

**CO2 GRO INC.**

**NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS**

**TO BE HELD ON JUNE 27, 2019**

**MANAGEMENT INFORMATION CIRCULAR**

**MAY 21, 2019**

**CO2 GRO Inc.**

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

**NOTICE IS HEREBY GIVEN** that CO2 GRO Inc. (the “**Corporation**”) will hold its annual and special meeting of shareholders (the “**Meeting**”) at the offices of Miller Thomson LLP, Scotia Plaza, 40 King Street West, Suite 5800, Toronto, Ontario, M5H 3S1, on June 27, 2019, at 11:00 am (Toronto Time) for the following purposes:

1. to present the audited consolidated financial statements of the Corporation for the year ended December 31, 2018, and the independent auditor’s report thereon;
2. to elect the directors of the Corporation for the ensuing year;
3. to re-appoint the independent auditors of the Corporation and authorize the directors to fix the auditors’ remuneration;
4. to consider, and if deemed advisable, to pass, with or without variation, an ordinary resolution to re-approve the Corporation’s 10% “rolling” stock option plan, as more particularly described in the accompanying management information circular of the Corporation dated May 21, 2019 (the “**Information Circular**”);
5. to consider, and, if thought appropriate, to pass, with or without variation, an ordinary resolution to approve the proposed delisting of common shares of the Corporation (the “**Common Shares**”) from the TSX Venture Exchange and concurrent listing of the Common Shares on the Canadian Securities Exchange, as more particularly described in the Information Circular; and
6. to transact any other business properly brought before the Meeting.

Holders of Common Shares are invited to attend the Meeting. Shareholders of record as at the close of business on May 13, 2019 will be entitled to notice of and to vote at the Meeting. A detailed description of the matters to be acted upon at the Meeting is set forth in the Information Circular. Copies of: (a) this notice of annual and special meeting of shareholders; (b) the Information Circular; and (c) a management form of proxy and instructions in relation thereto (the “**Management Proxy**”) may be obtained at the following office: CO2 GRO Inc., c/o Miller Thomson LLP, Scotia Plaza, 40 King Street West, Suite 5800, PO Box 1011, Toronto, Ontario, M5H 3S1, or will be sent to a shareholder without charge upon request by calling 888.496.1283. Shareholders who are unable to be present in person at the Meeting are requested to (i) sign, date and deliver the accompanying form of proxy to the Corporation’s registrar and transfer agent, Computershare Investor Services Inc., 100 University Ave., 8th Floor, Toronto, Ontario M5J 2Y1 Canada, so it is received at least 48 hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting or any adjournment thereof; or (ii) return your voting instructions as specified in the request for voting instructions delivered to you, as applicable.

**DATED** this 21<sup>st</sup> day of May, 2019.

**BY ORDER OF THE BOARD OF DIRECTORS**

“Michael Boyd”

\_\_\_\_\_  
Michael Boyd

Chair of the Board of Directors

CO2 GRO INC.

**MANAGEMENT INFORMATION CIRCULAR**

**SOLICITATION OF PROXIES**

This management information circular (the “**Information Circular**”) is furnished in connection with the solicitation by management (“**Management**”) of CO2 GRO Inc. (the “**Corporation**”), of proxies to be used at the annual and special meeting of shareholders (the “**Meeting**”) of the Corporation to be held at the offices of Miller Thomson LLP, Scotia Plaza, 40 King Street West, Suite 5800, Toronto, Ontario, M5H 3S1, on June 27, 2019 at 11:00 am (Eastern Daylight Time) for the purposes set forth in the accompanying notice of annual and special meeting (the “**Notice**”). The costs associated with this proxy solicitation will be borne by the Corporation.

Except as otherwise indicated, information herein is given as at May 21, 2019. In this Information Circular, all references to dollar amounts are to Canadian dollars, unless otherwise specified. All references herein to the Corporation shall include its subsidiaries as the context may require.

The board of directors of the Corporation (the “**Board**”) has by resolution fixed the close of business on May 13, 2019, as the record date (the “**Record Date**”) for the Meeting. Only shareholders of the Corporation (each a “**Shareholder**” and collectively, the “**Shareholders**”) of record as at 5:00 pm (Eastern Daylight Time) as at the Record Date will be entitled to receive the Notice and related documents and to vote at the Meeting or at any adjournment thereof, but failure to receive such Notice does not deprive Shareholders of their right to vote their shares at the Meeting.

If a Shareholder has transferred any of his/her/its common shares in the capital of the Corporation (the “**Common Shares**”) after the Record Date, and the transferee of the shares produces properly endorsed share certificates or otherwise establishes that he/she/it owns such shares, as the case may be, and demands, at least ten (10) days before the Meeting, that his/her/its name be registered on the list of Shareholders entitled to vote, the transferee is entitled to vote such shares at the Meeting.

**APPOINTMENT AND REVOCATION OF PROXIES**

**The persons named in the enclosed management form of proxy and instructions in relation thereto (the “Management Proxy”) are officers and/or directors of the Corporation. Each Shareholder has the right to appoint a person or company, who need not be a Shareholder, other than the persons named in the enclosed form of proxy, to represent such Shareholder at the Meeting or any adjournment(s) thereof.** Such right may be exercised by inserting such person’s name in the blank space provided and striking out the names of Management’s nominees in the Management Proxy or by completing another proper form of proxy. All proxies must be executed by the Shareholder or his or her attorney duly authorized in writing or, if the Shareholder is a corporation, by an officer or attorney thereof duly authorized. The completed form of proxy must be deposited at the office of the Corporation’s transfer agent, Computershare Investor Services Inc., 100 University Ave., 8th Floor, Toronto, Ontario M5J 2Y1 Canada, no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting or any adjournment(s) thereof.

A Shareholder forwarding the enclosed Management Proxy may indicate the manner in which the appropriate appointee is to vote with respect to any specific item by checking the appropriate space. If the Shareholder giving the proxy wishes to confer a discretionary authority with respect to any item of business, then the space opposite the item is to be left blank. The Common Shares represented by the proxy submitted by a Shareholder will be voted in accordance with the directions, if any, given in the proxy.

In addition to revocation in any other manner permitted by law, a Management Proxy or other form of proxy may be revoked if it is received not later than 11:00 am (Eastern Daylight Time) on June 25, 2019 or, if the Meeting is adjourned, not later than 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting, by completing and signing a proxy bearing a later date and depositing it with Computershare Investor Services on behalf of the Corporation.

If you are a registered Shareholder of the Corporation, whether or not you are able to attend the Meeting, you are requested to complete, execute and deliver the enclosed form of proxy in accordance with the instructions set forth on the form to the Corporations, c/o Computershare Investor Services Inc., Attn.: Proxy Department, 8th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1, not less than 48 hours (excluding Saturdays, Sundays and holidays) prior to the Meeting or any adjournment(s) or postponement(s) thereof. The time limit for the deposit of proxies may be waived by the board of directors at its discretion without notice. Registered Shareholders may also vote their proxies via telephone or the internet in accordance with the instructions set forth on the proxy.

### EXERCISE OF DISCRETION BY PROXIES

Common Shares represented by properly executed proxies in favour of the persons named in the enclosed Management Proxy will be either voted or withheld from voting, as applicable, in accordance with the instructions given by the Shareholder on any ballot that may be called for and, if the Shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly. **Where Shareholders have properly executed proxies in favour of the persons named in the enclosed Management Proxy and have not specified in the Management Proxy the manner in which the named proxies are required to vote the Common Shares represented thereby, such Common Shares will be voted in favour of the passing of the matters set forth in the Notice.** The enclosed Management Proxy confers discretionary authority with respect to amendments or variations to the matters identified in the Notice and with respect to other matters that may properly come before the Meeting. At the date hereof, neither Management nor the directors of the Corporation (each a “**Director**” and collectively, the “**Directors**”) are aware of any such amendments, variations or others matters to come before the Meeting. If any other matters which at present are not known to Management should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgement of the named proxies.

### INFORMATION FOR BENEFICIAL HOLDERS OF SECURITIES

Registered Holders of Common Shares or the persons they validly appoint as their proxies are permitted to vote at the Meeting. However, in many cases, Common Shares beneficially owned by a person (a “**Non-Registered Holder**”) are registered either: (i) in the name of an intermediary (an “**Intermediary**”) (including banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans) that the Non-Registered Holder deals with in respect of the Common Shares; or (ii) in the name of a clearing agency (such as the Canadian Depository for Securities Limited) of which the Intermediary is a participant.

#### ***Distribution to NOBOs***

In accordance with the requirements of the Canadian Securities Administrators and National Instrument 54-101, *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”), the Corporation will have caused its agent to distribute copies of the Notice and this Information Circular (collectively, the “**meeting materials**”) as well as a proxy directly to those Non-Registered Holders who have provided instructions to an Intermediary that such Non-Registered Holder does not object to the Intermediary disclosing ownership information about the beneficial owner (“**Non-Objecting Beneficial Owner**” or “**NOBO**”).

These security holder materials are being sent to both registered holders of the securities and Non-Registered Holders of the securities. If you are a Non-Registered Holder, and the Corporation or its agent has sent these materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf.

By choosing to send these materials to you directly, the Corporation (and not the Intermediary holding on your behalf) has assumed responsibility for: (i) delivering these materials to you; and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for proxy enclosed with mailings to NOBOs.

The meeting materials distributed by the Corporation's agent to NOBOs include a proxy. Please carefully review the instructions on the proxy for completion and deposit.

### ***Distribution to OBOs***

In addition, the Corporation will have caused its agent to deliver copies of the meeting materials to the clearing agencies and Intermediaries for onward distribution to those Non-Registered Holders who have provided instructions to an Intermediary that the beneficial owner objects to the Intermediary disclosing ownership information about the beneficial owner ("**Objecting Beneficial Owner**" or "**OBO**").

Intermediaries are required to forward the meeting materials to OBOs unless an OBO has waived his or her right to receive them. Intermediaries often use service companies such as Broadridge Financial Solutions, Inc. to forward the meeting materials to OBOs. Generally, those OBOs who have not waived the right to receive meeting materials will either:

1. be given a form of proxy which has already been signed by the Intermediary (typically by a facsimile stamped signature), which is restricted as to the number of shares beneficially owned by the OBO, but which is otherwise uncompleted. This form of proxy need not be signed by the OBO. In this case, the OBO who wishes to submit a proxy should properly complete the form of proxy and deposit it with Computershare in the manner set out above in this Information Circular, with respect to the Common Shares beneficially owned by such OBO; or
2. more typically, be given a voting registration form which is not signed by the Intermediary and which, when properly completed and signed by the OBO and returned to the Intermediary or its service company, will constitute authority and instructions (often called a "Voting Instruction Form") which the Intermediary must follow. Typically, the Voting Instruction Form will consist of a one-page pre-printed form. The purpose of this procedure is to permit the OBO to direct the voting of the shares he or she beneficially owns.

The Corporation hereby confirms that it intends to pay for any Intermediary to forward the meeting materials to objecting beneficial owners under NI 54-101.

**Should a Non-Registered Holder who receives one of the above forms wish to vote at the Meeting in person, the Non-Registered Holder should strike out the names of the persons named in the form and insert the Non-Registered Holder's name in the blank space provided. In either case, Non-Registered Holders should carefully follow the instructions, including those regarding when and where the proxy or voting instruction form is to be delivered.**

## INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except as disclosed herein, Management is not aware of any person who may have an interest, whether such interest is by way of beneficial ownership of securities or otherwise, in matters to be acted upon at the Meeting. The officers of the Corporation (each an “**Officer**”) and Directors since the beginning of the last financial year, each proposed Director and each associate or affiliate of such persons, have an interest in the re-approval of the Corporation’s stock option plan (the “**Stock Option Plan**”), as such persons may be granted stock options (the “**Options**”) under the Stock Option Plan.

## VOTING SHARES AND PRINCIPAL HOLDERS OF VOTING SHARES

The Corporation is authorized to issue an unlimited number of Common Shares without nominal or par value of which, as at the date hereof, 67,651,004 Common Shares are issued and outstanding as fully paid and non-assessable Common Shares. Each issued and outstanding Common Share entitles its holder to one vote.

To the knowledge of the Directors and Officers, as at the Record Date, there are no shareholders who beneficially own directly and indirectly, or exercises control or direction over, voting securities of the Corporation carrying more than 10% of the voting rights. As described below, the Officers and Directors of the Corporation own, as a group, a total of 17,499,164 Common Shares, representing 25.9% of the issued and outstanding Common Shares.

Name	Number of Common Shares	Percentage of Issued and Outstanding Common Shares
Samuel Kanes <sup>(1)</sup>	7,475,656	11.1%
John Archibald <sup>(2)</sup>	4,579,888	6.8%
Michael Boyd	259,914	0.4%
Aaron Archibald <sup>(3)</sup>	4,853,371	7.2%
Gord Surgeoner	50,394	0.1%
Stephen Gledhill <sup>(4)</sup>	29,741	0.0%
Rose Marie Gage <sup>(5)</sup>	250,200	0.4%

**Notes:**

- (1) Mr. Kanes’s Common Shares are held both directly (2,811,083) and indirectly through his wholly-owned advisory company, Fossil2 Bio Advisors Inc. (4,329,733) and by family members (334,840).
- (2) Mr. J. Archibald’s Common Shares are held both directly (250,155) and indirectly through his wholly-owned advisory company, 2645414 Ontario Inc. (4,329,733).
- (3) Mr. A. Archibald’s Common Shares are held both directly (523,638) and indirectly through his wholly-owned advisory company, 2645412 Ontario Inc (4,329,733).
- (4) Mr. Gledhill’s Common Shares are held indirectly through his wholly-owned advisory company, Keshill Consulting Associates Inc.
- (5) Ms. Gage’s Common Shares are held both directly (102,200) and indirectly by family members (148,000).

## MATTERS TO BE ACTED UPON AT THE MEETING

### 1. PRESENTATION OF FINANCIAL STATEMENTS FOR 2018 AND 2017

A copy of the audited consolidated financial statements of the Corporation for the year ended December 31, 2018, can be found on the Corporation's website at [www.co2gro.ca](http://www.co2gro.ca) or on its SEDAR profile at [www.sedar.com](http://www.sedar.com). A copy can also be obtained on request by contacting the Corporation: c/o Miller Thomson LLP, Scotia Plaza, 40 King St. W., Suite 5800, PO Box 1011, Toronto, Ontario, M5H 3S1, Attention to CO2 GRO Inc.: Stephen Gledhill, CFO and Corporate Secretary.

### 2. ELECTION OF DIRECTORS

The articles of the Corporation provide that the Corporation shall not have more than 10 directors. On September 21, 2016, at an Annual and Special Meeting of the Shareholders of the Corporation, the Shareholders of the Corporation, by special resolution, empowered the Board to determine the number of directors from time to time within the minimum and maximum numbers set forth in the articles of the Corporation and the number of Directors to be elected at the annual meeting of shareholders. The Board has, by resolution, determined that the number of directors of the Corporation shall be five (5). The nominees are, in the opinion of the Board, well qualified to act as Directors for the coming year. Each nominee has established his or her eligibility and willingness to serve as Director, if elected. Each duly elected Director will hold office until the next annual meeting of Shareholders or until a successor is duly elected, unless his or her office is earlier vacated in accordance with the articles of the Corporation.

#### *Corporate Cease Trade Orders*

Other than disclosed below, to the knowledge of the Corporation, no Director or proposed Director of the Corporation is, as at the date of this Information Circular, or was within 10 years before the date of this Information Circular, a director or chief executive officer or chief financial officer of any company (including the Corporation) that: (a) was the subject of an order (as defined in Form 51-102F5 under National Instrument 51-102 *Continuous Disclosure Obligations*) that was issued while the Director or proposed Director was acting in the capacity as director, chief executive officer or chief financial officer; or (b) was subject to an order that was issued after the Director or proposed Director ceased to be a director, chief executive officer or chief financial officer, and which resulted from an event that occurred while that person was acting in the capacity as a director, chief executive officer or chief financial officer. For the purposes of this paragraph, "order" means a cease trade order, an order similar to a cease trade order or an order that denied the relevant Corporation access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days.

Mr. Michael Boyd was a director of Rtica Corporation ("**Rtica**") from April 1998 to May 2009. In 2005, Rtica was subject to a trading halt for late filing of financial statements and ultimately ceased trading. Mr. Boyd was also a director of Outlook Resources Inc. ("**Outlook**") from April 2010 until January 2013. In April 2011, Outlook was subject to a trading halt for late filing of financial statements and is currently cease traded.

Other than disclosed below, to the knowledge of the Corporation, no Director or proposed Director of the Corporation: (a) is, or within 10 years before the date hereof has been a director or executive officer of a corporation (including the Corporation) that while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (b) has within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or

compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the Director or proposed Director.

Mr. Michael Boyd was a director of Rtica from June 1998 to May 2009. Rtica went through bankruptcy proceedings in 2010, which have since been finalized.

No Director or proposed Director of the Corporation has been subject to any: (a) penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority; or (b) other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable security holder in deciding whether to vote for the Director or proposed Director.

The following table sets out the names and municipalities of residence of each member of the Board, their principal occupation or employment, and the number of Common Shares and any other securities of the Corporation beneficially owned by each, directly or indirectly or over which they exercise control or direction. Each elected nominee will hold office until the close of the next annual meeting of Shareholders or until a successor is elected or appointed, unless such nominee's office is earlier vacated.

<b>Name and Position with Corporation</b>	<b>Office Held</b>	<b>Principal Occupation</b>	<b>Director Since</b>	<b>CO2 GRO Shares Beneficially Owned or Controlled or Directed<sup>(1)</sup></b>
<b>Mr. John Archibald</b> Grimsby, ON	Director	President and CEO of the Corporation	March 26, 2018	4,579,888
<b>Mr. Michael Boyd</b> <sup>(2) (3)</sup> Toronto, ON	Chairman of the Board of Directors, Director	Self-Employed Consultant and Corporate Director	January 1, 2011	259,914 <sup>(5)</sup>
<b>Ms. Rose Marie Gage</b> <sup>(2)(3)</sup> Cumberland, ON	Director	Retired CEO of Ag Energy Co-operative Ltd., and Professional Director and Advisor	April 29, 2019	250,200 <sup>(6)</sup>
<b>Mr. Samuel Kanes</b> <sup>(2)(3)</sup> Toronto, ON	Director	Self-employed Consultant Retired Managing Director of Scotia Capital Research  Corporate Director of Sustainable Chemistry Alliance and Bioindustrial Innovation Canada	September 17, 2010	7,475,656 <sup>(4)</sup>
<b>Dr. Gord Surgeoner</b> Fergus, ON	Director	Retired President of Ontario Agriculture-Food Technologies	March 26, 2018	50,394 <sup>(7)</sup>



Notes:

- (1) The information as to the number of Common Shares beneficially owned, or over which control or direction is exercised, directly or indirectly, not being within the direct knowledge of the Corporation, has been furnished by the respective individuals.
- (2) Member of the Audit Committee. Mr. Vincent Scalisi, a current director who is not standing for re-election, is currently a member of the Audit Committee. Under the proposed directors, Ms. Rose Marie Gage will be a member of the Audit Committee.
- (3) Member of the Governance and Compensation Committee. Mr. Vincent Scalisi, a current director who is not standing for re-election, is currently a member of the Governance and Compensation Committee. Under the proposed directors, Ms. Rose Marie Gage will be a member of the Governance and Compensation Committee.
- (4) The number of Common Shares reflected in the above table represents 3,095,923 Common Shares owned directly, 50,000 owned indirectly by Mr. Kanes and his immediate family and 4,329,733 owned by Fossil2 Bio Advisors Inc, a wholly-owned advisory company. Mr. Kanes also holds Options to purchase 1,137,285 Common Shares of the Corporation with the following details: 50,000 Options are exercisable at \$0.15 until September 9, 2021; 2,000 Options are exercisable at \$0.15 until December 14, 2021; 6,000 Options are exercisable at \$0.15 until March 28, 2023; 6,000 Options are exercisable at \$0.15 until January 1, 2024, 5,000 Options are exercisable at \$0.15 until January 1, 2025, 214,285 Options are exercisable at \$0.14 until January 12, 2022, 100,000 Options are exercisable at \$0.135 until January 20, 2022, 454,000 Options are exercisable at \$0.19 until January 24, 2023 and 300,000 Options are exercisable at \$0.22 until February 15, 2021.
- (5) Mr. Boyd holds Options to purchase 303,000 Common Shares of the Corporation with the following details: 3,000 Options are exercisable at \$0.15 until January 1, 2021; 6,000 Options are exercisable at \$0.15 until December 14, 2021; 8,000 Options are exercisable at \$0.15 until March 28, 2023; 4,000 Options are exercisable at \$0.15 until January 1, 2024, 7,000 Options are exercisable at \$0.15 until January 1, 2025, 175,000 Options are exercisable at \$0.135 until January 20, 2022, 50,000 Options are exercisable at \$0.19 until April 18, 2023 and 50,000 Options are exercisable at \$0.22 until February 15, 2021.
- (6) The number of Common Shares reflected in the above table represents 102,200 Common Shares owned directly and 148,000 owned indirectly by Ms. Gage and her immediate family.
- (7) Mr. Surgeon also holds 457,500 Options to purchase 27,500 options exercisable at \$0.19 until April 18, 2023 and 430,000 Options exercisable at \$0.22 until February 15, 2021.

## **Director Biographies**

### ***Mr. John H. Archibald***

As a professional engineer, John brings over 35 years of corporate management and international experience having lived and worked both in North America and overseas. John has worked for large companies aggressively managing large business units, leading productive growth and profitability. His experience includes opening overseas offices and manufacturing facilities.

John has also successfully managed and worked with numerous smaller technology firms launching their initiatives into the marketplace, creating viability and long-term value. He has been regularly involved in the transfer, licensing and patenting of technologies as part of his activities.

In 2017 John led the sale of his and his partner's highly successful high tech, gas infusion, operating and intellectual property firms.

John holds a B.A.Sc., Civil Engineering from the University of Waterloo, and is a Registered Professional Engineer in the Province of Ontario.

### ***Michael Boyd***

Mr. Boyd is a seasoned investment management executive with experience managing venture capital, private equity and both traditional and high-yield debt securities. His experience includes companies at all stages of development, from start-ups to mature buyout situations. Mr. Boyd has a broad background in strategic management, board processes and governance due to his involvement on many private and public

company boards, often as chair of the audit, compensation or governance committees. He is a member of the Institute of Corporate Directors and currently a director of two public companies. Mr. Boyd is also on the independent review committees of two public mutual fund groups. In 1983 Mr. Boyd was founder and CEO of BG Acorn Capital Fund, one of Canada's early independent venture capital funds and in 2002 was the founder and CEO of the Bridge Fund, a high- yield debt fund. Mr. Boyd holds an Honours BA in Philosophy and Psychology from the University of Western Ontario and an MBA from the Richard Ivey School of Business. Mr. Boyd is an avid rider and horse breeder and is chairman of the Canadian Hanoverian Society.

### ***Rose Marie Gage***

Ms. Gage holds a Chartered Director designation and obtained an Honours Bachelor of Commerce from McMaster University. She has attended Harvard Business School with the Schneider Electric PM2 Leadership Development program and is certified as a Lean - Six Sigma Quality leader, the highest quality certification level available. Rose has in depth of governance and advisory experience, managing strategy across diverse industries and functions. Her experience with a wide assortment of enterprises and functions provides unique value in risk oversight with the ability to balance enterprise risk against strategic direction in order to maximize value and deliver results. She is an inaugural year graduate of the Judy Project, a Rotman School of Business Sr. Female Leadership program that fosters future female leadership and grooms for the C-suite opportunities. In her 30+ year career, she has worked for global multi-nationals and has spent the last 9 years focussed on her passion of service and innovation in the energy, agriculture and co-op sector. Furthermore, Rose is a Member in good standing of the Directors College, ICD, NACD and WXN.

### ***Samuel Kanes***

Mr. Kanes, through his employment from 1987 until May 2011 at Scotia Capital, has been recognized as a leading Canadian equity research analyst specializing in the coverage of fertilizer, biofuel, chemical and energy infrastructure companies and industries. Prior to 1987, Mr. Kanes gained a wide range of corporate financial experience with Northern Telecom, Gulf Canada and Petro-Canada. He has also worked as an independent energy consultant, primarily for Ultramar Canada. In 2009, Mr. Kanes hosted Scotia Capital's Bioenergy day that included biodiesel, basic and cellulosic ethanol, algae and bio-engineering companies. He has been a speaker at renewal fuel, algae and bio-industrial conferences. He is currently a member of the board of Bioindustrial Innovation Canada. Mr. Kanes received his Chartered Financial Analyst designation in 1993 and his Chartered Accountant designation in 1979. His professional affiliations include membership in the Toronto Society of Financial Analysts, the CFA Institute, the Institute of Chartered Professional Accountants of Ontario and the U.S. Society of Chemical Industry.

### ***Dr. Gord Surgeoner***

Dr. Gord Surgeoner obtained his Bachelors and then a Master's degree in Economic Entomology in 1973 from the University of Guelph and a Ph.D. in Forest Entomology in 1976 from Michigan State University. He then became an esteemed professor at the University of Guelph in Environmental Biology and Plant Agriculture until 2004.

In 1999 to 2014, Dr. Surgeoner was the President of Ontario Agriculture-Food Technologies (OAFT), a non-profit organization of farm associations, universities/colleges, industry and regional governments. OAFT ensures Ontario producers have access to the latest technologies to compete globally and to develop new food and other market opportunities.

In September 2005, he was invested with the Order of Ontario for work in Ontario's agri-food sector. Other Awards are the 1989 Distinguished Teaching Award from the Ontario Agricultural College Alumni Association, the 1994 T.R. Hilliard Award for Notable Contribution to Agricultural Extension in the

Province of Ontario, the 2002 Award for Contribution to Advancing the Benefits of Biotech for Canadians, the 2007 University of Guelph Alumnus of Honour Award, the 2011 Life Sciences Ontario Community Service Award, and Queen's Golden (2002) and Diamond Jubilee (2012) Awards.

Dr. Surgeoner is also in the Ontario Agricultural Hall of Fame as of June, 2014, received the 2014 University of Guelph MBA Leadership Recognition in Agribusiness and Food Award, was inducted into the Wellington County Agricultural Hall of Fame in 2014, received an Award for Outstanding Dedication to the Advancement of Renewable Fuels in Canada in 2014, a Lifetime Achievement Award from the Guelph Chamber of Commerce in 2015 and the Leadership and Legacy Award from Biotechnology Innovation Organization (BIO) in 2017.

Dr. Surgeoner continues to work on sustainability initiatives on the Boards of the Agriculture Research Institute of Ontario, the Ontario Chamber of Commerce, the Advisory BioProducts Research and Development Centre, Performance Plants Inc. and Drystill Holdings Inc.

Management and the directors do not contemplate that any of the nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, the persons named in the proxy for the meeting reserve the right to vote FOR another nominee in their discretion.

**If you complete and return the proxy for the Meeting, the persons designated in the proxy for the Meeting intend to vote at the Meeting, or any adjournment thereof, FOR the election of John Archibald, Michael Boyd, Rose Marie Gage, Samuel Kanés and Dr. Gord Surgeoner as Directors, unless you specifically direct that your vote be withheld.**

### **3. APPOINTMENT AND REMUNERATION OF AUDITORS**

The Board has determined that the Corporation wishes to re-approve McGovern, Hurley, Cunningham LLP, Chartered Accountants, which firm has been the auditor of the Corporation since September 21, 2016

Management proposes the re-appointment of McGovern, Hurley, Cunningham LLP, Chartered Accountants as auditors of the Corporation, to hold office until the next annual meeting of shareholders of the Corporation, and to authorize the directors to fix their remuneration.

**THE BOARD OF DIRECTORS RECOMMENDS THAT SHAREHOLDERS VOTE IN FAVOUR OF THE APPOINTMENT OF MCGOVERN, HURLEY, CUNNINGHAM LLP, CHARTERED ACCOUNTANTS, AS AUDITOR OF THE CORPORATION AND THE AUTHORIZING OF THE DIRECTORS TO FIX ITS REMUNERATION, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS COMMON SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT THEREOF.**

**If you complete and return the Management Proxy, the persons designated in the Management Proxy intend to vote at the Meeting, or any adjournment thereof, FOR the re-appointment of McGovern, Hurley, Cunningham LLP as auditors of the Corporation and to authorize the Board to fix the auditors' remuneration, unless you specifically direct that your vote be withheld.**

### **4. APPROVAL OF THE STOCK OPTION PLAN**

The policies of the TSX Venture Exchange (the "Exchange") provide that the Board may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, employees, management, company employees and consultants of the Corporation and its Affiliates, as the term is defined in the incentive share option plan (the "Stock Option Plan") attached as Appendix A to this Information Circular, non-assignable and non-transferable options to purchase Common Shares for a period of up to 10 years from the date of grant (the "Options"), provided that the number of Common

Shares reserved for issuance may not exceed 10% of the total issued and outstanding Common Shares at the date of the grant.

The purpose of the Stock Option Plan is to attract, retain and motivate Directors, Officers, employees and consultants (collectively, the “**Participants**”) of the Corporation by providing them with the opportunity, through the granting of Options, to acquire a proprietary interest in the Corporation and benefit from its growth. In Management’s view, the ability to grant Options as a means of compensating Participants contributes to the Corporation’s overall financial performance. As such, Management considers that the Stock Option Plan is beneficial to the Corporation as it provides the Corporation with greater flexibility to compensate eligible Participants with grants of Options and encourage Participant ownership of the Corporation.

The Stock Option Plan is a “rolling” plan. The Exchange requires that a “rolling” stock option plan (where a specific maximum number of shares issuable under the plan is not fixed), such as the Stock Option Plan of the Corporation, be approved by the Corporation’s Shareholders at the first annual and special meeting following its adoption and then ratified by the Shareholders at each subsequent annual and special meeting.

The Stock Option Plan provides that eligible persons including any Director, employee, (full-time or part-time), Officer or consultant of the Corporation or any subsidiary thereof may be granted Options by the Corporation. A consultant means an individual (including an individual whose services are contracted through a personal holding company) with whom the Corporation or a subsidiary has a contract for substantial services.

As of the date of this Information Circular, a total of 6,765,100 Common Shares are reserved for issuance under the Stock Option Plan (10% of the issued and outstanding Common Shares). As of the date of this Information Circular, a total of 4,746,598 Common Shares, or 7.0%, are available for issuance upon the exercise of Options. As of the date of this Information Circular, a total of 2,018,502, or 3.0%, are available for issuance and that may be granted in the future under the Stock Option Plan.

### **Summary of Stock Option Plan**

The full Stock Option Plan is attached to this Information Circular as Appendix A. The material terms of the Stock Option Plan are as follows:

1. The number of Common Shares which may be reserved for issuance to eligible persons (as defined in the Stock Option Plan) is a maximum of 10% of the issued and outstanding Common Shares.
2. No one person shall be issued Options representing more than 5% of the issued and outstanding Common Shares in any 12-month period.
3. All Options will be non-assignable and non-transferable and may be granted for a term not exceeding five years, unless the Corporation is listed on Tier 1 of the Exchange in which case the Options may be granted for a term not exceeding ten years.
4. The exercise price of Options issued may be issued at the market price of the Common Shares as listed on the Exchange, subject to any discounts permitted by applicable legislative and regulatory requirements.
5. No financial assistance can be provided by the Corporation to Option holders to facilitate the purchase of Common Shares under the Stock Option Plan.
6. The Stock Option Plan also contains anti-dilution provisions usual to plans of this type.

7. If an optionholder ceases to be a Director, Officer, or employee or consultant of the Corporation (other than by reason of death), then the Options will expire no later than 90 days following that date.
8. The maximum number of Common Shares which may be reserved for issuance under Options in any 12-month period to any one individual under the Stock Option Plan shall be 5% of the Common Shares outstanding at the time of the grant (on a non-diluted basis) less the aggregate number of Common Shares reserved for issuance to such person under any other option to purchase Common Shares from treasury granted as a compensation or incentive mechanism.
9. The maximum number of Common Shares which may be reserved for issuance under Options in any 12-month period to any one consultant under the Stock Option Plan shall be 2% of the Common Shares outstanding at the time of the grant (on a non-diluted basis) less the aggregate number of Common Shares reserved for issuance to such person under any other option to purchase Common Shares from treasury granted as a compensation or incentive mechanism.
10. Investor relations persons may not be granted Options exceeding 2% of outstanding Common Shares and such Options must vest over one year with no more than 25% of the Options vesting in each quarter.

The Shareholders will be requested at the Meeting to pass the following resolution (the “**Stock Option Plan Resolution**”), without variation:

**“IT IS HEREBY RESOLVED, THAT:**

1. The stock option plan of the Corporation (the “**Stock Option Plan**”), a copy of which is attached to the management information circular of the Corporation dated May 21, 2019, is hereby approved, ratified and confirmed, subject to applicable regulatory approval;
2. the form of the Stock Option Plan may be amended in order to satisfy the requirements or requests of any regulatory authorities without requiring further approval of the shareholders of the Corporation; and
3. any director or officer of the Corporation is hereby authorized for, on behalf of, and in the name of the Corporation to do and perform or cause to be done or performed all such things, to take or cause to be taken all such actions, to execute and deliver or cause to be executed and delivered all such agreements, documents and instruments, contemplated by, necessary or desirable in connection with the Stock Option Plan and the foregoing resolutions, as may be required from time to time and contemplated and required in connection therewith, or as such director or officer in his or her discretion may consider necessary, advisable or appropriate in order to give effect to the intent and purposes of the foregoing resolutions, and the doing of such things, the taking of such actions and the execution of such agreements, documents and instruments shall be conclusive evidence that the same have been authorized and approved hereby.”

**THE BOARD OF DIRECTORS RECOMMENDS THAT SHAREHOLDERS VOTE IN FAVOUR OF THE STOCK OPTION PLAN RESOLUTION. 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.**

**If you complete and return the Management Proxy, the persons designated in the Management Proxy intend to vote at the Meeting, or any adjournment thereof, FOR the Stock Option Plan Resolution, unless you specifically direct that your vote be voted against the Stock Option Plan Resolution.**

**5. APPROVAL OF DELISTING FROM TSX VENTURE EXCHANGE AND LISTING ON CANADIAN SECURITIES EXCHANGE**

The Board has determined that it may be in the best interests of the Corporation to delist the Shares from the TSX Venture Exchange (the “TSXV”) to enable the Corporation to list on the Canadian Securities Exchange (the “CSE”) in order to exploit cannabis opportunities in the United States, such activities currently not allowed for TSXV listed issuers.

The Shareholders will be requested at the Meeting to pass the following ordinary resolution (the “CSE Resolution”), without variation:

**“IT IS HEREBY RESOLVED, THAT:**

1. the board of directors of the Corporation (the “**Board of Directors**”) is hereby authorized to conduct an evaluation of the business opportunities which may be available to it in the event that a listing of the common shares of the Corporation (the “**Common Shares**”) on the Canadian Securities Exchange (the “CSE”) is undertaken;
2. if the Board of Directors determines that the delisting of the Common Shares from the TSX Venture Exchange (the “TSXV”) and concurrent listing of the Common Shares on the CSE is advisable and should be completed, the Board of Directors is hereby authorized to proceed with such delisting and listing activity;
3. any one director or officer of the Corporation be authorized for and on behalf of the Corporation to make all such arrangements, to do all acts and things and to sign and execute all documents and instruments in writing, whether under the corporate seal of the Corporation or otherwise, as may be considered necessary or advisable to give full force and effect to the foregoing; and
4. notwithstanding that this resolution has been passed by the shareholders of the Corporation, the directors of the Corporation are hereby authorized and empowered without further notice to or approval of the shareholders of the Corporation to not proceed with the said delisting from the TSXV and/or said listing on the CSE, if, in the sole discretion of the Board of Directors, it is in the best interests of the Corporation to not proceed with the said delisting from the TSXV and/or said listing on the CSE.”

**THE BOARD OF DIRECTORS RECOMMENDS THAT SHAREHOLDERS VOTE IN FAVOUR OF THE CSE RESOLUTION. 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 CSE RESOLUTION.**

**If you complete and return the Management Proxy, the persons designated in the Management Proxy intend to vote at the Meeting, or any adjournment thereof, FOR the approval of the CSE Resolution, unless you specifically direct that your vote be voted against the CSE Resolution.**

## OTHER MATTERS

The Corporation knows of no other matters to be brought before the Meeting. If any amendment, variation or other business is properly brought before the Meeting, the enclosed form of Management Proxy and voting instruction confers discretion on the persons named on the form of Management Proxy to vote on such matters in accordance with their best judgment.

## EXECUTIVE COMPENSATION

For purposes of this Information Circular, a “**Named Executive Officer**” of the Corporation means an individual who, at any time during the year, was:

- (a) the Corporation’s chief executive officer (“**CEO**”);
- (b) the Corporation’s chief financial officer (“**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 and whose total compensation was, individually, more than \$150,000 for that financial year; and
- (d) each individual who would be a Named Executive Officer under paragraph (c) but for the fact that the individual was neither an executive officer of the Corporation, nor acting in a similar capacity, at the end of the most recently completed financial year.

Based on the foregoing definition, during the last completed financial year of the Corporation, there were four (4) Named Executive Officers being John Archibald, Stephen Gledhill, Samuel Kanes and Aaron Archibald.

## COMPENSATION DISCUSSION AND ANALYSIS

### *Governance and Compensation Committee*

The Corporation has constituted a committee of the board of directors to serve as a governance and compensation committee (the “**Governance and Compensation Committee**”). The Governance and Compensation Committee is appointed by the board of directors of the Corporation to establish policies and procedures with respect to the compensation of the Corporation’s directors and officers. The Governance and Compensation Committee has overall responsibility for approving and evaluating compensation plans, policies and programs of the Corporation. The Governance and Compensation Committee members may be replaced by the board of directors.

The Governance and Compensation Committee is comprised of a majority of independent directors. The current Governance and Compensation Committee is comprised of Michael Boyd (independent), Vincent Scalisi (independent) and Samuel Kanes (not independent). Under the proposed slate of the directors, the members of the Compensation Committee will be comprised of Michael Boyd (independent), Rose Marie Gage (independent), and Samuel Kanes (not-independent). Recognizing the important of an independent dialogue, in determining the appropriate level of compensation payable to Mr. Kanes, the independent members of the Governance and Compensation Committee subjectively and quantitatively analyze his performance using the criteria discussed in this section below. In addition, the Governance and Compensation Committee reviews the adequacy and form of compensation in comparison to other companies of similar size and stage of development as described further below.

Mr. Boyd has experience managing venture capital, private equity and both traditional and high-yield debt securities. His experience includes companies at all stages of development, from start-ups to mature buyout situations. Mr. Boyd has a broad background in strategic management, board processes and governance due to his involvement on many private and public company boards, often as chair of the audit, compensation or governance committees.

Mr. Kanés is a Chartered Professional Accountant and Chartered Financial Analyst who retired from the investment industry in 2011 to advise and/or support sustainable companies and industries. Through his professions and activities, Mr. Kanés has gained experience in assessing and negotiating compensation arrangements. Mr. Kanés monitors the management and director compensation at similar companies to the Corporation that are used for management and board compensation bench marking.

Ms. Gage is a Chartered Director and professional advisor. She currently serves on a number of federal and provincially funded associations and agencies focused on agri-research and commercialization. She is also an independent Director for Hadrian Inc., a private Canadian company and also a member of the University of Ottawa Heart Institute Foundation. Through her current and past Board, Agency and Association service coupled with her 30 plus year career working for a diverse set of entities, she has both strategic and operational governance and leadership experience.

### ***Compensation Committee Mandate***

The Compensation Committee is appointed by the Board of Directors to assist the Board in carrying out its responsibilities by:

- Reviewing compensation and human resources issues in support of the achievement of the Corporation's business strategy and making recommendations to the Board as appropriate.
- Reviewing and approving corporate goals and objectives relevant to Chief Executive Officer's compensation.
- Evaluating the Chief Executive Officer's performance against those goals and objectives.
- Making recommendations to the Board with respect to the Chief Executive Officer's compensation.
- Reviewing issues and overseeing the investment management of the Corporation's savings and investment plans, if applicable.

### ***Compensation Philosophy***

Compensation of executive officers of the Corporation is recommended to the Board of Directors by the Governance Compensation Committee. In its review process, the Governance and Compensation Committee relies on input from management on the assessment of executives and Corporation performance.

The Governance and Compensation Committee establishes management compensation policies and oversees their general implementation. All members of the Governance and Compensation Committee have direct experience which is relevant to their responsibilities as Governance and Compensation Committee members. All members are or have held senior executive or director roles within significant businesses, several also have public company experience, and have a good financial understanding which allows them to assess the costs versus benefits of compensation plans. The members combined experience in the Corporation's sector provides them with the understanding of the Corporation's success factors and risks, which is very important when determining metrics for measuring success.



Risk management is a primary consideration of the Governance and Compensation Committee when implementing its compensation program. It does not believe that its compensation program results in unnecessary or inappropriate risk-taking including risks that are likely to have a material adverse effect on the Corporation. Payments of bonuses, if any, are not made until performance goals have been met.

Executive compensation is generally based on pay for performance and to be competitive with other firms of comparable size in similar fields. The Chief Executive Officer makes recommendations to the Governance and Compensation Committee as to the compensation of managers, other than himself, for approval by the Board. The Governance and Compensation Committee makes recommendations to the Board of Directors as to the compensation of the Chief Executive Officer, for approval, in accordance with the same criteria upon which the compensation of other managers are based.

Executive compensation is comprised of a base salary and variable components in the form of an annual bonus opportunity and stock options. The annual bonus provides an opportunity for management and executive employees to earn an annual cash incentive based on various pre-set criteria and the degree of achievement of objectives sets by the Governance and Compensation Committee. These performance goals will therefore take into account (1) the compliance with budgeted results, (2) the Corporation's share performance during the last completed financial year, and (3) the business development and personal achievement fulfilled by each executive employee, as the case may be. Generally, new stock option grants do not take into account previous grants of options when considering new grants.

The President and Chief Executive Officer's salary is based on comparable market consideration and the Governance and Compensation Committee's assessment of his performance, with regard to the Corporation's financial performance and progress in achieving strategic performance.

The Corporation's executive compensation program is intended to attract, motivate and retain high performing senior executives, encourage and reward superior performance and align the executives' interests with those of the Corporation by providing a compensation which is competitive with the compensation received by executives employed by comparable companies. Ensuring that the achievement of annual objectives is rewarded through the payment of bonuses and providing executives with long-term incentive through the grant of stock options.

The compensation paid to the Named Executive Officers will be based on comparisons to compensation paid to officers of companies in a similar business, size and stage of development and will reflect the need to provide incentive and compensation for the time and effort expended by the Named Executive Officers, while taking into account the financial and other resources of the Corporation, as well as increasing short and long-term shareholder value.

The Corporation is a technology start-up company and therefore, certain compensation factors were considered and not included within the compensation structure and philosophy. Some of the factors not considered were target share ownership guidelines, pension plans, specific target weightings and percentage of compensation at risk.

### ***Compensation Elements***

Compensation of Named Executive Officers is revised each year and has been structured to encourage and reward the executive officers on the bases of short-term and long-term corporate performance. In the context of the analysis of the compensation for the financial year ended December 31, 2018, the following components were examined:

- (i) base salary;
- (ii) annual performance incentive relative to base compensation consisting of cash and stock options;
- (iii) grant of stock options of the Corporation; and
- (iv) other elements of compensation which may include shares of the Corporation.

### ***Base Salary***

The compensation of the Corporation's executive officers is determined by the Board of Directors upon recommendations made by the Governance and Compensation Committee. Executive compensation is generally based on pay for performance and to be competitive with other firms of comparable size in similar fields. During 2018, the Corporation's President and CEO, Vice President Operations and Vice President Business Development, continue to receive no salary, having forgone same until the Corporation achieves positive cash flow.

### ***Annual Incentive Plan***

The Corporation has a bonus plan for the executive officers, representing a percentage of their base annual salary. The grant of bonus performance is left at the discretion of the Board of Directors upon the recommendation of the Governance and Compensation Committee, based on the financial results of the Corporation and the degree of achievement of objectives set by the Board of Directors, as more fully described above. Mr. Stephen Gledhill, Chief Financial Officer, is not eligible for any bonus as Mr. Gledhill is a Principal and Founder of Keshill Consulting Associates Inc. ("KCA") which provides services to the Corporation.

### ***Option-based Awards***

The Corporation believes that encouraging its officers and employees to become shareholders is the best way of aligning their interests with those of its shareholders. Equity participation is accomplished through the Corporation's Stock Option Plan. Options will be granted to management and employees taking into account a number of factors, including, base salary and bonuses, and competitive factors.

The Option component of compensation provided by the Corporation is intended to advance the interests of the Corporation by encouraging the directors, officers, employees and consultants of the Corporation to acquire Common Shares, thereby increasing their proprietary interest in the Corporation, encouraging them to remain associated with the Corporation and furnishing them with additional incentive in their efforts on behalf of the Corporation in the conduct of its affairs. Grants under the Corporation's Stock Option Plan are intended to provide long term awards linked directly to the market value performance of the Corporation's Common Shares. The board of directors will review the Governance and Compensation Committee's recommendations for the granting of Options to management, directors, officers, other employees, and consultants of the Corporation and its subsidiaries. Options will be granted according to the specific level of responsibility of the particular director, officer, employee or consultant. The number of outstanding Options will also be considered by the board of directors when determining the number of

Options to be granted in any particular year due to the limited number of Options which are available for grant under the Corporation's Stock Option Plan. The Corporation's Stock Option Plan is attached as Appendix A to this Information Circular.

***Purchase of Financial Instruments***

The Corporation has not adopted any policies or imposed any contractual obligations to restrict the ability of a Named Executive Officer or a director to purchase financial instruments, including for greater certainty, 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 by the Corporation or held, directly or indirectly, by the Named Executive Officer or director. The board discourages the practice of purchasing the securities described above.

### Summary Compensation Table

The following table is a summary of compensation paid to the Named Executive Officers for the two most recently completed financial periods ended December 31, 2017 and December 31, 2018:

Name and Principal Position	Year	Salary (\$)	Share-based Awards (\$)	Option-based Awards <sup>(1)</sup> (\$)	Non-equity incentive plan compensation		Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
					Annual incentive plans (\$)	Long-term incentive plans (\$)			
John Archibald, President & CEO <sup>(2)</sup>	2017	NIL	NIL	NIL	N/A	N/A	N/A	NIL	NIL
	2018	NIL	822,649	76,068	N/A	N/A	N/A	NIL	898,717
Gavin Bogle, Former President & CEO <sup>(3)</sup>	2017	20,000	NIL	10,435	N/A	N/A	N/A	NIL	30,435
	2018	N/A	NIL	N/A	N/A	N/A	N/A	N/A	N/A
Marvin Heuer, Former President & CEO <sup>(4)</sup>	2017	100,000	NIL	70,435	N/A	N/A	N/A	N/A	170,435
	2018	N/A	NIL	N/A	N/A	N/A	N/A	N/A	N/A
Aaron Archibald, VP Operations <sup>(5)</sup>	2017	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2018	NIL	822,649	76,068	N/A	N/A	N/A	N/A	898,717
Stephen Gledhill, CFO & Corporate Secretary <sup>(6)</sup>	2017	66,000	NIL	11,000	N/A	N/A	N/A	N/A	77,000
	2018	84,000	NIL	28,526	N/A	N/A	N/A	N/A	112,526
Samuel Kanes, VP Business Development	2017	NIL	NIL	34,435	N/A	N/A	N/A	N/A	34,435
	2018	NIL	822,649	86,338	N/A	N/A	N/A	N/A	908,987

Notes:

- (1) The Black-Scholes model was used to calculate the grant-date fair value of these Options.
- (2) Mr. J. Archibald has served as CEO since November 1, 2017.
- (3) Mr. Bogle signed a consulting contract on August 1, 2014 and was permanent CEO of the Corporation from October 1, 2014 to February 28, 2017.
- (4) Mr. Heuer served as CEO from March 1, 2017 to October 31, 2017.
- (5) Mr. A. Archibald joined the Corporation on June 1, 2017.
- (6) Mr. Gledhill served as CFO from April 2, 2012 to November 30, 2017 and was re-appointed on January 22, 2018. During the period from January 1, 2017 through to November 30, 2017, Mr. Gledhill provided services to the Corporation through RG Management Services Inc. ("RGMS"), a company in which he is a partner. After reappointment, Mr. Gledhill provides his services as CFO through Keshill Consulting Associates Inc. ("KCA"), a wholly-owned advisory

company. Both RGMS and KCA invoiced the Corporation on a monthly basis for fees for management services provided. Mr. Gledhill does not receive any compensation directly from the Corporation, except for grants of options. During 2018, 150,000 options were issued to KCA.

The Corporation does not provide retirement or other benefits for any of its directors or officers and the Corporation does not have any plans, other than its Stock Option Plan, pursuant to which cash or non-cash compensation is paid or distributed to the Named Executive Officers.

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

Set forth in the table below is a summary of all share-based and option-based awards held by each of the Named Executive Officers outstanding as of December 31, 2018.

Name	Option-Based Awards				Share-Based Awards		
	Number of securities underlying unexercised options (#)	Option Exercise Price (CDN\$)	Option expiration date	Value of unexercised in-the-money options (\$) <sup>(1)</sup>	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 (\$)
John Archibald, President & CEO	2,000	0.15	28-Mar-23	200	Nil	Nil	200
	400,000	0.19	24-Jan-23	24,000	Nil	Nil	24,000
Aaron Archibald, VP Operations	400,000	0.19	24-Jan-23	24,000	Nil	Nil	24,000
Samuel Kanes, VP Business Development	50,000	0.15	9-Sept-21	5,000	Nil	Nil	5,000
	2,000	0.15	14-Dec-21	200	Nil	Nil	200
	6,000	0.15	28-Mar-23	600	Nil	Nil	600
	6,000	0.15	1-Jan-24	600	Nil	Nil	600
	5,000	0.15	1-Jan-25	500	Nil	Nil	500
	214,285	0.14	12-Jan-22	23,571	Nil	Nil	23,571
	100,000	0.135	20-Jan-22	11,500	Nil	Nil	11,500
454,000	0.19	24-Jan-23	27,240	Nil	Nil	27,240	
Stephen Gledhill, CFO & Corporate Secretary <sup>(2)</sup>	150,000	0.19	24-Jan-23	9,000	Nil	Nil	9,000
Gavin Bogle, Former President & CEO <sup>(3)</sup>	120,000	0.15	1-Oct-24	12,000	Nil	Nil	12,000
	20,000	0.15	20-Jan-25	2,000	Nil	Nil	2,000
	60,000	0.15	1-Jan-25	6,000	Nil	Nil	6,000
	50,000	0.15	23-Mar-21	5,000	Nil	Nil	5,000
	13,333	0.15	27-Oct-20	1,333	Nil	Nil	1,333
	22,222	0.135	19-Jan-22	2,556	Nil	Nil	2,556
	50,000	0.135	20-Jan-22	5,750	Nil	Nil	5,750

#### Notes:

- (1) The market value of the Corporation's common shares was \$0.25 based on the closing market price of the common shares on the Exchange on December 31, 2018.
- (2) Options issued to KCA.
- (3) Mr. Bogle was full-time CEO of the Corporation from October 1, 2014 to March 1, 2017.

### ***Incentive Plan Awards – Value Vested During the Year***

Set forth below is a summary of the value vested during the financial year of the Corporation ended December 31, 2018 in respect of all option-based and share-based awards and non-equity incentive plan compensation granted to the Named Executive Officers.

<b>Name</b>	<b>Option-based awards – value vested during the year (\$)</b>	<b>Share-based awards – value vested during the year (\$)</b>	<b>Non-equity incentive plan compensation – value earned during the year (\$)</b>
John Archibald, President & CEO	76,068	822,649	N/A
Aaron Archibald, VP Operations	76,068	822,649	N/A
Samuel Kanés, VP Business Development	86,338	822,649	N/A
Stephen Gledhill, CFO & Corporate Secretary	28,526	Nil	N/A

For further details concerning the incentive plans of the Corporation, please see the Stock Option Plan attached as Appendix A.

### ***Management Agreements***

The Corporation has an agreement with KCA of 14924 Yonge Street, Suite 324, Aurora, Ontario, L4G 6H7. KCA is a private advisory company wholly-owned by Stephen Gledhill, which provides the Corporation with management services. The services provided by KCA include accounting, corporate secretarial services and the services of Stephen Gledhill acting as CFO of the Corporation. The fees for these management services are fixed at a monthly rate of \$7,000, paid \$5,000 in cash, monthly in arrears and with the issuance Common Shares of the Corporation with a fair value of \$2,000 per month. During the financial year ended December 31, 2018, the Corporation incurred management fees of \$84,000 to KCA.

### ***Employment Agreements***

The Corporation does not have employment contracts with Mr. John Archibald, Mr. Aaron Archibald and Mr. Samuel Kanés (the “**Management Group**”). The Management Group has received no salary for the year ended December 31, 2018, and such will continue until the Corporation has reached a cash-flow positive position. At that time, the Corporation will enter into employment agreements with each member of the Management Group.

Mr. Gledhill is not directly employed by the Corporation but provides his services as CFO through KCA. Details of this arrangement with the Corporation are disclosed earlier in this Information Circular under *Management Agreements*.

### ***Third Party Related Parties***

Please see “Management Agreements” above.

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

There is no specific change of control provision in the Corporation's other employment agreements.

The agreement with KCA provides for termination by the Corporation prior to September 30<sup>th</sup> of the current term of the agreement, otherwise the agreement is automatically renewed for successive one-year periods. Upon termination, the Corporation is to pay KCA unpaid fees due to December 31<sup>st</sup> of the current term. There is no change of control benefits upon termination without cause or in the event of a change of control.

### ***Pension Plan Benefits***

The Corporation does not provide retirement benefits for directors or executive officers.

### ***Compensation of Directors***

The following table provides a summary of all annual and long-term compensation for services rendered in all capacities to the Corporation by the directors for the fiscal year ended December 31, 2018.

#### *Summary Compensation Table*

Name					Non-equity incentive plan				
	Year	Fees Earned (\$)	Share-based Awards (\$)	Option-based Awards (\$) <sup>(1)</sup>	Annual incentive plans (\$)	Long-term incentive plans (\$)	Pension Value (\$)	All Other Compensation (\$)	Total (\$)
Michael Boyd	2018	6,750	Nil	9,000	N/A	N/A	N/A	Nil	15,750
Rose Marie Gage <sup>(2)</sup>	2018	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Vincent Scalisi <sup>(3)</sup>	2018	4,500	Nil	5,400	N/A	N/A	N/A	N/A	9,900
Gord Surgeoner	2018	4,500	Nil	5,400	N/A	N/A	N/A	N/A	9,900

#### Notes:

- (1) The value ascribed to option grants represents non-cash consideration and has been estimated using the Black-Scholes Model as at the date of grant.
- (2) Ms. Gage joined the Board on April 29, 2019.
- (3) Mr. Scalisi is not standing for re-election.

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

The following table sets out all option-based awards outstanding in connection with the compensation of directors at the end of the period ending December 31, 2018 and the value of any Options that vested during 2018:

Name	Option-Based Awards				Share-Based Awards		
	Number of securities underlying unexercised options (#)	Option Exercise Price (CDN\$)	Option expiration date	Value of unexercised in-the-money options (\$) <sup>(1)</sup>	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Value of vested options during year ended 31-Dec-18
Michael Boyd	3,000	0.15	1-Jan-21	300	Nil	Nil	300
	6,000	0.15	14-Dec-21	600	Nil	Nil	600
	8,000	0.15	28-mar-23	800	Nil	Nil	800
	4,000	0.15	1-Jan-24	400	Nil	Nil	400
	7,000	0.15	1-Jan-25	700	Nil	Nil	700
	175,000	0.135	20-Jan-22	20,125	Nil	Nil	20,125
	50,000	0.19	18-Apr-23	3,000	Nil	Nil	3,000
Gordon Surgeoner	27,500	0.19	18-Apr-23	1,650	Nil	Nil	1,650
Vincent Scalisi <sup>(2)</sup>	6,000	0.15	7-Oct-20	600	Nil	Nil	600
	100,000	0.135	20-Jan-22	11,500	Nil	Nil	11,500
	30,000	0.19	18-Apr-23	1,800	Nil	Nil	1,800
Rose Marie Gage <sup>(3)</sup>	N/A	N/A	N/A	N/A	N/A	N/A	N/A

#### Notes:

- (1) The market value of the Common Shares was \$0.25 as at December 31, 2018.
- (2) Mr. Scalisi's options are held through his wholly-owned advisory company, Deep-Six Advisers Inc. Mr. Scalisi is not standing for re-election.
- (3) Ms. Gage joined the board of directors on April 29, 2019.

### PENSION PLAN BENEFITS

No benefits were paid, and no benefits are proposed to be paid to any of the Named Executive Officers under any pension or retirement plan.

No deferred compensation plans were paid, and no benefits are proposed to be paid to any of the Named Executive Officers under a deferred compensation plan.



## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Set forth below is a summary of securities issued and issuable under all equity compensation plans for the Corporation as at December 31, 2018. As at December 31, 2018, the Stock Option Plan was the only equity compensation plan of the Corporation.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by security holders	3,149,198 <sup>(1)</sup> 7,700,000 <sup>(2)</sup>	\$0.18 \$0.117	3,159,569 -
Equity compensation plans not approved by security holders	Nil	Nil	Nil
Total	10,849,198	N/A	3,159,569

**Notes:**

- (1) Option issued under the Corporation's existing 10% rolling Stock Option Plan.
- (2) Outstanding warrants.

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at December 31, 2018, there were no directors or executive officers of the Corporation indebted to the Corporation.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as disclosed in this Information Circular, none of the informed persons of the Corporation (as defined in National Instrument 51-102 *Continuous Disclosure Obligations*), nor any proposed nominee for election as a director of the Corporation, nor any person who beneficially owns, directly or indirectly, shares carrying more than 10% of the voting rights attached to the issued shares of the Corporation, nor 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 most recently completed financial year or in any proposed transaction which, in either case, has or will materially affect the Corporation and that none of such persons has any material interest in any transaction proposed to be undertaken by the Corporation and will materially affect the Corporation.

## DIRECTORS AND OFFICERS LIABILITY INSURANCE

The Corporation has subscribed to liability insurance for its directors and officers covering their liability which may be incurred in connection with their functions with the Corporation, subject to the relevant provisions of the *Business Corporations Act* (Ontario). The total insurance coverage is \$5,000,000 per insurable period. Each claim is subject to a \$25,000 deductible per event for the Corporation's directors and officers as a whole. The premium paid by the Corporation for the current year of coverage was approximately \$18,738.

## COMPARABLE COMPANIES

Comparable Canadian, US and Australian CO<sub>2</sub> gas infusion technology companies of similar or greater market capitalization and business prospects used to benchmark CO<sub>2</sub> GRO Inc. compensation in 2018 included: Aerogrow International Inc. (OTCQB:AERO); Micron Waste Technologies Inc. (CSE:MWM); Future Farms Technologies Inc. (CSE:FFT, OTCQB:FFRMF); Quadron Cannatech (CSE:QCC); Arcadia Biosciences (NASDAQ:RKDA); Pond Technologies (TSXV:POND); Ceapro (TSXV:CZO); and Rapid Dose (CSE:DOSE).

The Corporation's mission is to accelerate all indoor and outdoor value plant growth naturally, safely, and economically using its patent pending CO<sub>2</sub> Foliar Spray technology. The Corporation's global target retail plant markets are food at \$8 trillion per year (Plunkett Mar 2017), non-food at an estimated \$1.2 trillion per year with retail tobacco at \$760 billion (BA Tobacco 2017), floriculture at \$100 billion by 2022 (MarketResearch.Biz estimate). Also, legal US hemp cannabidiol (CBD) at \$22 billion per year by 2022 (the Brightfield Group).

## CORPORATE GOVERNANCE

Effective June 30, 2006, the securities regulatory authorities in Canada adopted National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("NI 58-101") and National Policy 58-201 *Corporate Governance Guidelines* ("NP 58-201"). NP 58-201 contains a series of guidelines for effective corporate governance. The guidelines deal with such matters as the constitution and independence of corporate boards, their functions, the experience and education of board members and other items dealing with sound corporate governance.

Corporate governance refers to the way the business and affairs of a reporting issuer are managed and relates to the activities of the board, the members of who are elected by and are accountable to the Shareholders. Corporate governance takes into account the role of the individual members of management who are appointed by the board and who are charged with the day-to-day management of the Corporation. The board is committed to sound corporate governance practices which are both in the interest of its Shareholders and contribute to effective and efficient decision-making. Pursuant to NI 58-101 the Corporation has established its corporate governance practices.

### ***Board of Directors***

Directors are considered to be independent if they have no direct or indirect material relationship with the Corporation. A material relationship is a relationship which could, in the view of the Corporation's board of directors, be reasonably expected to interfere with the exercise of a director's independent judgment.

The independent members of the board of directors of the Corporation at present are Mr. Boyd, Ms. Gage, Mr. Scalisi and Mr. Surgeoner. The non-independent directors are Mr. John Archibald and Mr. Kanes. The proposed slate of directors will be comprised of three (3) independent directors (Mr. Boyd, Ms. Gage and Mr. Surgeoner) and 2 non-independent directors (Mr. John Archibald and Mr. Kanes).

The board of directors facilitates its independent supervision over management by having regular board of directors' meetings and by establishing and implementing prudent corporate governance policies and procedures.

The chairman is an independent director and therefore the lead director. The board of directors has adopted policies to provide leadership for the independent directors.

After the date of their appointment as directors, all directors have attended all board meetings held since January 1, 2018.

### ***Board of Directors Mandate***

On March 27, 2014, the board of directors approved and adopted its' Board of Directors' Mandate. Roles and responsibilities of the board of directors are those typically assumed by a board of directors.

### **GENERAL**

The fundamental responsibility of the board of directors is to appoint a competent senior management team and to oversee the management of the business, with a view to maximizing shareholder value and ensuring corporate conduct in an ethical and legal manner via an appropriate system of corporate governance and internal controls.

### **SPECIFIC**

#### ***Senior Management Responsibility***

- Appoint the Chief Executive Officer (“CEO”) and senior officers, approve their compensation, and monitor the CEO’s performance against a set of mutually agreed corporate objectives directed at maximizing shareholder value.
- In conjunction with the CEO, develop a clear mandate for the CEO, which includes a delineation of senior management’s responsibilities.
- Ensure that a process is established that adequately provides for succession planning, including the appointing, training and monitoring of senior management.
- Establish limits of authority delegated to senior management.

#### ***Operational Effectiveness and Financial Reporting***

- Annual review and adoption of a strategic planning process and approval of the corporate strategic plan, which takes into account, among other things, the opportunities and risks of the business.
- Ensure that a system is in place to identify the principal risks to the Corporation and that the best practical procedures are in place to monitor and mitigate the risks.
- Ensure that processes are in place to address applicable regulatory, corporate, securities and other compliance matters.
- Ensure that an adequate system of internal control exists.
- Ensure that due diligence processes and appropriate controls are in place with respect to applicable certification requirements regarding the Corporation’s financial and other disclosure.
- Review and approve the Corporation’s financial statements and oversee the Corporation’s compliance with applicable audit, accounting and reporting requirements.
- Approve annual operating and capital budgets.

- Review and consider for approval all amendments or departures proposed by senior management from established strategy, capital and operating budgets or matters of policy which diverge from the ordinary course of business.
- Review operating and financial performance results relative to established strategy, budgets and objectives.

### ***Ethics, Integrity and Code of Conduct***

- Approve a communications policy or policies to ensure that a system for corporate communications to all stakeholders exists, including processes for consistent, transparent, regular and timely public disclosure, and to facilitate feedback from stakeholders.
- Approve a Business Code of Conduct for directors, officers, employees, contractors and consultants and monitor compliance with the Business Code of Conduct and approve any waivers of the Business Code of Conduct for officers and directors.

### ***Board Process/Effectiveness***

- Ensure that Board materials are distributed to directors in advance of regularly scheduled meetings to allow for sufficient review of the materials prior to the meeting. Directors are expected to attend all meetings.
- Approve the nomination of directors.
- Provide a comprehensive orientation to each new director.
- Establish an appropriate system of corporate governance including practices to ensure the Board functions independently of management.
- Establish appropriate practices for the regular evaluation of the effectiveness of the Board, its committees and its members.
- Establish committees and approve their respective mandates and the limits of authority delegated to each committee.
- Review and re-assess the adequacy of the Audit Committee Mandate on a regular basis, but not less frequently than on an annual basis.
- Review the adequacy and form of the directors' compensation to ensure it realistically reflects the responsibilities and risks involved in being a director.
- Each member of the Board is expected to understand the nature and operations of the Corporation's business, and have an awareness of the political, economic and social trends prevailing in all countries or regions in which the Corporation invests or is contemplating potential investment.
- Directors shall meet regularly, and in no case less frequently than quarterly, without senior management participation.

- In addition to the above, adherence to all other Board responsibilities as set forth in the Corporation's By-Laws, applicable policies and practices and other statutory and regulatory obligations, such as approval of dividends, issuance of securities, etc., is expected.

## POSITION DESCRIPTIONS

### ***How the Board Delineates the Role and Responsibilities of the Chair***

A written description has been developed for the Chair of the board of directors. The fundamental responsibility of the Chair of the Board of Directors of the Corporation is to effectively manage the affairs of the Board.

### ***How the Board Delineates the Role and Responsibilities of the Chief Executive Officer***

The board of directors have developed a written position description of the CEO. The CEO's objectives are discussed and decided during the Governance and Compensation Committee meetings following the CEO's presentation of the annual plan. These objectives include the mandate to maximize shareholder value. The board of directors approves the CEO objectives for the Corporation on an annual basis.

### ***Orientation and Continuing Education***

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

### ***Ethical Business Conduct***

The Board of Directors adopted a Code of Conduct on March 27, 2014 for its directors, officers, and employees. A copy of the Code of Conduct is available online at [www.co2gro.ca](http://www.co2gro.ca) and by contacting the Secretary of the Corporation. Since its adoption by the board of directors, any breach of the Code of Conduct must be brought to the attention of the board of directors by the CEO or other senior executive of the Corporation. No material change report has ever been filed which pertains to any conduct of a director or executive officer that constitutes a departure from the Code.

### ***Steps Taken to Ensure Directors Exercise Independent Judgement***

Since the adoption of the Code of Conduct, the Board of Directors actively monitors compliance with the Code of Conduct and promotes a business environment where employees are encouraged to report malfeasance, irregularities and other concerns. The Code of Conduct has specific procedures for reporting non-compliance practices in a manner which, in the opinion of the Board of Directors, encourages and promotes a culture of ethical business conduct.

In addition, a director of the Corporation must immediately disclose to the Board any situation that may place him in a conflict of interest. Any such declaration of interest is recorded in the minutes of the meeting. The director abstains, except if required, from the discussion and voting on the question. In addition, an interested director will excuse himself or herself from the decision-making process pertaining to a contract or transaction in which he or she has an interest.

### ***Nomination of Directors***

The board of directors will consider its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the board of directors' duties effectively and to maintain a diversity of views and experience.

The selection of the nominees of the board of directors is made by the other members of the board, based on the needs of the Corporation and the qualities required to sit on the board of directors, including ethical character, integrity and maturity of judgement, the level of experience, their ideas regarding the material aspects of the business, the expertise of the candidates in the fields relevant to the Corporation, the will and ability of the candidates to devote the necessary time to their duties, the Board and its committees, the will of the candidates to serve the Board for numerous consecutive financial periods, and finally, the will of the candidates to refrain from engaging in activities which conflict with the responsibilities and duties of the director of the Corporation and its shareholders.

The Corporation may use various sources in order to identify the candidates for the board, including its own contacts and references from other directors, officers, advisors of the Corporation, and executive placement agencies.

The board of directors does not have a nominating committee, and these functions are currently performed by the board of directors as a whole. However, if there is a change in the number of directors required by the Corporation, this policy will be reviewed.

### ***Governance and Compensation Committee***

The Governance and Compensation Committee has the responsibility to evaluating governance, compensation, performance incentives as well as benefits granted to the Corporation's upper management in accordance with their responsibilities and performance as well as to recommend the necessary adjustments to the board of directors of the Corporation. This committee also reviews the amount and method of compensation granted to the directors. The Governance and Compensation Committee may mandate an external firm in order to assist it during the execution of its mandate. The Governance and Compensation Committee considers time commitment, comparative fees and responsibility in determining compensation. The Governance and Compensation Committee is also in charge of establishing the procedure which must be followed by the Corporation in order for it to comply with the guidelines of the Exchange regarding corporate governance. See "Executive Compensation – Compensation Committee" for additional details.

The current Governance and Compensation Committee is comprised of Michael Boyd, Samuel Kanés and Vincent Scalisi. Under the proposed slate of the directors, the members of the Compensation Committee will be comprised of Michael Boyd, Samuel Kanés and Rose Marie Gage.

### ***Directorships***

Other than the directors listed below, who serve as directors on the boards of the public companies listed opposite such directors' names, no director or proposed director of the Corporation is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction.

<b>Director</b>	<b>Reporting Issuer</b>
Michael Boyd	Reliant Gold Corp. (TSX-V)

## AUDIT COMMITTEE CHARTER

The Audit Committee is appointed by the Board of Directors to assist the Board in fulfilling its oversight responsibilities.

The Audit Committee's primary duties and responsibilities are to:

- Review management's identification of principal financial risks and monitor the process to manage such risks.
- Oversee and monitor the Corporation's compliance with legal and regulatory requirements.
- Receive and review the reports of the Audit Committee of any subsidiary with public securities.
- Oversee and monitor the Corporation's accounting and financial reporting processes, financial statements and system of internal controls regarding accounting and financial reporting and accounting compliance.
- Oversee audits of the Corporation's financial statements.
- Oversee and monitor the qualifications, independence and performance of the Corporation's external auditors and internal auditing department.
- Provide an avenue of communication among the external auditors, management, the internal auditing department; and the Board of Directors.
- Report to the Board of Directors regularly.

The Committee has the authority to conduct any review or investigation appropriate to fulfilling its responsibilities. The Committee shall have unrestricted access to personnel and information, and any resources necessary to carry out its responsibility.

The Corporation's Audit Committee is comprised of Michael Boyd, Vincent Scalisi and Samuel Kanen (not independent). Under the proposed slate of directors, the Audit Committee will be comprised of Michael Boyd, Rose Marie Gage and Samuel Kanen (not independent). Based on the experience of the Audit Committee members described below, the Corporation believes that these persons have sufficient knowledge and background to actively participate on the Audit Committee.

Under the proposed slate of directors, the Audit Committee will consist of two independent members and one non-independent member. A member of the Audit Committee is independent if the member has no direct or indirect material relationship with the Corporation. A material relationship means a relationship which could, in the view of the Corporation's board of directors, reasonably interfere with the exercise of a member's independent judgment.

All the proposed Audit Committee members are financially literate. A member of the Audit Committee is considered 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. From the experience described above, the Corporation believes that these persons have sufficient knowledge and background to actively participate on the Audit Committee.

### ***Relevant Education and Experience***

As set out below, each member of the Corporation's present Audit Committee has adequate education and experience that is relevant to his performance as an Audit Committee member and, in particular, the requisite education and experience that have provided the member with:

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

**Michael Boyd** – Mr. Boyd has experience managing venture capital, private equity and both traditional and high-yield debt securities. His experience includes companies at all stages of development, from start-ups to mature buyout situations.

**Samuel Kanés** – Mr. Kanés is a Chartered Professional Accountant, and a Chartered Financial Analyst. He also sits on the Audit Committee of the Sustainable Chemistry Alliance and Bioindustrial Innovation Centre Boards. In his 24 years with Scotia Capital, Mr. Kanés gained extensive financial and valuation experience relevant to this role on the Audit Committee.

**Rose Marie Gage** – Ms. Gage is the newly retired CEO from Ag Energy Co-operative Ltd. She has held numerous c-suite roles for Ag Energy, Schneider Canada and General Electric. Her governance experience coupled with her management experience allow for a full set of experience and education to benefit CO2 GRO.

### ***Audit Committee Oversight***

The Audit Committee has not made any recommendations to the board to nominate or compensate any external auditor that was not adopted by the Board.

### ***Reliance on Certain Exemptions***

Since the commencement of the Corporation's most recently completed financial year ended December 31, 2018, the Corporation has not relied on the exemption in Section 2.4 (De Minimis Non-Audit Services) of National Instrument 52-110 - Audit Committees ("MI 52-110") or an exemption from MI 52-110, in whole or in part, granted under Part 8 of MI 52-110. The Corporation is relying upon the exemption in Section 6.1 (Venture Issuers) of MI 52-110.

### ***Pre-Approval Policies and Procedures***

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services.



### ***External Auditor Service Fees***

The aggregate fees billed by the Corporation's external auditors in each of the last three fiscal years for audit fees are as follows:

<b>Financial Year Ending December 31,</b>	<b>Audit Fees (\$)</b>	<b>Audit Related Fees (\$)</b>	<b>Tax Fees<sup>(1)</sup></b>	<b>All Other Fees (\$)</b>
2018	30,000	600	6,500	Nil
2017	25,000	500	6,500	Nil
2016	18,000	21,800 <sup>(2)</sup>	13,810 <sup>(2)</sup>	Nil

Notes:

- (1) Tax Fees include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (2) These are charges from the Corporation's prior auditor charged for 2016 cost overruns and review by the Corporation's new auditor of existing audit records.

### ***Other Board Committees***

The board of directors has no committees other than the Audit Committee, and the Governance and Compensation Committee.

### ***Assessments***

The board of directors monitors the adequacy of information given to directors, communication between the board of directors and management and the strategic direction and processes of the board of directors and committees. The board of directors does not consider that formal assessments would be useful at this stage of the Corporation's development. The board of directors conducts informal annual assessments of the board of director's effectiveness, the individual directors, the Audit Committee and the Governance and Compensation Committee. As part of the assessments, the board of directors may review its mandate and conduct reviews of applicable corporate policies.

## INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No informed person of the Corporation, proposed Director, or any associate or affiliate of an informed person or proposed Director, has or had any material interest, direct or indirect, in any transaction since the commencement of 2018 or any proposed transaction which has materially affected or will materially affect the Corporation or any of its subsidiaries.

## ADDITIONAL INFORMATION

Financial information regarding the Corporation is provided in the Corporation's audited annual consolidated financial statements for the financial year ended December 31, 2018 and the accompanying management's discussion and analysis. Written requests for a copy of the above documents should be directed to the Corporation: c/o Miller Thomson LLP, Scotia Plaza, 40 King St. W., Suite 5800, PO Box 1011, Toronto, Ontario, M5H 3S1, Attention to CO2 GRO Inc.: Stephen Gledhill, CFO and Corporate Secretary.

Additional information concerning the Corporation is also available online at [www.sedar.com](http://www.sedar.com).

DIRECTORS' APPROVAL OF INFORMATION CIRCULAR

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

**DATED** at Toronto, Ontario this 21<sup>st</sup> day of May, 2019.

BY ORDER OF THE BOARD OF DIRECTORS

“Michael Boyd”

---

Michael Boyd  
Chair of the Board Directors

**APPENDIX A**

**CO2 GRO INC.**

Incentive Stock Option Plan

Adopted by the Board on August 23, 2016

(Approved by Shareholders on  
March 26, 2018)

CO2 GRO INC.

**INCENTIVE SHARE OPTION PLAN**

**1. GENERAL PROVISIONS**

**1.1 Interpretation**

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

- (a) “Affiliate” means a company that is one of the following:
  - (i) a Subsidiary of the Company;
  - (ii) a company to whom the Company is a subsidiary; or
  - (iii) a company that is controlled by the same person as the Company;
- (b) “Associate” where used to indicate a relationship with any person or company, means:
  - (i) any company of which such person or company beneficially owns, directly or indirectly, voting securities carrying more than 10 percent of the voting rights attached to all voting securities of the company for the time being outstanding;
  - (ii) any partner of that person or company;
  - (iii) any trust or estate in which such person or company has a substantial beneficial interest or as to which such person or company serves as trustee or in a similar capacity;
  - (iv) any relative of that person who resides in the same home as that person;
  - (v) any person who resides in the same home as that person and to whom that person is married or with whom that person is living in a conjugal relationship outside marriage; or
  - (vi) any relative of a person mentioned in paragraph (v) above who has the same home as that person;
- (c) “Board” means the Board of Directors of the Company;
- (d) “Common Shares” means the Common Shares without par value of the Company as currently constituted;
- (e) “Company” means CO2 GRO Inc.;
- (f) “Consultant” means, in relation to the Company, an individual (other than an Employee or a Director of the Company) or a Consultant Company that:
  - (i) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Company 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 Company or the Affiliate and the individual or the corporation, as the case may be;
  - (iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or an Affiliate of the Company; and
  - (iv) has a relationship with the Company or an Affiliate of the Company that enables the individual to be knowledgeable about the business and affairs of the Company.
- (g) “Consultant Company” means a Consultant that is a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual.
- (h) “Directors” means directors, senior officers and Management Company Employees of the Company, or directors, senior officers and Management Company Employees of the Company’s subsidiaries to whom stock options can be granted in reliance on a Prospectus exemption under applicable Securities Laws.
- (i) ”Discounted Market Price” means the Market Price less a discount which shall not exceed the amount set forth below, subject to a minimum price of \$0.05;

Closing Price	Discount
Up to \$0.50	25%
\$0.51 to \$2.00	20%
Above \$2.00	15%

- (j) “Disinterested Shareholder Approval” means a majority of the votes cast at a meeting of shareholders other than votes attaching to securities beneficially owned by:
- (i) Insiders to whom shares may be issued pursuant to the Plan;
  - (ii) the Person that holds or will hold the Options in question; and
  - (iii) any Associates of Persons referred to in (i) and (ii);

In the event that Options are exercisable into a class of non-voting or subordinate voting securities, the holders of that class of non-voting and subordinate voting securities are to be given full voting rights in these circumstances.

- (k) “Eligible Person” means, subject to all applicable laws, any director, officer, employee, Consultant, Consultant Company or Management Company Employee of the Company or any of its Subsidiary companies;
- (l) “Exchange Hold Period” means a four month resale restriction imposed by the TSX Venture Exchange on Common Shares issuable upon exercise of:
- (i) Options issued by an Issuer to:
    - (A) directors, officers and Promoters of the Company; or

- (B) persons holding securities carrying more than 10% of the voting rights attached to the Company's securities both immediately before and after the transaction in which securities are issued, and who have elected or appointed or have the right to elect or appoint one or more directors or senior officers of the Company, except in the case of securities whose distribution was qualified by a Prospectus or were issued under a securities exchange take-over bid, rights offering or pursuant to an amalgamation or other statutory procedure; and
- (ii) Options granted by the Company to any person with an exercise price that is less than the Market Price.
- (m) "Fair Market Value" means, with respect to a Common Share subject to Option, the 10-day average of the closing prices of the Company's Common Shares on the TSX Venture Exchange or, if the Common Shares are not listed on such exchange, on such other exchange or exchanges on which the Common Shares are listed on a specific day. If no Common Shares have been traded on such day, the Fair Market Value shall be established on the same basis on the last previous day for which a trade was reported by such exchange. If the Common Shares are not listed for trading on such exchange, on such day, the Fair Market Value shall be such price per Common Share as the Board, acting in good faith, may determine.
- (n) "Insider" means:
  - (i) an insider as defined under the Securities Act (Ontario), other than a person who falls within that definition solely by virtue of being a director or senior officer of a Subsidiary of the Company, and
  - (ii) an Associate of any person who is an insider by virtue of (i) above;
- (o) "Management Company Employee" means an individual employed by a person providing management services to the Company which are required for the ongoing successful operation of the business of the Company, but excluding a person engaged in investor relations activities;
- (p) "Market Price" means the last daily closing price of the Company's listed Common Shares before the date of grant of an Option;
- (q) "Option" means an option to purchase Common Shares granted to an Eligible Person pursuant to the terms of the Plan;
- (r) "Outstanding Issue" is determined on the basis of the number of Common Shares that are outstanding immediately prior to the share issuance or grant of the option in question, excluding Common Shares issued pursuant to Share Compensation Arrangements over the preceding one-year period;
- (s) "Participant" means Eligible Persons to whom Options have been granted;
- (t) "Plan" means this Incentive Stock Option Plan of the Company;
- (u) "Share Compensation Arrangement" means any stock option, share option plan, employee share purchase plan or any other compensation or incentive mechanism involving the

issuance or potential issuance of Common Shares, including a share purchase from treasury which is financially assisted by the Company by way of a loan, guarantee or otherwise;

- (v) “Subsidiary” has the meaning ascribed to that term under the Securities Act (Ontario); and
- (w) “Termination Date” means the date on which a Participant ceases to be an Eligible Person.

Words importing the singular number only shall include the plural and vice versa and words importing the masculine shall include the feminine.

Capitalized terms used in this Plan that are not defined herein shall have the meaning ascribed thereto by the policies of the TSX Venture Exchange.

This Plan and all matters to which reference is made herein shall be governed by and interpreted in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

## **1.2 Purpose**

The purpose of the Plan is to advance the interests of the Company by (i) providing Eligible Persons with additional incentive to develop and promote the growth and success of the Company, (ii) encouraging stock ownership by such Eligible Persons, (iii) increasing the proprietary interest of Eligible Persons in the success of the Company, (iv) encouraging the Eligible Person to remain with the Company or its Subsidiaries or any Associate, and (v) attracting and retaining persons of outstanding competence whose efforts will dictate, to a large extent, the future growth and success of the Company.

## **1.3 Administration**

- (a) This Plan shall be administered by the Board or a committee of the Board duly appointed for this purpose by the Board and consisting of not less than three directors. If a committee is appointed for this purpose, all references to the Board will be deemed to be references to the Committee.
- (b) Subject to the limitations of the Plan, the Board shall have the authority:
  - (i) to grant Options to purchase Common Shares to Eligible Persons,
  - (ii) to determine the terms, limitations, restrictions and conditions respecting such grants, including, the number of Common Shares for which any Option may be granted to an Eligible Person and the exercise price at which Common Shares may be purchased under any Option to be granted to an Eligible Person,
  - (iii) to interpret the Plan and to adopt, amend and rescind such administrative guidelines and other rules and regulations relating to the Plan as it shall from time to time deem advisable, and
  - (iv) to make all other determinations and to take all other actions in connection with the implementation and administration of the Plan including, without limitation, for the purpose of ensuring compliance with section 1.7 hereof, as it may deem necessary or advisable. The Board’s guidelines, rules, regulations, interpretations and determinations shall be conclusive and binding upon the Company and all other persons.

## 1.4 Shares Reserved

- (a) Options may be granted on authorized but unissued common shares of the Company not exceeding 10% of the total number of issued and outstanding common shares of the Company from time to time on a non-diluted basis.
- (b) Subject only to paragraph 1.4(d) and paragraph 1.5(iv) below, the maximum number of Common Shares which may be reserved for issuance under Options in any 12 month period to any one individual under the Plan shall be 5% of the Common Shares outstanding at the time of the grant (on a non-diluted basis) less the aggregate number of Common Shares reserved for issuance to such person under any other option to purchase Common Shares from treasury granted as a compensation or incentive mechanism.
- (c) Subject only to paragraph 1.4(d) and paragraph 1.5(iv) below, the maximum number of Common Shares which may be reserved for issuance under Options in any 12 month period to any one Consultant under the Plan shall be 2% of the Common Shares outstanding at the time of the grant (on a non-diluted basis) less the aggregate number of Common Shares reserved for issuance to such person under any other option to purchase Common Shares from treasury granted as a compensation or incentive mechanism.
- (d) As long as the Company's Common Shares are listed on the TSX Venture Exchange, the maximum number of Common Shares which may be reserved for issuance under Options in any 12 month period to a director, employee or Consultant who is employed in an investor relations capacity at any time under the Plan shall be 2% of the Common Shares outstanding at the time of the grant (on a non-diluted basis) less the aggregate number of Common Shares reserved for issuance to all persons engaged in investor relations activities under any other option to purchase Common Shares from treasury granted as a compensation or incentive mechanism.
- (e) Any Common Shares subject to an Option which for any reason is cancelled or terminated without having been exercised, shall again be available for grant under the Plan. No fractional shares shall be issued. Please refer to section 1.9(d) for the manner in which a fractional share value shall be treated.
- (f) If there is a change in the outstanding Common Shares by reason of any stock dividend or any recapitalization, amalgamation, subdivision, consolidation, combination or exchange of shares, or other corporate change (a "**Capital Reorganization**"), the Board shall make, subject to the prior approval of the relevant stock exchanges, appropriate substitution or adjustment in
  - (i) the number or kind of shares or other securities reserved for issuance pursuant to the Plan; and
  - (ii) the number and kind of shares subject to unexercised Options theretofore granted and in the option price of such shares;

provided however, that no substitution or adjustment shall obligate the Company to issue or sell fractional shares. If the Company completes a Capital Reorganization, the Board shall make such provisions for the protection of the rights of Participants as the Board in its discretion deems appropriate.



## **1.5 Limits with respect to Insiders**

Subject only to the obtaining of Disinterested Shareholder Approval for the grant of Options under the Plan, the Company may cause:

- (a) the number of Common Shares reserved for issuance pursuant to Options granted to Insiders to exceed 10% of the Outstanding Issue;
- (b) the issuance to Insiders, within a one-year period, of Common Shares to exceed 10% of the Outstanding Issue;
- (c) the issuance to any one Insider, within a one year period of a number of shares exceeding 5% of the Outstanding Issue; or
- (d) a reduction in the exercise price of Options previously granted to Insiders. Any entitlement granted prior to the Participant becoming an Insider of the Company shall be excluded in determining the number of Common Shares issuable to Insiders.

## **1.6 Amendment and Termination**

- (a) The Board may amend, suspend or terminate the Plan or any portion thereof at any time in accordance with applicable legislation, and subject to any required regulatory approval. No such amendment, suspension or termination shall alter or impair any Options or any rights pursuant thereto granted previously to any Participant without the consent of such Participant. If the Plan is terminated, the provisions of the Plan and any administrative guidelines, and other rules and regulations adopted by the Board and in force at the time of the Plan shall continue in effect during such time as an Option or any rights pursuant thereto remain outstanding.
- (b) With the consent of the affected Participants, the Board may amend or modify any outstanding Option in any manner to the extent that the Board would have had the authority to initially grant such award as so modified or amended, including without limitation, to change the date or dates as of which an Option becomes exercisable, subject to the prior approval of the relevant stock exchanges.

## **1.7 Compliance with Legislation**

The Plan, the grant and exercise of Options hereunder and the Company's obligation to issue and deliver Common Shares upon exercise of Options shall be subject to all applicable federal, provincial and foreign laws, rules and regulations, the rules and regulations of any stock exchange on which the Common Shares are listed for trading and to such approvals by any regulatory or governmental agency as may, in the opinion of counsel to the Company, be required. The Company shall not be obliged by any provision of the Plan or the grant of any Option hereunder to issue or sell Common Shares in violation of such laws, rules and regulations or any condition of such approvals. No Option shall be granted and no Common Shares issued or sold hereunder where such grant, issue or sale would require registration of the Plan or of Common Shares under the securities laws of any foreign jurisdiction and any purported grant of any Option or issue or sale of Common Shares hereunder in violation of this provision shall be void. In addition, the Company shall have no obligation to issue any Common Shares pursuant to the Plan 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. Common Shares issued to Participants pursuant to the exercise of Options may be subject to limitations on sale or resale under applicable securities laws. In addition to resale restrictions under applicable securities laws, and as long as the Company's Common Shares are listed on the TSX Venture Exchange, all Options and Common Shares issued on the exercise of Options must be legended

with a four month hold period from the date of grant. If Options are granted to any resident or citizen of the United States, the Board and the Company will use their best efforts to ensure that all matters pertaining to such Options shall be made in compliance with applicable United States securities laws.

## **1.8 Effective Date**

The Plan shall be effective upon the approval of the Plan by:

- (a) the TSX Venture Exchange and any other exchange upon which the Common Shares of the Company may be posted and listed for trading; and
- (b) the shareholders of the Company, given by the affirmative vote of a majority of the votes attached to the Common Shares of the Company entitled to vote and represented and voted at an annual or special meeting of the holders of such Common Shares.

## **1.9 Miscellaneous**

- (a) Nothing contained herein shall prevent the Board from adopting other or additional compensation arrangements, subject to any required regulatory approval.
- (b) Nothing contained in the Plan nor in any Option granted thereunder shall be deemed to give any Participant any interest or title in or to any Common Shares of the Company or any rights as a shareholder of the Company or any other legal or equitable right against the Company whatsoever other than as set forth in the Plan and pursuant to the exercise of any Option.
- (c) The Plan does not give any Participant or any employee of the Company or any of its Associated or Subsidiary companies the right or obligation to or to continue to serve as a director, officer or employee, as the case may be, of the Company or any of its Associated or Subsidiary companies. The awarding of Options to any Eligible Person is a matter to be determined solely in the discretion of the Board. The Plan shall not in any way fetter, limit, obligate, restrict or constrain the Board with regard to the allotment or issue of any Common Shares or any other securities in the capital of the Company or any of its subsidiaries other than as specifically provided for in the Plan.
- (d) No fractional Common Shares shall be issued upon the exercise of Options granted under the Plan and, accordingly, if a Participant would become entitled to a fractional Common Share upon the exercise of an Option, such Participant shall only have the right to purchase the next lowest whole number of Common Shares and no payment or other adjustment will be made with respect to the fractional interest so disregarded.

## **2. OPTIONS**

### **2.1 Grants**

Subject to the provisions of the Plan, the Board shall have the authority to determine the limitations, restrictions and conditions, if any, in addition to those set forth in section 2.3 hereof, applicable to the exercise of an Option, including, without limitation, the Exchange Hold Period, if applicable, the nature and duration of the restrictions, if any, to be imposed upon the sale or other disposition of Common Shares acquired upon exercise of the Option, and the nature of the events, if any, and the duration of the period in which any Participant's rights in respect of Common Shares acquired upon exercise of an Option may be forfeited. An Eligible Person may receive Options on more than one occasion under the Plan and may receive separate Options on any one occasion.

## 2.2 Option Price

The Board shall establish the Option price at the time each Option is granted, which shall, as long as the Company's Common Shares are listed on the TSX Venture Exchange, be not less than the Discounted Market Price. At such time as the Company's Common Shares are listed on the TSX Venture Exchange, the Option price shall be not less than the Fair Market Value.

The Option price shall be subject to adjustment in accordance with the provisions of section 1.4(f) hereof.

## 2.3 Exercise of Options

- (a) Subject to section 2.3(b), the Options granted must expire not later than a maximum of ten (10) years from the date of grant.
- (b) In the event that the expiration date of an Option should fall within a trading black-out period, as may be imposed from time to time by the Board prohibiting trading in securities of the Company while the Company is in possession of undisclosed Material Information, then the expiration date of the affected Option shall be automatically extended for a period of ten (10) business days following the date that the black-out period is lifted.
- (c) Options will vest at the discretion of the Board, as determined at the time of each grant, provided that options granted to consultants performing investor relations activities shall vest in stages over 12 months with no more than one quarter of the options vesting in any three month period.
- (d) Options shall not be assignable or transferable by the Participant otherwise than by will or the laws of descent and distribution, and shall be exercisable during the lifetime of a Participant only by the Participant and after death only by the Participant's legal representative.
- (e) Subject to section 2.3(a) and except as otherwise determined by the Board:
  - (i) if a Participant ceases to be an Eligible Person which, for the purposes of this subsection does not include persons engaged in investor relations activities, for any reason whatsoever other than death, each Option held by the Participant will cease to be exercisable no more than 90 days after the Termination Date.

Options granted to Participants engaged in investor relations activities must expire within 30 days after the Participant ceases to be employed to provide investor relations activities. If any portion of an Option is not vested by the Termination Date, that portion of the Option may not under any circumstances be exercised by the Participant. Without limitation, and for greater certainty only, this provision will apply regardless of whether the Participant was dismissed with or without cause and regardless of whether the Participant received compensation in respect of dismissal or is entitled to a period of notice of termination which would otherwise have permitted a greater portion of the Option to vest with the Participant;

- (ii) if a Participant dies, the legal representative of the Participant may exercise the Participant's Options within one year after the date of the Participant's death, but only to the extent the Options were by their terms exercisable on the date of death;

- (iii) the retirement of any Participant who is a director of the Company or any Subsidiaries or Associate companies at any annual general meeting of the Company or such Subsidiaries as required by the constating documents of the Company or Subsidiaries, as the case may be, shall not result in the termination of the Option granted to such Participant provided that such Participant is re- elected at such annual general meeting as a director of the Company or such Subsidiary, as the case may be;
  - (iv) the change in the duties or position of a Participant or the transfer of such Participant from a position with the Company to a position with an Subsidiary, or vice-versa, shall not trigger the termination of such Participant's Option provided such Participant remains a director, officer, employee or Consultant of the Company or Subsidiary.
- (f) Each Option shall be confirmed by an Option agreement executed on behalf of the Company by any one director of the Board and by the Participant and each Option agreement shall incorporate such terms and conditions as the Board in its discretion deems consistent with the terms of the Plan.
  - (g) The exercise price of each Common Share purchased under an Option shall be paid in full in cash or by bank draft or certified cheque at the time of such exercise, in lawful money of Canada, and upon receipt of payment in full, but subject to the terms of the Plan, the number of Common Shares in respect of which the Option is exercised shall be duly issued as fully paid and non- assessable.
  - (h) Subject to the terms and conditions of this Plan, an Option may be exercised by written notice signed by the Participant and dated the date of exercise, and not post-dated, stating that the Participant elects to exercise his rights to purchase Common Shares under such Option and the number of Common Shares in respect of which such Option is being exercised, accompanied by full payment for the Common Shares being purchased under such Option delivered to the Company at its principal office at Suite 1500 - 409 Granville Street, Vancouver, BC, V6C 1T2 (or such other address of the principal office of the Company at the time of exercise) addressed to the attention of the President of the Company. Delivery of any notice of exercise accompanied by the payment may be made by personal delivery, by courier service or by agent.
  - (i) Upon exercise of an Option, a certificate or certificates evidencing the Common Shares in respect of which the Option is exercised shall forthwith be delivered to the Optionee.
  - (j) Notwithstanding the time or times specifically provided herein or in an Option agreement for the exercise of an Option, the Participant may elect to purchase all or any of the Common Shares remaining subject to such Option, provided that it has vested, at any time if a "take-over bid" or an "issuer bid" occurs (within the meaning of any securities laws or other Federal, Provincial or State laws or regulations).

## **2.4 Representation by Optionees**

Each Option agreement shall provide that upon each exercise of an Option, the Participant (including for the purposes of this section 2.4 each other person who, pursuant to subsection 2.3(d) hereof, may purchase Common Shares under an Option granted to an Eligible Person) shall, if so requested by the Company, represent and agree in writing that:

- (a) the person is, or the Participant was, a director, officer, or bona fide employee, Consultant or Management Company Employee of the Company or any Subsidiary or Associate and has not been induced to purchase the Common Shares by expectation of employment or continued employment;
- (b) the person is purchasing the Common Shares pursuant to the exercise of such Option as principal for the Participant's own account (or if such Participant is deceased, for the account of the estate of such deceased Participant) for investment purposes, and not with a view to the distribution or resale thereof to the public;
- (c) the person will, prior to and upon any sale or disposition of any of the Common Shares purchased pursuant to the exercise of such Option, comply with all applicable securities laws and any other federal, provincial or state laws or regulations to the extent that such laws or regulations are applicable to such sale or disposition; and
- (d) such Participant (or such other person) will not offer, sell or deliver any of the Common Shares purchased pursuant to the exercise of such Option, directly or indirectly, in the United States or to any citizen or resident of, or any corporation, partnership or other entity created or organized in or under the laws of, the United States, or any estate or trust the income of which is subject to United States federal income taxation regardless of its source, except in compliance with United States federal and state securities laws. The Participant acknowledges that the Company has the right to place any restriction or legend on any securities issued pursuant to this agreement or its Plan including, but in no way limited to placing a legend to the effect that the securities have not been registered under the Securities Act (1933) of the United States and may not be offered or sold in the United States unless registration or an exemption from registration is available.

The Company may employ other procedures and require further documentation from a Participant to ensure compliance with all applicable laws.

The issue and sale of Common Shares pursuant to any Option granted under the Plan is specially conditioned on such issue and sale being made in compliance with applicable securities laws, and the Company shall have no obligation to issue or sell any Common Shares pursuant to the exercise of any Option unless the Board determines in its sole discretion that such issue and sale will be made in compliance with applicable securities laws. The Company will be entitled to take such action as it deems necessary to restrict the transferability in the United States of any Common Shares acquired on exercise of any Option.

## **2.5 Representation by the Company**

Each Option agreement related to stock option grants to an employee, Consultant or Management Company Employee shall include a representation by the Company that the Participant is a bona fide employee, Consultant or Management Company Employee of the Company or its Subsidiaries.

## **2.6 Notice to Commissions and Exchanges**

The Company will give notice to all applicable securities commissions and other regulatory bodies in Canada and the United States and all applicable stock exchanges and other trading facilities upon which the Common Shares are listed or traded, as may be required, of its adoption of this Plan and of its entering into Option agreements with Eligible Persons and the terms and conditions for the purchase of Common Shares under such Option agreements, and will use all reasonable efforts to obtain any requisite approvals as may be required from such bodies, exchanges and trading facilities.

## **2.7 Tax Withholding**

Notwithstanding any other provision contained herein, in connection with the exercise of an Option by a Participant from time to time, as a condition to such exercise (i) the Company shall require such Participant to pay to the Company an amount as necessary so as to ensure that the Company is in compliance with the applicable provisions of any federal, provincial or local law relating to the withholding of tax or other required deductions (the “Applicable Withholdings and Deductions”) relating to the exercise of such Options; or (ii) in the event a Participant does not pay the amount specified in (i), the Company shall be permitted to engage a broker or other agent, at the risk and expense of the Participant, to sell an amount of underlying Common Shares issuable on the exercise of such Option and to apply the cash received on the sale of such underlying Common Shares as necessary so as to ensure that the Company is in compliance with the Applicable Withholdings and Deductions relating to the exercise of such Options. In addition, the Company shall be entitled to withhold from any amount payable to a Participant, either under this Plan or otherwise, such amount as may be necessary so as to ensure that the Company is in compliance with Applicable Withholdings and Deductions relating to the exercise of such Options.