of Directors of the Corporation. Dale Matheson Carr-Hilton Labonte LLP, Chartered Accountants have been auditor of the Corporation since January 18, 2016.

Management recommends, and the persons named in the enclosed Proxy intend to vote in favour of, the re-appointment of Dale Matheson Carr-Hilton Labonte LLP, Chartered Accountants, of Vancouver, British Columbia as auditor of the Corporation, and the remuneration to be paid to the auditors of the Corporation be fixed by the Board of Directors of the Corporation.

In the absence of instructions to the contrary, the Proxyholders intend to vote the common shares represented by each Proxy, properly executed, FOR appointing Dale Matheson Carr-Hilton Labonte LLP as the Corporation's independent auditor for the ensuing year, and FOR authorizing the Board of Directors to fix the auditor's pay.

Fixing the Number of Directors

The Board of Directors presently consists of five (5) directors and management proposes, and the persons named in the accompanying form of proxy intend to vote in favour of fixing the number of directors for the ensuing year at five (5).

In the absence of instructions to the contrary, the Proxyholders intend to vote the common shares represented by each Proxy, properly executed, FOR fixing the number of Directors at five (5) for the ensuing year.

Election of Directors

Each Director of the Corporation is elected annually and holds office until the next annual general meeting of Shareholders or until their successor is duly elected, unless their office is earlier vacated in accordance with the Articles of the Corporation. Although management is nominating five (5) individuals to stand for election, the names of further nominees for directors may come from the floor at the Meeting.

In the absence of instructions to the contrary, the Proxyholders intend to the vote the common shares represented by each Proxy, properly executed, FOR the nominees herein listed. Management does not contemplate that any of the nominees will be unable to serve as a Director.

Information Concerning Nominees Submitted by Management

The following table sets out the names of the persons proposed to be nominated by management for election as a director, the Province and Country in which each person is ordinarily resident, the positions and offices which each presently holds with the Corporation, the period of time for which each person has been a director of the Corporation, the respective principal occupations or employment during the past five years if such nominee is not presently an elected director and the number of common shares of the Corporation which each beneficially owns, directly or indirectly, or over which control or direction is exercised as of the date of this Circular.

The nominees for the office of director and information concerning them as furnished by the individual nominees are as follows. Management recommends, and the persons named in the enclosed Proxy intend to vote in favour of, the election of the following individuals as directors of the Corporation.

Name, Province or State and Country of Residence, and Position with the Corporation ⁽¹⁾	Present Principal Occupation, Business or Employment ⁽¹⁾	Date Served as Director Since	No. of Common Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly ⁽¹⁾
Casey Fenwick California, USA President & Director	Prior to joining the Corporation, Mr. Fenwick gained 15 years of sales and marketing background with hands on time spent in the mechanical space prior to working in cannabis and psilocybin. He has worked on or with large oil and gas projects to high profile digital advertising companies all over the world as a premiere partner with Google. In the first four years of his eight year ongoing cannabis experience he has built a cannabis cultivation, manufacturing and distribution company from the ground up, managing every aspect from compliance licensing to sales and operations. In the most recent years he has rehabbed two other cannabis manufacturing companies from \$200,000 in revenue per quarter to over \$2 million per month.	February 4, 2019	109,810

Name, Province or State and Country of Residence, and Position with the Corporation ⁽¹⁾	Present Principal Occupation, Business or Employment ⁽¹⁾	Date Served as Director Since	No. of Common Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly ⁽¹⁾
Patrick Morris British Columbia, Canada Director	Mr. Morris is an entrepreneur and capital market executive with over 15 years of experience, raising funds for microcap companies in a number of industries, including pharmaceutical cannabis, resource exploration, blockchain technologies and finance. In addition, Mr. Morris cocreated and co-produced Canada's first nationally syndicated radio show about growth stock opportunities, which was broadcast on 14 of the top-rated news talk stations across Canada. Prior to entering the capital markets, Mr. Morris had five years of experience in wine and spirits importing, sales and portfolio management.	January 21, 2020	Nil
Dr. John Sanderson California, USA Director	Dr. Sanderson is a stem cell researcher, who has worked as a medical director and consultant at Johnson & Johnson, as well as consulted other Fortune 100 health care companies and the U.S. government, on technologies solutions for obesity, diabetes, and asthma. In addition, Dr. Sanderson is the CEO and Director of Nanostrips Inc. and Secretary and Director of Locata Inc. (USA), both privately held corporations.	January 25, 2018	179,165
Joel Shacker British Columbia, Canada CEO & Director	Mr. Shacker has worked extensively in the cannabis and finance space over the past six years. Mr. Shacker is the President of Thoughtful Brands Inc. (previously Mota Ventures Corp.) where, under his guidance, the company transitioned from a mining and asset acquisition to a vertically integrated fully licensed non-psychoactive cannabidiol (CBD) business based out of Vancouver, B.C., Mr. Shacker is also the CEO of RewardStream Solutions Inc. and previously sat on the board of directors for publicly trading cannabis lifestyle company Weekend Unlimited Inc. Mr. Shacker holds a business administration degree (honours) from Ivey Business School, specializing in finance.	May 29, 2020	Nil

Name, Province or State and Country of Residence, and Position with the Corporation ⁽¹⁾	Present Principal Occupation, Business or Employment ⁽¹⁾	Date Served as Director Since	No. of Common Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly ⁽¹⁾
Ryan Hoggan British Columbia, Canada Director	Mr. Hoggan currently serves as Chief Executive Officer of Thoughtful Brands Inc. (previously Mota Ventures Corp.). He brings more than eighteen years of leadership, global business development and entrepreneurship experience in the health equipment, medical devices and natural health product sectors. Mr. Hoggan holds a Bachelor of Business Administration (BBA) from Westminster College, a Master of Business Administration (MBA) from the University of Arizona and a Master of Global Management (MGM) from the Thunderbird School of Global Management at Arizona State University.	July 3, 2020	Nil

Note:

(1) The information as to the Province and Country of residence, principal occupation and 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 as of August 13, 2020, being the Record Date of this information circular.

Except as disclosed below, none of the proposed nominees for director have been, within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company that:

- (a) while that person was acting in that capacity, was the subject of a cease trade order 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;
- (b) while that person was acting in that capacity, was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation for a period of more than 30 consecutive days; or
- (c) while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (d) has been subject to:
 - (i) 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 since December 31, 2000 or before December 31, 2000 the disclosure of which would likely be important to a reasonable security holder in deciding whether to vote for a proposed director; or
 - (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

On June 12, 2020, the Corporation became subject to a management cease trade order imposed by the British Columbia Securities Commission (the “BCSC”) for failure to file the Corporation’s financial statements for the year ended

December 31, 2019, as well as the related management's discussion and analysis and certifications. With the majority of the Corporation's operations being located in California, COVID-19 caused delays to the audit that were beyond Management's control due to the ongoing border closure with the United States, travel restrictions arising from the ongoing pandemic, and related lockdowns imposed by the State of California. On July 15, 2020, the Corporation became subject to a general cease trade order imposed by the BCSC for the failure to file annual financial statements within the period required by securities legislation. On August 18, 2020 the Corporation filed its annual audited financial statements for the year ended December 31, 2019 along with the related management discussion and analysis and associated certifications, and the cease trade order was lifted on August 26, 2020. All of the management nominees for the Board of Directors, being Casey Fenwick, Patrick Morris, Dr. John Sanderson, Joel Shacker and Ryan Hoggan, were directors of the Company at the time the cease trade order was issued.

Approval of Rolling Stock Option Plan

The Corporation adopted a stock option plan on April 21, 2011, which was subsequently approved by the Shareholders of the Corporation. On July 8, 2020, the Board of Directors passed a resolution adopting a new stock option plan (the "**Stock Option Plan**"). At the Meeting, Shareholders will be asked to pass an ordinary resolution approving the new Stock Option Plan. A copy of the Stock Option Plan is attached hereto as Schedule "C" and a summary of the Stock Option Plan is set forth below:

- (a) the Stock Option Plan reserves, for issuance pursuant to the exercise of stock options, a maximum number of common shares of the Corporation equal to up to a maximum of 10% of the issued common shares of the Corporation at the time of any stock option grant;
- (b) an optionee must either be an Eligible Charitable Organization or a Director, Employee or Consultant of the Corporation (as defined in the Stock Option Plan) at the time the option is granted in order to be eligible for the grant of a stock option to the optionee;
- (c) the aggregate number of options granted to any one Person (and companies wholly owned by that Person) in a 12 month period must not exceed 5% of the issued common shares of the Corporation calculated on the date an option is granted to the Person (unless the Corporation has obtained the requisite Disinterested Shareholder Approval);
- (d) the aggregate number of options granted to any one Consultant in a 12 month period must not exceed 2% of the issued common shares of the Corporation, calculated at the date an option is granted to the Consultant;
- (e) the aggregate number of options granted to all Persons retained to provide Investor Relations Activities must not exceed 2% of the issued shares of the Corporation in any 12 month period, calculated at the date an option is granted to any such Person;
- (f) options issued to Persons retained to provide Investor Relations Activities must vest in stages over a period of not less than 12 months with no more than 1/4 of the options vesting in any 3 month period;
- (g) the minimum exercise price per common share of a stock option must not be less than the Market Price of the common shares of the Corporation, subject to a minimum exercise price of \$0.05;
- (h) options can be exercisable for a maximum of 10 years from the date of grant (subject to extension where the expiry date falls within a "blackout period" (see (o) below);
- (i) stock options (other than options held by a person involved in investor relations activities) will cease to be exercisable 90 days after the optionee ceases to be a Director (which term includes a senior officer), Employee, Consultant, Eligible Charitable Organization or Management Company Employee otherwise than by death, or for a "reasonable period" after the optionee ceases to serve in such capacity, as determined by the Board of Directors. Stock options granted to persons involved in Investor Relations Activities will cease to be exercisable 30 days after the optionee ceases to serve in such capacity otherwise than by death, or for a "reasonable period" after the optionee ceases to serve in such capacity, as determined by the Board of Directors;
- (j) all options are non-assignable and non-transferable;
- (k) Disinterested Shareholder Approval will be obtained for any reduction in the exercise price of a stock option if the optionee is an Insider of the Corporation at the time of the proposed amendment;

- (l) the Stock Option Plan contains provisions for adjustment in the number of common shares or other property issuable on exercise of a stock option in the event of a share consolidation, split, reclassification or other capital reorganization, or a stock dividend, amalgamation, merger or other relevant corporate transaction, or any other relevant change in or event affecting the common shares;
- (m) upon the occurrence of an Accelerated Vesting Event (as defined in the Stock Option Plan), the Board of Directors will have the power, at its sole discretion and without being required to obtain the approval of Shareholders or the holder of any stock option, to make such changes to the terms of stock options as it considers fair and appropriate in the circumstances, including but not limited to: (a) accelerating the vesting of stock options, conditionally or unconditionally; (b) terminating every stock option if under the transaction giving rise to the Accelerated Vesting Event, options in replacement of the stock options are proposed to be granted to or exchanged with the holders of stock options, which replacement options treat the holders of stock options in a manner which the Board of Directors considers fair and appropriate in the circumstances having regard to the treatment of holders of common shares under such transaction; (c) otherwise modifying the terms of any stock option to assist the holder to tender into any take-over bid or other transaction constituting an Accelerated Vesting Event; or (d) following the successful completion of such Accelerated Vesting Event, terminating any stock option to the extent it has not been exercised prior to successful completion of the Accelerated Vesting Event. The determination of the Board of Directors in respect of any such Accelerated Vesting Event shall for the purposes of the New Option Plan be final, conclusive and binding;
- (n) in connection with the exercise of an option, as a condition to such exercise the Corporation shall require the optionee to pay to the Corporation an amount as necessary so as to ensure that the Corporation is in compliance with the applicable provisions of any federal, provincial or local laws relating to the withholding of tax or other required deductions relating to the exercise of such option; and
- (o) a stock option will be automatically extended past its expiry date if such expiry date falls within a blackout period during which the Corporation prohibits optionees from exercising their options, subject to the following requirements: (a) the blackout period must (i) be formally imposed by the Corporation pursuant to its internal trading policies; and (ii) must expire upon the general disclosure of undisclosed Material Information; and (b) the automatic extension of an optionee's stock option will not be permitted where the optionee or the Corporation is subject to a cease trade order (or similar order under Securities Laws) in respect of the Corporation's securities.

“Consultant”, “Director”, “Disinterested Shareholder Approval”, “Eligible Charitable Organization”, “Employee”, “Investor Relations Activities”, “Management Company Employee”, “Material Information” and “Person” all have the same definition as set out in the Stock Option Plan.

Management recommends, and the persons named in the enclosed Proxy intend to vote in favour of, the approval of the Stock Option Plan. In order to be passed, a majority of the votes cast at the Meeting in person or by Proxy must be voted in favour of the resolution.

In the absence of instructions to the contrary, the Proxyholders intend to vote the common shares represented by each Proxy, properly executed, FOR approving the Stock Option Plan and the text of the resolution to be passed is as follows:

“**BE IT RESOLVED THAT** the Corporation's Stock Option Plan dated July 8, 2020 be and is hereby ratified, confirmed and approved with such additional provisions and amendments, provided that such are not inconsistent with the policies of the Canadian Securities Exchange, as the directors of the Corporation may deem necessary or advisable.”

AUDIT COMMITTEE DISCLOSURE

Pursuant to National Instrument 52-110 of the Canadian Securities Administrators (“**NI 52-110**”), the Corporation is required to have an Audit Committee comprised of not less than three of its directors, a majority of whom are not officers, control persons or employees of the Corporation, or affiliates of the Corporation, and the Corporation is required to disclose annually in its Circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor.

NI 52-110 provides that a member of an audit committee is “independent” if the member has no direct or indirect material relationship with the Company, which could, in the view of the Board of Directors, reasonably interfere with the exercise of the member's independent judgment. NI 52-110 provides that an individual is “financially literate” if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements. The following sets out the members of the audit committee and their education and experience that is relevant to the performance of his responsibilities as an audit committee member.

As of August 28, 2020, the Corporation’s Audit Committee is comprised of three directors, two of whom are independent, and all of whom are financially literate:

- Joel Shacker – Not independent, Chief Executive Officer of the Corporation.
- Mr. Ryan Hoggan – Independent.
- Mr. Patrick Morris – Independent.

Relevant Education and Experience

All of the members of the Corporation’s Audit Committee are financially literate as that term is defined in NI 52-110. All members have an understanding of the accounting principles used by the Corporation to prepare its financial statements and have an understanding of its internal controls and procedures for financial reporting. In addition to each member's general business experience, the education and experience of each Audit Committee member relevant to the performance of his or her responsibilities as an Audit Committee member is as follows:

Mr. Patrick Morris is an entrepreneur and capital market executive with over 15 years of experience, raising funds for microcap companies in a number of industries, including pharmaceutical cannabis, resource exploration, blockchain technologies and finance. In addition, Mr. Morris co-created and co-produced Canada's first nationally syndicated radio show about growth stock opportunities, which was broadcast on 14 of the top-rated news talk stations across Canada. Prior to entering the capital markets, Mr. Morris had five years of experience in wine and spirits importing, sales and portfolio management.

Mr. Ryan Hoggan has more than eighteen years of leadership, global business development and entrepreneurship experience in the health equipment, medical devices and natural health product sectors. Mr. Hoggan holds a Bachelor of Business Administration (BBA) from Westminster College, a Master of Business Administration (MBA) from the University of Arizona and a Master of Global Management (MGM) from the Thunderbird School of Global Management at Arizona State University.

Mr. Shacker has worked extensively in the cannabis and finance space over the past six years. Mr. Shacker is the President of Thoughtful Brands Inc. (previously Mota Ventures Corp.) where, under his guidance, the company transitioned from a mining and asset acquisition to a vertically integrated fully licensed non-psychoactive cannabidiol (CBD) business based out of Vancouver, B.C., Mr. Shacker is also the CEO of RewardStream Solutions Inc. and previously sat on the board of directors for publicly trading cannabis lifestyle company Weekend Unlimited Inc. Mr. Shacker holds a business administration degree (honours) from Ivey Business School, specializing in finance.

Audit Committee Oversight

At no time since the commencement of the Corporation's financial year ended December 31, 2019 was a recommendation of the Audit Committee to nominate or compensate an external auditor (currently DMCL Chartered Professional Accountants) not adopted by the Board of Directors.

Reliance on Certain Exemptions

Since the effective date of NI 52-110, the Corporation has not relied on the exemptions contained in Section 2.4 or Part 8 of NI 52-110, in whole or in part. Section 2.4 provides an exemption from the requirement that the audit committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the fiscal year in

which the non-audit services were provided. Part 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

Pre-Approval Policies and Procedures

Formal policies and procedures for the engagement of non-audit services have yet to be formulated and adopted. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by the Board of Directors, and where applicable by the Audit Committee, on a case by case basis.

External Auditor Service Fees (By Category)

The aggregate fees charged to the Corporation by the external auditor in each of the last two fiscal years are as follows:

	<u>FYE DEC 31, 2019</u>	<u>FYE DEC 31, 2018</u>
Audit fees for the year ended	\$ 130,000	\$ 85,000
Audit related fees	Nil	Nil
Tax fees	4,000	5,800
All other fees (non-tax)	Nil	Nil
Total Fees:	\$ 134,000	\$ 90,800

Exemption

In respect of the financial years ended December 31, 2019, the Corporation is relying on the exemption set out in section 6.1 of NI 52-110 with respect to compliance with the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations).

Audit Committee Charter

The charter of the Corporation's audit committee is attached hereto as Schedule "A".

CORPORATE GOVERNANCE

The information required to be disclosed by National Instrument 58-101 *Disclosure of Corporate Governance Practices* is attached to this information circular as Schedule "B".

OTHER MATTERS

As of the date of this information circular, management knows of no other matters to be acted upon at this Meeting. However, should any other matters properly come before the Meeting, the shares represented by the Proxy solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting the shares represented by the Proxy.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is on SEDAR at www.sedar.com. Financial information relating to the Corporation is provided in the Corporation's comparative financial statements and related Management's Discussion and Analysis for the financial year ended December 31, 2018. Shareholders may contact the Corporation to request copies of financial statements and related Management's Discussion and Analysis at its head office, Suite 3123, 595 Burrard Street, PO Box 49139, Bentall Three, Vancouver, British Columbia, V7X 1J1.

APPROVAL OF THE DIRECTORS

The directors of the Corporation have approved the content and the sending of this information circular.

DATED at Vancouver, British Columbia, this 13th day of August, 2020.

BY ORDER OF THE BOARD OF DIRECTORS

“Joel Shacker”

Joel Shacker
Chief Executive Officer and Director

SCHEDULE "A"

THE AUDIT COMMITTEE'S CHARTER (the "Charter")

PURPOSE

The overall purpose of the audit committee (the "**Audit Committee**") of Core One Labs Inc. (the "**Corporation**") is to ensure that the Corporation's management has designed and implemented an effective system of internal financial controls, to review and report on the integrity of the financial statements and related financial disclosure of the Corporation, and to review the Corporation's compliance with regulatory and statutory requirements as they relate to financial statements, taxation matters and disclosure of financial information. It is the intention of the Corporation's board of directors (the "**Board**") that through the involvement of the Audit Committee, the external audit will be conducted independently of the Corporation's management to ensure that the independent auditors serve the interests of shareholders rather than the interests of management of the Corporation. The Audit Committee will act as a liaison to provide better communication between the Board and the external auditors. The Audit Committee will monitor the independence and performance of the Corporation's independent auditors.

COMPOSITION, PROCEDURES AND ORGANIZATION

- (1) The Audit Committee shall consist of at least three members of the Board.
- (2) At least two (2) members of the Audit Committee shall be independent and the Audit Committee shall endeavour to appoint a majority of independent directors to the Audit Committee, who in the opinion of the Board, would be free from a relationship which would interfere with the exercise of the Audit Committee members' independent judgment. At least one (1) member of the Audit Committee shall have accounting or related financial management expertise. All members of the Audit Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices applicable to the Corporation. For the purposes of this Charter, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.
- (3) The Board, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, shall appoint the members of the Audit Committee for the ensuing year. The Board may at any time remove or replace any member of the Audit Committee and may fill any vacancy in the Audit Committee.
- (4) Unless the Board shall have appointed a chair of the Audit Committee, the members of the Audit Committee shall elect a chair and a secretary from among their number.
- (5) The quorum for meetings shall be a majority of the members of the Audit Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and to hear each other.
- (6) The Audit Committee shall have access to such officers and employees of the Corporation and to the Corporation's external auditors, and to such information respecting the Corporation, as it considers to be necessary or advisable in order to perform its duties and responsibilities.
- (7) Meetings of the Audit Committee shall be conducted as follows:
 - (a) the Audit Committee shall meet at least four times annually at such times and at such locations as may be requested by the chair of the Audit Committee. The external auditors or any member of the Audit Committee may request a meeting of the Audit Committee;
 - (b) the external auditors shall receive notice of and have the right to attend all meetings of the Audit Committee; and
 - (c) management representatives may be invited to attend all meetings except private sessions with the external auditors.

- (8) The internal auditors and the external auditors shall have a direct line of communication to the Audit Committee through its chair and may bypass management if deemed necessary. The Audit Committee, through its chair, may contact directly any employee in the Corporation as it deems necessary, and any employee may bring before the Audit Committee any matter involving questionable, illegal or improper financial practices or transactions.

ROLES AND RESPONSIBILITIES

- (1) The overall duties and responsibilities of the Audit Committee shall be as follows:
- (a) to assist the Board in the discharge of its responsibilities relating to the Corporation's accounting principles, reporting practices and internal controls and its approval of the Corporation's annual and quarterly consolidated financial statements and related financial disclosure;
 - (b) to establish and maintain a direct line of communication with the Corporation's internal and external auditors and assess their performance;
 - (c) to ensure that the management of the Corporation has designed, implemented and is maintaining an effective system of internal financial controls; and
 - (d) to report regularly to the Board on the fulfilment of its duties and responsibilities.
- (2) The duties and responsibilities of the Audit Committee as they relate to the external auditors shall be as follows:
- (a) to recommend to the Board a firm of external auditors to be engaged by the Corporation, and to verify the independence of such external auditors;
 - (b) to review and approve the fee, scope and timing of the audit and other related services rendered by the external auditors;
 - (c) review the audit plan of the external auditors prior to the commencement of the audit;
 - (d) to review with the external auditors, upon completion of their audit:
 - A. contents of their report;
 - B. scope and quality of the audit work performed;
 - C. adequacy of the Corporation's financial and auditing personnel;
 - D. co-operation received from the Corporation's personnel during the audit;
 - E. internal resources used;
 - F. significant transactions outside of the normal business of the Corporation;
 - G. significant proposed adjustments and recommendations for improving internal accounting controls, accounting principles or management systems; and
 - H. the non-audit services provided by the external auditors;
 - (e) to discuss with the external auditors the quality and not just the acceptability of the Corporation's accounting principles; and
 - (f) to implement structures and procedures to ensure that the Audit Committee meets the external auditors on a regular basis in the absence of management.
- (3) The duties and responsibilities of the Audit Committee as they relate to the internal control procedures of the Corporation are to:
- (a) review the appropriateness and effectiveness of the Corporation's policies and business practices which impact on the financial integrity of the Corporation, including those relating to internal auditing,

- insurance, accounting, information services and systems and financial controls, management reporting and risk management;
- (b) review compliance under the Corporation's business conduct and ethics policies and to periodically review these policies and recommend to the Board changes which the Audit Committee may deem appropriate;
 - (c) review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls of the Corporation; and
 - (d) periodically review the Corporation's financial and auditing procedures and the extent to which recommendations made by the internal audit staff or by the external auditors have been implemented.
- (4) The Audit Committee is also charged with the responsibility to:
- (a) review the Corporation's quarterly statements of earnings, including the impact of unusual items and changes in accounting principles and estimates and report to the Board with respect thereto;
 - (b) review and approve the financial sections of:
 - A. the annual report to shareholders;
 - B. the annual information form, if required;
 - C. annual and interim management's discussion and analysis;
 - D. prospectuses;
 - E. news releases discussing financial results of the Corporation; and
 - F. other public reports of a financial nature requiring approval by the Board,and report to the Board with respect thereto;
 - (c) review regulatory filings and decisions as they relate to the Corporation's consolidated financial statements;
 - (d) review the appropriateness of the policies and procedures used in the preparation of the Corporation's consolidated financial statements and other required disclosure documents, and consider recommendations for any material change to such policies;
 - (e) review and report on the integrity of the Corporation's consolidated financial statements;
 - (f) review the minutes of any audit committee meeting of subsidiary companies;
 - (g) review with management, the external auditors and, if necessary, with legal counsel, any litigation, claim or other contingency, including tax assessments that could have a material effect upon the financial position or operating results of the Corporation and the manner in which such matters have been disclosed in the consolidated financial statements;
 - (h) review the Corporation's compliance with regulatory and statutory requirements as they relate to financial statements, tax matters and disclosure of financial information; and
 - (i) develop a calendar of activities to be undertaken by the Audit Committee for each ensuing year and to submit the calendar in the appropriate format to the Board following each annual general meeting of shareholders.
- (5) The Audit Committee shall have the authority:
- (a) to engage independent counsel and other advisors as it determines necessary to carry out its duties,
 - (b) to set and pay the compensation for any advisors employed by the Audit Committee; and
 - (c) to communicate directly with the internal and external auditors.

SCHEDULE “B”
FORM 58-101F2
CORPORATE GOVERNANCE DISCLOSURE

Pursuant to National Instrument 58-101 *Disclosure of Corporate Governance Practices*, Core One Labs Inc. (the “**Corporation**”) is required to and hereby discloses its corporate governance practices as follows.

ITEM 1. BOARD OF DIRECTORS

The Board of Directors (the “**Board**”) of the Corporation facilitates its exercise of independent supervision over the Corporation’s management through frequent meetings of the Board.

The Board is currently comprised of five (5) directors. Two (2) of the directors are considered independent, namely Ryan Hoggan and Patrick Morris. Joel Shacker is not an independent director because of his position as Chief Executive Officer of the Corporation. Casey Fenwick is not an independent director because of his position as President of the Corporation. John Sanderson is not an independent director because of his position as Chief Science Officer of the Corporation.

ITEM 2. DIRECTORSHIPS

The directors of the Corporation are currently directors of the following other reporting issuers:

Name	Name of Reporting Issuer
Joel Shacker	Thoughtful Brands Inc. Rewardstream Solutions Inc.
Casey Fenwick	None
Ryan Hoggan	Thoughtful Brands Inc.
John Sanderson	None
Patrick Morris	Binovi Technologies Corp. Lateegra Gold Corp. NioCorp Developments Ltd. Nova Mentis Life Science Corp. Patriot One Technologies Inc. Sheltered Oak Resources Corp. Plymouth Rock Technologies Inc. Simba Essel Energy Inc. Thoughtful Brands Inc.

ITEM 3. ORIENTATION AND CONTINUING EDUCATION

The Board briefs all new directors with the policies of the Board of Directors, and other relevant corporate and business information. In particular, the Board oversees an orientation program to familiarize new directors with the Corporation's business and operations, including the Corporation's reporting structure, strategic plans, significant financial, accounting and risk issues and compliance programs and policies, management and the external auditors. The Board oversees ongoing education for all directors.

ITEM 4. ETHICAL BUSINESS CONDUCT

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

Under the corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Corporation and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, and disclose to the board the nature and extent of any interest of the director in any material contract or material transaction, whether made or proposed, if the director is a party to the contract or transaction, is a director or officer (or an individual acting in a similar capacity) of a party to the contract or transaction or has a material interest in a party to the contract or transaction. The director must then abstain from voting on the contract or transaction unless the contract or transaction (i) relates primarily to their remuneration as a director, officer, employee or agent of the Corporation or an affiliate of the Corporation, (ii) is for indemnity or insurance for the benefit of the director in connection with the Corporation, or (iii) is with an affiliate of the Corporation. If the director abstains from voting after disclosure of their interest, the directors approve the contract or transaction and the contract or transaction was reasonable and fair to the Corporation at the time it was entered into, the contract or transaction is not invalid and the director is not accountable to the Corporation for any profit realized from the contract or transaction. Otherwise, the director must have acted honestly and in good faith, the contract or transaction must have been reasonable and fair to the Corporation and the contract or transaction be approved by the shareholders by a special resolution after receiving full disclosure of its terms in order for the director to avoid such liability or the contract or transaction being invalid.

ITEM 5. NOMINATION OF DIRECTORS

The Corporation does not have a Corporate Governance and Nominating Committee.

The Board of Directors, in its entirety, is responsible for identifying potential candidates to fill Board vacancies as and when they arise and they shall recruit and consider candidates for directors, including any candidates recommended by shareholders, having regard for the background, employment and qualifications of possible candidates. New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Corporation, the ability to devote the time required, shown support for the Corporation's mission and strategic objectives, and a willingness to serve.

ITEM 6. COMPENSATION

The Corporation does not have a Compensation Committee.

The Board of Directors, in its entirety makes decisions in respect of the total compensation paid by the Corporation to its senior executives and significant consultants.

ITEM 7. OTHER BOARD COMMITTEES

The Board of Directors has no other committees other than the Audit Committee.

ITEM 8. ASSESSMENTS

The Board assesses its needs with respect to rules and guidelines governing and regulating the affairs of the Board including the frequency and location of Board and committee meetings, procedures for establishing meeting agendas and the conduct of meetings, the adequacy and quality of the information provided to the Board prior to and during its meetings, and the availability, relevance and timeliness of discussion papers, reports and other information required by the Board.

The Board periodically reviews the competencies, skills and personal qualities of each existing director and the contributions made by each director to the effective operation of the Board and reviews any significant change in the primary occupation of the director.

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

SCHEDULE "C"

Stock Option Plan

CORE ONE LABS INC.

(Formerly Lifestyle Delivery Systems Inc.)

(Formerly Kariana Resources Inc.)

INCENTIVE STOCK OPTION PLAN

Dated: July 8, 2020

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ARTICLE 1
DEFINITIONS AND INTERPRETATION

1.1 Defined Terms

For the purposes of this Plan, the following terms shall have the following meanings:

- (a) "**Accelerated Vesting Event**" means the occurrence of any one of the following events:
 - (i) a take-over bid (as defined under applicable securities Laws) is made for Common Shares or Convertible Securities which, if successful would result (assuming the conversion, exchange or exercise of the Convertible Securities, if any, that are the subject of the take-over bid) in any Person or Persons acting jointly or in concert (as determined under applicable securities Laws) or Persons associated or affiliated with such Person or Persons (as determined under applicable securities Laws) beneficially, directly or indirectly, owning shares that would, notwithstanding any agreement to the contrary, entitle the holders thereof for the first time to cast at least 50% of the votes attaching to all shares in the capital of the Corporation that may be cast to elect Directors;
 - (ii) the acquisition or continuing ownership by any Person or Persons acting jointly or in concert (as determined under applicable securities Laws), directly or indirectly, of Common Shares or of Convertible Securities, which, when added to all other securities of the Corporation at the time held by such Person or Persons, Persons associated with such person or persons, or persons affiliated with such Person or Persons (as determined under applicable securities Laws) (collectively, the "**Acquirors**"), and assuming the conversion, exchange or exercise of Convertible Securities beneficially owned by the Acquirors, results in the Acquirors beneficially owning shares that would, notwithstanding any agreement to the contrary, entitle the holders thereof for the first time to cast at least 50% of the votes attaching to all shares in the capital of the Corporation that may be cast to elect Directors;
 - (iii) an amalgamation, merger, arrangement or other business combination (a "**Business Combination**") involving the Corporation receives the approval of, or is accepted by, the securityholders of the Corporation (or all classes of securityholders whose approval or acceptance is required) or, if their approval or acceptance is not required in the circumstances, is approved or accepted by the Corporation and as a result of that Business Combination, parties to the Business Combination or securityholders of the parties to the Business Combination, other than the securityholders of the Corporation, own, directly or indirectly, shares of the continuing entity that entitle the holders thereof to cast at least 50% of the votes attaching to all shares in the capital of the continuing entity that may be cast to elect Directors;
- (b) "**Affiliate**" means a company that is affiliated with the Corporation, meaning one is a subsidiary of the other, or each of them is controlled by the same Person;
- (c) "**Associate**", when used to indicate a relationship with a Person, means:
 - (i) an issuer of which the Person beneficially owns or controls, directly or indirectly, voting securities entitling him to more than 10 percent of the voting rights attached to all outstanding voting securities of the issuer;
 - (ii) any partner of the Person;

- (iii) any trust or estate in which the Person has a substantial beneficial interest or in respect of which the Person serves as trustee or in a similar capacity; and
 - (iv) in the case of a Person who is an individual
 - (v) that Person's spouse or child, or
 - (vi) any relative of that Person or of his spouse who has the same residence as that Person;
- (d) "**Board**" means the board of directors of the Corporation or, as applicable, a committee consisting of not less than 3 directors of the Corporation duly appointed to administer this Plan;
- (e) "**Charitable Option**" means a stock option or equivalent security granted by the Corporation to an Eligible Charitable Organization;
- (f) "**Charitable Organization**" means "charitable organization" as defined in the *Income Tax Act* (Canada) from time to time;
- (g) "**Common Shares**" means the common shares in the capital of the Corporation;
- (h) "**Consultant**" means, in relation to the Corporation, an individual (other than an Employee or a Director of the Corporation) or company that:
- (i) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Corporation or to an Affiliate of the Corporation, other than services provided in relation to a Distribution;
 - (ii) provides the services under a written contract between the Corporation or the Affiliate and the individual or the company, as the case may be;
 - (iii) in the reasonable opinion of the Corporation, spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or an Affiliate of the Corporation; and
 - (iv) has a relationship with the Corporation or an Affiliate of the Corporation that enables the individual to be knowledgeable about the business and affairs of the Corporation;
- (i) "**Consultant Company**" means a Consultant that is a company;
- (j) "**Convertible Securities**" means any security of the Corporation which is convertible into Common Shares;
- (k) "**Corporation**" means CORE ONE LABS INC. and its successor entities;
- (l) "**Director**" means a director, senior officer or Management Company Employee of the Corporation, or a director, senior officer or Management Company Employee of the Corporation's subsidiaries;
- (m) "**Disinterested Shareholder Approval**" means approval by a majority of the votes cast by all shareholders entitled to vote at a meeting of shareholders of the Corporation excluding

votes attached to shares beneficially owned by insiders to whom options may be granted under this Plan and their Associates;

- (n) **"Distribution"** has the meaning ascribed thereto by the Exchange;
- (o) **"Eligible Charitable Organization"** means:
 - (i) any Charitable Organization or Public Foundation which is a Registered Charity, but is not a Private Foundation; or
 - (ii) a Registered National Arts Service Organization;

"Eligible Person" means

- (iii) a Director, Officer, Employee or Consultant of the Corporation or its subsidiaries, if any, at the time the option is granted, and includes companies that are wholly owned by Eligible Persons; or
 - (iv) an Eligible Charitable Organization at the time the Option is granted;
- (p) **"Employee"** means:
 - (i) an individual who is considered an employee of the Corporation or its subsidiary under the *Income Tax Act* (Canada) (and for whom income tax, employment insurance and Canada Pension Plan deductions must be made at source);
 - (ii) an individual who works full-time for the Corporation or its subsidiary providing services normally provided by an employee and who is subject to the same control and direction by the Corporation over the details and methods of work as an employee of the Corporation, but for whom income tax deductions are not made at source; or
 - (iii) an individual who works for the Corporation or its subsidiary on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Corporation over the details and methods of work as an employee of the Corporation, but for whom income tax deductions are not made at source.
- (q) **"Exchange"** means a public exchange upon which the Common Shares are listed for trading;
- (r) **"Expiry Date"** means the last day of the term for an Option, as set by the Board at the time of grant in accordance with Section 5.2 and, if applicable, as amended from time to time;
- (s) **"Governmental Authorities"** means governments, regulatory authorities, governmental departments, agencies, commissions, bureaus, officials, ministers, Crown corporations, courts, bodies, boards, tribunals or dispute settlement panels or other law, rule or regulation-making organizations or entities:
 - (i) having or purporting to have jurisdiction on behalf of any nation, province, territory or state or any other geographic or political subdivision of any of them; or

- (ii) exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power;
- (t) "**Insider**" means a director or senior officer of the Corporation, a Person that beneficially owns or controls directly or indirectly, voting shares carrying more than 10% of the voting rights attached to all outstanding voting shares of the Corporation, a director or senior officer of a company that is an insider or a subsidiary of the Corporation, and the Corporation itself if it holds any of its own securities;
- (u) "**Investor Relations Activities**" means any activities or oral or written communications, by or on behalf of a Listed Issuer or shareholder of a Listed Issuer that promote or reasonably could be expected to promote the purchase, or sale of securities of the Listed Issuer, but does not include:
 - (i) the dissemination of information provided, or records prepared, in the ordinary course of business of the Listed Issuer
 - (A) to promote the sale of its products or services, or
 - (B) to raise public awareness of the Listed Issuer,that cannot reasonably be considered to promote the purchase, or sale of securities of the Listed Issuer;
 - (ii) activities or communications necessary to comply with
 - (A) applicable securities legislation, or
 - (B) Exchange Requirements or the requirements of any other regulatory body having jurisdiction over the Listed Issuer;
 - (iii) communications by a publisher of, or writer for, a newspaper, magazine or business or financial publication that is of general and regular circulation if
 - (A) the communication is only through the newspaper, magazine or publication, and
 - (B) the publisher or writer receives no commission or other consideration other than for acting in the capacity of publisher or writer; or
 - (iv) such other activities or communications that may be specified by the Exchange.
- (v) "**Laws**" means currently existing applicable statutes, by-laws, rules, regulations, orders, ordinances or judgments, in each case of any Governmental Authority having the force of the law;
- (w) "**Management Company Employee**" means an individual who is employed by a Person providing management services to the Corporation which are required for the ongoing successful operation of the business enterprise of the Corporation, but excluding a Person engaged in Investor Relations Activities;
- (x) "**Material Information**" has the meaning ascribed thereto in the policies of the Canadian Securities Exchange;

- (y) "**Officer**" means an officer of the Corporation or its subsidiaries, if any;
- (z) "**Option**" means a non-transferable and non-assignable option to purchase Common Shares granted to an Eligible Person pursuant to the terms of this Plan;
- (aa) "**Optionee**" means an Eligible Person of an Option granted by the Corporation;
- (bb) "**Other Share Compensation Arrangement**" means, other than this Plan and any Options, any stock option plan, stock options, employee stock purchase plan or other compensation or incentive mechanism involving the issuance or potential issuance of Common Shares, including but not limited to a purchase of Common Shares from treasury which is financially assisted by the Corporation by way of loan, guarantee or otherwise;
- (cc) "**Person**" means any individual, sole proprietorship, partnership, firm, entity, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, Governmental Authority, and where the context requires any of the foregoing when they are acting as trustee, executor, administrator or other legal representative;
- (dd) "**Plan**" means this incentive stock option plan;
- (ee) "**Private Foundation**" means "private foundation" as defined in the *Income Tax Act* (Canada) as amended from time to time;
- (ff) "**Public Foundation**" means "public foundation" as defined in the *Income Tax Act* (Canada) as amended from time to time;
- (gg) "**Registered Charity**" means "registered charity" as defined in the *Income Tax Act* (Canada) as amended from time to time;
- (hh) "**Registered National Arts Service Organization**" means "registered national arts service organization" as defined in the *Income Tax Act* (Canada) as amended from time to time; and
- (ii) "**Termination Date**" means the date on which an Optionee ceases to be an Eligible Person.

1.2 **Interpretation**

- (a) References to the outstanding Common Shares at any point in time shall be computed on a non-diluted basis.

ARTICLE 2 ESTABLISHMENT OF PLAN

2.1 **Purpose**

The purpose of this Plan is to advance the interests of the Corporation, through the grant of Options, by:

- (a) providing an incentive mechanism to foster the interest of Eligible Persons in the success of the Corporation, its Affiliates and its subsidiaries, if any;
- (b) encouraging Eligible Persons to remain with the Corporation, its Affiliates or its subsidiaries, if any; and

- (c) attracting new Directors, Officers, Employees and Consultants.

2.2 Shares Reserved

- (a) The aggregate number of Common Shares that may be reserved for issuance pursuant to Options shall not exceed 10% of the issued and outstanding Common Shares at the time of the granting of an Option, LESS the aggregate number of Common Shares then reserved for issuance pursuant to any Other Share Compensation Arrangement. For greater certainty, if an Option is surrendered, terminated or expires without being exercised, the Common Shares reserved for issuance pursuant to such Option shall be available for new Options granted under this Plan.
- (b) If there is a change in the issued and outstanding Common Shares by reason of any share consolidation or split, reclassification or other capital reorganization, or a stock dividend, arrangement, amalgamation, merger or combination, or any other change to, event affecting, exchange of or corporate change or transaction affecting the Common Shares, the Board shall make, as it shall deem advisable and subject to the requisite approval of the relevant regulatory authorities, appropriate substitution and/or adjustment in:
 - (i) the number and kind of shares or other securities or property reserved or to be allotted for issuance pursuant to this Plan;
 - (ii) the number and kind of shares or other securities or property reserved or to be allotted for issuance pursuant to any outstanding unexercised Options, and in the exercise price for such shares or other securities or property; and
 - (iii) the vesting of any Options, including the accelerated vesting thereof on conditions the Board deems advisable and, if it relates to investor relations vesting provisions, then subject to the approval of the Exchange,and if the Corporation undertakes an arrangement or is amalgamated, merged or combined with another corporation, the Board shall make such provision for the protection of the rights of Optionees as it shall deem advisable.
- (c) No fractional Common Shares shall be reserved for issuance under this Plan and the Board may determine the manner in which an Option, insofar as it relates to the acquisition of a fractional Common Share, shall be treated.
- (d) The Corporation shall, at all times while this Plan is in effect, reserve and keep available such number of Common Shares as will be sufficient to satisfy the requirements of this Plan.

2.3 Non-Exclusivity

Nothing contained herein shall prevent the Board from adopting such other incentive or compensation arrangements as it shall deem advisable.

2.4 Effective Date

This Plan shall be subject to the approval of any regulatory authority whose approval is required. Any Options granted under this Plan prior to such approvals being given shall be conditional upon such approvals being given, and no such Options may be exercised unless and until such approvals are given.

ARTICLE 3
ADMINISTRATION OF PLAN

3.1 Administration

- (a) This Plan shall be administered by the Board or any committee established by the Board for the purpose of administering this Plan. Subject to the provisions of this Plan, the Board shall have the authority:
 - (i) to determine the Eligible Persons to whom Options are granted, to grant such Options, and to determine any terms and conditions, limitations and restrictions in respect of any particular Option grant, including but not limited to the nature and duration of the restrictions, if any, to be imposed upon the acquisition, sale or other disposition of Common Shares acquired upon exercise of the Option, and the nature of the events and the duration of the period, if any, in which any Optionee's rights in respect of an Option or Common Shares acquired upon exercise of an Option may be forfeited; and
 - (ii) to interpret the terms of this Plan, to make all such determinations and take all such other actions in connection with the implementation, operation and administration of this Plan, and to adopt, amend and rescind such administrative guidelines and other rules and regulations relating to this Plan, as it shall from time to time deem advisable, including without limitation for the purpose of ensuring compliance with Section 3.3 and 3.4 hereof.
- (b) The Board's interpretations, determinations, guidelines, rules and regulations shall be conclusive and binding upon the Corporation, Eligible Persons, Optionees and all other Persons.
- (c) For stock options granted to Employees, Consultants or Management Company Employees, the Corporation 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.

3.2 Amendment, Suspension and Termination

The Board may amend, subject to the approval of any regulatory authority whose approval is required, suspend or terminate this Plan or any provision herein. No such amendment, suspension or termination shall alter or impair any outstanding unexercised Options or any rights without the consent of such Optionee. If this Plan is suspended or terminated, the provisions of this Plan and any administrative guidelines, rules and regulations relating to this Plan shall continue in effect for the duration of such time as any Option remains outstanding.

3.3 Compliance with Laws

- (a) This Plan, the grant and exercise of Options hereunder and the Corporation's obligation to sell, issue and deliver any Common Shares upon exercise of Options shall be subject to all applicable federal, provincial and foreign Laws, policies, rules and regulations, to the policies, rules and regulations of any stock exchanges or other markets on which the Common Shares are listed or quoted for trading and to such approvals by any Governmental Authority as may, in the opinion of counsel to the Corporation, be required. The Corporation shall not be obligated by the existence of this Plan or any provision of this Plan or the grant or exercise of Options hereunder to sell, issue or deliver Common Shares

upon exercise of Options in violation of such Laws, policies, rules and regulations or any condition or requirement of such approvals.

- (b) No Option shall be granted and no Common Shares sold, issued or delivered hereunder where such grant, sale, issue or delivery would require registration or other qualification of this Plan or of the Common Shares under the applicable securities Laws of any foreign jurisdiction, and any purported grant of any Option or any sale, issue and delivery of Common Shares hereunder in violation of this provision shall be void. In addition, the Corporation shall have no obligation to sell, issue or deliver any Common Shares hereunder unless such Common Shares shall have been duly listed, upon official notice of issuance, with all stock exchanges on which the Common Shares are listed for trading.
- (c) Common Shares sold, issued and delivered to Optionees pursuant to the exercise of Options shall be subject to restrictions on resale and transfer under applicable securities Laws and the requirements of any stock exchanges or other markets on which the Common Shares are listed or quoted for trading, and any certificates representing such Common Shares shall bear, as required, a restrictive legend in respect thereof.

3.4 Tax Withholdings

- (a) Notwithstanding any other provision contained herein, in connection with the exercise of an Option by an Optionee from time to time, as a condition to such exercise the Corporation shall require such Optionee to pay to the Corporation or the relevant Affiliate an amount as necessary so as to ensure that the Corporation or such Affiliate, as applicable, is in compliance with the applicable provisions of any federal, provincial or local Laws relating to the withholding of tax or other required deductions relating to the exercise of such Options. In addition, the Corporation or the relevant Affiliate, as applicable shall be entitled to withhold from any amount payable to an Optionee, either under this Plan or otherwise, such amount as may be necessary so as to ensure that the Corporation or the relevant Affiliate is in compliance with the applicable provisions of any federal, provincial, local or foreign Laws relating to the withholding of tax or other required deductions relating to the exercise of such Options. The Corporation may also satisfy any liability for any such withholding obligations, on such terms and conditions as the Corporation may determine in its discretion, by (a) requiring an Optionee, as a condition to the exercise of any Options, to make such arrangements as the Corporation may require so that the Corporation can satisfy such withholding obligations including, without limitation, requiring the Optionee to remit to the Corporation in advance, or reimburse the Corporation for, any such withholding obligations or (b) selling on the Optionee's behalf, or requiring the Optionee to sell, any Shares acquired by the Optionee under the Plan, or retaining any amount which would otherwise be payable to the Optionee in connection with any such sale.

ARTICLE 4 OPTION GRANTS

4.1 Eligibility and Multiple Grants

Options shall only be granted to Eligible Persons. 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.

4.2 Option Agreement

Every Option shall be evidenced by an option agreement executed by the Corporation and the Optionee. In the event of any discrepancy between this Plan and an option agreement, the provisions of this Plan shall govern.

4.3 Limitation on Grants and Exercises

- (a) **To any one Person.** The aggregate number of Options granted to any one Person (and companies wholly owned by that Person) pursuant to this Plan and any other Share Compensation Arrangement in a 12 month period must not exceed 5% of the issued shares of the Corporation, calculated on the date an Option is granted to the Person (unless the Corporation has obtained the requisite Disinterested Shareholder Approval).
- (b) **To Consultants.** The aggregate number of Options granted to any one Consultant in a 12 month period pursuant to this Plan and any other Share Compensation Arrangement must not exceed 2% of the issued shares of the Corporation, calculated at the date an Option is granted to the Consultant.
- (c) **To Persons conducting Investor Relations Activities.** The aggregate number of Options granted to all Persons retained to provide Investor Relations Activities pursuant to this Plan and any other Share Compensation Arrangement must not exceed 2% of the issued shares of the Corporation in any 12 month period, calculated at the date an Option is granted to any such Person.
- (d) **To Eligible Charitable Organizations.** The aggregate number of Options granted and outstanding to Eligible Charitable Organizations pursuant to this Plan and any other Share Compensation Arrangement must not at any time exceed 1% of the issued shares of the Corporation, as calculated immediately subsequent to the grant of any Options to Eligible Charitable Organizations.

ARTICLE 5 OPTION TERMS

5.1 Exercise Price

- (a) Subject to a minimum exercise price of \$0.05 per Common Share, the exercise price per Common Share for an Option shall be determined by the Directors or their delegates if any, but will in no event be less than the Market Price for the Common Shares (as defined by the policies of the Exchange) at the date of grant.
- (b) If Options are granted within ninety days of a Distribution by the Corporation by prospectus, then the exercise price per Common Share for such Option shall not be less than the greater of the minimum exercise price calculated pursuant to subsection 5.1(a) herein and the price per Common Share paid by the public investors for Common Shares acquired pursuant to such Distribution. Such ninety day period shall begin:
 - (i) on the date the final receipt is issued for the final prospectus in respect of such Distribution; or
 - (ii) in the case of an initial public offering, on the date of listing.

5.2 Expiry Date

Every Option granted shall, unless sooner terminated, have a term not exceeding and shall therefore expire no later than 10 years after the date of grant (subject to extension where the expiry date falls within a “blackout period”, as discussed in subsection 5.7) hereof.

5.3 Vesting

- (a) Subject to subsection 5.3(b) herein and otherwise in compliance with the policies of the Exchange, the Board shall determine the manner in which an Option shall vest and become exercisable.
- (b) Options granted to Consultants performing Investor Relations Activities shall vest over a minimum of 12 months with no more than 1/4 of such Options vesting in any 3 month period.

5.4 Accelerated Vesting Event

Subject to subsection 5.3(b) and in compliance with the policies of the Exchange, upon the occurrence of an Accelerated Vesting Event, the Board will have the power, at its sole discretion and without being required to obtain the approval of shareholders or the holder of any Option, except pertaining to options granted to Consultants performing Investor Relations Activities which will be subject to prior written Exchange approval, to make such changes to the terms of Options as it considers fair and appropriate in the circumstances, including but not limited to: (a) accelerating the vesting of Options, conditionally or unconditionally; (b) terminating every Option if under the transaction giving rise to the Accelerated Vesting Event, options in replacement of the Options are proposed to be granted to or exchanged with the holders of Options, which replacement options treat the holders of Options in a manner which the Board considers fair and appropriate in the circumstances having regard to the treatment of holders of Shares under such transaction; (c) otherwise modifying the terms of any Option to assist the holder to tender into any take-over bid or other transaction constituting an Accelerated Vesting Event; or (d) following the successful completion of such Accelerated Vesting Event, terminating any Option to the extent it has not been exercised prior to successful completion of the Accelerated Vesting Event. The determination of the Board in respect of any such Accelerated Vesting Event shall for the purposes of this Plan be final, conclusive and binding.

5.5 Non-Assignability

Options may not be assigned or transferred.

5.6 Ceasing to be Eligible Person

- (a) If an Optionee who is a Director, Officer, Employee or Consultant is terminated for cause, each Option held by such Optionee shall terminate and therefore cease to be exercisable upon such termination for cause.
- (b) If an Optionee dies prior to otherwise ceasing to be an Eligible Person, each Option held by such Optionee shall be exercisable by the heirs or administrators of such Optionee and shall terminate and therefore cease to be exercisable no later than the earlier of the Expiry Date and the date which is twelve months from the date of the Optionee's death.
- (c) Unless an option agreement specifies otherwise, if an Optionee ceases to be an Eligible Person for any reason other than death or termination for cause, each Option held by the Optionee other than an Optionee who is involved in Investor Relations Activities will cease

to be exercisable 90 days after the Termination Date or for a "reasonable period" after the Optionee ceases to serve in such capacity, as determined by the Board. For Optionees involved in Investor Relations Activities, Options shall cease to be exercisable 30 days after the Termination Date or for a "reasonable period" after the Optionee ceases to serve in such capacity, as determined by the Board.

- (d) If any portion of an Option is not vested at the time an Optionee ceases, for any reason whatsoever, to be an Eligible Person, such unvested portion of the Option may not be thereafter exercised by the Optionee or its legal representative, as the case may be, provided that the Board may, in its discretion, thereafter permit the Optionee or its legal representative, as the case may be, to exercise all or any part of such unvested portion of the Option that would have vested prior to the time such Option otherwise terminates.
- (e) A Charitable Option must expire after the earlier of a date that is not more than 10 years from the grant date of the Charitable Option and the 90th day following the date that the holder of the Charitable Option ceases to be an Eligible Charitable Organization.

5.7 Blackout Periods

An Option will be automatically extended past the expiry date of an Option governed by the Plan if such expiry date falls within a period (a "**blackout period**") during which the Corporation prohibits Optionees from exercising their Options provided that the following requirements are satisfied:

- (a) The blackout period must be formally imposed by the Corporation pursuant to its internal trading policies. For greater certainty, in the absence of the Corporation formally imposing a blackout period, the expiry date of any Options will not be automatically extended in any circumstances.
- (b) The blackout period must expire upon the general disclosure of the undisclosed Material Information. The expiry date of the affected Options can be extended to no later than ten (10) business days after the expiry of the blackout period.
- (c) The automatic extension of an Optionee's Options will not be permitted where the Optionee or the Corporation is subject to a cease trade order (or similar order under securities Laws) in respect of the Corporation's securities.

ARTICLE 6 EXERCISE PROCEDURE

6.1 Exercise Procedure

An Option may be exercised from time to time, and shall be deemed to be validly exercised by the Optionee only upon the Optionee's delivery to the Corporation at its head office of:

- (a) a written notice of exercise addressed to the Corporate Secretary of the Corporation, specifying the number of Common Shares with respect to which the Option is being exercised;
- (b) a signed option agreement with respect to the Option being exercised;
- (c) a certified cheque or bank draft made payable to the Corporation for the aggregate exercise price for the number of Common Shares with respect to which the Option is being

exercised, together with the amount necessary to satisfy any applicable tax withholding or remittance obligations under applicable Laws; and

- (d) documents containing such representations, warranties, agreements and undertakings, including such as to the Optionee's future dealings in such Common Shares, as counsel to the Corporation reasonably determines to be necessary or advisable in order to comply with or safeguard against the violation of the Laws of any jurisdiction;

and on the business day following, the Optionee shall be deemed to be a holder of record of the Common Shares with respect to which the Option is being exercised, and thereafter the Corporation shall, within a reasonable amount of time, cause certificates for such Common Shares to be issued and delivered to the Optionee.

ARTICLE 7 AMENDMENT OF OPTIONS

7.1 Consent to Amend

The Board may amend any Option with the consent of the affected Optionee and the Exchange, including any shareholder approval required by the Exchange. For greater certainty, Disinterested Shareholder Approval is required for any reduction in the exercise price of an Option if the Optionee is an Insider at the time of the proposed amendment.

7.2 Amendment Subject to Approval

If the amendment of an Option requires regulatory or shareholder approval, 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 given.

ARTICLE 8 MISCELLANEOUS

8.1 No Rights as Shareholder

Nothing in this Plan or any Option shall confer upon an Optionee any rights as a shareholder of the Corporation with respect to any of the Common Shares underlying an Option unless and until such Optionee shall have become the holder of such Common Shares upon exercise of such Option in accordance with the terms of the Plan.

8.2 No Right to Employment

Nothing in this Plan or any Option shall confer upon an Optionee any right to continue in the employ of the Corporation or any Affiliate or affect in any way the right of the Corporation or any Affiliate to terminate the Optionee's employment, with or without cause, 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 Affiliate to extend the employment of any Optionee beyond the time which the Optionee would normally be retired pursuant to the provisions of any present or future retirement plan of the Corporation or any Affiliate, 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 Affiliate.

8.3 Governing Law

This Plan, all option agreements, the grant and exercise of Options hereunder, and the sale, issue and delivery of Common Shares hereunder upon exercise of Options shall be, as applicable, governed by and

construed in accordance with the Laws of the Province of British Columbia and the federal Laws of Canada applicable therein. The Courts of the Province of British Columbia shall have the exclusive jurisdiction to hear and decide any disputes or other matters arising herefrom.