

PHARMALA BIOTECH HOLDINGS INC.

MANAGEMENT INFORMATION CIRCULAR

SOLICITATION OF PROXIES

This management information circular (this “Circular”) is furnished in connection with the solicitation, by or on behalf of the management (“Management”) of PharmAla Biotech Holdings Inc. (the “Company”), of proxies to be used at the Company’s annual general and special meeting (the “Meeting”) of the holders (“Shareholders”) of common shares in the capital of the Company (“Common Shares”) to be held at the time and place and for the purposes set forth in the accompanying notice of meeting (the “Notice of Meeting”). References in this Circular to the Meeting includes any adjournment(s) hereof. It is expected that the solicitation will be primarily by mail, but proxies may also be solicited personally, by advertisement or by telephone, by directors, officers or employees of the Company without special compensation, or by the Company’s registrar and transfer agent, Marrelli Trust Company Limited (“Marrelli Trust”) at nominal cost. The cost of solicitation will be borne by the Company.

The information contained herein is provided as of January 19, 2024, unless indicated otherwise. No person has been authorized to give any information or make any representation in connection with matters to be considered at the Meeting other than those contained in this Circular and, if given or made, any such information or representation must not be relied upon as having been authorized by the Company or its Management. Unless otherwise indicated herein, all dollar amounts are expressed in Canadian dollars and all references to “\$” are to Canadian dollars.

APPOINTMENT AND REVOCATION OF PROXIES

The person(s) designated by Management in the enclosed form of proxy (“Proxy”) are officers of the Company. **Each Shareholder has the right to appoint as proxyholder a person or company (who need not be a Shareholder) other than the person(s) or company(ies) designated by Management in the enclosed Proxy to attend and act on the Shareholder’s behalf at the Meeting or at any adjournment thereof.** Such right may be exercised by inserting the name of the person or company in the blank space provided in the Proxy or by completing another form of proxy.

Shareholders whose names appear on the records maintained by Marrelli Trust of Common Shares as registered Shareholders (“Registered Shareholders”) who are unable to attend the Meeting in person are requested to read this Circular and the Proxy which accompanies the Notice of Meeting and to complete, sign, date and deliver the Proxy, together with the power of attorney or other authority, if any, under which it was signed to Marrelli Trust (i) by mail at: Attention: Proxy Department, Marrelli Trust, C/O Marrelli Transfer Services Corp., 82 Richmond Street East Toronto, ON M5C 1P1; (ii) on www.voteproxy.ca; (iii) by fax: 416.360.7812; or (iv) by email: info@marrellitrust.ca, by 11:00 a.m. (Toronto time) on Friday, February 23, 2024, or before 48 hours (excluding Saturdays, Sundays and holidays) before any adjournment of the Meeting at which the Proxy is to be used (the “Proxy Deadline”). Votes cast electronically are in all respects equivalent to and will be treated in the exact same manner as, votes cast via a paper Proxy. A Registered Shareholder whose name has been provided to Marrelli Trust will appear on a list of Shareholders prepared for purposes of the Meeting. To vote in person at the Meeting each Registered Shareholder will be required to register for the Meeting by identifying themselves at the registration desk.

Non-registered Shareholders who hold their Common Shares through brokers, intermediaries, trustees or other persons, or who otherwise do not hold their Common Shares in their own name (referred to herein as “Beneficial Shareholders”) who receive this Circular and the Proxy or voting instruction form (“VIF”) through an intermediary must deliver the Proxy or VIF, as applicable, in accordance with the instructions given by such intermediary. To be effective, Proxies or VIFs, as applicable, must be received by Marrelli Trust no later than the Proxy Deadline. Beneficial Shareholders must appoint themselves as a proxyholder

to vote in person at the Meeting. Please also refer to the section titled “*Advice to Beneficial Shareholders*” below.

A Shareholder who has given a Proxy may revoke it as to any matter on which a vote has not already been held pursuant to its authority by an instrument in writing executed by the Shareholder or by the Shareholder’s attorney duly authorized in writing or, if the Shareholder is a corporation, by an officer or attorney thereof duly authorized and deposited at either the above mentioned office of Marrelli Trust by no later than 48 hours prior to the Meeting, excluding Saturdays, Sundays and holidays, or any adjournment or postponement thereof, or with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof. Notwithstanding the foregoing, if a Registered Shareholder attends personally at the Meeting, such Registered Shareholder may revoke the Proxy and vote in person.

ADVICE TO SHAREHOLDERS

Voting in Person at the Meeting

The Meeting will not be open to the general public and will be limited to Registered Shareholders and duly appointed proxyholders only. Registered Shareholders may vote in-person at the Meeting or by Proxy, and Beneficial Shareholders may vote by Proxy or VIF, as applicable. Please monitor the Company’s website for additional information and instructions. Changes to the Meeting time, date or location and/or means of holding the Meeting may be announced by way of press release. Please monitor the Company’s press releases as well as its website at www.pharmala.ca and under the Company’s SEDAR+ profile at www.sedarplus.ca. The Company does not intend to prepare or mail an amended Circular in the event of changes to the Meeting format.

The Company strongly encourages each Shareholder to submit a Proxy or VIF, as applicable, in advance of the Meeting using one of the methods described above and in this Circular.

Voting of Proxies

On any ballot that may be called for, the Common Shares represented by a properly executed Proxy given in favour of the person(s) designated by Management in the Proxy will be voted or withheld from voting in accordance with the instructions given on the Proxy, and if the Shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly.

The Proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting or any adjournment thereof. As of the date of this Circular, Management is not aware of any such amendment, variation or other matter to come before the Meeting. However, if any amendments or variations to matters identified in the Notice of Meeting or any other matters which are not now known to Management should properly come before the Meeting or any adjournment thereof, the Common Shares represented by properly executed proxies given in favour of the person(s) designated by Management in the Proxy will be voted on such matters pursuant to such discretionary authority.

Advice to Beneficial Shareholders

The information set forth in this section is of importance to many Shareholders, as a substantial number of Shareholders do not hold Common Shares in their own name. In many cases, Common Shares beneficially owned by a holder are registered: (a) in the name of an intermediary that the Beneficial Shareholder deals with in respect of the Common Shares. Intermediaries include banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans; or (b) in the name of a depository (such as Clearing and Depository Services Inc. (“**CDS**”)). Beneficial Shareholders should note that only Proxies deposited by Registered Shareholders will be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to Beneficial Shareholders by a broker, those Common Shares will, in all likelihood, not be registered in the Shareholder’s name. Such Common Shares will more likely be registered under the name of the

Shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for CDS, which acts as nominee for many Canadian brokerage firms). Common Shares held by brokers (or their agents or nominees) on behalf of a broker's client can only be voted at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker's clients. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.**

In accordance with the requirements of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”), the Company has distributed copies of this Circular, the Notice of Meeting and Proxy (collectively, the “**Meeting Materials**”) to CDS and the intermediaries, as applicable, for onward distribution to Beneficial Shareholders.

Existing regulatory policy requires brokers and other intermediaries to forward Meeting Materials to Beneficial Shareholders, unless the Beneficial Shareholder has waived the right to receive them and seek voting instructions from Beneficial Shareholders in advance of shareholder meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting.

The VIF supplied to such Beneficial Shareholders by their broker (or the agent of the broker) is substantially similar to the Proxy provided directly to Registered Shareholders by the Company. However, its purpose is limited to instructing the Registered Shareholder (i.e., the broker or agent of the broker) on how to vote on behalf of the Beneficial Shareholder. The vast majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”) in Canada. Broadridge typically prepares a machine-readable VIF, mails those forms to Beneficial Shareholders and asks Beneficial Shareholders to return the forms to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the Internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. **A Beneficial Shareholder who receives a VIF cannot use that form to vote Common Shares directly at the Meeting. The VIFs must be returned to Broadridge (or instructions respecting the voting of Common Shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the Common Shares voted. If you have any questions respecting the voting of Common Shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance.**

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his or her broker, CDS or another intermediary, the Beneficial Shareholder may attend the Meeting as proxyholder and vote the Common Shares in that capacity. **Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxyholder, should enter their own names in the blank space on the VIF provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker.**

Beneficial Shareholders fall into two categories – those who object to their identity being known to the issuers of securities which they own (“**OBOs**”) and those who do not object to their identity being made known to the issuers of the securities which they own (“**NOBOs**”). Subject to the provisions of NI 54-101, issuers may request and obtain a list of their NOBOs from intermediaries directly or via their transfer agent and may obtain and use the NOBO list for the distribution of proxy-related materials to such NOBOs. The Company will not be distributing Meeting Materials directly to NOBOs. If you are a NOBO and the Company or Marrelli Trust has sent the Meeting Materials directly to you, your name, address and information about your holdings of Common Shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding the Common Shares on your behalf. The Company's OBOs may be contacted by their respective intermediaries. The Company intends to pay for intermediaries to deliver the Meeting Materials to OBOs.

All references to Shareholders in this Circular and the Proxy and Notice of Meeting are to Registered Shareholders, unless specifically stated otherwise.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The voting securities of the Company consists of an unlimited number of Common Shares. As at the close of business on January 19, 2024, the Company had 86,907,552 Common Shares issued and outstanding, each carrying the right to one vote per Common Share. Except as otherwise noted in this Circular, a simple majority of the votes cast at the Meeting, whether in person, by Proxy or otherwise, will constitute approval of any matter submitted to a vote. All Shareholders have the right to vote for directors. The persons named in the Proxy will vote the Common Shares in respect of which they are appointed in accordance with the direction of the Shareholder appointing them. **In the absence of such direction, those Common Shares will be voted in favour of (“FOR”) all resolutions.**

Record Date and Quorum

The board of directors of the Company (the “**Board**”) has fixed January 19, 2024 as the record date (the “**Record Date**”) for the purpose of determining holders of Common Shares entitled to receive notice of and to vote at the Meeting. Any Shareholder of record at the close of business on the Record Date is entitled to vote the Common Shares registered in such Shareholder’s name at that date on each matter to be acted upon at the Meeting.

The quorum for the transaction of business at a meeting of Shareholders is one person who is, or who represents by proxy, one or more Shareholders who, in the aggregate, hold at least 5% of the issued shares entitled to be voted at the meeting.

Principal Shareholders

To the knowledge of the directors and executive officers of the Company, and based on the Company’s review of the records maintained by Marrelli Trust, electronic filings with SEDAR+ and insider reports filed with System for Electronic Disclosure by Insiders (“**SEDI**”), as at the date of this Circular, no person beneficially owned, directly or indirectly, or exercised control or direction over 10% or more of the voting rights attached to the outstanding Common Shares, on a non-diluted basis.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

No (a) director or executive officer of the Company who has held such position at any time since the beginning of the Company’s last financial year; (b) person by or on behalf of Management; (c) proposed nominee for election as director of the Company; or (d) associate or affiliate of any of the persons or companies listed in (a) to (c) have any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, other than (i) ratification and approval of the of the restricted share unit (“**RSU**”) plan dated May 11, 2023 (the “**RSU Plan**”) and (ii) the repeal and replacement of the Company’s current stock option plan (the “**Stock Option Plan**”) and RSU Plan with the adoption of the proposed equity incentive plan (the “**Equity Incentive Plan**”).

MATTERS TO BE ACTED UPON AT THE MEETING

1. Annual Financial Statements

The consolidated audited financial statements of the Company for the years ended August 31, 2023 and 2022, together with the auditors’ report thereon, (together, the “**Annual Financial Statements**”) will be received at the Meeting. No vote will be taken on the Annual Financial Statements. The Annual Financial Statements have been provided to each Shareholder entitled to receive a copy of the Meeting Materials and who requested a copy. The Annual Financial Statements are also available on the Company’s website at www.pharmala.ca and under the Company’s SEDAR+ profile at www.sedarplus.ca.

2. Election of Directors

At the Meeting, a board of seven directors will be proposed (each a “**Nominee**”) to be elected for a term that will expire upon the earlier of the next annual general meeting of Shareholders or upon their successor being duly elected or appointed, unless his or her office is earlier vacated. Management has been informed that each of the Nominees listed below is willing to serve as a director if elected. Management does 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 Common Shares represented by properly executed Proxies given in favour of such Nominee(s) may be voted by the person(s) designated by Management in the Proxy, in their discretion, in favour of another nominee.

The following table sets forth certain information regarding the Nominees, their respective positions with the Company, principal occupations or employment during the last five years, the dates on which they became directors of the Company and the approximate number of Common Shares beneficially owned by them, directly or indirectly, or over which control or direction is exercised by them as of the date of this Circular:

Name, province or state and country of residence and position, if any, held in the Company	Principal occupation(s) ⁽¹⁾	Served as director of the Company since	Number of Common Shares beneficially owned, directly or indirectly, or controlled or directed at present ⁽²⁾
Nicholas Kadysh President, Chief Executive Officer and Director <i>Toronto, Ontario</i>	President, Chief Executive Officer and Director of the Company	March 21, 2021	4,700,000 ⁽⁴⁾
Kevin Roy ⁽³⁾ Director <i>Toronto, Ontario</i>	Self Employed, performing consulting, project engagements and board work.	June 24, 2022	Nil
Jodi Butts ⁽³⁾ Chairperson <i>Ottawa, Ontario</i>	Director of Canada Goose Holdings Inc.; Independent member of the Board of Directors of Tilray Brands Inc.; Chair of The Walrus Foundation Board of Directors; and member of the Board of Governors and Audit Committee of the University of Windsor.	March 21, 2021	Nil
Perry Tsergas Director <i>Ottawa, Ontario</i>	Co-Founder, President, and Chief Executive Officer of spark*advocacy	March 21, 2021	Nil
Fraser Macdonald ⁽³⁾ Director <i>Toronto, Ontario</i>	Corporate Lawyer and Public Affairs Consultant at StrategyCorp Inc.	March 21, 2021	100,000
Dr. Abdelmalik Slassi Director <i>Mississauga, Ontario</i>	Founder, President and Chief Scientific Officer of Fluorinov Pharma Inc.	March 21, 2021	350,000
Dr. Harriet de Wit Director <i>Chicago, Illinois</i>	Professor in the Department of Psychiatry and Behavioral Neuroscience at the University of Chicago	March 21, 2021	100,000

Notes:

- (1) Information furnished by the respective Nominee.
- (2) Voting securities of the Company beneficially owned, or controlled or directed, directly or indirectly as of the date hereof. Information regarding voting securities held does not include voting securities issuable upon the exercise of options, warrants or other convertible securities of the Company. Information in the table above is derived from the Company’s review of insider reports filed with SEDI and from information furnished by the respective Nominee.
- (3) Member of the audit committee of the Company (the “**Audit Committee**”). Mr. Roy chairs the Audit Committee.
- (4) Includes 1,075,000 Common Shares directly owned by Mr. Kadysh and 3,625,000 Common Shares held by NKO Consulting Corp., an entity wholly owned by Mr. Kadysh.

Corporate Cease Trade Orders or Bankruptcies

No person proposed to be nominated for election as a director at the Meeting is or has been, within the preceding ten years, a director, chief executive officer (“**CEO**”) or chief financial officer (“**CFO**”) of any company (including the Company) that:

- (a) was the subject of a cease trade or similar order, or an order that denied such company access to any exemptions under applicable securities legislation that was issued while the proposed director was acting in the capacity as director, CEO or CFO, or
- (b) was the subject of a cease trade or similar order, or an order that denied such company access to any exemptions under applicable securities legislation that was issued after the 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 director, CEO or CFO.

No person proposed to be nominated for election as a director at the Meeting is or has been, within the preceding ten years, a director or executive officer of any company (including the Company) 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.

No person proposed to be nominated for election as a director at the Meeting is or has, within the preceding ten years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or has become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such person.

Penalties and Sanctions

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

No Nominee is being elected under any arrangement or understanding between the Nominee and any other person or company.

It is the intention of the persons named in the Proxy, if not expressly directed to the contrary in such Proxy, to vote such Proxies FOR the election of each Nominee specified above as directors of the Company, to serve for a term that will expire upon the earlier of the next annual general meeting of Shareholders or upon their successor being duly elected or appointed. If, prior to the Meeting, any vacancies occur in the Nominees herein submitted, the persons named in the Proxy intend to vote FOR the election of any substitute nominee(s) recommended by Management and FOR each of the remaining Nominee(s).

3. Reappointment of Auditors

Clearhouse LLP, Chartered Professional Accountants (“**Clearhouse**”) is the current auditor of the Company and has held this position since May 12, 2021. At the Meeting, Shareholders will be asked to vote for the reappointment of Clearhouse, as the Company’s auditor, to hold office until the next annual general meeting of the Shareholders, at a remuneration to be fixed by the Audit Committee. Approval of the reappointment of the auditor will require a majority of the votes cast in respect thereof by Shareholders present in person or by Proxy at the Meeting.

In the absence of a contrary instruction, the person(s) designated by Management in the Proxy intend to vote FOR the reappointment of Clearhouse as the auditor of the Company until the earlier of the close of the next annual general meeting of Shareholders or their removal by the Company, at a remuneration to be fixed by the Audit Committee.

4. Approval of Continuance

The Company is currently organized and existing under the *Business Corporations Act* (British Columbia) (the “**BCBCA**”). The Company wishes to continue from the Province of British Columbia to the Province of Ontario for corporate and administrative reasons.

The Company is seeking Shareholder approval at the Meeting to consider and, if deemed advisable, approve a special resolution authorizing the Board, in its sole discretion, to apply for continuance out of the Province of British Columbia under the provisions of the BCBCA into the Province of Ontario under the provisions of the *Business Corporations Act* (Ontario) (the “**OBCA**”) (the “**Continuance**”) and to ratify, confirm and approve the repeal and replacement of the existing articles of the Company (“**Articles**”) with the adoption of a new general by-laws of the Company following the Continuance relating generally to the conduct of the business and affairs of the Company under the OBCA (“**By-Law No. 1**”), in the form attached hereto as Schedule “A” .

By-Law No. 1 is standard in its form and governs all aspects of the business and affairs of the Company, such as the establishment of a quorum for meetings of directors and Shareholders, the conduct of such meeting, signing authorities, the nomination of directors, the appointment of officers, the description of the officers’ duties, the establishment of committees of the Board, the authority of persons to contract on behalf of the Company and similar matters. Shareholders are urged to review the By-Law No. 1 in its entirety.

The Board and Management believe it is in the best interest of the Company to complete the Continuance as a substantial amount of the operations of the Company are performed in the Province of Ontario and the Company’s CEO and CFO are in the Province of Ontario.

Introduction

The Continuance, if approved, will affect a change in the legal domicile of the Company as of the effective date and time thereof and will affect certain of the rights of Shareholders as they currently exist under the BCBCA. Management is of the view that the OBCA will provide to Shareholders substantively the same rights as are available to Shareholders under the BCBCA, including rights of dissent and appraisal and rights to bring derivative actions and oppression actions, and is consistent with corporate legislation in most other Canadian jurisdictions, and that Shareholders will not be adversely affected by the Continuance.

Upon the Continuance becoming effective, Shareholders will continue to hold one Common Share for each Common Share currently held. The principal attributes of the Common Shares after Continuance will be identical to the corresponding Common Shares prior to the Continuance other than differences in shareholders’ rights under the OBCA and BCBCA. The directors and officers of the Company immediately following the Continuance will be identical to the directors and officers of the Company immediately prior to the Continuance. As of the effective date of the Continuance, the election, duties, resignations and removal of the Company’s directors and officers shall be governed by the OBCA, proposed articles of continuance under the OBCA (the “**Articles of Continuance**”), in the form attached hereto as Schedule “B”, and By-Law No.1, if adopted. By-Law No.1 will replace the current Articles of the Company.

Procedure

Under the BCBCA, in order to affect the Continuance of the Company from British Columbia into Ontario, the Company must obtain the approval of its Shareholders by way of special resolution under the BCBCA, being a resolution passed by not less than two-thirds of the votes cast in person or by Proxy at the Meeting.

The Company must also make a written application to the Registrar of Companies appointed under the BCBCA (the “**Registrar of Companies**”) for consent to continue. If the special resolution approving the Continuance (the “**Continuance Resolution**”) is approved at the Meeting, it is proposed the Company shall apply to and file all necessary documentation with the Registrar of Companies for authorization to continue into Ontario. Immediately following receipt of the authorization of the Registrar of Companies, it is proposed that the Company shall apply for a certificate of continuance under section 180 of the OBCA (the

“**Certificate of Continuance**”) and file Articles of Continuance of the Company which comply with the provisions of the OBCA. Upon the issuance of a Certificate of Continuance by the director appointed under the OBCA (the “**Director**”), the Continuance will become effective, whereupon the Company will become subject to the OBCA, as if it had been incorporated under the OBCA, and the Articles of Continuance will be deemed to be the Articles of Incorporation of the Company.

Shareholders will be asked to consider, and if deemed appropriate, to pass, with or without variation, the Continuance Resolution authorizing the Board, in its sole discretion, to apply for a continuance application with each of the Registrar of Companies and Director as required in connection with the Continuance and approve the form of Articles of Continuance. The Continuance will affect certain rights of Shareholders as they currently exist under the BCBCA and Shareholders should consult their legal advisors regarding the implications of the Continuance which may be of particular importance to them.

If the Continuance Resolution is approved by Shareholders, then the Company may complete the Continuance no later than a date to be determined by the Board before the three year anniversary of the date of the Meeting. **Shareholders are urged to vote FOR the Continuance Resolution.**

The Articles of Continuance will constitute the governing instrument of the continued Company under the OBCA and the Certificate of Continuance issued by the Director will be deemed to be the certificate of incorporation of the continued Company. Upon the Articles of Continuance becoming effective, the Company becomes a corporation to which the OBCA applies as if it had been incorporated under the OBCA. Notwithstanding the Continuance of the Company from British Columbia into Ontario, the BCBCA and OBCA provide that all the rights of creditors of the Company against the Company’s property, rights and assets and all liens on the Company’s property, rights and assets are unimpaired by the Continuance. All debts, contracts, liabilities and duties of the Company continue to attach to the Company upon being continued under the OBCA and continue to be enforceable against it as if the Company had remained incorporated under the BCBCA as well as any existing cause of action, claim or legal proceeding against the Company. Notwithstanding the approval of the Continuance Resolution, the Board may, without further approval by the Shareholders, abandon the application for the Continuance at any time prior to the issue of a certificate of continuance.

Comparative Summary of the BCBCA and OBCA

BCBCA	OBCA
<p><i>Charter Documents and Amendments Thereto</i></p> <p>Under the OBCA, the charter documents will consist of Articles of Continuance, which set forth, among other things, the name of the Company and the amount and type of authorized capital, and by-laws, which govern the management of the Company following the Continuance. The Articles and by-laws are kept at the Company’s registered office, or such other place in Ontario designated by the Board.</p> <p>Any substantive change to the charter documents of a corporation under the BCBCA, such as an alteration of the restrictions, if any, on the business carried on by a corporation, a change in the name of a corporation, an increase, reduction or elimination of the maximum number of shares that the corporation is authorized to issue out of any class or series of shares, an alteration of the special rights and restrictions attached to issued shares or continuance of a corporation out of the jurisdiction requires a resolution of the type specified in its Articles. If the Articles do not specify the type of resolution, a special resolution passed by the majority of votes that the Articles of the corporation specify is required, if that specified majority is at least two thirds and not more than three quarters of the votes cast on the resolution or, if the Articles do not contain such a provision, a special resolution passed by at least two thirds of the votes cast on the resolution. Other fundamental</p>	<p><i>Charter Documents and Amendments Thereto</i></p> <p>Under the BCBCA, the charter documents consist of a Notice of Articles, which sets forth the name of the Company and the amount and authorized share structure, and Articles, which govern the management of the Company. The Notice of Articles is filed with the Registrar of Companies while the Articles are kept at the Company’s records office.</p> <p>The Continuance to Ontario and the adoption of the Articles of Continuance and By-Law No.1 will not result in any substantive changes to the constitution, powers or management of the Company, except as otherwise described herein.</p> <p>Under the OBCA, certain fundamental changes require a special resolution passed by not less than two-thirds of the votes cast by the shareholders voting on the resolution authorizing the alteration at a special meeting of shareholders, and, in certain instances, where the rights of the holders of a class or series of shares are affected differently by the alteration than those of the holders of other classes or series of shares, a special resolution passed by not less than two-thirds of the votes cast by the holders of shares of each class or series so affected, whether or not they are otherwise entitled to vote. Authorization to amalgamate an OBCA corporation requires that a special resolution in respect of the amalgamation be passed by the holders of each class or series of shares entitled to vote</p>

<p>changes such as a proposed amalgamation or arrangement require a similar special resolution passed by holders of shares of each class entitled to vote at a general meeting of the corporation and the holders of all classes of shares adversely affected by such changes.</p>	<p>thereon. The holders of a class or series of shares of an amalgamating corporation, whether or not they are otherwise entitled to vote, are entitled to vote separately as a class or series in respect of an amalgamation if the amalgamation agreement contains a provision that, if contained in a proposed amendment to the Articles, would entitle such holders to vote separately as a class or series under Section 170 of the OBCA.</p>
<p><i>Sale of Undertaking</i></p> <p>Under the BCBCA, a corporation may sell, lease or otherwise dispose of all or substantially all of the undertaking (as opposed to 'property' under the OBCA) of the corporation if it does so in the ordinary course of its business or if it has been authorized to do so by a special resolution passed by the majority of votes that the Articles of the corporation specify is required, if that specified majority is at least two-thirds and not more than three-quarters of the votes cast on the resolution or, if the Articles do not contain such a provision, a special resolution passed by at least two-thirds of the votes cast on the resolution.</p>	<p><i>Sale of Undertaking</i></p> <p>The OBCA requires approval by not less than two-thirds of the votes cast upon a special resolution at a duly called special meeting for a sale, lease or exchange of all or substantially all of the property of the corporation (other than in the ordinary course of business of the corporation). Holders of a class or series of shares, otherwise not entitled to vote, may vote separately only if the sale, lease or exchange would affect a particular class or series in a manner different from the shares of another class or series entitled to vote.</p>
<p><i>Rights of Dissent and Appraisal</i></p> <p>Although the procedure under BCBCA for exercising rights of dissent differs from the procedure under the OBCA, the BCBCA still provides that shareholders who dissent to certain actions being taken by the Company may exercise a right of dissent and require the Company to purchase the shares held by such shareholder at the fair value of such shares. A shareholder is entitled to dissent in respect of:</p> <ul style="list-style-type: none"> (a) a resolution to alter the Company's Articles to alter restrictions on the powers of the Company or on the business that the Company is permitted to carry on; (b) a resolution to adopt an amalgamation agreement; (c) a resolution to adopt a resolution to approve an amalgamation into a foreign jurisdiction; (d) a resolution to approve an arrangement, the terms of which arrangement permit dissent; (e) a resolution to authorize or ratify the sale, lease or other disposition of all or substantially all of the Company's undertaking; (f) a resolution to continue into a jurisdiction other than British Columbia; (g) any other resolution, if dissent is authorized by the resolution; or (h) any court order that permits dissent. 	<p><i>Rights of Dissent and Appraisal</i></p> <p>The OBCA provides that shareholders who dissent to certain actions being taken by a corporation may exercise a right of dissent and require the corporation to purchase the shares held by such shareholder at the fair value of such shares. The dissent right is applicable in respect of:</p> <ul style="list-style-type: none"> (a) a resolution to amend its Articles to add, remove or change restrictions on the issue, transfer or ownership of shares of a class or series of the shares of the corporation; (b) a resolution to amend its Articles to add, remove or change any restriction upon the business or businesses that the corporation may carry on or upon the powers that the corporation may exercise; (c) a resolution to amalgamate with another corporation; (d) a resolution to be continued under the laws of another jurisdiction; or <p>a resolution to sell, lease or exchange all or substantially all the corporation's property.</p>
<p><i>Oppression Remedies</i></p> <p>The OBCA contains rights that are substantially broader in that they are available to a larger class of complainants than the BCBCA. Under the BCBCA, a shareholder of a corporation has the right to apply to court on the ground that:</p> <ul style="list-style-type: none"> (a) the affairs of the corporation are being or have been conducted, or that the powers of the directors are being or have been exercised, in a manner oppressive to one or more of the shareholders, including the applicant, or (b) some act of the corporation has been done or is threatened, or that some resolution of the shareholders or of the shareholders holding shares of a class or series of shares has been passed or is proposed, that is unfairly prejudicial to one or 	<p><i>Oppression Remedies</i></p> <p>Under the OBCA, a registered shareholder, former registered shareholder, beneficial owner of shares, former beneficial owner of shares, director, former director, officer, former officer of a corporation or any of its affiliates, or any other person who, in the discretion of a court, is a proper person to seek an oppression remedy may apply to a court for an order to rectify the matters complained of where, in respect of a corporation or any of its affiliates:</p> <ul style="list-style-type: none"> (a) any act or omission of the corporation or its affiliates effects, or threatens to effect, a result; (b) the business or affairs of the corporation or its affiliates are, or have been or are threatened to be carried on or conducted in a manner; or

<p>more of the shareholders, including the applicant.</p>	<p>(c) the powers of the directors of the corporation or any of its affiliates are, have been or are threatened to be exercised in a manner, that is oppressive or unfairly prejudicial to or that unfairly disregards the interests of, any security holder, creditor, director or officer.</p>
<p><i>Shareholder Derivative Actions</i></p> <p>Under the BCBCA, a shareholder or director of a corporation may, with leave of the court, bring an action in the name and on behalf of the corporation to enforce a right, duty or obligation owed to the corporation that could be enforced by the corporation itself or to obtain damages for any breach of such a right, duty or obligation.</p>	<p><i>Shareholder Derivative Actions</i></p> <p>A broader right to bring a derivative action is contained in the OBCA, and this right extends also to Registered Shareholders, former Registered Shareholders, beneficial owners of shares, former beneficial owners of shares, directors, former directors, officers and former officers of a corporation or any of its affiliates, and any person who, in the discretion of the court, is a proper person to make an application to court to bring a derivative action. In addition, the OBCA permits derivative actions to be commenced in the name and on behalf of a corporation or any of its subsidiaries.</p>
<p><i>Place of Meetings</i></p> <p>Under the BCBCA, meetings of shareholders are required to be held in British Columbia unless:</p> <ul style="list-style-type: none"> (a) location outside of British Columbia is provided for in the Articles; (b) the Articles do not restrict the corporation from approving a location outside of British Columbia, the location is approved by the resolution required by the Articles for that purpose (in the case of the Company, the location may be approved by directors' resolution), or if no resolution is specified then approved by ordinary resolution before the meeting is held; or (c) the location for the meeting is approved in writing by the Registrar of Companies before the meeting is held. 	<p><i>Place of Meetings</i></p> <p>Subject to the Articles or any unanimous shareholder agreement, the OBCA permits meetings of shareholders to be held inside or outside Ontario as the directors determine, or in the absence of such a determination, at the place where the registered office of the corporation is located.</p>

Shareholders' Rights of Dissent in Respect of the Continuance

The following is a summary of the operation of the provisions of the BCBCA relating to a Registered Shareholder's dissent and appraisal rights in respect of the Continuance. Such summary is not a comprehensive statement of the procedures to be followed by a Registered Shareholder who seeks such dissent and appraisal rights and is qualified in its entirety by reference to the full text of Part 8, Division 2 of the BCBCA which is attached to this Circular as Schedule "C". Any Registered Shareholder considering the exercise of the right of dissent should seek legal advice, since failure to comply strictly with the provisions of the BCBCA may prejudice the Registered Shareholder's right of dissent. Beneficial Shareholders who wish to dissent should be aware that only Registered Shareholders are entitled to dissent. Accordingly, a Beneficial Shareholder desiring to exercise the right of dissent must make arrangements for the Common Shares beneficially owned to be registered in their name prior to the time the written objection to the Continuance Resolution is required to be received by the Company or, alternatively, make arrangements for the registered holder of such Common Shares to dissent on their behalf.

Pursuant to Section 238 of the BCBCA, any Shareholder who dissents from the Continuance Resolution (a "Continuance Dissenting Shareholder") in compliance with Sections 237 to 247 of the BCBCA will be entitled to be paid by the Company the fair value of the Common Shares held by such Continuance Dissenting Shareholder determined as at the point in time immediately before the passing of the Continuance Resolution. A Continuance Dissenting Shareholder must dissent with respect to all Common Shares in which the holder owns a beneficial interest.

The filing of a notice of dissent deprives a Continuation Dissenting Shareholder of the right to vote at the Meeting, except if such Continuation Dissenting Shareholder ceases to be a Continuation Dissenting Shareholder in accordance with the continuation dissent rights (the “**Continuation Dissent Rights**”). For greater certainty, a Registered Shareholder who wishes to exercise the Continuation Dissent Rights may not vote in favour of the Continuation. A Registered Shareholder who wishes to dissent must deliver written notice of dissent to the Company at its registered office, 82 Richmond Street East Toronto, ON M5C 1P1, at least two days before the date on which the Continuation Resolution is to be voted upon and such notice of dissent must strictly comply with the requirements of Section 242 of the BCBCA.

In particular, the written notice of dissent must set out the number of Common Shares in respect of which the notice of dissent is to be sent and:

- (a) if such Common Shares constitute all of the Common Shares of which the Continuation Dissenting Shareholder is the registered and beneficial owner, a statement to that effect;
- (b) if such Common Shares constitute all of the Common Shares of which the Continuation Dissenting Shareholder is both the registered and beneficial owner but if the Registered Shareholder owns additional Common Shares beneficially, a statement to that effect and the names of the Registered Shareholders, the number of Common Shares held by such registered owners and a statement that written notices of dissent have or will be sent with respect to such shares; or
- (c) if the Continuation Dissent Rights are being exercised by a registered owner who is not the beneficial owner of such Common Shares, a statement to that effect and the name of the beneficial owner and a statement that the registered owner is dissenting with respect to all Common Shares of the beneficial owner registered in such registered owner’s name.

The Company is required promptly after the later of (i) the date on which the Company forms the intention to proceed with the Continuation; and (ii) the date on which the written notice of dissent was received, to notify each Continuation Dissenting Shareholder of its intention to act on the Continuation. Upon receipt of such notification, each Continuation Dissenting Shareholder is then required, if the Continuation Dissenting Shareholder wishes to proceed with the dissent, within one month after the date of such notice to send to the Company (a) a written statement that the Continuation Dissenting Shareholder requires the Company to purchase all of its Common Shares; (b) the certificates representing such Common Shares; and (c) if the dissent right is being exercised by the Continuation Dissenting Shareholder on behalf of a Beneficial Shareholder who is not the Continuation Dissenting Shareholder, a statement signed by the Beneficial Shareholder which sets out whether the beneficial owner is the beneficial owner of other Shares, and if so, (i) the names of the registered owners of such Common Shares; (ii) the number of such Common Shares; and (iii) that dissent is being exercised in respect of such Common Shares. A Shareholder who fails to send the Company, within the required time frame, the written statements described above and the certificates representing the Common Shares in respect of which the Continuation Dissenting Shareholder dissents, forfeits the Shareholder’s right to dissent.

On sending the required documentation to the Company, the fair value for a Continuation Dissenting Shareholder’s Common Shares will be determined as follows:

- (a) if the Company and a Continuation Dissenting Shareholder agree on the fair value of the Common Shares, then the Company must promptly pay that amount to the Continuation Dissenting Shareholder or promptly send notice to the Continuation Dissenting Shareholder that the Company is lawfully unable to pay the Continuation Dissenting Shareholders for their Common Shares; or
- (b) if a Continuation Dissenting Shareholder and the Company are unable to agree on a fair value, the Continuation Dissenting Shareholder may apply to the Supreme Court of British Columbia to determine the fair value of the Common Shares, and the Company

must pay to the Continuance Dissenting Shareholder the fair value determined by such Court or promptly send notice to the Continuance Dissenting Shareholder that the Company is lawfully unable to pay the Continuance Dissenting Shareholders for their Common Shares.

The Company will be lawfully unable to pay the Continuance Dissenting Shareholder the fair value of their Shares if the Company is insolvent or would be rendered insolvent by making the payment to the Continuance Dissenting Shareholder. In such event, Continuance Dissenting Shareholders will have 30 days to elect to either (a) withdraw their dissent or (b) retain their status as a claimant and be paid as soon as the Company is lawfully able to do so or, in a liquidation, be ranked subordinate to its creditors but in priority to its Shareholders.

If the Continuance is not implemented for any reason, Continuance Dissenting Shareholders will not be entitled to be paid the fair value for their Common Shares and the Continuance Dissenting Shareholders will be entitled to the return of any Common Share certificates delivered to the Company in connection with the exercise of the Continuance Dissent Rights.

The discussion above is only a summary of the Continuance Dissent Rights which are technical and complex. A Registered Shareholder who intends to exercise Continuance Dissent Rights should carefully consider and comply with the provisions of Sections 237 to 247 of the BCBCA. Beneficial Shareholders who wish to dissent should be aware that only Registered Shareholders are entitled to dissent. It is suggested that any Shareholder wishing to avail himself or herself of the Continuance Dissent Rights seek his or her own legal advice as failure to comply strictly with the applicable provisions of the BCBCA may prejudice the availability of such dissent rights. Continuance Dissenting Shareholders should note that the exercise of dissent rights can be a complex, time-consuming and expensive process.

Continuance Resolution

Shareholders are asked to consider and, if thought fit, to pass the special resolution set forth below (the "**Continuance Resolution**"), authorizing the Company to discontinue under the BCBCA, make an application to continue the Company under the OBCA and, in connection therewith, approve the Articles of Continuance and ratify, confirm and approve the adoption of By-Law No. 1 contingent on the Company proceeding with the Continuance. The full text of the Continuance Resolution is set forth below:

"BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. the discontinuance of the Company from the *Business Corporations Act* (British Columbia) (the "**BCBCA**") and the continuance of the Company under the *Business Corporations Act* (Ontario) (the "**OBCA**") is hereby authorized and approved, provided that, in any event, the continuance is completed within 36 months from the date hereof and if not implemented within such period, the authority granted by this resolution to effect the continuance on the foregoing terms will lapse and be of no further force or effect.
2. The Company be authorized to make application the Registrar of Companies of British Columbia for the issuance of a consent to file articles of continuance of the Company with the OBCA to continue the Company as if it had been incorporated under the OBCA and to make application to the Registrar of Companies in British Columbia for the issuance of a certificate of discontinuance (the "**Certificate of Continuance**").
3. subject to the issuance of such Certificate of Continuance and without affecting the validity of the Company and the existence of the Company by or under its Notice of Articles and Articles and any act done thereunder, effective upon issuance of the Certificate of Continuance, the Company shall adopt Articles of Continuance forming part of the said application for continuance in substitution for the Notice of Articles of the Company and such Articles of Continuance are hereby amended to make all changes necessary to conform to the requirements of the OBCA.

4. subject to the completion of the continuance, and pursuant to section 125(3) of the OBCA, the directors of the Company are hereby empowered to determine from time to time the number of directors of the Company and the number of directors to be elected at each annual meeting of shareholders.
5. notwithstanding that this resolution has been duly passed by the shareholders of the Company, the board of directors of the Company be and are hereby authorized and empowered to revoke this resolution, abandon any application made in connection with the continuance and determine not to proceed with the continuance, without further approval of the shareholders of the Company.
6. effective upon the issuance of the Certificate of Continuance, the by-laws attached as Schedule "A" to the management information circular of the Company dated January 19, 2024 are confirmed as the only by-laws of the Company, being a by-law regulating the business and affairs of the Company.
7. any director or officer of the Company be and such director or officer of the Company is hereby authorized and empowered, acting for, in the name of and on behalf of the Company, to execute or cause to be executed, under the seal of the Company or otherwise, and to deliver or cause to be delivered any and all such documents and instruments and to do or to cause to be done all such other acts and things as, in the opinion of such director or officer, may be necessary or desirable in order to fulfil the intent of this resolution."

The Board recommends that shareholders vote FOR the Continuance Resolution. To be effective, the Continuance Resolution must be approved by not less than two-thirds of the votes cast by the Shareholders present in person, or represented by Proxy, and entitled to vote at the Meeting. Unless the Shareholder directs that their Common Shares are to be voted against the Continuance Resolution, the persons named in the Proxy intend to vote FOR the Continuance Resolution.

5. Approval the RSU Plan and Prior Grants

Effective May 11, 2023, the Board adopted the RSU Plan, subject to ratification by disinterested Shareholders at the Meeting and on November 8, 2023, the Company granted a total of 2,300,000 RSUs (the "**Prior RSU Grant**"), subject to disinterested Shareholders ratifying the RSU Plan and Prior RSU Grant at the Meeting. Each RSU granted expires November 8, 2033 and is subject to certain vesting conditions, including disinterested Shareholders ratify the RSU Plan and Prior RSU Grant at the Meeting. Pursuant to the policies of the Canadian Securities Exchange ("**CSE**"), Shareholder approval is required for the adoption of plans for Security Based Compensation Arrangement (as such term is defined in the policies of the CSE).

At the Meeting, disinterested Shareholders will be asked to consider, and if thought advisable, to pass, a ordinary resolution of disinterested Shareholders ratifying, confirming and approving the prior adoption of the RSU Plan and the Prior RSU Grant (together, the "**RSU Resolution**"). To be effective, the RSU Resolution must be approved, with or without variation, by the affirmative vote of at least a simple majority of the votes cast by disinterested Shareholders represented in person or by Proxy at the Meeting.

National Instrument 45-106 – *Prospectus Exemptions* ("**NI 45-106**") provides exemptions from the requirement to prepare and file a prospectus in connection with a distribution of securities. As the Company is listed on the CSE, the Company is classified as an "unlisted reporting issuer" for purposes of the exemption provided in Section 2.24 of NI 45-106 for distributions of securities to employees, executive officers, directors and consultants of the Company (the "**Exemption**"). NI 45-106 restricts the use of the Exemption by "unlisted reporting issuers" such as the Company unless the Company obtains Shareholder approval. Specifically, NI 45-106 provides that the Exemption does not apply to a distribution to an employee or consultant of the "unlisted reporting issuer" who is an investor relations person of the issuer, an associated consultant of the issuer, an executive officer of the issuer, a director of the issuer, or a permitted assign of those persons if, after the distribution,

- (a) the number of securities, calculated on a fully diluted basis, reserved for issuance under options

granted to

- (i) related persons, exceeds 10% of the outstanding securities of the issuer, or
 - (ii) a related person, exceeds 5% of the outstanding securities of the issuer, or
- (b) the number of securities, calculated on a fully diluted basis, issued within 12 months to
- (i) related persons, exceeds 10% of the outstanding securities of the issuer, or
 - (ii) a related person and the associates of the related person, exceeds 5% of the outstanding securities of the issuer.

The term “related person” is defined in NI 45-106 and generally refers to a director or executive officer of the issuer or of a related entity of the issuer, an associate of a director or executive officer of the issuer or of a related entity of the issuer, or a permitted assign of a director or executive officer of the issuer or of a related entity of the issuer. The term “permitted assign” includes a spouse of the person.

In accordance with the requirements of NI 45-106, the Board wishes to provide the following information with respect to the RSU Plan so that the Shareholders may form a reasoned judgment concerning the RSU Plan. A summary of the key terms of the RSU Plan is set out below, which is qualified in its entirety by the full text of the RSU Plan, a copy of which is attached hereto as Schedule “D”.

Purpose

The purpose of the RSU Plan is promote the interests and long-term success of the Company by: (i) furnishing certain directors, officers, employees and consultants of the Company with greater incentive to develop and promote the business and financial success of the Company; (ii) aligning the interests of persons to whom RSUs may be granted with those of Shareholders generally through a proprietary ownership interest in the Company; and (iii) assisting the Company in attracting, retaining and motivating its directors, officers, and employees.

Eligibility

RSU grants may be made under the RSU Plan to directors, officers, employees, and consultants of the Company, (including consultants engaging in Investor Relations Activities as such term is defined in the policies of the CSE, or of any affiliate of the Company (each an “**Eligible Person**”). Any Eligible Person shall be designated a participant for the purposes of the RSU Plan (a “**Participant**”). The Company and a Participant shall be required to confirm that any Eligible Person that is an employee is a bona fide employee of the Company or its affiliates for the purposes of participating in the RSU Plan. In determining whether an Eligible Person shall receive an RSU and the terms thereof, the Board or a committee of the Board may take into account the nature of the services rendered by the Eligible Person, his or her present and potential contributions to the success of the Company, and such other relevant factors.

Administration

The RSU Plan will be administered by the Board with the assistance of the Compensation Committee (as defined therein). The Compensation Committee is authorized, subject to the provisions of the RSU Plan, to establish such rules and regulations as it deems necessary for the proper administration of the RSU Plan, and to make determinations and take such other action in connection with or in relation to the RSU Plan as it deems necessary or advisable.

Common Shares Available for Awards

The maximum number of Common Shares that may be issuable pursuant to RSU Plan may not exceed in the aggregate, that number of Common Shares which is equal to 10% of the issued and outstanding

Common Shares as at the effective date of the RSU Plan. The number of Common Shares covered by a grant of RSUs will be counted on the date of grant of such RSUs against the aggregate number of Common Shares available under the RSU Plan. Fractional RSUs are permitted under the RSU Plan.

Grant of Awards

The Compensation Committee may from time-to-time grant to any Eligible Person one or more RSUs as the Compensation Committee deems appropriate, provided that:

- (a) the number of Common Shares reserved for issuance to any Participant combined with all of the Company's other security-based arrangements within any one-year period shall not, in aggregate, exceed 5% of the total number of Common Shares, or in the case of consultants, 2% of the issued and outstanding Common Shares to each consultant in any one year period, unless disinterested shareholder approval is obtained for such issuances;
- (b) the number of Common Shares reserved for issuance to any one Participant within any one-year period shall not, in aggregate, exceed 1% of the total number of Common Shares, unless disinterested Shareholder approval is obtained for such issuance;
- (c) the maximum number of Common Shares which may be reserved for issuance to a related group of persons, together with any other security-based compensation agreements, may not exceed 10% of the issued and outstanding Common Shares at any given time;
- (d) the number of Common Shares (i) issuable, at any time, to participants that are insiders; and (i) issued to participants that are insiders (as such term is defined in the RSU Plan) within any one-year period when combined with all of the Company's other security based compensation arrangements that provide for the issuance from treasury or potential issuance from treasury of Common Shares shall not, in aggregate, exceed 5% of the total number of Common Shares at any given time; and
- (e) the number of Common Shares reserved for issuance to participants that are insiders pursuant to the RSU Plan within any one-year period shall not, in aggregate, exceed 2% of the total number of Common Shares, unless disinterested Shareholder approval is obtained for such issuances.

Each RSU grant will be evidenced by an Award Agreement (as such term is defined in the RSU Plan) which incorporates such terms and conditions, including all vesting conditions, as the Compensation Committee in its discretion deems appropriate and consistent with the provisions of the RSU Plan.

Termination of Services

Upon the termination of a participant's employment (as determined under criteria established by the Compensation Committee), including by way of death, retirement, disability, termination without cause and termination for cause during the term of an RSU, all unvested RSUs held by the participant shall be forfeited and cancelled; provided, however, that the Compensation Committee may, if it determines that a waiver would be in the best interest of the Company, waive in whole or in part any or all remaining restrictions or conditions with respect to any such RSU grant.

Vesting

RSUs granted pursuant to the RSU Plan will vest, and the corresponding Common Shares will be issued no later than December 15 of the third calendar year following the end of the Service Year (as defined herein) in respect of each such RSU grant. For the purposes of this paragraph: (i) where an RSU is granted within the first half of a calendar year, the "Service Year" in respect of such RSU shall be the immediately preceding year; and (ii) where an RSU is granted within the second half of a calendar year, the "Service Year" in respect of such RSU shall be the year of grant. Each vested, whole RSU granted is payable in Common Shares and confers on the holder thereof the right to receive one Common Share from treasury

immediately upon the completion of certain conditions during such periods as the Compensation Committee may establish. The conditions to be completed during any period, the length of any period, the amount of any RSUs granted, the number of Common Shares receivable pursuant to any RSU and any other terms and conditions of the RSU are to be determined by the Compensation Committee at the time of grant.

Amendments to the RSU Plan

The following amendments to the RSU Plan will require the prior approval of the CSE and disinterested Shareholder approval: (a) increasing the maximum number of Common Shares reserved for issuance under the RSU Plan; (b) extending the term of an RSU beyond its original expiry time; or (c) any amendment that results in a modification to the section of the RSU Plan that deals with the maximum number of Common Shares available for issuance under the RSU Plan.

The Compensation Committee may make any other amendment to the RSU Plan not set out above, including the following:

- (a) amendments of a clerical or housekeeping nature, including but not limited to the correction of grammatical or typographical errors or clarification of terms;
- (b) amendments to reflect any requirements of any regulatory authorities to which the Company is subject, including the CSE;
- (c) amendments to any vesting provisions of an RSU, provided that such amendments shall not extend vesting beyond December 15 of the third calendar year following the end of the Service Year in respect of such RSU; and
- (d) amendments to the expiration date of an RSU that does not extend the term of an RSU past the original date of expiration for such RSU.

Adjustments

In the event of any share distribution, share split, combination or exchange of shares, merger, consolidation, spin-off or other distribution of the Company's assets to the Shareholders, or any other change affecting the Common Shares, the outstanding RSUs shall be adjusted in such manner, if any, as the Compensation Committee may in its discretion deem appropriate to reflect the event, provided that no amount will be paid to a Participant and no additional RSUs will be granted to such Participant to compensate for a downward fluctuation in the market price of the Common Shares, nor will any other form of benefit be conferred upon, or in respect of a Participant for such purpose.

In the event of a Merger and Acquisition Transaction (as such term is defined the RSU Plan), the Compensation Committee will determine any adjustment to the number and type of Common Shares (or other securities) that shall thereafter underlie the then outstanding, and any future, RSUs and determine the manner in which all unvested RSUs granted will be treated including, without limitation, requiring the acceleration of the time for the vesting of such RSUs by the participants, the time for the fulfilment of any conditions or restrictions on such vesting, and the time for the expiry of such RSUs. Notwithstanding anything to the contrary in the RSU Plan, any unvested RSUs issued to a participant at the time of a merger and acquisition transaction shall immediately vest if either (i) the participant is either terminated without cause or resigns with good reason (as such term has been defined under common law, including any reason that would be considered to amount to constructive dismissal by a court of competent jurisdiction) from their position with the Company within the period ending 12 months from the date of the completion of a merger and acquisition transaction, or (ii) the Compensation Committee, acting reasonably, determines that an adjustment to the number and type of Common Shares (or other securities) resulting from a merger and acquisition transaction is impractical or impossible.

Withholding Tax

Each Participant in the RSU Plan is responsible for all applicable withholding taxes in respect the issuance, transfer, amendment or vesting of an RSU or the issuance of Common Shares thereunder in order to satisfy any applicable withholding taxes, the Company is entitled to, among other things, withhold or offset such amounts from any salary or other amounts otherwise due or to become due from the Company to the Participant, or may require that a Participant pay such amounts to the Company.

RSUs non-Transferable

Each RSU granted is non-transferrable or assignable except to (i) an executor or administrator for the estate of the participant upon the death of the Participant, or (ii) a committee or duly appointed attorney of the participant, upon the participant becoming incapable, by reason of physical or mental infirmity, of managing his or her affairs. A change in the status, office, position or duties of a participant from the status, office, position or duties held by such participant on the date on which the RSU was granted to such participant will not result in the termination of the RSU granted to such participant provided that such participant remains an Eligible Person.

Shareholder Approval of the RSU Resolution

The RSU Plan is authorized by the Board to be effective the date of the Meeting, or any adjournment or postponement thereof, subject to the approval of disinterested Shareholders at the Meeting. The RSU Plan will continue until the earlier of termination by the Board.

Accordingly, at the Meeting, disinterested Shareholders will be asked to consider and if thought fit, approve an ordinary resolution ratifying the adoption of the RSU Plan and the Prior RSU Grant. In order to be effective, an ordinary resolution requires approval by a majority of the votes cast by Shareholders for such resolution. The text of the proposed resolution is set forth below. **Unless otherwise directed, the persons named in the enclosed proxy intend to vote IN FAVOUR of this resolution.**

Shareholder approval of the RSU Resolution on a disinterested Shareholder basis means that the votes attached to any Common Shares held by eligible participants will be excluded.

To be effective, the RSU Resolution requires an affirmative vote of not less than a majority of the votes cast by disinterested Shareholders present virtually or by Proxy and entitled to vote at the Meeting.

The Board unanimously recommends that Shareholders vote FOR the ratification of the RSU Plan and Prior RSU Grant. It is intended that all Proxies received will be voted in favour of the ratification of the RSU Plan and Prior RSU Grant unless a Proxy contains instructions to vote against the ratification of the RSU Plan and Prior RSU Grant.

“BE IT RESOLVED, AS AN ORDINARY RESOLUTION, THAT:

1. the restricted share unit (each, a “**RSU**”) award plan (the “**RSU Plan**”) adopted by the board of directors of the Company (the “**Board**”) on May 11, 2023 (the “**Effective Date**”), in the form attached as Schedule “D” to the management information circular of the Company dated January 19, 2024, is hereby confirmed, ratified and approved, and the Company has the ability to grant Restricted Awards (as such term is defined in the RSU Plan), which are equal to 10% of the issued and outstanding common shares of the Company at the Effective Date, subject to any limitations imposed by applicable regulations, laws, rules and policies.
2. The Restricted Awards to be issued under the RSU Plan, and all unallocated Awards under the RSU Plan, be and are hereby approved.
3. The Board is hereby authorized to make such amendments to the RSU Plan from time to time, as may be required by the applicable regulatory authorities, or as may be considered

appropriate by the Board, in its sole discretion, provided always that such amendments be subject to the approval of the regulatory authorities, if applicable, and in certain cases, in accordance with the terms of the RSU Plan, the approval of the shareholders of the Company;

4. the previous grant of 2,300,000 RSUs made on November 8, 2023 upon the terms set out therein be and is hereby ratified and approved.
5. Any one director or officer of the Company is hereby authorized and directed, acting for, in the name of and on behalf of the Company, to execute or cause to be executed, under the seal of the Company or otherwise and to deliver or to cause to be delivered, all such other deeds, documents, instruments and assurances and to do or cause to be done all such other acts as, in the opinion of such director or officer of the Company, may be necessary or desirable to carry out the terms of the foregoing resolutions.”

6. Approval of the Proposed Equity Incentive Plan

Effective January 19, 2024m the Board adopted an Equity Incentive Plan, subject to, and effective upon, the approval of disinterested Shareholders at the Meeting, or any adjournment or postponement thereof (the “**Effective Date**”). The Equity Incentive Plan is intended to replace the stock option plan of the Company (the “**Stock Option Plan**”) and the RSU Plan (together with the Stock Option Plan, the “**Predecessor Plans**”). As at the date hereof, there are 7,515,000 Common Shares reserved for issuance pursuant to stock options (“**Options**”) issued under the Stock Option Plan (the “**Predecessor Options**”) and there are 2,300,000 Common Shares reserved for issuance pursuant to RSUs issued under the RSU Plan (the “**Predecessor RSUs**”). If Shareholders approve the Equity Incentive Plan, it will become effective on the Effective Date for a period of three years and no further awards will be granted under the Predecessor Plans. The policies of the CSE require that the Company obtain Shareholder approval of the Equity Incentive Plan every three years.

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, to pass with or without variation, an ordinary resolution in the form set out below (the “**Equity Incentive Plan Resolution**”), subject to such amendments, variations or additions as may be approved at the Meeting, approving the Equity Incentive Plan.

In accordance with the requirements of NI 45-106, the Board wishes to provide the following information with respect to the Equity Incentive Plan so that the Shareholders may form a reasoned judgment concerning the Equity Incentive Plan. A summary of the key terms of the Equity Incentive Plan is set out below, which is qualified in its entirety by the full text of the Equity Incentive Plan, a copy of which is attached as Schedule “E” hereto.

Background and Purpose

The Equity Incentive Plan provides flexibility to the Company to grant equity-based incentive awards in the form of Options, RSUs, Deferred Share Units (“**DSUs**”), and performance share units (“**PSUs**”), as described in further detail below. Provided that the Equity Incentive Plan is approved by the Shareholders at the Meeting, all future grants of equity-based awards will be made pursuant to, or as otherwise permitted by, the Equity Incentive Plan.

The purpose of the Equity Incentive Plan is to, among other things, provide the Company with a share related mechanism to attract, retain and motivate qualified directors, employees and consultants of the Company and its subsidiaries, to reward such of those directors, employees and consultants as may be granted awards under the Equity Incentive Plan by the Board from time to time for their contributions toward the long-term goals and success of the Company and to enable and encourage such directors, employees and consultants to acquire Common Shares as long-term investments and proprietary interests in the Company.

Key Terms of the Equity Incentive Plan

Common Shares subject to the Equity Incentive Plan

The Equity Incentive Plan is a rolling plan which, subject to the adjustment provisions provided for therein (including a subdivision or consolidation of Common Shares), provides that the aggregate maximum number of Common Shares that may be issued upon the exercise or settlement of awards granted under the Equity Incentive Plan, shall not exceed 20% of the Company's issued and outstanding Common Shares from time to time, such number being 86,907,552 as at the Record Date. The Equity Incentive Plan is considered an "evergreen" plan, since the Common Shares covered by awards which have been exercised, settled or terminated shall be available for subsequent grants under the Equity Incentive Plan and the number of awards available to grant increases as the number of issued and outstanding Common Shares increases.

Participation Limits

The Equity Incentive Plan also provides that the aggregate number of Common Shares: (a) issuable to insiders at any time (under all of the Company's security-based compensation arrangements) cannot exceed 10% of the Company's issued and outstanding Common Shares; (b) issued to persons performing investor relations services within any one year period (under all of the Company's security-based compensation arrangements) cannot exceed 2% of the Company's issued and outstanding Common Shares; and (c) issued to insiders within any one year period (under all of the Company's security-based compensation arrangements) cannot exceed 10% of the Company's issued and outstanding Common Shares.

Any Common Shares issued by the Company through the assumption or substitution of outstanding Options or other equity-based awards from an acquired company shall not reduce the number of Common Shares available for issuance pursuant to the exercise of awards granted under the Equity Incentive Plan.

Administration of the Equity Incentive Plan

The Plan Administrator (as defined in the Equity Incentive Plan) is determined by the Board. The Equity Incentive Plan may in the future continue to be administered by the Board or delegated to another committee of the Board or administered by the Board itself. The Plan Administrator determines which directors, officers, consultants and employees are eligible to receive awards under the Equity Incentive Plan, the time or times at which awards may be granted, the conditions under which awards may be granted or forfeited to the Company, the number of Common Shares to be covered by any award, the exercise price of any award, whether restrictions or limitations are to be imposed on the Common Shares issuable pursuant to grants of any award, and the nature of any such restrictions or limitations, any acceleration of exercisability or vesting, or waiver of termination regarding any award, based on such factors as the Plan Administrator may determine.

In addition, the Plan Administrator interprets the Equity Incentive Plan and may adopt guidelines and other rules and regulations relating to the Equity Incentive Plan and make all other determinations and take all other actions necessary or advisable for the implementation and administration of the Equity Incentive Plan.

Eligibility

All directors, employees and consultants are eligible to participate in the Equity Incentive Plan. The extent to which any such individual is entitled to receive a grant of an award pursuant to the Equity Incentive Plan will be determined in the sole and absolute discretion of the Plan Administrator.

Types of Awards

Awards of Options, DSUs, RSUs and PSUs may be made under the Equity Incentive Plan. All of the awards described below are subject to the conditions, limitations, restrictions, exercise price, vesting, settlement

and forfeiture provisions determined by the Plan Administrator, in its sole discretion, subject to such limitations provided in the Equity Incentive Plan and will generally be evidenced by an award agreement. In addition, subject to the limitations provided in the Equity Incentive Plan and in accordance with applicable law, the Plan Administrator may accelerate or defer the vesting or payment of awards, cancel or modify outstanding awards, and waive any condition imposed with respect to awards or Common Shares issued pursuant to awards.

RSUs

A RSU is a unit equivalent in value to a Common Share credited by means of a bookkeeping entry in the books of the Company which entitles the holder to receive one Common Share (or the value thereof) for each RSU after a specified vesting period. The Plan Administrator may, from time to time, subject to the provisions of the Equity Incentive Plan and such other terms and conditions as the Plan Administrator may prescribe, grant RSUs to any participant in respect of a bonus or similar payment in respect of services rendered by the applicable participant in a taxation year (the “**RSU Service Year**”).

The number of RSUs (including fractional RSUs) granted at any particular time under the Equity Incentive Plan will be calculated by dividing (a) the amount of any bonus or similar payment that is to be paid in RSUs, as determined by the Plan Administrator, by (b) the Market Price (as such term is defined in the Equity Incentive Plan). The Plan Administrator shall have the authority to determine any vesting terms applicable to the grant of RSUs, provided that the terms comply with Section 409A of the U.S. Internal Revenue Code of 1986, to the extent applicable.

Upon settlement, holders will redeem each vested RSU for the following at the election of such holder but subject to the approval of the Plan Administrator: (a) one fully paid and non-assessable Common Share in respect of each vested RSU, (b) a cash payment or (c) a combination of Common Shares and cash. Any such cash payments made by the Company shall be calculated by multiplying the number of RSUs to be redeemed for cash by the Market Price per Common Share as at the settlement date. Subject to the provisions of the Equity Incentive Plan and except as otherwise provided in an award agreement, no settlement date for any RSU shall occur, and no Common Share shall be issued or cash payment shall be made in respect of any RSU any later than the final business day of the third calendar year following the applicable RSU Service Year.

PSUs

A PSU is a unit equivalent in value to a Common Share credited by means of a bookkeeping entry in the books of the Company which entitles the holder to receive one Common Share (or the value thereof) for each PSU after specific performance-based vesting criteria determined by the Plan Administrator, in its sole discretion, have been satisfied. The performance goals to be achieved during any performance period, the length of any performance period, the amount of any PSUs granted, the effect of termination of a participant's service and the amount of any payment or transfer to be made pursuant to any PSU will be determined by the Plan Administrator and by the other terms and conditions of any PSU, all as set forth in the applicable award agreement. The Plan Administrator may, from time to time, subject to the provisions of the Equity Incentive Plan and such other terms and conditions as the Plan Administrator may prescribe, grant PSUs to any participant in respect of a bonus or similar payment in respect of services rendered by the applicable participant in a taxation year (the “**PSU Service Year**”).

The Plan Administrator shall have the authority to determine any vesting terms applicable to the grant of PSUs. Upon settlement, holders will redeem each vested PSU for the following at the election of such holder but subject to the approval of the Plan Administrator: (a) one fully paid and non-assessable Common Share in respect of each vested PSU, (b) a cash payment, or (c) a combination of Common Shares and cash. Any such cash payments made by the Company to a participant shall be calculated by multiplying the number of PSUs to be redeemed for cash by the Market Price per Common Share as at the settlement date. Subject to the provisions of the Equity Incentive Plan and except as otherwise provided in an award agreement, no settlement date for any PSU shall occur, and no Common Share shall be issued or cash

payment shall be made in respect of any PSU any later than the final business day of the third calendar year following the applicable PSU Service Year.

Dividend Equivalents

Except as otherwise determined by the Plan Administrator or as set forth in the particular award agreement, RSUs, PSUs and DSUs shall be credited with dividend equivalents in the form of additional RSUs, PSUs and DSUs, as applicable, as of each dividend payment date in respect of which normal cash dividends are paid on Common Shares. Dividend equivalents shall vest in proportion to, and settle in the same manner as, the awards to which they relate. Such dividend equivalents shall be computed by dividing: (a) the amount obtained by multiplying the amount of the dividend declared and paid per Common Share by the number of RSUs, PSUs and DSUs, as applicable, held by the participant on the record date for the payment of such dividend, by (b) the Market Price at the close of the first business day immediately following the dividend record date, with fractions computed to three decimal places.

Black-out Periods

In the event an award expires, at a time when a scheduled blackout is in place or an undisclosed material change or material fact in the affairs of the Company exists, the expiry of such award will be the date that is 10 business days after which such scheduled blackout terminates or there is no longer such undisclosed material change or material fact.

Term

While the Equity Incentive Plan does not stipulate a specific term for awards granted thereunder, as discussed below, awards may not expire beyond 10 years from its date of grant, except where Shareholder approval is received or where an expiry date would have fallen within a blackout period of the Company. All awards must vest and settle in accordance with the provisions of the Equity Incentive Plan and any applicable award agreement, which award agreement may include an expiry date for a specific award.

Termination of Employment or Services

The following table describes the impact of certain events upon the participants under the Equity Incentive Plan, including termination for cause, resignation, termination without cause, disability, death or retirement, subject, in each case, to the terms of a participant's applicable employment agreement, award agreement or other written agreement:

<u>Event</u>	<u>Provisions</u>
Termination for Cause / Resignation	Any award held by the participant that has not been exercised, surrendered or settled as of the Termination Date (as defined in the Equity Incentive Plan) shall be immediately forfeited and cancelled as of the Termination Date.
Termination without Cause	A portion of any unvested awards shall immediately vest, such portion to be equal to the number of unvested awards held by the participant as of the Termination Date multiplied by a fraction the numerator of which is the number of days between the date of grant and the Termination Date and the denominator of which is the number of days between the date of grant and the date any unvested awards were originally scheduled to vest.
Disability	A portion of any unvested awards shall immediately vest, such portion to be equal to the number of unvested awards held by the participant as of the date of disability multiplied by a fraction the numerator of which is the number of days between the date of grant and the date of disability and the denominator of which is the number of days between the date of grant and the date any unvested awards were originally scheduled to vest. Any vested award will be settled within 90 days after the Termination Date.
Death	A portion of any unvested awards shall immediately vest, such portion to be equal to the number of unvested awards held by the participant as of the date of death multiplied by a fraction the numerator of which is the number of days between the date of grant and the date of death and the denominator of which is the number of days between the date of grant and the date any unvested awards were originally scheduled to vest. Any vested award will be settled with the participant's beneficiary or legal representative (as applicable) within 90 days after the date of the participant's death.
Retirement	(i) a portion of any unvested awards shall immediately vest, such portion to be equal to the number of unvested awards held by the participant as of the date of retirement multiplied by a fraction the

	<p>numerator of which is the number of days between the date of grant and the date of retirement and the denominator of which is the number of days between the date of grant and the date any unvested awards were originally scheduled to vest, and (ii) any outstanding award that vests based on the achievement of Performance Goals (as defined in the Equity Incentive Plan) that has not previously become vested shall continue to be eligible to vest based upon the actual achievement of such Performance Goals. Any vested award that is described in (i), such award will be settled within 90 days after the participant's retirement. In the case of a vested award that is described in (ii), such award will be settled at the same time the award would otherwise have been settled had the participant remained in active service with the Company or its subsidiary. Notwithstanding the foregoing, if, following his or her retirement, the participant commences employment, consulting or acting as a director of the Company or any of its subsidiaries (or in an analogous capacity) or otherwise as a service provider to any person that carries on or proposes to carry on a business competitive with the Company or any of its subsidiaries.</p>
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Change in Control

Under the Equity Incentive Plan, except as may be set forth in an employment agreement, award agreement or other written agreement between the Company or a subsidiary of the Company and a participant:

- (a) If within 12 months following the completion of a transaction resulting in a Change in Control (as defined below), a participant's employment, consultancy or directorship is terminated by the Company or a subsidiary of the Company without Cause (as defined in the Equity Incentive Plan), without any action by the Plan Administrator:
 - (i) any unvested awards held by the participant at Termination Date may vest in the sole discretion of the Plan Administrator; and
 - (ii) any vested awards may be exercised, surrendered to the Company, or settled by the participant at any time during the period that terminates on the earlier of: (A) the expiry date of such award; and (B) the date that is 90 days after the Termination Date. Any award that has not been exercised, surrendered or settled at the end of such period being immediately forfeited and cancelled.
- (b) Unless otherwise determined by the Plan Administrator, if, as a result of a Change in Control, the Common Shares will cease trading on the CSE, the Company may terminate all of the awards held by a participant that is a resident of Canada for the purposes of the *Income Tax Act* (Canada), granted under the Equity Incentive Plan at the time of and subject to the completion of the Change in Control transaction by paying to each holder at or within a reasonable period of time following completion of such Change in Control transaction an amount for each Award equal to the fair market value of the Award held by such participant as determined by the Plan Administrator, acting reasonably, provided that any vested awards granted to U.S. Taxpayers (as defined in the Equity Incentive Plan) will be settled within 90 days of the Change in Control.

Subject to certain exceptions, a "Change in Control" includes (a) any transaction pursuant to which a person or group acquires more than 50% of the outstanding Common Shares, (b) the sale of all or substantially all of the Company's assets, (c) the dissolution or liquidation of the Company, (d) the acquisition of the Company via consolidation, merger, exchange of securities, purchase of assets, amalgamation, statutory arrangement or otherwise, (e) individuals who comprise the Board at the last annual meeting of Shareholders (the "**Incumbent Board**") cease to constitute at least a majority of the Board, unless the election, or nomination for election by the Shareholders, of any new director was approved by a vote of at least a majority of the Incumbent Board, in which case such new director shall be considered as a member of the Incumbent Board, or (f) any other event which the Board determines to constitute a change in control of the Company.

Non-Transferability of Awards

Except as permitted by the Plan Administrator and to the extent that certain rights may pass to a beneficiary or legal representative upon death of a participant, by will or as required by law, no assignment or transfer

of awards, whether voluntary, involuntary, by operation of law or otherwise, vests any interest or right in such awards whatsoever in any assignee or transferee and immediately upon any assignment or transfer, or any attempt to make the same, such awards will terminate and be of no further force or effect. To the extent that certain rights to exercise any portion of an outstanding award pass to a beneficiary or legal representative upon the death of a participant, the period in which such award can be exercised by such beneficiary or legal representative shall not exceed one year from the participant's death.

Amendments to the Equity Incentive Plan

The Plan Administrator may also from time to time, without notice and without approval of the holders of voting Common Shares, amend, modify, change, suspend or terminate the Equity Incentive Plan or any awards granted pursuant thereto as it, in its discretion, determines appropriate, provided that (a) no such amendment, modification, change, suspension or termination of the Equity Incentive Plan or any award granted pursuant thereto may materially impair any rights of a participant or materially increase any obligations of a participant under the Equity Incentive Plan without the consent of such participant, unless the Plan Administrator determines such adjustment is required or desirable in order to comply with any applicable securities laws or stock exchange requirements, and (b) any amendment that would cause an award held by a U.S. Taxpayer to be subject to the income inclusion under Section 409A of the *United States Internal Revenue Code of 1986*, as amended, shall be null and void ab initio.

Notwithstanding the above, and subject to the rules of the CSE, the approval of Shareholders is required to effect any of the following amendments to the Equity Incentive Plan:

- (a) increasing the number of Common Shares reserved for issuance under the Equity Incentive Plan, except pursuant to the provisions in the Equity Incentive Plan which permit the Plan Administrator to make equitable adjustments in the event of transactions affecting the Company or its capital;
- (b) increasing or removing the 10% limits on Common Shares issuable or issued to insiders;
- (c) reducing the exercise price of an Option award (for this purpose, a cancellation or termination of an award of a participant prior to its expiry date for the purpose of reissuing an award to the same participant with a lower exercise price shall be treated as an amendment to reduce the exercise price of an award. Notwithstanding the foregoing, a cancellation or termination of an award of a participant prior to its expiry may be done and will not require approval of Shareholders if conducted in compliance with, and allowed pursuant to, the policies of the CSE) except pursuant to the provisions in the Equity Incentive Plan which permit the Plan Administrator to make equitable adjustments in the event of transactions affecting the Company or its capital;
- (d) increasing or removing the limits on the participation of non-employee directors;
- (e) permitting awards to be transferred to a person;
- (f) changing the eligible participants; and
- (g) deleting or otherwise limiting the amendments which require approval of the Shareholders.

Except for the items listed above, amendments to the Equity Incentive Plan will not require Shareholder approval. Such amendments include (but are not limited to): (a) amending the general vesting provisions of an award, (b) amending the provisions for early termination of awards in connection with a termination of employment or service, (c) adding covenants of the Company for the protection of the participants, (d) amendments that are desirable as a result of changes in law in any jurisdiction where a participant resides, and (e) curing or correcting any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error.

Anti-Hedging Policy

Participants are restricted from purchasing financial instruments such as 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 awards granted to them.

The above summary of the Equity Incentive Plan is qualified in its entirety by the full terms of the Equity Incentive Plan, which is attached as Schedule "E" to this Circular. A copy of the Equity Incentive Plan is available for review at the offices of the Company at 82 Richmond Street East Toronto, ON M5C 1P1 during normal business hours up to and including the date of the Meeting.

Shareholder Approval of the Equity Incentive Plan

The Equity Incentive Plan is authorized by the Board to be effective the date of the Meeting, or any adjournment or postponement thereof, subject to the approval of disinterested Shareholders at the Meeting. The Equity Incentive Plan will continue until the earlier of termination by the Board or three years from the Effective Date.

Accordingly, at the Meeting, disinterested Shareholders will be asked to consider and if thought fit, approve an ordinary resolution ratifying the adoption of the Equity Incentive Plan. In order to be effective, an ordinary resolution requires approval by a majority of the votes cast by Shareholders for such resolution. The text of the proposed resolution is set forth below. **Unless otherwise directed, the persons named in the enclosed proxy intend to vote IN FAVOUR of this resolution.**

Shareholder approval of the Equity Incentive Plan Resolution on a disinterested Shareholder basis means that the votes attached to any Common Shares held by eligible Participants (as such term is defined in the Equity Incentive Plan) will be excluded.

To be effective, the Equity Incentive Plan Resolution requires an affirmative vote of not less than a majority of the votes cast by disinterested Shareholders present virtually or by Proxy and entitled to vote at the Meeting.

The Board unanimously recommends that Shareholders vote FOR the approval of the Equity Incentive Plan. It is intended that all proxies received will be voted in favour of the approval of the Equity Incentive Plan unless a proxy contains instructions to vote against the approval of the Equity Incentive Plan.

"BE IT RESOLVED, AS AN ORDINARY RESOLUTION, THAT:

1. the omnibus equity incentive plan adopted by the board of directors of the Company (the "**Board**") on January 19, 2024 (the "**Equity Incentive Plan**"), in the form attached as Schedule "E" to the management information circular of the Company dated January 19, 2024 is hereby confirmed, ratified and approved, and the Company has the ability to grant awards under the Equity Incentive Plan until February 27, 2027, which is the date that is three years from the date of the meeting of the holders (the "**Shareholders**") of common shares of the Company at which Shareholder approval of the Equity Incentive Plan is being sought.
2. The Awards (as defined in the Equity Incentive Plan) to be issued under the Equity Incentive Plan, and all unallocated Awards under the Equity Incentive Plan, be and are hereby approved.
3. The Board is hereby authorized to make such amendments to the Equity Incentive Plan from time to time, as may be required by the applicable regulatory authorities, or as may be considered appropriate by the Board, in its sole discretion, provided always that such amendments be subject to the approval of the regulatory authorities, if applicable, and in certain cases, in accordance with the terms of the Equity Incentive Plan, the approval of the Shareholders.

4. Any one director or officer of the Company is hereby authorized and directed, acting for, in the name of and on behalf of the Company, to execute or cause to be executed, under the seal of the Company or otherwise and to deliver or to cause to be delivered, all such other deeds, documents, instruments and assurances and to do or cause to be done all such other acts as, in the opinion of such director or officer of the Company, may be necessary or desirable to carry out the terms of the foregoing resolutions.”

7. Other Business

It is not known that any other matters will come before the Meeting other than as set forth above and in the Notice of Meeting accompanying this Circular, but if such should occur, the Management designees intend to vote on them in accordance with their best judgement, exercising discretionary authority with respect to amendments or variations of matters identified in the Notice of Meeting and other matters which may properly come before the Meeting or any adjournment thereof.

STATEMENT OF EXECUTIVE COMPENSATION

The following information, prepared in accordance with Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers*, provides a discussion of all significant elements of the compensation to be awarded to, earned by, paid to, or payable to directors and Named Executive Officers (as defined below) of the Company, to the extent that it has been determined.

During the financial year ended August 31, 2023, the Company had three Named Executive Officers being, Nicholas Kadysh, President and CEO, Carmelo Marrelli, CFO and Corporate Secretary and Dr. Shane Morris, Chief Operating Officer (“**COO**”).

“Named Executive Officer” means: (a) each CEO, (b) each CFO, (c) each of the three most highly compensated executive officers of the company, including any of its subsidiaries, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000; and (d) each individual who would be a Named Executive Officers under (c) above but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of that financial year.

Compensation Discuss and Analysis

At its present stage of development, the Company does not have any formal objectives, criteria, and analysis for determining the compensation of its Named Executive Officers and primarily relies on the discussions and determinations of the Board. With a view to minimizing its cash expenditures not directed at further advancing the Company’s progress on identifying product candidates, the emphasis in compensating the Named Executive Officers shall be the grant of incentive Options and RSUs under the Option Plan and RSU Plan (each as defined below), respectively, set forth below. The type and amount of future compensation to be paid to Named Executive Officers and directors has not been determined and the Board has not considered the implications of the risks associated with the compensation policies and practices. The Company has not considered the implications of the risks associated with the Company’s compensation policies and practices. Neither Named Executive Officers nor directors are permitted to purchase financial instruments that are designed to hedge or offset a decrease in the market value of equity securities offered as compensation.

The Board has not established any benchmark or performance goals to be achieved or met by Named Executive Officers; however, such Named Executive Officers are expected to carry out their duties in an effective and efficient manner so as to advance the business objectives of the Company. The satisfactory discharge of such duties is subject to ongoing monitoring by the Company’s directors.

DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION, EXCLUDING COMPENSATION SECURITIES

Set out below is a summary of compensation paid or accrued during the Company's two most recently completed financial years to the Company's Named Executive Officers and directors:

Table of Compensation, excluding Compensation Securities							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Nicholas Kadysh <i>President and CEO</i>	2023	36,000	Nil	Nil	Nil	113,760 ⁽¹⁾	149,760
	2022	36,000	Nil	Nil	Nil	108,000 ⁽¹⁾	144,000
Carmelo Marrelli <i>CFO and Corporate Secretary</i>	2023	15,000 ⁽²⁾	Nil	Nil	Nil	60,142 ⁽²⁾	75,142 ⁽²⁾
	2022	15,000 ⁽²⁾	Nil	Nil	Nil	28,712 ⁽²⁾	43,712 ⁽²⁾
Shane Morris <i>COO</i>	2023	101,600 ⁽⁷⁾	Nil	Nil	Nil	19,578 ⁽²⁾	121,178 ⁽⁷⁾
	2022	72,908 ⁽⁷⁾	Nil	Nil	Nil	Nil	72,908 ⁽⁷⁾
Solomon Elimimian ⁽³⁾ <i>Director</i>	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
Jodi Butts <i>Director</i>	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
Perry Tsergas , <i>Director</i>	2023	Nil	Nil	Nil	Nil	3,299 ⁽⁴⁾	3,299 ⁽⁴⁾
	2022	Nil	Nil	Nil	Nil	45,675 ⁽⁴⁾	45,675 ⁽⁴⁾
Fraser Macdonald <i>Director</i>	2023	Nil	Nil	Nil	Nil	750 ⁽⁵⁾	750 ⁽⁵⁾
	2022	Nil	Nil	Nil	Nil	18,075 ⁽⁵⁾	18,075 ⁽⁵⁾
Abelmalik Slassi <i>Director</i>	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
Harriet de Wit <i>Director</i>	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
Kevin Roy ⁽⁶⁾ <i>Director</i>	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) This amount was paid to NKO Consulting Corp. NKO Consulting Corp. provides ongoing product development regulatory support services. NKO Consulting Corp is owned by Mr. Kadysh.
- (2) This amount, plus applicable HST, was paid to Marrelli Support Services Inc., DSA Corporate Services Inc., DSA Filling Services Limited, and Marrelli Trust, collectively, the (the "**Marrelli Group**"). The services provided by the Marrelli Group are for bookkeeping services, regulatory filing services, corporate secretarial services, and transfer agent services. The Marrelli Group is owned by Mr. Marrelli.
- (3) Mr. Elimimian resigned from the Board effective June 24, 2022.
- (4) This amount was paid to Spark Advocacy Inc. for services related to the development and design of the Company's website, including but not limited to senior advice and counsel, project management, creative development, website development, and quality assurance. Mr. Tsergas is President and Chief Executive Officer of Spark Advocacy Inc.
- (5) This amount was paid to F Mac Consulting Inc. for regulatory affairs consulting work billed on an hourly basis. F Mac Consulting Inc. is owned by Mr. Macdonald.
- (6) Mr. Roy was appointed to the Board effective June 24, 2022.
- (7) This amount was paid to Morris & Associates. Morris & Associates provides ongoing operational and management support services. Morris & Associates is owned by Mr. Morris.

OPTIONS AND OTHER COMPENSATION SECURITIES

No Options or other compensation securities were granted to any Named Executive Officer and director during the year ended August 31, 2023.

EXERCISE OF COMPENSATION SECURITIES BY DIRECTORS AND NAMED EXECUTIVE OFFICERS

Other than disclosed in the table below, no Named Executive Officer or director of the Company exercised any compensation securities during the year ended August 31, 2023:

Name and position	Type of security or other instrument	Number of securities exercised	Exercise price per security (\$)	Date of exercise	Closing price per security on date of exercise (\$)	Difference between exercise price on date of exercise (\$)	Total (\$)
Abdelmalik Slassi	Options	250,000	0.05	May 29, 2023	0.32	0.27	67,500
Abdelmalik Slassi	Options	100,000	0.10	May 29, 2023	0.32	0.22	22,000
Harriet de Wit	Options	100,000	0.05	May 8, 2023	0.34	0.29	29,000
Shane Morris	Options	375,000	0.05	March 13, 2023	0.21	0.16	60,000
Shane Morris	Options	375,000	0.05	April 27, 2023	0.45	0.40	150,000

STOCK OPTION PLANS AND OTHER INCENTIVE PLANS

To provide a long-term component to the compensation program, the Company adopted the Stock Option Plan, a 10% “rolling” stock option plan, and RSU Plan, a fixed 10% RSU plan. The maximization of Shareholder value is encouraged by granting Options and RSUs to eligible participants. Recommendations for Options and RSUs have historically taken into account factors such as awards made in previous years, the number of Options and RSUs outstanding per individual and the individual’s level of responsibility.

Other than the Stock Option Plan and RSU Plan, the Company does not currently have any other long-term incentive or other plans pursuant to which cash or non-cash compensation has been or will be paid or distributed to any director or executive officer.

Option Plan

On March 23, 2021, the Board adopted the Option Plan in order to provide effective incentives to directors, officers, and employees of the Company and to enable the Company to attract and retain experienced and qualified individuals in those positions by permitting such individuals to directly participate in an increase in per share value created for the Company’s shareholders. The Company has no equity incentive plans other than the Option Plan. The size of Option grants is dependent on each officer’s level of responsibility, authority and importance to the Company and the degree to which such officer’s long-term contribution to the Company will be key to its long-term success.

The purpose of the Option Plan is to advance the interests of the Company and its shareholders by attracting, retaining and motivating the performance of selected directors, officers, employees or consultants of the Company of high caliber and potential and to encourage and enable such persons to acquire and retain a proprietary interest in the Company by ownership of its Common Shares. The Option Plan provides that, subject to the requirements of the CSE the aggregate number of securities reserved for issuance, set aside and made available for issuance under the Option Plan may not exceed 10% of the number of Common Shares issued and outstanding from time to time.

The Option Plan is administered by the Board or a committee of the Board, either of which will have full and final authority with respect to the granting of all Options thereunder. Options may be granted under the Option Plan to such directors, officers, employees or consultants of the Company, as the Board may from time to time designate. The exercise price of any Options granted under the Option Plan shall be determined by the Board but may not have an exercise price lower than the greater of the closing market prices of the underlying securities on (a) the trading day prior to the date of grant of the Options; and (b) the date of grant of the Options. The term of any Options granted under the Option Plan shall be determined by the Board at the time of grant but, subject to earlier termination in the event of termination or in the event of death. Options granted under the Option Plan are not to be transferable or assignable. Options may be exercised until the earlier of: (a) the expiry time of such Option; and (b) 30 days (or such other period as may be determined by the Board, provided such period is not more than one year) following the date the optionee

ceases to be a director, officer or employee of the Company or its affiliates or a consultant or a management company employee, provided that if the cessation of such position or arrangement was by reason of death, the Option may be exercised within a maximum period of one year after such death, subject to the expiry date of such Option. Notwithstanding the foregoing, in the event of termination for cause, all Options held by such terminated optionee will be cancelled immediately. In the term of any Option expires within or immediately following a “blackout period” imposed by the Company, the Option shall expire on the date that is ten business days following the end of such blackout period.

Pursuant to the Option Plan, the maximum number of securities that can be issued to related persons cannot exceed 10% of the outstanding securities of the Company and 5% for each related person and the maximum number of securities that can be issued within 12-months cannot exceed 10% of the outstanding securities of the Company and 5% for a related person and the associates of the related person. The maximum number of Option which may be granted within a 12-month period to employees or consultants engaged in investor relations activities number not exceed 1% of the outstanding Options.

RSU Plan

On May 11, 2023, the Board adopted the RSU Plan, subject to Shareholder approval at the Meeting. The RSU Plan provides that the Board and/or Compensation Committee may from time, in its discretion, and in accordance with CSE requirements, grant to directors, officers, employees and consultants to the Company, non-transferable RSUs awards to receive Common Shares, equal to 8,573,255, being 10% of the issued and outstanding Common Shares as at the effective date of the RSU Plan. The principal features of the RSU Plan are summarized under the heading “5. *Approval the RSU Plan and Prior Grants*” above.

EMPLOYMENT, CONSULTING AND MANAGEMENT AGREEMENTS

Other than as disclosed below, the Company did not have any employment contracts in place with its directors or Named Executive Officers during the financial year ended August 31, 2023.

On January 10, 2022, the Company, Marrelli Support Services Inc. and Carmelo Marrelli entered into a CFO services agreement (the “**CFO Services Agreement**”) for the purpose of the Company retaining CFO consulting services from Marrelli Support Services Inc. and Mr. Marrelli for an indeterminate period of time. Pursuant to the CFO Services Agreement, the Company pays Marrelli Support Services Inc. \$1,250, plus approved disbursements and applicable taxes per month (the “**CFO Monthly Fee**”) and Mr. Marrelli is granted Options on a reasonable basis, commensurate with the position held and consistent in frequency with other Option holders.

The parties may termination the CFO Services Agreement upon thirty days written notice. If the Company terminates the CFO Services Agreement within the first calendar year, the Company must pay an amount equal to the CFO Monthly Fee multiplied by the number of months as is equal to the difference between 12 months and the number of months that have elapsed from the effective date to the date of the termination notice (the “**First Year Termination Payment**”). The First Year Termination Payment is voided if termination is on mutual agreement. If Marrelli Support Services Inc. is unable to carry on the duties of CFO as set out in the CFO Services Agreement, Marrelli Support Services Inc. is obligated to identify a replacement candidate acceptable to the Company. If Marrelli Support Services Inc. is unable or unwilling to identify such a candidate, the First Year Termination Payment is voided. If the Company terminates the CFO Services Agreement at anytime after the first calendar year, the Company must pay a one-time termination fee in an amount equal to the three times the CFO Monthly Fee.

On March 27, 2021, NKO Consulting Corp. and the Company entered into a consulting agreement pursuant to which Mr. Kadysh, on behalf of NKO Consulting Corp. provides ongoing product development regulatory support services.

Other than as disclosed herein, the Company does not have any contracts, agreements, plans or arrangements in place with any Named Executive Offer that provides for payment following or in connection

with any termination (whether voluntary, involuntary or constructive) resignation, retirement, a change of control of the Company or a change in a Named Executive Officer's responsibility.

PENSION PLAN BENEFITS

There are no pension plan benefits in place for the Named Executive Officers or the directors of the Company.

EQUITY COMPENSATION PLAN INFORMATION

The following table sets out those securities of the Company which have been authorized for issuance under equity compensation plans, as at the end of the financial year ended August 31, 2023:

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 (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by the securityholders	N/A	N/A	N/A
Equity compensation plans not approved by the securityholders	6,040,000 ⁽¹⁾⁽²⁾	\$0.09	11,259,010 ⁽¹⁾⁽²⁾
Total	6,040,000⁽¹⁾⁽²⁾	\$0.09	11,259,010⁽³⁾

Notes:

1. As at August 31, 2023, the Company had 6,040,000 Options issued and outstanding and 2,568,255 Options remaining authorized for issuance under the Stock Option Plan.
2. As at August 31, 2023, the Company had Nil RSUs issued and outstanding and 8,690,755 RSUs remaining authorized for issuance under the RSU Plan.
3. As at August 31, 2023, the Company had 86,082,552 Common Shares issued and outstanding. The Stock Option Plan is a 10% rolling plan, while the RSU Plan is fixed at 8,690,755 RSUs.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the current or former directors, executive officers, employees of the Company, the proposed nominees for election to the Board, or their respective associates or affiliates, are or have been indebted to the Company since the beginning of the Company's financial year ended August 31, 2023.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Management is not aware of any material interest, direct or indirect, of any informed person of the Company, or any associate or affiliate of any such informed person, in any transaction since the commencement of the Company's fiscal year ended August 31, 2023, or in any proposed transaction, that has materially affected or would materially affect the Company.

MANAGEMENT CONTRACTS

Other than as disclosed elsewhere in this Circular, no management functions of the Company are to any substantial degree performed by a person or company other than the directors or Named Executive Officers of the Company.

AUDIT COMMITTEE

The Company is required to have an audit committee comprised of not less than three directors, a majority of whom are not officers, control persons or employees of the Company or an affiliate of the Company.

Audit Committee Charter

The text of the Audit Committee's charter is attached as Schedule "F" to this Circular.

Composition of Audit Committee and Independence

The Company's current Audit Committee consists of:

Name	Independence⁽¹⁾	Financial Literacy⁽²⁾
Kevin Roy ⁽³⁾	Independent	Financially literate
Jodi Butts	Independent	Financially literate
Fraser Macdonald	Independent	Financially literate

Notes:

- (1) A member of an audit committee is independent if the member has no direct or indirect material relationship with the Company, which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment.
- (2) An individual is financially literate if he has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.
- (3) Kevin Roy is the Chair of the Audit Committee.

National Instrument 52-110 – *Audit Committees* ("NI 52-110") provides that a member of an audit committee is "independent" if the member has no direct or indirect material relationship with the Company, which could, in the view of the Board, reasonably interfere with the exercise of the member's independent judgment. Each member of the Company's current Audit Committee is "independent" within the meaning of NI 52-110.

NI 52-110 provides that an individual is "financially literate" if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements. All of the members of the Audit Committee are "financially literate" as that term is defined.

Relevant Education and Experience

Each member of the Company'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 Company to prepare its financial statements and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- (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 Company's financial statements or experience actively supervising individuals engaged in such activities; and
- (c) an understanding of internal controls and procedures for financial reporting.

For a summary of the experience and education of the Audit Committee members see "*Board Nominee Biographies*".

Kevin Roy

Mr. Roy is an accomplished financial executive with experience in senior roles, providing principled leadership, strategic thinking, and financial discipline to growing organizations. With FirstService

Corporation (TSX, NASDAQ: FSV) for more than 20 years, Mr. Roy served primarily as Chief Financial Officer of the FirstService Corporation's Brands division, working with executive management and platform leaders to drive growing businesses and achieve strong financial results. Mr. Roy started his career with FirstService Corporation as Director, Corporate Development. Previously he was a member of PricewaterhouseCoopers' Mergers & Acquisitions advisory team and audit and accounting group. Mr. Roy is currently focused on consulting, project engagements, and board work. Kevin holds a Commerce degree from the University of Windsor and received his CPA, CA designation in 1997.

Jodi Butts

Ms. Butts is a lawyer, entrepreneur, and a seasoned executive with a strong track record in driving positive change and growth within leading organizations. Currently, Ms. Butts serves as an independent member of the Board of Directors of Canada Goose Holdings Inc.; an independent member of the Board of Directors of Tilray Brands Inc.; Chair of The Walrus Foundation Board of Directors; and as a member of the Board of Governors and Audit Committee of the University of Windsor. She also holds several Board Advisory roles including with Bayshore Home Healthcare. Previously, Ms. Butts served as Chief Executive Officer of Rise Asset Development and Senior Vice-President of Operations and Redevelopment at Mount Sinai Hospital. Ms. Butts received a master's degree in Canadian History from the University of Toronto, is a graduate of the University of Toronto, Faculty of Law, and was called to the Bar in 2000.

Fraser Macdonald – Director

Mr. Macdonald is a corporate lawyer and public affairs consultant based in Toronto. Mr. Macdonald has provided advice to blue-chip clients across three continents. Specializing in banking and finance law, Mr. Macdonald has worked at top-tier international law firms in Toronto, Australia and London, UK. Mr. Macdonald has a deep understanding of the regulatory landscape for financial institutions and other businesses both within Canada and internationally. Mr. Macdonald is currently a Senior Associate at a leading boutique government relations consultancy firm in Toronto. Fraser holds a B.A. (Hons) in History from Queen's University and a Juris Doctor (with Honours) from Bond University.

Audit Committee Oversight

Since the commencement of the Company's financial year ended August 31, 2023, the Audit Committee has not made any recommendations to nominate or compensate an external auditor which were not adopted by the Board.

Reliance on Certain Exemptions

Other than as disclosed below, at no time since the commencement of the Company's most recently completed fiscal year has the Company relied on an exemption from the provisions of NI 52-110.

The Company has relied upon the exemption provided by section 6.1 of NI 52-110, which states that the Company, as a venture issuer, is not required to comply with Part 5 (Reporting Obligations).

Pre-Approval Policies and Procedures

The Audit Committee is authorized by the Board to review the performance of the Company's external auditors and approve in advance provision of services other than auditing and to consider the independence of the external auditors, including a review of the range of services provided in the context of all consulting services bought by the Company. The Audit Committee is authorized to approve in writing any non-audit services or additional work which the Chairman of the Audit Committee deems is necessary, and the Chairman of the Audit Committee will notify the other members of the Audit Committee of such non-audit or additional work and the reasons for such non-audit work for the Committee's consideration, and if thought fit, approval in writing.

Audit Fees

The following table sets forth the fees paid by the Company and its subsidiaries to Clearhouse for services rendered in the last two fiscal years:

Audit Fee Category	2023	2022
Audit fees ⁽¹⁾	\$49,000	\$29,000
Audit related fees ⁽²⁾	\$11,000	\$4,000
Tax fees ⁽³⁾	\$3,550	\$4,400
All other fees ⁽⁴⁾	\$1,945	\$4,500
Total	\$65,495	\$41,900

Notes:

- (1) "Audit fees" include aggregate fees billed by the Company's external auditor in each of the last two fiscal years for audit fees.
- (2) "Audited related fees" include the aggregate fees billed in each of the last two fiscal years for assurance and related services by the Company's external auditor that are reasonably related to the performance of the audit or review of the Company's financial statements and are not reported under "Audit fees" above. The services provided include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) "Tax fees" include the aggregate fees billed in each of the last two fiscal years for professional services rendered by the Company's external auditor for tax compliance, tax advice and tax planning. The services provided include 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.
- (4) "All other fees" include the aggregate fees billed in each of the last two fiscal years for products and services provided by the Company's external auditor, other than "Audit fees", "Audit related fees" and "Tax fees" above.

CORPORATE GOVERNANCE

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the shareholders and takes into account the role of the individual members of management who are appointed by the Board and will be charged with the day-to-day management of the Company. 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.

National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("NI 58-101") requires all reporting issuers to provide certain annual disclosure of their corporate governance practices with respect to the corporate governance guidelines (the "Guidelines") adopted in National Policy 58-201. These Guidelines are not prescriptive but have been used by the Company in adopting its corporate governance practices. The Board and Management consider good corporate governance to be an integral part of the effective and efficient operation of Canadian corporations. The Company's approach to corporate governance is set out below:

Board

Under NI 58-101, a director is considered to be independent if he or she is independent within the meaning of NI 52-110. Pursuant to NI 52-110, an independent director is a director who is free from any direct or indirect relationship which could, in the view of the Board, be reasonably expected to interfere with a director's independent judgment. Based on information provided by each director concerning his or her background, employment and affiliations, the Board has determined that of the seven directors on the Board, one will not be considered independent as a result of his relationship with the Company. The Board has not adopted a director interlock policy but is keeping informed of other public directorships held by its members.

The Board facilitates its exercise of independent supervision over the Company's management through frequent meetings of the Board. The Board is comprised of seven directors: Nicholas Kadysh, Kevin Roy, Jodi Butts, Perry Tsergas, Fraser Macdonald, Abdelmalik Slassi, and Harriet de Wit. As the size of the Board is small, the Board has no formal procedures designed to facilitate the exercise of independent supervision over management, relying instead on the integrity of the individual members of its management team to act in the best interests of the Company.

The Company considers each of Kevin Roy, Jodi Butts, Perry Tsergas, Fraser Macdonald, Abdelmalik Slassi and Harriet de Wit to be independent. Nicholas Kadysh is not independent as he is the President and CEO of the Company.

Directorships

The following directors of the Company are currently directors of other reporting issuers (or the equivalent in a foreign jurisdiction):

Name of Director	Name of Reporting Issuer	Exchange
Nicholas Kadysh	Psyched Wellness Ltd.	CSE: PSYC
Jodi Butts	Tilray Brands Inc.	NASDAQ, TSX: TLRV
	Canada Goose Holdings Inc.	TSX: GOOS

Orientation and Continuing Education

The CEO and/or CFO are responsible for providing an orientation for new directors. Director orientation and ongoing training includes presentations by senior management to familiarize directors with the Company's strategic plans, its significant financial, accounting and risk management issues, its compliance programs, its principal officers and its internal and independent auditors. On occasions where it is considered advisable, the Board provides individual directors with information regarding topics of general interest, such as fiduciary duties and continuous disclosure obligations. The Board ensures that each director is up to date with current information regarding the business of the Company, the role the director is expected to fulfill and basic procedures and operations of the Board. The Board members are given access to management and other employees and advisors, who can answer any questions that may arise. Regular technical presentations are made to the directors to keep them informed of the Company's operations.

Ethical Business Conduct

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

Nomination of Directors

The Board does not have a nominating committee. The Board will consider its size each year when it passes a resolution determining the number of directors to be appointed at each annual general meeting of Shareholders. The Board determined that the configuration of seven directors is the appropriate number of directors, taking into account the number required to carry out duties effectively while maintaining a diversity of views and experience. The Board will evaluate new nominees to the Board, although a formal process has not been adopted. The nominees will generally be the result of recruitment efforts by the Board, including both formal and informal discussions among Board members, the Chairman of the Board and CEO. The Board monitors but will not formally assess the performance of individual Board members or committee members or their contributions.

Compensation

The Board is responsible for determining compensation for the directors and CEO of the Company to ensure it reflects the responsibilities and risks of being a director of a public company.

Assessments

Due to the minimal size of the Board, no formal policy has been established to monitor the effectiveness of the directors, the Board and its committees. The Board anticipates that it will not conduct any formal evaluation of the performance and effectiveness of the members of the Board. The Board as a whole or any committee of the Board, however, will consider the effectiveness and contribution of the Board, its members and the Audit Committee on an ongoing basis. The proposed directors and the independent directors of the Company will be CFO Executive Officer and, if need be, steps are taken to remedy the situation, which steps may include a request for resignation. Furthermore, Management and directors of the Company will communicate with shareholders on an ongoing basis, and shareholders will be regularly consulted on the effectiveness of Board members and the Board as a whole.

Other Board Committees

At the present time, the only standing committee is the Audit Committee. The written charter of the Audit Committee, as required by NI 52-110, is contained in Schedule "F" to this Circular. As the Company grows, and its operations and management structure became more complex, the Board expects it will constitute formal standing committees, such as a corporate governance committee, a compensation committee and a nominating committee, and will ensure that such committees are governed by written charters and are composed of at least a majority of independent directors.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR+ at www.sedarplus.ca. Financial information about the Company is provided in the Annual Financial Statements and associated management's discussion and analysis for its most recently completed financial year, which can be found on the Company's SEDAR+ profile at www.sedarplus.ca. Additional financial information concerning the Company may be obtained by any securityholder of the Company free of charge by contacting the Company by email at investors@pharmala.ca.

BOARD APPROVAL

The contents of this Circular have been approved and its mailing authorized by the Board.

DATED at Toronto, Ontario this 19th day of January 2024.

BY ORDER OF THE BOARD

/s/ Nicholas Kadysh

Nicholas Kadysh
President, CEO and Director

SCHEDULE "A"

BY-LAW NO. 1

(See attached)

BY-LAW NO. 1

A by-law relating generally to the
transaction of the business and affairs of

PharmAla Biotech Holdings Inc.

(herein called the “**Corporation**”)

BE IT ENACTED as a by-law of the Corporation (this “**By-law**”) as follows:

ARTICLE I Interpretation

Section 1.01 Definitions. In this By-law, unless the context otherwise requires:

“**Act**” means the *Business Corporations Act* (Ontario).

“**Affiliate**” when used to indicate a relationship with a specific person, shall mean a person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, such specified person. For purpose of this definition: (a) “**control**”, as used with respect to any person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such person, whether through the ownership of voting securities, by agreement or otherwise, and (b) “**controlled by**” or under “**common control with**” have correlative meanings.

“**Applicable Securities Laws**” means the applicable securities legislation of each relevant province and territory of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such legislation and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commissions and similar regulatory authorities of each province and territory of Canada.

“**appoint**” includes “elect” and vice versa.

“**Articles**” means the original or restated articles of incorporation or articles of amendment, amalgamation, continuance, arrangement, reorganization or revival of the Corporation.

“**Associate**” has the meaning given to it in the Act.

“**Board**” means the board of directors of the Corporation.

“**Chair**” has the meaning given to it in Section 6.18.

“**Chief Executive Officer**” has the meaning given to it in Section 7.01.

“**Chief Financial Officer**” has the meaning given to it in Section 7.01.

“**Contested Election**” has the meaning given to it in Section 4.11(b).

“**Director**” means a member of the Board.

“**Enforcement Action**” has the meaning given to it in Section 10.06.

“**entity**” means a body corporate, a partnership, a trust, a joint venture or an unincorporated association or organization.

“**Foreign Action**” has the meaning given to it in Section 10.06.

“**Meeting Notice Date**” means the date on which the first notice to the shareholders or first Public Announcement of the date of the meeting of shareholders was issued by the Corporation.

“**meeting of shareholders**” means an annual meeting, an annual and special meeting or a special meeting (which is not an annual and special meeting) of shareholders.

“**Nominating Shareholder**” has the meaning given to it in Section 5.01(c).

“**Nomination Notice**” has the meaning given to it in Section 5.03.

“**non-business day**” means Saturday, Sunday and any other day that is a holiday as defined in the *Legislation Act, 2006* (Ontario).

“**person**” includes any individual or entity.

“**President**” has the meaning given to it in Section 7.01.

“**Proceeding**” has the meaning given to it in Section 8.02.

“**Proposed Nominee**” has the meaning given to it in Section 5.04(a).

“**Public Announcement**” means disclosure in (a) a press release reported in a national news service in Canada, or (b) a document publicly filed by the Corporation or its transfer agent and registrar under the Corporation’s profile on SEDAR.

“**recorded address**” means:

- (a) in the case of a shareholder, the address for such shareholder as recorded in the securities register of the Corporation;
- (b) in the case of joint shareholders, the address appearing in the securities register of the Corporation in respect of the joint holding or the first address so appearing if there is more than one;
- (c) in the case of a Director or officer, their latest address as recorded in the most recent notice filed under the *Corporations Information Act* (Ontario); and
- (d) in the case of any other officer, auditor or member of a committee of the Board, their latest address as recorded in the records of the Corporation.

“**Secretary**” has the meaning given to it in Section 7.01.

“**SEDAR**” means the System for Electronic Document Analysis and Retrieval Plus at www.sedarplus.ca.

“**special meeting**” includes a meeting of any class or classes of shareholders, and a special meeting of all shareholders entitled to vote at an annual meeting of shareholders.

“**Treasurer**” has the meaning given to it in Section 7.01.

Section 1.02 Other Definitions. Unless otherwise defined herein, the defined terms set out in the Act have the same meanings as when used in this By-law. For the purposes of this By-law, (a) the words “include”, “includes” and “including” shall be deemed to be followed by the words “without limitation”; (b) the word “or” is not exclusive; (c) the words “herein”, “hereof”, “hereby”, “hereto” and “hereunder” refer to this By-law as a whole; (d) whenever the singular is used herein, the same shall include the plural, and whenever the plural is used herein, the same shall include the singular, where appropriate; and (e) whenever the masculine is used herein, the same shall include the feminine, and whenever the feminine is used herein, the same shall include the masculine, where appropriate. Unless the context otherwise requires, references herein: (x) to Sections mean the Sections of this By-law; (y) to articles, by-laws, an agreement, instrument or other document means such articles, by-laws, agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof; and (z) to a statute, including the Act, means such statute as amended from time to time and includes any successor legislation thereto and any regulations promulgated thereunder.

ARTICLE II

Registered Office and Corporate Records

Section 2.01 Registered Office. The registered office of the Corporation shall be in the location within Ontario specified in its Articles. The Corporation may, by special resolution of the shareholders, change the municipality or geographic township in which the registered office is located to another place in Ontario. The Board may determine by resolution the location of the registered office within the municipality or geographic township specified in Articles or, if changed, such special resolution.

Section 2.02 Other Offices. The Corporation may have other offices, both within and outside of Canada, as the Board from time to time shall determine or the business of the Corporation may require.

ARTICLE III
Borrowing and Security

Section 3.01 Borrowing Powers. Without limiting the borrowing powers of the Corporation as set forth in the Act, but subject to the Articles, the Board may from time to time, on behalf of the Corporation, without authorization of the shareholders:

- (a) borrow money upon the credit of the Corporation;
- (b) issue, reissue, sell, pledge or hypothecate debt obligations of the Corporation;
- (c) give a guarantee on behalf of the Corporation to secure performance of an obligation of any person; and
- (d) mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the Corporation, owned or subsequently acquired, to secure any obligation of the Corporation.

Section 3.02 Negotiable Instruments. Nothing in Section 3.01 limits or restricts the borrowing of money by the Corporation on bills of exchange or promissory notes made, drawn, accepted or endorsed by or on behalf of the Corporation.

Section 3.03 Delegation. Subject to the Act and Articles, the Board may from time to time, by resolution, delegate the powers referred to in Section 3.01 to a Director, a Board committee or an officer.

ARTICLE IV
Meetings of the Shareholders

Section 4.01 Place of Meetings. All meetings of the shareholders shall be held at such place in or outside Ontario as the Board determines or, in the absence of such a determination, at the place stated in the notice of meeting, or, if no place is stated in the notice of meeting, at the registered office of the Corporation.

Section 4.02 Virtual Meetings. If the Board calls a meeting of shareholders under the Act, the Board may determine that the meeting shall be held, in accordance with the Act, entirely by means of a telephonic, an electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting.

Section 4.03 Annual Meetings. The annual meeting of the shareholders for the election of Directors, consideration of the minutes of an earlier meeting of the shareholders, consideration of the financial statements and the auditor's report thereon, the reappointment of the incumbent auditor, and the transaction of ordinary business or special business as may properly come before the meeting shall be held at such date, time and place, if any, as shall be determined by the Board and stated in the notice of the meeting. Notwithstanding the foregoing, the Board shall call annual meetings no later than 15 months after holding the last preceding annual meeting.

Section 4.04 Special Meetings. Special meetings of shareholders for any purpose or purposes shall be called pursuant to a resolution approved by the Board or requisition by shareholders in accordance with the Act. The only business that may be conducted at a special meeting shall be the matter or matters set forth in the notice of such meeting.

Section 4.05 Fixing the Record Date.

- (a) In order that the Corporation may determine the shareholders entitled to notice of any meeting of shareholders or any adjournment thereof, the Board may fix a record date, which date shall be not more than 60 nor less than 30 days before the date of such meeting, and notice of any record date shall be given not less than seven days before the record date, by newspaper advertisement in the manner provided by the Act. If no record date is fixed by the Board, the record date for determining shareholders entitled to notice of a meeting of shareholders shall be at the close of business on the day before the date on which the notice is given, or, if no notice is given, shall be the day on which the meeting is held. A determination of shareholders entitled to notice of a meeting of shareholders shall apply to any adjournment of the meeting; *provided however*, that the Board may fix a new record date for the determination of shareholders entitled to vote at the adjourned meeting, and, in such case, it shall comply with the Act and this By-law in setting such date.
- (b) In order that the Corporation may determine the shareholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the shareholders entitled to exercise any rights in respect of any change, conversion or exchange of shares, or for the purpose of any other lawful action, the Board may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than 50 days before such action. If no record date is fixed, the record date for determining shareholders for any such purpose shall be at the close of business on the day on which the Board passes the resolution relating thereto.

Section 4.06 Adjournments. The chair presiding at a meeting of shareholders may, with the consent of the meeting and subject to such conditions as the meeting decides, adjourn the meeting from time to time and from place to place subject to this Section 4.06. Any meeting of the shareholders, annual or special, may be adjourned from time to time to reconvene at the same or some other place, if any. If the adjournment is for

less than 30 days, the Corporation need not give notice of the adjourned meeting other than by announcement at the original meeting. If the adjournment is for more than 30 days, a notice of the adjourned meeting shall be given to each shareholder entitled to vote at the meeting using the same process for an original notice of meeting. If, after the adjournment, a new record date is fixed for shareholders entitled to vote at the adjourned meeting, the Board shall give notice of the new record date and notice of the adjourned meeting to each shareholder entitled to vote at the adjourned meeting in accordance with the Act and this By-law. At the adjourned meeting, the Corporation may transact any business that might have been transacted at the original meeting.

Section 4.07 Notice of Meetings. Notice of the place, if any, date, hour and means of remote communication, if any, of every meeting of shareholders shall be given by the Corporation not less than 21 days if and for so long as the Corporation is a public company, otherwise, not less than 10 days, and not more than 50 days, before the meeting to (a) every shareholder entitled to vote at the meeting as of the record date, (b) each Director and (c) the Corporation's auditor. Notices of special meetings shall also specify the purpose or purposes for which the meeting has been called in sufficient detail to permit the shareholders to form a reasoned judgment on the special business and include the text of any special resolution or by-law to be submitted at the meeting. Except as otherwise provided herein or permitted by applicable law, notice to shareholders shall be in writing and delivered personally or mailed to the shareholders at their recorded address, and such notice shall be deemed to be given when deposited with Canada Post Corporation, postage prepaid. Without limiting the manner by which notice otherwise may be given effectively to shareholders, notice of meeting may be given to shareholders by means of electronic transmission in accordance with applicable law. Notice of any meeting need not be given to any shareholder who shall, either before or after the meeting, submit a waiver of notice or who shall attend such meeting, except when the shareholder attends for the express purpose of objecting to the transaction of any business on the grounds that the meeting is unlawfully called. Any shareholder so waiving notice of the meeting shall be bound by the proceedings of the meeting in all respects as if due notice thereof had been given.

Section 4.08 List of Shareholders. The Corporation shall prepare a complete list of the shareholders entitled to vote at a meeting arranged in alphabetical order, showing the address of each shareholder and the number of shares of each class or series in the Corporation registered in the name of each shareholder. If a record date is fixed, then this list shall be prepared by such officer of the Corporation no later than 10 days after setting the record date. If no record date is fixed, then such officer shall prepare this list at the close of business on the day immediately preceding the day on which notice of a shareholders' meeting is given, or where no notice of a shareholders' meeting is given, on the day on which the meeting is held. A shareholder may inspect the list of shareholders prepared for a meeting during the Corporation's usual business hours at its registered office or at the place where its central securities register is maintained. A shareholder can also inspect this list at the shareholders' meeting for which the list was prepared. If this meeting is held solely by means of telephonic or electronic means, the list shall also be open for inspection by any shareholder during the whole time of the meeting. Except as provided by applicable law, the securities register of the Corporation shall be the only evidence as to who are the shareholders entitled to inspect the securities register and the list of shareholders or to vote in person or by proxy at any meeting of shareholders.

Section 4.09 Quorum. Unless otherwise required by law, the Articles or this By-law, at each meeting of the shareholders, one person who is present in person, or who represents by proxy, one or more shareholders who, in aggregate, hold at least five percent (5%) of the issued shares entitled to vote at a meeting of shareholders constitutes a quorum. If, however, such quorum is not present or represented at any meeting of the shareholders, the shareholders entitled to vote thereat, present in person or represented by proxy, shall have power, by the affirmative vote of a majority in voting power thereof, to adjourn the meeting from time to time, in the manner provided in Section 4.06, until a quorum can be present or represented. Once a quorum is established, it does not need to be maintained throughout the meeting. At any such adjourned meeting at which there is a quorum, any business may be transacted that might have been transacted at the original meeting.

Section 4.10 Conduct of Meetings. At every meeting of shareholders, the Chair, or in their absence or inability to act, the Secretary, or, in their absence or inability to act, the individual whom the Chair or Secretary shall appoint, shall act as chairperson of, and preside at, the meeting. The Secretary or, in their absence or inability to act, the individual whom the chairperson of the meeting shall appoint secretary of the meeting, shall act as secretary of the meeting and keep the minutes thereof. The chairperson of any meeting of the shareholders shall have the right and authority to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chairperson, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board or prescribed by the chairperson of the meeting, may include the following:

- (a) the establishment of an agenda or order of business for the meeting;
- (b) the determination of when the polls shall open and close for any given matter to be voted on at the meeting;
- (c) rules and procedures for maintaining order at the meeting and the safety of those present;
- (d) limitations on attendance at or participation in the meeting to registered shareholders of the corporation, their duly authorized and constituted proxies or such other persons as the chair of the meeting shall determine;
- (e) restrictions on entry to the meeting after the time fixed for the commencement thereof; and
- (f) limitations on the time allotted to questions or comments by participants.

Section 4.11 Voting; Proxies.

- (a) **General.** Unless otherwise required by law or provided in the Articles, each shareholder shall be entitled to one vote, in person or by proxy, for each share held by such shareholder.

- (b) **Election of Directors.** Directors shall be elected by shareholders at the first meeting of shareholders after the effective date of this By-law and at each succeeding annual meeting. Unless otherwise required by the Articles, the election of Directors shall be by written ballot. If authorized by the Board, such requirement of a written ballot shall be satisfied by a ballot submitted by electronic transmission, *provided that* any such electronic transmission must either set forth or be submitted with information from which it can be determined that the electronic transmission was authorized by the shareholder or proxy holder. Unless otherwise required by law, the Articles or this By-law, if, at a meeting of shareholders at which an election of Directors is required, there is only one candidate nominated to each position on the Board, a newly elected Director to the Board must immediately resign if the number of votes withheld is more than the number voted in favour of such Director's election to the Board. The resignation will be submitted in writing and be effective when accepted by the Board. The requirement in this Section 4.11(b) for election does not apply if the number of nominees for Directors exceeds the number of Directors to be elected to the Board at a shareholders' meeting (a "**Contested Election**"). In a Contested Election, individual candidates shall be elected to the Board by a plurality of the votes cast at a meeting of shareholders. If a newly elected Director must tender their resignation in accordance with this Section 4.11(b), the Board shall determine whether or not to accept that Director's resignation within 90 days of the date of the meeting of shareholders. The Board shall accept that Director's resignation unless it decides that there are exceptional circumstances that prevent the Board from accepting it. A newly elected Director who has tendered a resignation in accordance with this Section 4.11(b) shall not participate in any meeting of the Board or any committee of the Board at which their resignation is considered. The Corporation shall promptly issue a news release stating the Board's decision and provide a copy of the press release to the principal stock exchange on which the securities of the Corporation are then listed for trading, if required. The Corporation's press release will include the reasons for the Board's decision if the newly elected Director's resignation is not accepted.
- (c) **Other Matters.** Unless otherwise required by law, the Articles or this By-law, any matter, other than the election of Directors, brought before any meeting of shareholders shall be decided by the affirmative vote of the majority of shares present in person or represented by proxy at the meeting and entitled to vote on the matter. In the case of an equality of votes on a show of hands, a ballot or the results of electronic voting, the chairperson of the meeting shall not have a second or casting vote in addition to an original vote as a shareholder.
- (d) **Proxies.** Each shareholder entitled to vote at a meeting of shareholders may authorize another person or persons, who need not be a shareholder, to act for such shareholder by proxy, but no such proxy shall be voted or acted upon except at the meeting in respect of which it is given or any adjournment thereof. Such authorization may be a document executed by the shareholder or their authorized officer, director, employee or agent. To the extent permitted by law, a shareholder may authorize another person or persons to act for them as proxy by transmitting or authorizing the transmission of an electronic transmission to the person who will be the holder of the proxy or to a proxy solicitation firm, proxy support service organization or like agent duly authorized by the person who will be the holder of the proxy to receive such transmission, *provided that* the electronic transmission either sets forth or is submitted with information from which it can be determined that the electronic transmission was authorized by the shareholder. A copy, facsimile transmission or other reliable reproduction (including any electronic transmission) of the proxy authorized by this Section 4.11(d) may be substituted for, or used in lieu of, the original document for any and all purposes for which the original document could be used, *provided that* such copy, facsimile transmission or other reproduction shall be a complete reproduction of the entire original document. A proxy may be revoked before the meeting. A shareholder may revoke any proxy by attending the meeting and voting in person or by delivering to the secretary of the Corporation a revocation of the proxy or a new proxy bearing a later date.
- (e) **Electronic Voting.** Any vote at a meeting of shareholders may be carried out by means of a telephonic, electronic or other communication facility, if the facility: (i) enables the votes to be gathered in a manner that permits their subsequent verification; and (ii) permits the tallied votes to be presented to the Corporation without it being possible for the Corporation to identify how each shareholder or group of shareholders voted.

Section 4.12 Representatives. Every shareholder that is a body corporate or association may authorize by resolution of its directors or governing body an individual to represent it at one or more meetings of shareholders and that individual may exercise on the shareholder's behalf all the powers that it could exercise if it were an individual shareholder. The authority of such individual shall be established by depositing with the Corporation a certified copy of the resolution, or a certified copy of an extract from the by-laws of the body corporate or association, authorizing the representative to represent the body corporate or association, or in such other manner as may be satisfactory to the Secretary or chairperson of the meeting. Any such representative need not be a shareholder.

Section 4.13 Scrutineers at Meetings of Shareholders. In advance of any meeting of shareholders, the Board may, and shall if required by law, appoint one or more scrutineers, who may be employees of the Corporation, to act at the meeting or any adjournment thereof and make a written report thereof. The Board may designate one or more persons as alternate scrutineers to replace any scrutineer who fails to act. If no scrutineer or alternate can act at a meeting, the chairperson of the meeting shall appoint one or more scrutineers to act at the meeting. Each scrutineer shall faithfully execute the duties of a scrutineer with strict impartiality and according to the best of their ability. The scrutineer or scrutineers may appoint or retain other persons to assist the scrutineer or scrutineers in the performance of their duties. In determining the validity and counting of proxies and ballots cast at any meeting of shareholders, the scrutineers may consider such information as is permitted by applicable law. No individual who is a candidate for office at an election may serve as a scrutineer at such election. Unless otherwise provided by the Board, the date and time of the opening and the closing of the polls for each matter upon which the shareholders will vote at a meeting shall be announced at the meeting. No ballot, proxies, votes or any revocation thereof or change thereto shall be accepted by the scrutineer or scrutineers after the closing of the polls unless a court upon application by a shareholder shall determine otherwise. When executing the duties of scrutineer, the scrutineer or scrutineers shall:

- (a) ascertain the number of shares outstanding and the voting rights of each;

- (b) determine the shares represented at the meeting, the existence of a quorum and the validity of proxies and ballots;
- (c) count all votes and ballots;
- (d) determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the scrutineer(s); and
- (e) certify their determination of the number of shares represented at the meeting and their count of all votes and ballots.

Section 4.14 Omissions and Errors. The accidental omission to give any notice to any shareholder, Director, officer, member of a committee of the Board or auditor, the non-receipt of any notice by any such person where the Corporation has provided notice in accordance with the by-laws, or any error in any notice not affecting its substance, shall not invalidate any action taken at any meeting to which the notice pertained or otherwise founded on such notice.

ARTICLE V

Advance Notice of Nomination of Directors

Section 5.01 Nomination Procedures. Subject to the Act, Applicable Securities Laws and the Articles, only those individuals nominated in accordance with the procedures set out in this ARTICLE V shall be eligible for the election to the Board. Nominations of persons for election to the Board may be only be made at any annual meeting of shareholders, or at a special meeting of shareholders called for any purpose, which includes the election of Directors, as follows:

- (a) by or at the direction of the Board, including pursuant to a notice of meeting;
- (b) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the Act, or a requisition of shareholders meeting by one or more shareholders made in accordance with the Act; or
- (c) by any person (a “**Nominating Shareholder**”) who:
 - (i) at the close of business on the date of giving the Nomination Notice set out in Section 5.03, and on the record date for determining shareholders entitled to vote at such meeting, is entered in the securities register of the Corporation as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting and provides evidence of such beneficial ownership to the Corporation; and
 - (ii) complies with the notice procedures set forth in this ARTICLE V.

Section 5.02 Exclusive Means. For the avoidance of doubt, the procedures set forth in this ARTICLE V shall be the exclusive means for any person to bring nominations for election to the Board at or in connection with any annual or special meeting of shareholders of the Corporation.

Section 5.03 Timely Notice. A Nominating Shareholder must give written notice of its Director nomination containing the information set out in this ARTICLE V (such notice, a “**Nomination Notice**”) to the secretary of the Corporation even if such matter is already the subject of a notice to the shareholders or a Public Announcement. The Nomination Notice must be received by the Corporation:

- (a) in the case of an annual meeting of shareholders, not less than 30 days before the date of such meeting; *provided that*, if (i) an annual meeting is called for a date that is less than 50 days after the Meeting Notice Date, notice by the Nominating Shareholder shall be made not less than the close of business on the 10th day after the Meeting Notice Date, and (ii) the Corporation uses “notice-and-access” (as defined in National Instrument 54-101 – *Communications with Beneficial Owners of Securities of a Reporting Issuer*) to send proxy-related materials to shareholders in connection with an annual meeting, notice must be received not less than 40 days before the date of the annual meeting; or
- (b) in the case of a special meeting (which is also an annual meeting) of shareholders called for the purpose of electing Directors (whether or not also called for the purpose of conducting other business), not later than the close of business on the 15th day after the Meeting Notice Date.

In the event of an adjournment or postponement of an annual meeting or special meeting of shareholders or any announcement thereof, a new time period shall commence for the giving of a timely notice under this Section 5.03.

Section 5.04 Nomination Notice Information. To be in proper written form, a Nomination Notice must comply with this ARTICLE V and must disclose or include, as applicable:

- (a) as to each person whom the Nominating Shareholder proposes to nominate for election as a Director (each, a “**Proposed Nominee**”):

- (i) the name, age and business and residential address of the Proposed Nominee;
 - (ii) the principal occupation, business or employment of the Proposed Nominee, both at present and within the five years preceding the notice;
 - (iii) the number of securities of each class of voting securities of the Corporation (or any of its subsidiaries) beneficially owned, or controlled or directed, directly or indirectly, by the Proposed Nominee, as of the record date for the meeting (if such date shall then have been made publicly available and shall have occurred) and as of the date of such Nomination Notice;
 - (iv) a description of any relationship, agreement, arrangement or understanding (including financial, compensatory or indemnity related or otherwise) between the Nominating Shareholder and the Proposed Nominee, or any Affiliates or Associates of, or any person acting jointly or in concert with the Nominating Shareholder or the Proposed Nominee, in connection with the Proposed Nominee's nomination and election as a Director;
 - (v) whether the Proposed Nominee is a party to any existing or proposed relationship, agreement, arrangement or understanding with any competitor of the Corporation or its Affiliates or any other third party that may give rise to a real or perceived conflict of interest between the interests of the Corporation and the interests of the Corporation and the interests of the Proposed Nominee;
 - (vi) a duly completed personal information form in respect of the Proposed Nominee in the form prescribed from time to time by the principal stock exchange on which the securities of the Corporation are then listed for trading;
 - (vii) any other information relating to the Proposed Nominee that would be required to be disclosed in a dissident information circular or other filings required to be made in connection with the solicitation of proxies for the election of Directors pursuant to the Act or Applicable Securities Laws; and
- (b) as to each Nominating Shareholder:
- (i) the name, business and, if applicable, residential address of such Nominating Shareholder;
 - (ii) the number of securities of each class of voting securities of the Corporation (or any of its subsidiaries) beneficially owned, or controlled or directed, directly or indirectly, by such Nominating Shareholder or any other person with whom such Nominating Shareholder is acting jointly or in concert (and, for each such person, any options or other rights to acquire shares in the capital of the Corporation, any derivatives or other securities, instruments or arrangements for which the value or delivery, payment or settlement obligations are derived from, referenced to or based on any such shares, and any hedging transactions, short positions and borrowing or lending arrangements relating to such shares) with respect to the Corporation or any of its securities, as of the record date for the meeting (if such date shall then have been made publicly available and shall have occurred) and as of the date of such Nomination Notice;
 - (iii) the interests in, or rights or obligations associated with, any agreement, arrangement or understanding, the purpose or effect of which may be to alter, directly or indirectly, such Nominating Shareholder's economic interest in a security of the Corporation or such Nominating Shareholder's economic exposure to the Corporation;
 - (iv) full particulars regarding any proxy, contract, arrangement, agreement, understanding or relationship pursuant to which such Nominating Shareholder, or any of its Affiliates or Associates, or any person acting jointly or in concert with such person, has any interests, rights or obligations relating to the voting of any securities of the Corporation or the nomination of Directors to the Board;
 - (v) a representation and proof that the Nominating Shareholder is a holder of record of securities of the Corporation, or a beneficial owner, entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to propose such nomination;
 - (vi) a representation as to whether such Nominating Shareholder intends to deliver an information circular and form of proxy to any shareholder of the Corporation in connection with the election of Directors or otherwise solicit proxies of votes from shareholders of the Corporation in support of such nomination;
 - (vii) any other information relating to such Nominating Shareholder that would be required to be disclosed in a dissident information circular or other filings required to be made in connection with the solicitation of proxies for the election of Directors pursuant to the Act or Applicable Securities Laws; and
- (c) a written consent duly signed by each Proposed Nominee to being named as a nominee for election to the Board and to serve as a Director of the Corporation, if elected.

Reference to “**Nominating Shareholder**” in this Section 5.04 shall be deemed to refer to each shareholder that nominates or seeks to nominate a person for election as a Director in the case of a nomination proposal where more than one shareholder is involved in making the nomination proposal.

Section 5.05 Additional Information. The Corporation may require any Proposed Nominee to furnish such other information, including completion of a Director’s questionnaire, as may be reasonably required by the Corporation to determine whether the Proposed Nominee would be considered “independent” under the relevant standards contemplated by Applicable Securities Laws or any stock exchange rules that may be applicable to the Corporation in the same manner as such standards are applicable to the Corporation’s other Directors.

Section 5.06 Compliance. In addition to the provisions of this ARTICLE V, a Nominating Shareholder and any Proposed Nominee shall also comply with all of the applicable requirements of the Act, Applicable Securities Laws and applicable stock exchange rules regarding the matters set forth in this ARTICLE V.

Section 5.07 Currency of Notice. All information to be provided in a Nomination Notice shall be provided as of the date of such Nomination Notice. To be considered timely and in proper form, a Nomination Notice shall be promptly updated and supplemented, if necessary, by the Nominating Shareholder so that the information provided or required to be provided in such Nomination Notice shall be true and correct as of the record date for the meeting.

Section 5.08 Delivery of Notice. Notwithstanding any other provision of this By-law, a Nominating Shareholder shall deliver the Nomination Notice to the Corporation’s registered office. A Nomination Notice shall be delivered by personal delivery, nationally recognized overnight courier (with all fees prepaid), facsimile or email of a PDF document (with confirmation of transmission) or certified or registered mail (in each case, return receipt requested, postage prepaid).

Section 5.09 Power of the Chairperson. The chairperson of any meeting of shareholders of the Corporation shall have the power to determine whether a nomination was made in accordance with the provisions of this ARTICLE V and, if any proposed nomination is not in compliance with this ARTICLE V, to declare that such defective nomination shall not be disregarded.

Section 5.10 Waiver. The Board may, in its sole discretion, waive any requirement in ARTICLE V.

ARTICLE VI Board of Directors

Section 6.01 General Powers. The Board shall manage, or supervise the management of, the business and affairs of the Corporation.

Section 6.02 Number; Term of Office. If the Articles do not provide for a minimum and maximum number of Directors, the Board shall consist of the fixed number of Directors specified in the Articles. If the Articles provide for a minimum and maximum number of Directors, the Board shall be comprised of the fixed number of Directors as determined from time to time by special resolution or, if the special resolution empowers the Board to determine the number, by resolution of the Board (except that the number of Directors determined by the Board shall not exceed one-third the number of Directors required to have been elected at the last annual meeting of shareholders). Each Director shall hold office until a successor is duly elected and qualified or until the Director’s earlier death, resignation, disqualification or removal.

Section 6.03 Newly Created Directorships and Vacancies. Any newly created directorships resulting from an increase in the authorized number of Directors under Section 6.02 and any vacancies occurring in the Board may be filled by the affirmative votes of a majority of the remaining members of the Board, or by a sole remaining Director, if constituting a quorum. A Director so elected shall be elected to hold office until the earlier of the expiration of the term of office of the Director whom they have replaced, the date a successor is duly elected and qualified or the earlier of such Director’s earlier death, resignation, disqualification or removal.

Section 6.04 Resignation. Any Director may resign at any time by notice given in writing or by electronic transmission to the Corporation. Such resignation shall take effect at the date of receipt of such notice by the Corporation or at such later effective date or upon the happening of an event or events as is therein specified. A resignation that is conditional on a director failing to receive a specified vote for re-election as a director may provide that it is irrevocable. A verbal resignation shall not be deemed effective until confirmed by the director in writing or by electronic transmission to the Corporation.

Section 6.05 Removal. Except as prohibited by applicable law or the Articles, the shareholders entitled to vote in an election of Directors may remove any Director from office at any time, with or without cause, by ordinary resolution.

Section 6.06 Fees and Expenses. Directors shall receive such reasonable fees for their service on the Board and any committee thereof and such reimbursement of their actual and reasonable expenses as may be fixed or determined from time to time by the Board.

Section 6.07 Place of Board Meetings. All meetings of the Board may be held at any place within or outside Ontario. In any financial year of the Corporation, a majority of the meetings of the Board need not be held within Canada.

Section 6.08 Regular Meetings. Regular meetings of the Board may be held at such times and at such places, if any, as may be determined from time to time by the Board or the Chair. No notice shall be required for any such regular meeting except for the purpose of the meeting or the business to be transacted.

Section 6.09 Ad Hoc Meetings. Ad hoc meetings of the Board may be held at such times and at such places, if any, as may be determined by the Chair, lead independent director of the Board, Chief Executive Officer, or Secretary on reasonable notice to each Director, specifying the place, day and time of that meeting, given by one of the means specified in Section 6.11, other than by mail, or on at least three days' notice if given by mail. Ad hoc meetings shall be called by the Chair, Chief Executive Officer or Secretary in like manner and on like notice on the written request of any two or more Directors. The notice need not state the purpose of the meeting, and any and all business may be transacted at the meeting.

Section 6.10 Telephone Meetings. Board meetings or meetings of any committees of the Board may be held by means of telephonic, electronic or other communication facility that permits all participants to communicate with each other simultaneously and instantaneously. Participation by a Director or a member of a committee in a meeting under this Section 6.10 shall constitute presence in person at such meeting.

Section 6.11 Adjourned Meetings. A majority of the Directors present at any meeting of the Board, including an adjourned meeting, whether or not a quorum is present, may adjourn and reconvene such meeting to another time and place, if any. At least 24 hours' notice of any adjourned meeting of the Board shall be given to each Director, whether or not present at the time of the adjournment, if such notice shall be given by one of the means specified in Section 6.12, other than by mail, or at least three days' notice shall be given if by mail. Any business may be transacted at an adjourned meeting that might have been transacted at the meeting as originally called.

Section 6.12 Notices. Subject to Section 6.10, Section 6.11 and Section 6.13, whenever notice is required to be given to any Director by applicable law, the Articles or this By-law, such notice shall be deemed to be given effectively if given in person or by telephone, by mail addressed to a Director's recorded address, by facsimile, email or by other means of electronic transmission.

Section 6.13 Waiver of Notice. Whenever notice to Directors is required by applicable law, the Articles or this By-law, a waiver thereof, in writing signed by the Director entitled to the notice, whether before or after such notice is required, shall be deemed equivalent to notice. Attendance by a Director at a meeting shall constitute a waiver of notice of such meeting except when the Director attends a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting was unlawfully called. Neither the business to be transacted at, nor the purpose of, any regular or ad hoc meeting of the Board or committee of the Board need be specified in any waiver of notice.

Section 6.14 Organization. At each meeting of the Board, the Chair or, in their absence, the lead independent director, if any, or, in their absence, another Director selected by the Board shall preside. The Secretary shall act as secretary at each meeting of the Board. If the Secretary is absent from any meeting of the Board, an assistant secretary shall perform the duties of secretary at such meeting; and in the absence from any such meeting of the Secretary and all assistant secretaries, the individual presiding as chairperson at the meeting may appoint any individual to act as secretary of the meeting.

Section 6.15 Quorum of Directors. Except as otherwise provided in the by-laws or Articles or required by applicable law, the quorum necessary for the transaction of business at any meeting of the Board may be set by the Directors and, if not so set, is deemed to be set as the presence of two Directors or, if the number of Directors is set at one, is deemed to be set at one Director, and that Director shall be necessary and sufficient to constitute a quorum.

Section 6.16 Majority Vote. Except as otherwise expressly required by this By-law, the Articles or by applicable law, the vote of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board. In the case of an equality of votes, the chairperson of the meeting shall not have a second or casting vote in addition to their original vote as a Director.

Section 6.17 Resolution in Writing of Board. Unless otherwise restricted by the Articles or by-laws, any resolution required or permitted to be passed at any meeting of the Board or of any committee thereof may be taken without a meeting if all Directors or members of such committee, as the case may be, consent thereto in writing or by electronic transmission, and the writings or electronic transmissions are filed with the minutes of proceedings of the Board or committee in accordance with the Act.

Section 6.18 Chair. The Board shall annually elect one of its members to be its chair (the "Chair") and shall fill any vacancy in the position of Chair at such time and in such manner as the Board shall determine. Except as otherwise provided in the by-laws, the Chair shall preside at all meetings of the Board and of shareholders. The Chair shall perform such other duties and services as shall be assigned to or required of the Chair by the Board.

Section 6.19 Committees of the Board. The Board may designate one or more committees, each committee to consist of one or more of the Directors. The Board may designate one or more Directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. If a member of a committee shall be absent from any meeting or disqualified from voting, the remaining member or members present at the meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the Board to act at the meeting in the place of such absent or disqualified member. Any such committee shall, to the extent permitted by applicable law, have and may exercise all the powers and authority of the Board in the management of the business and affairs of the Corporation to the extent authorized by the Board, except the authority to:

- (a) submit to the shareholders any question or matter requiring the approval of the shareholders;
- (b) fill a vacancy among the Directors or appoint additional Directors;
- (c) fill a vacancy in the office of auditor;

- (d) appoint or remove any Chief Executive Officer (however designated), Chief Financial Officer (however designated), the Chair or the President;
- (e) issue securities except as authorized by the Board;
- (f) declare dividends;
- (g) purchase, redeem or otherwise acquire shares issued by the Corporation;
- (h) pay a commission to any person in consideration of the person's:
 - (i) purchasing or agreeing to purchase shares of the Corporation from the Corporation or from any other person; or
 - (ii) procuring or agreeing to procure purchasers for any such shares;
- (i) approve a management information circular;
- (j) approve any annual financial statements or any interim financial reports referred to in Part XVIII of the *Securities Act* (Ontario);
- (k) adopt, amend or repeal by-laws;
- (l) approve an amalgamation;
- (m) approve an amendment to the Articles; and
- (n) approve a take-over bid circular, directors' circular or issuer bid circular referred to in Part XX of the *Securities Act* (Ontario).

Section 6.20 Committee Proceedings. Any such Board committee may authorize the seal of the Corporation to be affixed to all documents that may require it to the extent so authorized by the Board. Unless the Board provides otherwise, at all meetings of such committee, a majority of the then-authorized members of the committee shall constitute a quorum for the transaction of business, and the vote of a majority of the members of the committee present at any meeting at which there is a quorum shall be a resolution of the committee. Each committee shall keep regular minutes of its meetings. Unless the Board provides otherwise, each committee designated by the Board may make, alter and repeal rules and procedures for the conduct of its business. In the absence of such rules and procedures, each committee shall conduct its business in the same manner as the Board conducts its business under this By-law.

ARTICLE VII Officers

Section 7.01 Positions and Election. The officers of the Corporation shall be chosen by the Board and shall include a chief executive officer (the "**Chief Executive Officer**"), a president (the "**President**"), a chief financial officer (the "**Chief Financial Officer**"), a treasurer (the "**Treasurer**") and a secretary (the "**Secretary**"). The Board, in its discretion, may also elect one or more vice presidents, assistant treasurers, assistant secretaries and other officers in accordance with this By-law. Any two or more offices may be held by the same individual.

Section 7.02 Term. Each officer of the Corporation shall hold office until such officer's successor is elected and qualified or until such officer's earlier death, resignation or removal. Any officer elected or appointed by the Board may be removed by the Board at any time with or without cause by resolution of the Board. The removal of an officer shall be without prejudice to their contract rights, if any. The election or appointment of an officer shall not of itself create contract rights. Any officer of the Corporation may resign at any time by giving notice of their resignation in writing, or by electronic transmission, to the President or the Secretary. Any such resignation shall take effect at the time specified therein or, if the time when it shall become effective shall not be specified therein, immediately upon its receipt. Unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Should any vacancy occur among the officers, the position shall be filled for the unexpired portion of the term by appointment made by the Board.

Section 7.03 Chief Executive Officer. The Chief Executive Officer shall, subject to the provisions of this By-law and the control of the Board, have general supervision, direction and control over the business and affairs of the Corporation and over its officers. The Chief Executive Officer shall perform all duties incident to the office of Chief Executive Officer and any duties as may be from time to time be assigned to the Chief Executive Officer by the Board, in each case subject to the control of the Board.

Section 7.04 President. The President shall report and be responsible to the Chief Executive Officer. The President shall have such powers and perform such duties as from time to time may be assigned or delegated to the President by the Board or the Chief Executive Officer or that are incident to the office of president.

Section 7.05 Vice Presidents. Each vice-president shall have such powers and perform such duties as may be assigned to them from time to time by the Board, the Chief Executive Officer or the President, or that are incident to the office of vice president.

Section 7.06 Secretary. The Secretary shall attend all sessions of the Board and all meetings of the shareholders and record all votes and the minutes of all proceedings in a book to be kept for that purpose and shall perform like duties for committees of the Board when required. The Secretary shall give, or cause to be given, notice of all meetings of the shareholders and meetings of the Board and shall perform such other duties as may be prescribed by the Board, the Chair or the Chief Executive Officer. The Secretary shall keep in safe custody the seal of the Corporation and have authority to affix the seal to all documents requiring it and attest to the same.

Section 7.07 Chief Financial Officer. The Chief Financial Officer shall be the principal financial officer of the Corporation and shall have such powers and perform such duties as may be assigned to them from time to time by the Board, the Chair or the Chief Executive Officer.

Section 7.08 Treasurer. The Treasurer shall have the custody of the Corporation's funds and securities, except as otherwise provided by the Board, and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation and shall deposit all monies and other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by the Board. The Treasurer shall disburse the funds of the Corporation as may be ordered by the Board, taking proper vouchers for such disbursements, and shall render to the Chief Executive Officer, the President and the Board, at the regular meetings of the Board, or whenever the Board may require it, an account of all their transactions as Treasurer and of the financial condition of the Corporation.

Section 7.09 Other Officers. Such other officers as the Board may choose shall perform such duties and have such powers as from time to time be assigned to them by the Board. The Board may delegate to any other officer of the Corporation the power to choose such other officers and to prescribe their respective duties and powers.

Section 7.10 Duties of Officers May Be Delegated. In case any officer is absent, or for any other reason that the Board may deem sufficient, the Chief Executive Officer, the President or the Board may delegate for the time being the powers or duties of such officer to any other officer or to any Director.

ARTICLE VIII Indemnification

Section 8.01 Limitation of Liability. Every Director and officer of the Corporation in exercising their powers and discharging their duties shall act honestly and in good faith with a view to the best interests of the Corporation and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Subject to the foregoing requirement to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, no Director or officer shall be liable for the acts, omissions, failures, neglects or defaults of any other Director, officer or employee, or for joining in any act for conformity, or for any loss, damage or expense suffered or incurred by the Corporation through the insufficiency or deficiency of title to any property acquired by the Corporation or for or on behalf of the Corporation, or for the insufficiency or deficiency of any security in or upon which any of the monies of the Corporation shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person with whom any of the monies, securities or effects of the Corporation shall be deposited, or for any loss occasioned by any error of judgment or oversight on their part, or for any other loss, damage or misfortune that shall happen in the execution of the duties of their office or in relation thereto. Nothing herein shall relieve any Director or officer from the duty to act in accordance with the Act or from liability for any breach thereof.

Section 8.02 Indemnification. The Corporation shall indemnify and hold harmless, to the fullest extent permitted by applicable law as it presently exists or may hereafter be amended, a Director or officer of the Corporation, a former Director or officer of the Corporation or another individual who acts or acted at the Corporation's request as a director or officer (or an individual acting in a similar capacity) of another entity, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by the individual in respect of any civil, criminal, administrative, investigative or other proceeding (a "**Proceeding**") in which the individual is involved because of that association with the Corporation or other entity. Notwithstanding the preceding sentence, the Corporation shall be required to indemnify an individual in connection with a Proceeding (or part thereof) commenced by such individual only if the commencement of such Proceeding (or part thereof) by the individual was authorized in the specific case by the Board.

Section 8.03 Advancement of Expenses. The Corporation shall pay the expenses (including legal fees, disbursements and charges) actually and reasonably incurred by a Director or officer of the Corporation, a former Director or officer of the Corporation or another individual who acts or acted at the Corporation's request as a director or officer (or an individual acting in a similar capacity) of another entity in defending any Proceeding in advance of its final disposition, upon receipt of an undertaking by or on behalf of such individual to repay all amounts advanced if it shall ultimately be determined by final judicial decision from which there is no further right to appeal that such individual is not entitled to be indemnified for such expenses under this Section 8.03 or otherwise. The individual shall repay the monies if they do not fulfill the conditions of Section 8.04.

Section 8.04 Exclusions. The Corporation shall not indemnify an individual under Section 8.02 unless they:

- (a) acted honestly and in good faith with a view to the best interests of the Corporation or, as the case may be, to the best interests of the other entity for which they acted as a director or officer or in a similar capacity at the Corporation's request; and
- (b) in the case of a criminal or administrative Proceeding that is enforced by a monetary penalty, they had reasonable grounds for believing that their conduct was lawful.

Section 8.05 Non-Exclusivity of Rights. The rights conferred on any individual by this ARTICLE VIII will not be exclusive of any other right that such individual may have or hereafter acquire under any statute, Articles, by-laws, agreement, vote of shareholders or disinterested

directors or otherwise, both as to action in their official capacity and as to action in another capacity while holding office. The Corporation is specifically authorized to enter into individual contracts with any or all of its Directors, officers, employees or agents respecting indemnification and advances, to the fullest extent not prohibited by the Act.

Section 8.06 Other Indemnification. The Corporation's obligation, if any, to indemnify any individual who acts or acted at the Corporation's request as a director or officer (or an individual acting in a similar capacity) of another entity shall be reduced by any amount that such individual may collect as indemnification from such other entity.

Section 8.07 Insurance. The Corporation may purchase and maintain insurance on behalf of any individual who is a Director or officer of the Corporation, a former Director or officer of the Corporation or another individual who acts or acted at the Corporation's request as a director or officer (or an individual acting in a similar capacity) of another entity against any liability asserted against them and incurred by them in any such capacity, or arising out of their status as such, whether or not the Corporation would have the power to indemnify them against such liability under the Act.

Section 8.08 Repeal, Amendment or Modification. Any amendment, repeal or modification of this ARTICLE VIII shall not adversely affect any right or protection hereunder of any individual in respect of any act or omission occurring before the time of such repeal or modification.

ARTICLE IX Security Certificates and Transfers

Section 9.01 Certificates Representing Securities. The shares of the Corporation shall be represented by certificates except where the Board provides by resolution or resolutions that some, or all, of any class or series shall be uncertificated shares. Share certificates, if any, shall be in the form, other than bearer form, approved by the Board. Certificates representing shares of each class or series shall be signed in the name of the Corporation by any authorized Director or officer of the Corporation. Any or all such signatures may be facsimiles or electronic signatures. Although any officer, transfer agent or registrar whose manual or electronic signature is affixed to such a certificate ceases to be such officer, transfer agent or registrar before such certificate has been issued, it may nevertheless be issued by the Corporation with the same effect as if such officer, transfer agent or registrar were still such at the date of its issue.

Section 9.02 Transfers of Shares. Securities of the Corporation shall be transferable in the manner prescribed by law and in this By-law. Transfers of securities shall be made on the books of the Corporation only by the registered holder thereof, by such person's attorney lawfully constituted in writing and, in the case of certificated securities, upon the surrender of the certificate thereof, which shall be cancelled before a new certificate or uncertificated shares shall be issued. No transfer of securities shall be valid as against the Corporation for any purpose until it shall have been entered in the securities register of the Corporation by an entry showing from and to whom transferred.

Section 9.03 Transfer Agents and Registrars. The Board may appoint, or authorize any officer or officers to appoint, one or more transfer agents and one or more registrars.

Section 9.04 Lost, Stolen or Destroyed Certificates. The Board may direct a new certificate or uncertificated security to be issued in place of any certificate theretofore issued by the Corporation alleged to have been lost, stolen or destroyed upon the making of a statutory declaration of that fact by the owner of the allegedly lost, stolen or destroyed certificate. When authorizing such issue of a new certificate or uncertificated security, the Board may, in its discretion and as a condition precedent to the issuance thereof, require the owner of the lost, stolen or destroyed certificate, or the owner's legal representative, to give the Corporation an indemnity bond sufficient to indemnify the Corporation against any claim that may be made against the Corporation with respect to the certificate alleged to have been lost, stolen or destroyed, or the issuance of such new certificate or uncertificated security.

ARTICLE X General Provisions

Section 10.01 Seal. The seal of the Corporation shall be in such form as shall be approved by the Board. The seal may be used by causing it or a facsimile thereof to be impressed, affixed or reproduced or otherwise, as may be prescribed by law or custom or by the Board.

Section 10.02 Financial Year. The financial year of the Corporation shall begin on the 1st day of January and end on the 31st day of December each year.

Section 10.03 Cheques, Notes, Drafts, Etc. All cheques, notes, drafts or other orders for the payment of money of the Corporation shall be signed, endorsed or accepted in the name of the Corporation by such officer, officers, person or persons as from time to time may be designated by the Board or by an officer or officers authorized by the Board to make such designation.

Section 10.04 Conflict with Applicable Law or Articles. This By-law is enacted subject to any applicable law and the Articles. Whenever the by-laws may conflict with any applicable law or the Articles, such conflict shall be resolved in favour of such law or the Articles.

Section 10.05 Books and Records. Any registers and other records required by the Act to be prepared and maintained may be in a bound or loose-leaf form, or may be entered or recorded by any system of mechanical or electronic data processing or any other information storage device

that is capable of reproducing any required information in intelligible written form within a reasonable time and, with respect to the securities register and register of transfer, the records so kept comply with section 141 of the Act.

Section 10.06 Forum for Adjudication of Disputes. Unless the Corporation consents in writing to the selection of an alternative forum, the Superior Court of Justice of the Province of Ontario and the appellate courts therefrom shall, to the fullest extent permitted by law, be the sole and exclusive forum for:

- (a) an application for leave to bring a derivative action or proceeding brought on behalf of the Corporation;
- (b) any action or proceeding asserting a claim for breach of a fiduciary duty or duty of care owed by any Director or officer of the Corporation to the Corporation;
- (c) any action or proceeding asserting a claim arising pursuant to any provision of the Act, Articles or by-laws; and
- (d) any action or proceeding asserting a claim relating to the “affairs” (as defined in section 1(1) of the Act) of the Corporation.

If any action or proceeding, the subject matter of which is within the scope of this Section 10.06 is filed in a court other than a court of the Province of Ontario (a “**Foreign Action**”) in the name of any security holder, such security holder shall be deemed to have consented to: (i) the personal jurisdiction of the courts of the Province of Ontario in connection with any action or proceeding brought in any such court to enforce this Section 10.06 (an “**Enforcement Action**”); and (ii) having service of process made upon such security holder in any such Enforcement Action by service upon such security holder’s counsel in the Foreign Action as agent for such security holder. Any person or entity purchasing or otherwise acquiring any interest in shares of the Corporation shall be deemed to have notice of, and consented to, the provisions of this Section 10.06.

ARTICLE XI Amendment and Repeal

Section 11.01 Amendment. Subject to the Act and the Articles, the Board may, by resolution, make, amend or repeal any by-law. Any such by-law, amendment or repeal shall be effective from the date of the resolution of the Board until the next meeting of shareholders where it may be confirmed, rejected or amended by the shareholders by ordinary resolution. If the by-law, amendment or repeal is confirmed or confirmed as amended by the shareholders, it remains effective in the form in which it was confirmed. Such by-law, amendment or repeal ceases to have effect if it is not submitted to the shareholders at the next meeting of shareholders or if it is rejected by the shareholders at the meeting.

Section 11.02 Repeal. All previous by-laws of the Corporation are repealed as of the coming into force of this By-law. The repeal shall not affect the previous operation of any by-laws so repealed or affect the validity of any act done or right, privilege, obligation or liability acquired or incurred under, or the validity of any contract or agreement made under, or the validity of any Articles or predecessor charter documents of the Corporation obtained under, any such by-law before its repeal. All officers and persons acting under the provisions of this By-law, and all resolutions of the shareholders or the Board or a committee of the Board with continuing effect passed under any repealed by-laws shall continue to be good and valid except to the extent inconsistent with this By-law and until amended or repealed.

MADE by the Board on the 19th day of January 2024.

/s/ Jodi Butts

Name: Jodi Butts
Title: Director

/s/ Dr. Harriet de Wit

Name: Dr. Harriet de Wit
Title: Director

/s/ Nicholas Kadysh

Name: Nicholas Kadysh
Title: Director

/s/ Fraser Macdonald

Name: Fraser Macdonald
Title: Director

/s/ Kevin Roy

Name: Kevin Roy
Title: Director

/s/ Dr. Abdelmalik Slassi

Name: Dr. Abdelmalik Slassi
Title: Director

/s/ Perry Tsergas

Name: Perry Tsergas
Title: Director

CONFIRMED by the shareholders at the shareholders’ annual general and special meeting on the __ day of _____ 2024.

SCHEDULE "B"
ARTICLES OF CONTINUANCE

(See attached)

For questions or more information to complete this form, please refer to the instruction page.

Fields marked with an asterisk (*) are mandatory.

1. Corporation Information

Corporation Name *

PharmAla Biotech Holdings Inc.

Has the corporation been assigned an Ontario Corporation Number (OCN) ? * Yes No

Please confirm the statement below *

I confirm that the corporation has never been assigned an Ontario Corporation Number

2. Contact Information

Please provide the following information for the person we should contact regarding this filing. This person will receive official documents or notices and correspondence related to this filing. By proceeding with this filing, you are confirming that you have been duly authorized to do so.

First Name *

Shimmy

Middle Name

Last Name *

Posen

Telephone Country Code

1

Telephone Number *

416-869-7612

Extension

Email Address *

sposen@garfinkle.com

3. Jurisdiction

Please provide the name of the jurisdiction where the corporation is currently incorporated or continued and the original date of incorporation or amalgamation of the corporation.

Current Corporation Name *

PharmAla Biotech Holdings Inc.

Governing Jurisdiction *

Canada

Province *

British Columbia

Original Date of Incorporation/Amalgamation *

January 12, 2021

The following supporting documents are required. Please attach these documents with your application:

Incorporating documents and all amendments, and a copy of continuation documents and amendments if applicable, certified by an officer of the appropriate jurisdiction *

Letter of Satisfaction/Authorization to Continue issued by the proper officer of the jurisdiction the corporation is leaving *

4. Corporation Name

Every corporation must have a name. You can either propose a name for the corporation or request a number name. If you propose a name for the corporation, you need a Nuans report for the proposed name.

Will this corporation have a number name ? *

Yes

No

The corporation will have: *

- an English name (example: "Green Institute Inc.")
- a French name (example: "Institut Green Inc.")
- a combination of English and French name (example: "Institut Green Institute Inc.")
- an English and French name that are equivalent but used separately (example: "Green Institute Inc./Institut Green Inc.")

Nuans Report

New Corporation Name (Proposed) *
PharmAla Biotech Holdings Inc.

Nuans Report Reference Number * 122125040	Nuans Report Date * January 25, 2024
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Select this if you have a Legal Opinion for an identical name

5. General Details

Requested Date for Continuance * January 26, 2024	Primary Activity Code * 541710
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Official Email Address *
nick@pharmala.ca

An official email address is required for administrative purposes and must be kept current. All official documents or notices and correspondence to the corporation will be sent to this email address.

6. Address

Every corporation is required to have a registered office address in Ontario. This address must be set out in full. A post office box alone is not an acceptable address.

Registered Office Address *

Standard Address Lot/Concession Address

Street Number * 82	Street Name * Richmond Street East	Unit Number
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City/Town * Toronto	Province Ontario	Postal Code * M5C 1P1
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Country
Canada

7. Director(s)

Please specify the number of directors for your Corporation *

Fixed Number Minimum/Maximum

Minimum Number of Directors * 3	Maximum Number of Directors * 10
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Director 1

First Name * Jodi	Middle Name	Last Name * Butts
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Email Address

Is this director a Resident Canadian? * Yes No

Address for Service * Canada U.S.A. International

Street Number *	Street Name *	Unit Number
82	Richmond Street East	
City/Town *	Province *	Postal Code *
Toronto	Ontario	M5C 1P1
Country Canada		

Director 2

First Name *	Middle Name	Last Name *
Dr. Harriet		de Wit
Email Address		

Is this director a Resident Canadian? * Yes No

Address for Service * Canada U.S.A. International

Street Number *	Street Name *	Unit Number
82	Richmond Street East	
City/Town *	Province *	Postal Code *
Toronto	Ontario	M5C 1P1
Country Canada		

Director 3

First Name *	Middle Name	Last Name *
Nicholas		Kadysh
Email Address		

Is this director a Resident Canadian? * Yes No

Address for Service * Canada U.S.A. International

Street Number *	Street Name *	Unit Number
82	Richmond Street East	
City/Town *	Province *	Postal Code *
Toronto	Ontario	M5C 1P1
Country Canada		

Director 4

First Name *	Middle Name	Last Name *
Fraser		Macdonald
Email Address		

Is this director a Resident Canadian? * Yes No

Address for Service * Canada U.S.A. International

Street Number *	Street Name *	Unit Number
82	Richmond Street East	
City/Town *	Province *	Postal Code *
Toronto	Ontario	M5C 1P1

Country
Canada

Director 5

First Name * Kevin	Middle Name	Last Name * Roy
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Email Address

Is this director a Resident Canadian? * Yes No

Address for Service * Canada U.S.A. International

Street Number * 82	Street Name * Richmond Street East	Unit Number
-----------------------	---------------------------------------	-------------

City/Town * Toronto	Province * Ontario	Postal Code * M5C 1P1
------------------------	-----------------------	--------------------------

Country
Canada

Director 6

First Name * Dr. Abdelmalik	Middle Name	Last Name * Stassi
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Email Address

Is this director a Resident Canadian? * Yes No

Address for Service * Canada U.S.A. International

Street Number * 82	Street Name * Richmond Street East	Unit Number
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City/Town * Toronto	Province * Ontario	Postal Code * M5C 1P1
------------------------	-----------------------	--------------------------

Country
Canada

Director 7

First Name * Perry	Middle Name	Last Name * Tsergas
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Email Address

Is this director a Resident Canadian? * Yes No

Address for Service * Canada U.S.A. International

Street Number * 82	Street Name * Richmond Street East	Unit Number
-----------------------	---------------------------------------	-------------

City/Town * Toronto	Province * Ontario	Postal Code * M5C 1P1
------------------------	-----------------------	--------------------------

Country
Canada

8. Shares and Provisions (Maximum limit is 100,000 characters per text box)

Every corporation must be authorized to issue at least one class of shares. You must describe the classes of shares of the corporation and the maximum number of shares the corporation is authorized to issue for each class. If the corporation has more than one class of shares, you must specify the rights, privileges and conditions for each class.

Description of Classes of Shares

The classes and any maximum number of shares that the corporation is authorized to issue:

Enter the Text *

The Corporation is authorized to issue an unlimited number of shares of one class designated as Common Shares.

Rights, Privileges, Restrictions and Conditions

Rights, privileges, restrictions and conditions (if any) attaching to each class of shares and directors' authority with respect to any class of shares which may be issued in series. If there is only one class of shares, enter "Not Applicable":

Enter the Text *

None.

Restrictions on Share Transfers

The issue, transfer or ownership of shares is/is not restricted and the restrictions (if any) are as follows. If none, enter "None":

Enter the Text *

None.

Restrictions on Business or Powers

Restrictions, if any, on business the corporation may carry on or on powers the corporation may exercise. If none, enter "None":

Enter the Text *

None.

Other Provisions, if any

Enter other provisions, or if no other provisions enter "None":

Enter the Text *

None.

9. Required Statements

Required Statements

The corporation is to be continued under the *Business Corporations Act* to the same extent as if it had been incorporated under this Act. *

The corporation has complied with subsection 180(3) of the *Business Corporations Act*. *

Authorization Date

The continuation of the corporation under the laws of the Province of Ontario has been properly authorized under the laws of the jurisdiction currently governing the corporation, on the following date: *

Authorization Date *
January 26, 2024

10. Authorization

* I, Shimmy Posen

confirm that this form has been signed by the required person.

Caution - The Act sets out penalties, including fines, for submitting false or misleading information.

Required Signature

Name	Position	Signature

SCHEDULE "C"

PART 8, DIVISION 2 OF THE BCBCA

(See attached)

Division 2 — Dissent Proceedings of Part 8 of the Business Corporations Act (British Columbia) Definitions and application

237 (1) In this Division:

“**dissenter**” means a shareholder who, being entitled to do so, sends written notice of dissent when and as required by section 242;

“**notice shares**” means, in relation to a notice of dissent, the shares in respect of which dissent is being exercised under the notice of dissent;

“**payout value**” means,

- (a) in the case of a dissent in respect of a resolution, the fair value that the notice shares had immediately before the passing of the resolution,
- (b) in the case of a dissent in respect of an arrangement approved by a court order made under section 291(2)(c) that permits dissent, the fair value that the notice shares had immediately before the passing of the resolution adopting the arrangement,
- (c) in the case of a dissent in respect of a matter approved or authorized by any other court order that permits dissent, the fair value that the notice shares had at the time specified by the court order,
- (d) in the case of a dissent in respect of a community contribution company, the value of the notice shares set out in the regulations,

excluding any appreciation or depreciation in anticipation of the corporate action approved or authorized by the resolution or court order unless exclusion would be inequitable, or

(2) This Division applies to any right of dissent exercisable by a shareholder except to the extent that

- (a) the court orders otherwise, or
- (b) in the case of a right of dissent authorized by a resolution referred to in section 238(1)(g), the court orders otherwise or the resolution provides otherwise.

Right to dissent

238 (1) A shareholder of a company, whether or not the shareholder's shares carry the right to vote, is entitled to dissent as follows:

- (a) under section 260, in respect of a resolution to alter the articles
 - (i) to alter restrictions on the powers of the company or on the business the company is permitted to carry on, or
 - (ii) without limiting subparagraph (i), in the case of a community contribution company, to alter any of the company's community purposes within the meaning of section 51.91;
- (b) under section 272, in respect of a resolution to adopt an amalgamation agreement;
- (c) under section 287, in respect of a resolution to approve an amalgamation under Division 4 of Part 9;
- (d) in respect of a resolution to approve an arrangement, the terms of which arrangement permit dissent;
- (e) under section 301(5), in respect of a resolution to authorize or ratify the sale, lease or other disposition of all or substantially all of the company's undertaking;
- (f) under section 309, in respect of a resolution to authorize the continuation of the company into a jurisdiction other than British Columbia;
- (g) in respect of any other resolution, if dissent is authorized by the resolution;

- (h) in respect of any court order that permits dissent.
- (2) A shareholder wishing to dissent must
- (a) prepare a separate notice of dissent under section 242 for
 - (i) the shareholder, if the shareholder is dissenting on the shareholder's own behalf, and
 - (ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is dissenting,
 - (b) identify in each notice of dissent, in accordance with section 242 (4), the person on whose behalf dissent is being exercised in that notice of dissent, and
 - (c) dissent with respect to all of the shares, registered in the shareholder's name, of which the person identified under paragraph (b) of this subsection is the beneficial owner.
- (3) Without limiting subsection (2), a person who wishes to have dissent exercised with respect to shares of which the person is the beneficial owner must
- (a) dissent with respect to all of the shares, if any, of which the person is both the registered owner and the beneficial owner, and
 - (b) cause each shareholder who is a registered owner of any other shares of which the person is the beneficial owner to dissent with respect to all of those shares.

Waiver of right to dissent

239 (1) A shareholder may not waive generally a right to dissent but may, in writing, waive the right to dissent with respect to a particular corporate action.

- (2) A shareholder wishing to waive a right of dissent with respect to a particular corporate action must
- (a) provide to the company a separate waiver for
 - (i) the shareholder, if the shareholder is providing a waiver on the shareholder's own behalf, and
 - (ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is providing a waiver, and
 - (b) identify in each waiver the person on whose behalf the waiver is made.
- (3) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on the shareholder's own behalf, the shareholder's right to dissent with respect to the particular corporate action terminates in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and this Division ceases to apply to
- (a) the shareholder in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and
 - (b) any other shareholders, who are registered owners of shares beneficially owned by the first mentioned shareholder, in respect of the shares that are beneficially owned by the first mentioned shareholder.
- (4) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on behalf of a specified person who beneficially owns shares registered in the name of the shareholder, the right of shareholders who are registered owners of shares beneficially owned by that specified person to dissent on behalf of that specified person with respect to the particular corporate action terminates and this Division ceases to apply to those shareholders in respect of the shares that are beneficially owned by that specified person.

Notice of resolution

240 (1) If a resolution in respect of which a shareholder is entitled to dissent is to be considered at a meeting of shareholders, the

company must, at least the prescribed number of days before the date of the proposed meeting, send to each of its shareholders, whether or not their shares carry the right to vote,

- (a) a copy of the proposed resolution, and
 - (b) a notice of the meeting that specifies the date of the meeting, and contains a statement advising of the right to send a notice of dissent.
- (2) If a resolution in respect of which a shareholder is entitled to dissent is to be passed as a consent resolution of shareholders or as a resolution of directors and the earliest date on which that resolution can be passed is specified in the resolution or in the statement referred to in paragraph (b), the company may, at least 21 days before that specified date, send to each of its shareholders, whether or not their shares carry the right to vote,
- (a) a copy of the proposed resolution, and
 - (b) a statement advising of the right to send a notice of dissent.
- (3) If a resolution in respect of which a shareholder is entitled to dissent was or is to be passed as a resolution of shareholders without the company complying with subsection (1) or (2), or was or is to be passed as a directors' resolution without the company complying with subsection (2), the company must, before or within 14 days after the passing of the resolution, send to each of its shareholders who has not, on behalf of every person who beneficially owns shares registered in the name of the shareholder, consented to the resolution or voted in favour of the resolution, whether or not their shares carry the right to vote,
- (a) a copy of the resolution,
 - (b) a statement advising of the right to send a notice of dissent, and
 - (c) if the resolution has passed, notification of that fact and the date on which it was passed.
- (4) Nothing in subsection (1), (2) or (3) gives a shareholder a right to vote in a meeting at which, or on a resolution on which, the shareholder would not otherwise be entitled to vote.

Notice of court orders

241 If a court order provides for a right of dissent, the company must, not later than 14 days after the date on which the company receives a copy of the entered order, send to each shareholder who is entitled to exercise that right of dissent

- (a) a copy of the entered order, and
- (b) a statement advising of the right to send a notice of dissent.

Notice of dissent

242 (1) A shareholder intending to dissent in respect of a resolution referred to in section 238(1)(a), (b), (c), (d), (e) or (f) must,

- (a) if the company has complied with section 240 (1) or (2), send written notice of dissent to the company at least 2 days before the date on which the resolution is to be passed or can be passed, as the case may be,
 - (b) if the company has complied with section 240 (3), send written notice of dissent to the company not more than 14 days after receiving the records referred to in that section, or
 - (c) if the company has not complied with section 240 (1), (2) or (3), send written notice of dissent to the company not more than 14 days after the later of
 - (i) the date on which the shareholder learns that the resolution was passed, and
 - (ii) the date on which the shareholder learns that the shareholder is entitled to dissent.
- (2) A shareholder intending to dissent in respect of a resolution referred to in section 238 (1)(g) must send written notice of dissent to the company

- (a) on or before the date specified by the resolution or in the statement referred to in section 240 (2)(b) or (3)(b) as the last date by which notice of dissent must be sent, or
 - (b) if the resolution or statement does not specify a date, in accordance with subsection (1) of this section.
- (3) A shareholder intending to dissent under section 238(1)(h) in respect of a court order that permits dissent must send written notice of dissent to the company
- (a) within the number of days, specified by the court order, after the shareholder receives the records referred to in section 241, or
 - (b) if the court order does not specify the number of days referred to in paragraph (a) of this subsection, within 14 days after the shareholder receives the records referred to in section 241.
- (4) A notice of dissent sent under this section must set out the number, and the class and series, if applicable, of the notice shares, and must set out whichever of the following is applicable:
- (a) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner and the shareholder owns no other shares of the company as beneficial owner, a statement to that effect;
 - (b) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner but the shareholder owns other shares of the company as beneficial owner, a statement to that effect and
 - (i) the names of the registered owners of those other shares,
 - (ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and
 - (iii) a statement that notices of dissent are being, or have been, sent in respect of all of those other shares;
 - (c) if dissent is being exercised by the shareholder on behalf of a beneficial owner who is not the dissenting shareholder, a statement to that effect and
 - (i) the name and address of the beneficial owner, and
 - (ii) a statement that the shareholder is dissenting in relation to all of the shares beneficially owned by the beneficial owner that are registered in the shareholder's name.
- (5) The right of a shareholder to dissent on behalf of a beneficial owner of shares, including the shareholder, terminates and this Division ceases to apply to the shareholder in respect of that beneficial owner if subsections (1) to (4) of this section, as those subsections pertain to that beneficial owner, are not complied with.

Notice of intention to proceed

- 243 (1) A company that receives a notice of dissent under section 242 from a dissenter must,
- (a) if the company intends to act on the authority of the resolution or court order in respect of which the notice of dissent was sent, send a notice to the dissenter promptly after the later of
 - (i) the date on which the company forms the intention to proceed, and
 - (ii) the date on which the notice of dissent was received, or
 - (b) if the company has acted on the authority of that resolution or court order, promptly send a notice to the dissenter.
- (2) A notice sent under subsection (1)(a) or (b) of this section must
- (a) be dated not earlier than the date on which the notice is sent,

- (b) state that the company intends to act, or has acted, as the case may be, on the authority of the resolution or court order, and
- (c) advise the dissenter of the manner in which dissent is to be completed under section 244.

Completion of dissent

244 (1) A dissenter who receives a notice under section 243 must, if the dissenter wishes to proceed with the dissent, send to the company or its transfer agent for the notice shares, within one month after the date of the notice,

- (a) a written statement that the dissenter requires the company to purchase all of the notice shares,
 - (b) the certificates, if any, representing the notice shares, and
 - (c) if section 242(4)(c) applies, a written statement that complies with subsection (2) of this section.
- (2) The written statement referred to in subsection (1)(c) must
- (a) be signed by the beneficial owner on whose behalf dissent is being exercised, and
 - (b) set out whether or not the beneficial owner is the beneficial owner of other shares of the company and, if so, set out
 - (i) the names of the registered owners of those other shares,
 - (ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and
 - (iii) that dissent is being exercised in respect of all of those other shares.
- (3) After the dissenter has complied with subsection (1),
- (a) the dissenter is deemed to have sold to the company the notice shares, and
 - (b) the company is deemed to have purchased those shares, and must comply with section 245, whether or not it is authorized to do so by, and despite any restriction in, its memorandum or articles.
- (4) Unless the court orders otherwise, if the dissenter fails to comply with subsection (1) of this section in relation to notice shares, the right of the dissenter to dissent with respect to those notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares.
- (5) Unless the court orders otherwise, if a person on whose behalf dissent is being exercised in relation to a particular corporate action fails to ensure that every shareholder who is a registered owner of any of the shares beneficially owned by that person complies with subsection (1) of this section, the right of shareholders who are registered owners of shares beneficially owned by that person to dissent on behalf of that person with respect to that corporate action terminates and this Division, other than section 247, ceases to apply to those shareholders in respect of the shares that are beneficially owned by that person.
- (6) A dissenter who has complied with subsection (1) of this section may not vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, other than under this Division.

Payment for notice shares

245 (1) A company and a dissenter who has complied with section 244 (1) may agree on the amount of the payout value of the notice shares and, in that event, the company must

- (a) promptly pay that amount to the dissenter, or
- (b) if subsection (5) of this section applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.

- (2) A dissenter who has not entered into an agreement with the company under subsection (1) or the company may apply to the court and the court may
- (a) determine the payout value of the notice shares of those dissenters who have not entered into an agreement with the company under subsection (1), or order that the payout value of those notice shares be established by arbitration or by reference to the registrar, or a referee, of the court,
 - (b) join in the application each dissenter, other than a dissenter who has entered into an agreement with the company under subsection (1), who has complied with section 244(1), and
 - (c) make consequential orders and give directions it considers appropriate.
- (3) Promptly after a determination of the payout value for notice shares has been made under subsection (2)(a) of this section, the company must
- (a) pay to each dissenter who has complied with section 244 (1) in relation to those notice shares, other than a dissenter who has entered into an agreement with the company under subsection (1) of this section, the payout value applicable to that dissenter's notice shares, or
 - (b) if subsection (5) applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.
- (4) If a dissenter receives a notice under subsection (1)(b) or (3)(b),
- (a) the dissenter may, within 30 days after receipt, withdraw the dissenter's notice of dissent, in which case the company is deemed to consent to the withdrawal and this Division, other than section 247, ceases to apply to the dissenter with respect to the notice shares, or
 - (b) if the dissenter does not withdraw the notice of dissent in accordance with paragraph (a) of this subsection, the dissenter retains a status as a claimant against the company, to be paid as soon as the company is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the company but in priority to its shareholders.
- (5) A company must not make a payment to a dissenter under this section if there are reasonable grounds for believing that
- (a) the company is insolvent, or
 - (b) the payment would render the company insolvent.

Loss of right to dissent

246 The right of a dissenter to dissent with respect to notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares, if, before payment is made to the dissenter of the full amount of money to which the dissenter is entitled under section 245 in relation to those notice shares, any of the following events occur:

- (a) the corporate action approved or authorized, or to be approved or authorized, by the resolution or court order in respect of which the notice of dissent was sent is abandoned;
- (b) the resolution in respect of which the notice of dissent was sent does not pass;
- (c) the resolution in respect of which the notice of dissent was sent is revoked before the corporate action approved or authorized by that resolution is taken;
- (d) the notice of dissent was sent in respect of a resolution adopting an amalgamation agreement and the amalgamation is abandoned or, by the terms of the agreement, will not proceed;
- (e) the arrangement in respect of which the notice of dissent was sent is abandoned or by its terms will not proceed;
- (f) a court permanently enjoins or sets aside the corporate action approved or authorized by the resolution or court order in respect of which the notice of dissent was sent;
- (g) with respect to the notice shares, the dissenter consents to, or votes in favour of, the resolution in respect

of which the notice of dissent was sent;

- (h) the notice of dissent is withdrawn with the written consent of the company;
- (i) the court determines that the dissenter is not entitled to dissent under this Division or that the dissenter is not entitled to dissent with respect to the notice shares under this Division.

Shareholders entitled to return of shares and rights

247 If, under section 244 (4) or (5), 245 (4)(a) or 246, this Division, other than this section, ceases to apply to a dissenter with respect to notice shares,

- (a) the company must return to the dissenter each of the applicable share certificates, if any, sent under section 244 (1)(b) or, if those share certificates are unavailable, replacements for those share certificates,
- (b) the dissenter regains any ability lost under section 244 (6) to vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, and

the dissenter must return any money that the company paid to the dissenter in respect of the notice shares under, or in purported compliance with, this Division.

SCHEDULE "D"

RSU PLAN

(See attached)

PHARMALA BIOTECH HOLDINGS INC.

RESTRICTED SHARE UNIT AWARD PLAN

**ARTICLE 1
PURPOSE OF THIS PLAN**

1.1 Purpose of this Plan

The purpose of this Plan is to promote the interests and long-term success of the Corporation by:

- (a) furnishing certain directors, officers, consultants and employees of the Corporation or its Affiliates with greater incentive to develop and promote the business and financial success of the Corporation;
- (b) aligning the interests of persons to whom Restricted Awards may be granted with those of the shareholders of the Corporation generally through a proprietary ownership interest in the Corporation; and
- (c) assisting the Corporation in attracting, retaining and motivating its directors, officers, and employees.

The Corporation believes that these purposes may best be effected by granting Restricted Awards and affording such persons an opportunity to acquire a proprietary interest in the Corporation.

**ARTICLE 2
DEFINITIONS**

2.1 Definitions

In this Plan, unless there is something in the subject matter or context inconsistent therewith, capitalized words and terms will have the following meanings:

- (a) “**Affiliate**” means an affiliate as defined in the Securities Act and includes issuers that are similarly related, whether or not any of the issuers are companies, partnerships, limited partnerships, trusts, income trusts or investment trusts or any other organized entity issuing securities;
- (b) “**Applicable Withholding Taxes**” means all taxes and other source deductions or other amounts which the Corporation or an Affiliate of the Corporation is or may be required by law to withhold in respect of the Plan or in respect of a Restricted Award, including in respect of the issuance transfer, amendment or vesting of a Restricted Award or the issuance of Shares thereunder;
- (c) “**Associate**” means an associate as defined in the Securities Act;
- (d) “**Award Agreement**” means any written agreement, contract or other instrument or document evidencing any Restricted Award granted under this Plan. Each Award Agreement shall be subject to the applicable terms and conditions of this Plan and any

other terms and conditions (not inconsistent with this Plan) determined by the Compensation Committee;

- (e) “**Blackout Period**” means an interval of time during which the Corporation has determined that one or more Participants may not trade any securities of the Corporation because they may be in possession of undisclosed material information pertaining to the Corporation;
- (f) “**Board**” means the board of directors of the Corporation as constituted from time to time;
- (g) “**Change in Control**” means:
 - (i) any merger or amalgamation in which voting securities of the Corporation possessing more than fifty percent (50%) of the total combined voting power of the Corporation’s outstanding securities are transferred to a person or persons different from the persons holding those securities immediately prior to such transaction;
 - (ii) any acquisition, directly or indirectly, by a person or Related Group of Persons (other than a person that is a registered dealer as described in Section 2.1(t)(iii) and other than the Corporation or a person that directly or indirectly controls, is controlled by, or is under common control with, the Corporation) of beneficial ownership of voting securities of the Corporation possessing more than fifty percent (50%) of the total combined voting power of the Corporation’s outstanding securities;
 - (iii) any acquisition, directly or indirectly, by a person or Related Group of Persons of the right to appoint a majority of the directors of the Corporation or otherwise directly or indirectly control the management, affairs and business of the Corporation;
 - (iv) any sale, transfer or other disposition of all or substantially all of the assets of the Corporation;
 - (v) a complete liquidation or dissolution of the Corporation; or
 - (vi) any transaction or series of transactions involving the Corporation or any of its Affiliates that the Board in its discretion deems to be a Change in Control;

provided however, that a Change in Control shall not be deemed to have occurred if such Change in Control results from:

- (i) the issuance, in connection with a bona fide financing or series of financings by the Corporation or any of its Affiliates, of voting securities of the Corporation or any of its Affiliates or any rights to acquire voting securities of the Corporation or any of its Affiliates which are convertible into voting securities;
- (ii) a transaction or series of transactions involving the Corporation or any of its Affiliates whereby the holders of the voting securities of the Corporation continue to hold voting securities in the capital of the surviving or successor

entity in substantially the same proportion as such holders held voting securities in the Corporation immediately prior to the commencement of such transaction or series of transactions; or

- (iii) a reverse take-over of the Corporation, so long as more than one-half of the members of the Board immediately prior to the reverse take-over constitute more than one-half of the members of the board of directors of the other company involved in the reverse take-over of the Corporation following the reverse take-over.
- (h) “**Compensation Committee**” means the Compensation Committee of the Board or such other committee of the Board to which the Board has delegated responsibility for administration of the Plan or, if the Board has not made such delegation, “Compensation Committee” shall mean the Board;
- (i) “**Consultant**” means a person or company, other than an employee, executive officer or director of the Corporation, that: (i) is engaged to provide services to the Corporation, other than services provided in relation to a distribution of securities or services provided in relation to Investor Relations Activities; (ii) provides the services under a written agreement with the Corporation; and (iii) spends or will spend a significant amount of time and attention on the affairs and business of the Corporation, and includes, for an individual consultant, a corporation of which the individual consultant is an employee or shareholder, and a partnership of which the individual consultant is an employee or partner;
- (j) “**Corporation**” means PharmAla Biotech Holdings Inc., and any successor corporation and any reference herein to action by the Corporation means action by or under the authority of its Board or a duly empowered committee appointed by the Board;
- (k) “**Eligible Person**” means director, officer, employee or Consultant of the Corporation or its Affiliates, excluding individuals or Consultants engaging in Investor Relations Activities;
- (l) “**Exchange**” means the Canadian Stock Exchange, TSX Venture Exchange or such stock exchanges or other organized markets on which the Shares are listed or posted for trading;
- (m) “**Insider**” in relation to the Corporation means:
 - (i) a director or senior officer of the Corporation;
 - (ii) a director or senior officer of a company that is an Insider or subsidiary of the Corporation; or
 - (iii) a person that beneficially owns or controls, directly or indirectly, Shares carrying more than ten percent (10%) of the voting rights attached to all Outstanding Shares.
- (n) “**Investor Relations Activities**” has the meaning ascribed thereto in Canadian Stock Exchange policies;

- (o) **“Merger and Acquisition Transaction”** means:
 - (i) any merger;
 - (ii) any acquisition;
 - (iii) any amalgamation;
 - (iv) any offer for Shares which if successful would entitle the offeror to acquire all of the voting securities of the Corporation; or
 - (v) any arrangement or other scheme of reorganization; that results in a Change in Control;

- (p) **“Outstanding Shares”** at the time of any issuance of Shares means the number of Shares that are outstanding immediately prior to the issue of the Shares in question, on a non-diluted basis, or such other number as may be determined under the applicable rules and regulations of all regulatory authorities to which the Corporation is subject, including the Exchange;

- (q) **“Participant”** means an Eligible Person designated to be granted a Restricted Award under this Plan;

- (r) **“Permitted Assign”** in respect of a Participant means:
 - (i) an executor or administrator for the estate of the Participant upon the death of the Participant, or
 - (ii) a committee or duly appointed attorney of the Participant, upon the Participant becoming incapable, by reason of physical or mental infirmity, of managing his or her affairs.

- (s) **“Plan”** means this restricted share unit award plan, as the same may from time to time be supplemented or amended and in effect;

- (t) **“Related Group of Persons”** in respect of a person means:
 - (i) the person together with any one or more of the person’s Associates or Affiliates; and
 - (ii) any two or more persons who have an agreement, commitment or understanding, whether formal or informal, with respect to:
 - (A) the acquisition of or the intention to acquire, directly or indirectly, beneficial ownership of, or control and direction over, voting securities of the Corporation; or
 - (B) the exercise of voting rights attached to the securities of the Corporation beneficially owned by such persons, or over which such persons have

control and direction, on matters regarding the appointment of directors or control of the management, affairs and business of the Corporation;

- (iii) despite the above Section 2.1(t)(ii)(A), a registered dealer acting solely in an agency capacity for a person or Related Group of Persons in connection with the acquisition of beneficial ownership of, or control and direction over, securities of the Corporation, and not executing principal transactions for its own account or performing services beyond customary dealer's functions, shall not be deemed solely by reason of such agency relationship to be a related person for the purposes of the definition of Related Group of Persons; and
- (u) “**Restricted Award**” means restricted share unit award granted pursuant to Section 8.1, for which the form of Award Agreement is attached hereto as Schedule “A”;
- (v) “**Securities Act**” means the *Securities Act* (Ontario), as amended from time to time;
- (w) “**Shares**” means the common shares in the capital of the Corporation; and
- (x) “**Shareholder**” means a holder of Shares.

ARTICLE 3 EFFECTIVE DATE OF PLAN

- 3.1 This Plan became effective on May 11, 2023 (the “**Effective Date**”).

ARTICLE 4 ADMINISTRATION OF PLAN

- 4.1 The Board may at any time appoint a committee of the Board (the “**Compensation Committee**”) to, among other things, interpret, administer and implement this Plan on behalf of the Board in accordance with such terms and conditions as the Board may prescribe, consistent with this Plan (provided that if at any such time such a committee has not been appointed by the Board, this Plan will be administered by the Board, and in such event references herein to the Compensation Committee shall be construed to be a reference to the Board). The Board will take such steps that in its opinion are required to ensure that the Compensation Committee has the necessary authority to fulfil its functions under this Plan.
- 4.2 The Compensation Committee is authorized, subject to the provisions of the Plan, to establish such rules and regulations as it deems necessary for the proper administration of the Plan, and to make determinations and take such other action in connection with or in relation to the Plan as it deems necessary or advisable. Each determination or action made or taken pursuant to the Plan, including interpretation of the Plan, shall be final and conclusive for all purposes and binding on all parties, absent manifest error.
- 4.3 The Corporation will be responsible for all costs relating to the administration of the Plan.
- 4.4 Unless otherwise determined by the Board, the Plan shall remain an unfunded obligation of the Corporation and the rights of Participants under the Plan shall be general unsecured obligations of the Corporation.

- 4.5 The Corporation is authorized to take such steps as may be necessary to ensure all Applicable Withholding Taxes are withheld, deducted and remitted as required by law.

ARTICLE 5 SHARES AVAILABLE FOR AWARDS

- 5.1 Subject to adjustment as provided in Article 16 of this Plan, the maximum number of Shares that may be issuable pursuant to this Plan shall not exceed in the aggregate, that amount of Shares which is equal to 10% of the issued and outstanding Shares of the Corporation at the Effective Date. It is anticipated that the number of authorized but unissued Shares available for issuance under the Plan on the Effective Date will be 8,573,255 Shares.
- 5.2 For purposes of Section 5.1 and subject to Section 5.3, the number of Shares covered by a Restricted Award or to which a Restricted Award relates shall be counted on the date of grant of such Restricted Award against the aggregate number of Shares available for granting Restricted Awards under this Plan.
- 5.3 If an outstanding Restricted Award for any reason expires or is terminated or cancelled without having been settled in full, the Shares shall only be available again for issuance under this Plan upon approval of the Exchange.
- 5.4 The Board will reserve for issuance from time to time out of the authorized but unissued Shares sufficient Shares to provide for issuance of all Shares which are issuable under all Restricted Awards.
- 5.5 Fractional Restricted Awards are permitted under this Plan.

ARTICLE 6 GRANT OF AWARDS

- 6.1 Subject to the provisions of this Plan, the Compensation Committee may from time to time grant to any Eligible Person one or more Restricted Awards as the Compensation Committee deems appropriate.
- 6.2 The date on which a Restricted Award will be deemed to have been granted under this Plan will be the date on which the Compensation Committee authorizes the grant of such Restricted Award or such other future date as may be specified by the Compensation Committee at the time of such authorization (including, but not limited to, the date the Award Agreement is entered into pursuant to Section 6.4).
- 6.3 The number of Shares that may be issued under any Restricted Award will be determined by the Compensation Committee, provided that:
- (a) subject to Section 6.3(b), the number of Shares reserved for issuance to any one Participant pursuant to this Plan combined with all of the Corporation's other security based arrangements, including the Corporation's stock option plan, within any one-year period shall not, in aggregate, exceed five percent (5%) of the total number of Outstanding Shares, or in the case of Consultants, two percent (2%) of the issued and outstanding Shares to each Consultant in any one-year period, unless disinterested Shareholder approval is obtained for such issuances;

- (b) the number of Shares reserved for issuance to any one Participant pursuant to this Plan within any one-year period shall not, in aggregate, exceed one percent (1%) of the total number of Outstanding Shares, unless disinterested Shareholder approval is obtained for such issuance;
 - (c) the maximum number of Shares which may be reserved for issuance to a Related Group of Persons, together with any other security based compensation agreements, may not exceed ten percent (10%) of the issued Shares
 - (d) subject to Section 6.3(e), the number of Shares:
 - (i) issuable, at any time, to Participants that are Insiders; and
 - (ii) issued to Participants that are Insiders within any one-year period;pursuant to this Plan, or when combined with all of the Corporation's other security-based compensation arrangements that provide for the issuance from treasury or potential issuance from treasury of Shares shall not, in aggregate, exceed 5% of the total number of Outstanding Shares;
 - (e) the number of Shares reserved for issuance to Participants that are Insiders pursuant to this Plan within any one-year period shall not, in aggregate, exceed 2% of the total number of Outstanding Shares, unless disinterested Shareholder approval is obtained for such issuances,
- 6.4 Each Restricted Award will be evidenced by an Award Agreement which incorporates such terms and conditions (including all vesting conditions) as the Compensation Committee in its discretion deems appropriate and consistent with the provisions of this Plan (and the execution and delivery by the Corporation of an Award Agreement with a Participant shall be conclusive evidence that such Award Agreement incorporates terms and conditions determined by the Compensation Committee and is consistent with the provisions of this Plan). Each Award Agreement will be executed by the Participant to whom the Restricted Award is granted and on behalf of the Corporation by any member of the Compensation Committee or any officer of the Corporation or such other person as the Compensation Committee may designate for such purpose.
- 6.5 Restricted Awards granted pursuant to this Plan shall vest, and the corresponding Shares shall be issued, no later than December 15 of the third calendar year following the end of the Service Year in respect of each such Restricted Award. For the purposes of this paragraph: (i) where a Restricted Award is granted within the first half of a calendar year, the “**Service Year**” in respect of such Restricted award shall be the immediately preceding year; and (ii) where a Restricted Award is granted within the second half of a calendar year, the “**Service Year**” in respect of such Restricted award shall be the year of grant.

ARTICLE 7 ELIGIBILITY

- 7.1 Any Eligible Person shall be eligible to be designated a Participant. The Corporation and a Participant shall confirm that any Eligible Person that is an employee is a *bona fide* employee of

the Corporation or its Affiliates. In determining whether an Eligible Person shall receive a Restricted Award and the terms of any Restricted Award, the Compensation Committee may take into account the nature of the services rendered by the Eligible Person, his or her present and potential contributions to the success of the Corporation, and such other factors as the Compensation Committee, in its discretion, shall deem relevant.

ARTICLE 8 RESTRICTED AWARD GRANTS

- 8.1 The Compensation Committee is hereby authorized to grant Restricted Awards to an Eligible Person subject to the terms of this Plan. Each vested, whole Restricted Award granted under this Plan shall be denominated or payable in Shares and shall confer on the holder thereof the right to receive one Share from treasury (subject to adjustment in accordance with this Plan), immediately upon the completion of certain conditions during such periods as the Compensation Committee shall establish. Subject to the terms of this Plan, the conditions to be completed during any period, the length of any period, the amount of any Restricted Award granted, the number of treasury Shares receivable pursuant to any Restricted Award and any other terms and conditions of the Restricted Award shall be determined by the Compensation Committee at the time of grant. A Restricted Award will be subject to an Award Agreement containing such terms and conditions, not inconsistent with the provisions of this Plan, as the Compensation Committee shall determine.
- 8.2 Except as otherwise determined by the Compensation Committee or as set forth in the applicable Award Agreement, upon the termination of a Participant's employment (as determined under criteria established by the Compensation Committee), including by way of death, retirement, disability, termination without cause and termination for cause during the term of a Restricted Award, all unvested Restricted Awards held by the Participant shall be forfeited and cancelled; provided, however, that the Compensation Committee may, if it determines that a waiver would be in the best interest of the Corporation, waive in whole or in part any or all remaining restrictions or conditions with respect to any such Award.

ARTICLE 9 GENERAL TERMS OF RESTRICTED AWARDS

- 9.1 Restricted Awards may be granted for no cash consideration.
- 9.2 Restricted Awards may, in the discretion of the Compensation Committee, be granted either alone or in addition to or in tandem with any award granted under any plan of the Corporation or any Affiliate. Restricted Awards granted in addition to or in tandem with awards granted under any such other plan of the Corporation or any Affiliate may be granted either at the same time as or at a different time from the grant of such other awards.
- 9.3 All Shares delivered pursuant to a Restricted Award shall be subject to such stop transfer orders and other restrictions as the Compensation Committee may deem advisable, applicable Canadian provincial or foreign securities laws and regulatory requirements, applicable Exchange policies and rules, and applicable Canadian corporate laws, and the Compensation Committee may direct appropriate stop transfer orders and cause other legends to be placed on the certificates for such Shares to reflect such restrictions.

**ARTICLE 10
CHANGE IN STATUS**

- 10.1 A change in the status, office, position or duties of a Participant from the status, office, position or duties held by such Participant on the date on which the Restricted Award was granted to such Participant will not result in the termination of the Restricted Award granted to such Participant provided that such Participant remains an Eligible Person.

**ARTICLE 11
NON-TRANSFERABILITY OF RESTRICTED AWARDS**

- 11.1 Each Award Agreement will provide that the Restricted Award granted thereunder is not transferable or assignable to anyone other than a Permitted Assign.

**ARTICLE 12
REPRESENTATIONS AND COVENANTS OF PARTICIPANTS**

- 12.1 Each Award Agreement will contain representations and covenants of the Participant that:
- (a) the Participant is a director, officer, employee or Consultant of the Corporation or its Affiliates or a person otherwise determined as an Eligible Person under this Plan by the Compensation Committee;
 - (b) the Participant has not been induced to enter into such Award Agreement by the expectation of employment or continued employment with the Corporation or its Affiliates; and
 - (c) the Participant is aware that the grant of the Restricted Award and the issuance by the Corporation of Shares thereunder are exempt from the obligation under applicable securities laws to file a prospectus or other registration document qualifying the distribution of the Restricted Awards of the Shares to be distributed thereunder under any applicable securities laws.

**ARTICLE 13
WITHHOLDING TAX**

- 13.1 Each Participant shall be responsible for all taxes in respect of the Plan and in respect of the issuance, transfer, amendment or vesting of a Restricted Award or the issuance of Shares thereunder. The Corporation makes no guarantee to any person regarding the tax consequences of becoming a Participant in the Plan and none of the Corporation, its Affiliates or any of their respective employees or representatives shall have any liability to any Participant with respect thereto. The Corporation shall be entitled to take all reasonable and necessary steps and to obtain all reasonable or necessary indemnities, assurances, payments or undertakings to satisfy any obligation to pay or withhold an amount on account of Applicable Withholding Taxes. Without limiting the generality of the foregoing, the Corporation may for such purposes withhold or offset such amounts from any salary or other amounts otherwise due or to become due from the Corporation to the Participant or may require that a Participant pay such amounts to the Corporation.
- 13.2 Participant will be solely responsible for paying any Applicable Withholding Taxes arising from

the grant, vesting or issuance or payment of underlying Shares or cash of any Restricted Award and payment is to be made in a manner satisfactory to the Corporation. Notwithstanding the foregoing, the Corporation will have the right to withhold from any Restricted Award or any Shares issuable pursuant to a Restricted Award or from any cash amounts otherwise due or to become due from the Corporation to the Participant, an amount equal to any such taxes.

ARTICLE 14 CONDITIONS

- 14.1 Notwithstanding any provision in this Plan, other than pursuant to an Award Agreement, the Corporation's obligation to issue Shares to a Participant pursuant to the terms of any Restricted Award will be subject to, if applicable:
- (a) completion of such registration or other qualification of such Shares or obtaining approval of such governmental authority as the Corporation will determine to be necessary or advisable in connection with the authorization, issuance or sale thereof; and
 - (b) the receipt from the Participant of such representations, agreements and undertakings, including as to future dealings in such Shares, as the Corporation or its counsel determines to be necessary or advisable in order to safeguard against the violation of the securities laws of any jurisdiction.

ARTICLE 15 SUSPENSION, AMENDMENT OR TERMINATION OF PLAN

- 15.1 The Compensation Committee will have the right at any time and from time to time to suspend or terminate this Plan (including, without limitation, in the event that the termination of this Plan is required by the Exchange) and, subject to Section 15.2, may:
- (a) with the prior approval of the Exchange and disinterested Shareholders of the Corporation by ordinary resolution make any amendment to any Restricted Award Agreement or this Plan, including any amendment that would:
 - (i) increase the number of Shares, or rolling maximum, reserved for issuance under this Plan as set out in Section 5.1;
 - (ii) extend the term of a Restricted Award beyond its original expiry time;
 - (iii) result in any modification to this Section 15.1; or
 - (b) without the prior approval of Shareholders of the Corporation and without limiting the generality of the foregoing, the Compensation Committee may make any other amendments not listed in (a) above to any Award Agreement or this Plan, as follows:
 - (i) amendments of a clerical or housekeeping nature, including but not limited to the correction of grammatical or typographical errors or clarification of terms;
 - (ii) amendments to reflect any requirements of any regulatory authorities to which the Corporation is subject, including the Exchange;

- (iii) amendments to any vesting provisions of a Restricted Award, provided that such amendments shall not extend vesting beyond December 15 of the third calendar year following the end of the Service Year in respect of such Restricted Award; and
- (iv) amendments to the expiration date of a Restricted Award that does not extend the term of a Restricted Award past the original date of expiration for such Restricted Award.

Notwithstanding the foregoing, all procedures and necessary approvals required under the applicable rules and regulations of all regulatory authorities to which the Corporation is subject shall be complied with and obtained in connection with any such suspension, termination or amendment to this Plan or amendments to any Award Agreement, including, but not limited to, the receipt of necessary approvals from disinterested Shareholders and the Exchange, if applicable, in connection with any renewals and amendments to this Plan.

- 15.2 In exercising its rights pursuant to Section 15.1, the Compensation Committee will not have the right to affect in a manner that is materially adverse to, or that materially impairs, the benefits and rights of any Participant under any Restricted Award previously granted under this Plan except: (a) with the consent of such Participant; (b) as permitted pursuant to Article 16; or (c) for the purpose of complying with the requirements of any regulatory authorities to which the Corporation is subject, including the Exchange.
- 15.3 The full powers of the Compensation Committee as provided for in this Plan will survive the termination of this Plan until all Restricted Awards have been vested in full (including the issuance of any underlying Shares) or have otherwise expired.

ARTICLE 16 ADJUSTMENTS

- 16.1 In the event of any Share distribution, Share split, combination or exchange of Shares, merger, consolidation, spin-off or other distribution of the Corporation's assets to the Shareholders, or any other change affecting the Shares, the Restricted Awards of each Participant and the Restricted Awards outstanding under the Plan shall be adjusted in such manner, if any, as the Compensation Committee may in its discretion deem appropriate to reflect the event. However, no amount will be paid to, or in respect of, a Participant under the Plan or pursuant to any other arrangement, and no additional Restricted Awards will be granted to such Participant to compensate for a downward fluctuation in the market price of the Shares, nor will any other form of benefit be conferred upon, or in respect of a Participant for such purpose.
- 16.2 In the event of a Merger and Acquisition Transaction or proposed Merger and Acquisition Transaction, the Compensation Committee shall determine in an appropriate and equitable manner:
 - (a) any adjustment to the number and type of Shares (or other securities) that thereafter shall be made the subject of Restricted Awards; and
 - (b) the number and type of Shares (or other securities) subject to outstanding Restricted Awards; and

- (c) determine the manner in which all unvested Restricted Awards granted under this Plan will be treated including, without limitation, requiring the acceleration of the time for the vesting of such Restricted Awards by the Participants, the time for the fulfillment of any conditions or restrictions on such vesting, and the time for the expiry of such Restricted Awards.

Subsections (a) through (c) of this Section 16.2 may be utilized independently of, successively with, or in combination with each other and Section 16.1, and nothing therein contained shall be construed as limiting or affecting the ability of the Compensation Committee to deal with Restricted Awards in any other manner. All determinations by the Compensation Committee under this Article 16 will be final, binding and conclusive for all purposes.

- 16.3 Notwithstanding anything else in this Plan, any unvested Restricted Awards issued to a Participant at the time of a Merger and Acquisition Transaction shall immediately vest if either (i) the Participant is either terminated without cause or resigns with good reason (as such term has been defined under common law, including any reason that would be considered to amount to constructive dismissal by a court of competent jurisdiction) from their position with the Corporation within the period ending 12 months from the date of the completion of the Merger and Acquisition Transaction, or (ii) the Compensation Committee, acting reasonably, determines that an adjustment to the number and type of Shares (or other securities) resulting from a Merger and Acquisition Transaction is impractical or impossible. In the event Section 16.3 is applicable, the Compensation Committee shall, acting reasonably, determine the extent to which the Participant met the conditions for vesting of Restricted Awards.
- 16.4 The grant of any Restricted Awards under this Plan will in no way affect the Corporation's right to adjust, reclassify, reorganize or otherwise change its capital or business structure or to merge, amalgamate, reorganize, consolidate, dissolve, liquidate or sell or transfer all or any part of its business or assets or engage in any like transaction.

ARTICLE 17 GENERAL

- 17.1 Nothing herein or otherwise shall be construed so as to confer on any Participant any rights as a Shareholder of the Corporation with respect to any Shares reserved for the purpose of any Restricted Award.
- 17.2 Except as required by law, the rights of a Participant hereunder are not capable of being assigned, transferred, alienated, sold, encumbered, pledged, mortgaged or charged and are not capable of being subject to attachment or legal process for the payment of any debts or obligations of the Participant. The rights and obligations hereunder may be assigned by the Corporation to a successor in the business of the Corporation.
- 17.3 Nothing in this Plan or any Award Agreement will confer upon any Participant any right to continue in the employ of or under contract with the Corporation or its Affiliates or affect in any way the right of the Corporation or any such Affiliate to terminate his or her employment at any time or terminate his or her consulting contract, nor will anything in this Plan or any Award Agreement be deemed or construed to constitute an agreement, or an expression of intent, on the part of the Corporation or any such Affiliate to extend the employment of any Participant beyond the time that he or she would normally be retired pursuant to the provisions of any present or future retirement plan of the Corporation or its Affiliates or any present or future retirement policy of the Corporation or its Affiliates, or beyond the time at which he or she would otherwise

be retired pursuant to the provisions of any contract of employment with the Corporation or its Affiliates. Neither any period of notice nor any payment in lieu thereof upon termination of employment shall be considered as extending the period of employment for the purposes of this Plan.

- 17.4 Nothing contained in this Plan will restrict or limit or be deemed to restrict or limit the right or power of the Board in connection with any allotment and issuance of Shares, which are not allotted and issued under this Plan including, without limitation, with respect to other compensation arrangements.
- 17.5 The Plan and any Award Agreement granted hereunder will be governed, construed and administered in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.
- 17.6 References herein to any gender include all genders and to the plural includes the singular and vice versa. The division of this Plan into Sections and Articles and the insertion of headings are for convenience of reference only and will not affect the construction or interpretation of this Plan.

SCHEDULE "A"
FORM OF AWARD AGREEMENT

PHARMALA BIOTECH HOLDINGS INC.

(THE "CORPORATION")

RESTRICTED SHARE UNIT AWARD

PLAN AWARD AGREEMENT

This Award Agreement is entered into between the Corporation and the Participant named below pursuant to the Corporation's restricted share unit award plan (the "**Plan**"). All capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Plan.

This Agreement confirms that:

1. on _____, 20____ (the "**Award Date**");
2. _____ (the "**Participant**");
3. was granted _____ Restricted Awards in respect of services to be rendered (or to be rendered) by the Participant to the Corporation or its Affiliates each of which entitles the Participant to receive one Share upon vesting, provided the following conditions are met:
 - (a) **[conditions of vesting to be included at time of grant.]**
4. the vesting of the Restricted Awards shall occur on the following
schedule: Vesting Date Percentage Vested
[Timing of vesting to be included at time of grant.]
5. **[if the Corporation is listed on the Canadian Securities Exchange, must include: The Shares underlying the Restricted Awards shall bear the following legend:**

"UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THE SECURITIES SHALL NOT TRADE THE SECURITIES BEFORE [▲], 202[▲]."]
6. The Corporation shall issue to the Participant all amounts receivable by the Participant all Shares receivable by the Participant pursuant to this Agreement from treasury;
7. by execution of this Agreement and acceptance of the Restricted Awards hereby granted, the Participant hereby represents and warrants to the Corporation that the Participant:
 - (a) is director, officer, employee or Consultant of the Corporation or its Affiliates or a person otherwise determined as an Eligible Person under this Plan by the Compensation Committee;
 - (b) has not been induced to enter into such Agreement by the expectation of employment or

continued employment with the Corporation or its Affiliates;

- (c) is aware that the grant of the Restricted Award and the issuance by the Corporation of Shares thereunder are exempt from the obligation under applicable securities laws to file a prospectus or other registration document qualifying the distribution of the Restricted Awards of the Shares to be distributed thereunder under any applicable securities laws;

8. without restricting the generality of Section 4.5 of the Plan, the Corporation is expressly authorized to withhold and remit all Applicable Withholding Taxes arising as a consequence of the issuance, transfer, amendment or vesting of a Restricted Award granted pursuant to this Agreement or the issuance of Shares thereunder, (the “**Applicable Withholding Taxes Amount**”), in any of the following ways or any combination thereof:

- (a) by requiring the Participant, as a precondition to the Corporation’s obligation to issue Shares from treasury, to pay to the Corporation in cash the Applicable Withholding Taxes Amount, to be remitted by the Corporation to the appropriate government authorities for the Participant’s account;
- (b) by offset against any salary or other amounts otherwise due or to become due from the Corporation to the Participant and remitting such amounts to the appropriate government authorities for the Participant’s account; and
- (c) by selling, as the Participant’s agent, sufficient of the Shares issued to the Participant in payment and settlement of the Restricted Awards to raise, net of commissions and other related expenses, cash in an amount not less than the Applicable Withholding Taxes Amount and remitting the Applicable Withholding Taxes Amount to the appropriate government authorities for the Participant’s account, and the Participant hereby irrevocably appoints the Corporation as the Participant’s agent to effect such sale or sales and receive the proceeds therefrom;

otherwise all on the terms and subject to the conditions and restrictions set out in the Plan.

By signing this Agreement, the Participant acknowledges that the Participant has read and understands the Plan and agrees to the terms and conditions of the Plan and this Agreement.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the _____ day of _____, 20____.

PHARMALA BIOTECH HOLDINGS INC.

By: _____
Participant

By: _____
Authorized Signatory

SCHEDULE "E"
EQUITY INCENTIVE PLAN

(See attached)

PHARMALA BIOTECH HOLDINGS INC.

OMNIBUS EQUITY INCENTIVE PLAN

ARTICLE 1 PURPOSE

1.1 Purpose

The purpose of this Plan is to provide the Corporation with a share-related mechanism to attract, retain and motivate qualified Directors, Employees and Consultants of the Corporation and its subsidiaries, to reward such of those Directors, Employees and Consultants as may be granted Awards under this Plan by the Board from time to time for their contributions toward the long-term goals and success of the Corporation and to enable and encourage such Directors, Employees and Consultants to acquire Shares as long-term investments and proprietary interests in the Corporation.

ARTICLE 2 INTERPRETATION

2.1 Definitions

When used herein, unless the context otherwise requires, the following terms have the indicated meanings, respectively:

- (a) **“Affiliate”** means any entity that is an “affiliate” for the purposes of National Instrument 45-106 – *Prospectus Exemptions of the Canadian Securities Administrators*, as amended from time to time;
- (b) **“Award”** means any Option, Restricted Share Unit, Performance Share Unit or Deferred Share Unit granted under this Plan which may be denominated or settled in Shares, cash or in such other form as provided herein;
- (c) **“Award Agreement”** means a signed, written agreement between a Participant and the Corporation, in the form or any one of the forms approved by the Plan Administrator, evidencing the terms and conditions on which an Award has been granted under this Plan and which need not be identical to any other such agreements;
- (d) **“Board”** means the board of directors of the Corporation as it may be constituted from time to time;
- (e) **“Business Day”** means a day, other than a Saturday or Sunday, on which the principal commercial banks in the City of Vancouver are open for commercial business during normal banking hours;
- (f) **“Canadian Taxpayer”** means a Participant that is resident of Canada for purposes of the Tax Act;
- (g) **“Cash Fees”** has the meaning set forth in Subsection 7.1(a);
- (h) **“Cashless Exercise”** has the meaning set forth in Subsection 4.5(b);
- (i) **“Cause”** means, with respect to a particular Participant:
 - (i) “cause” (or any similar term) as such term is defined in the employment or other written agreement between the Corporation or a subsidiary of the Corporation and the Employee;
 - (ii) in the event there is no written or other applicable employment or other agreement between the Corporation or a subsidiary of the Corporation or “cause” (or any similar term) is not defined in such agreement, “cause” as such term is defined in the Award Agreement; or
 - (iii) in the event neither (a) nor (b) apply, then “cause” as such term is defined by applicable law or, if not so defined, such term shall refer to circumstances where (i) an employer may

terminate an individual's employment without notice or pay in lieu thereof or other damages, or (ii) the Corporation or any subsidiary thereof may terminate the Participant's contract without notice or without pay in lieu thereof or other termination fee or damages;

- (j) **"Change in Control"** means the occurrence of any one or more of the following events:
- (i) any transaction at any time and by whatever means pursuant to which any Person or any group of two (2) or more Persons acting jointly or in concert hereafter acquires the direct or indirect "beneficial ownership" (as defined in the *Securities Act* (British Columbia)) of, or acquires the right to exercise Control or direction over, securities of the Corporation representing more than 50% of the then issued and outstanding voting securities of the Corporation, including, without limitation, as a result of a take-over bid, an exchange of securities, an amalgamation of the Corporation with any other entity, an arrangement, a capital reorganization or any other business combination or reorganization;
 - (ii) the sale, assignment or other transfer of all or substantially all of the consolidated assets of the Corporation to a Person other than a subsidiary of the Corporation;
 - (iii) the dissolution or liquidation of the Corporation, other than in connection with the distribution of assets of the Corporation to one (1) or more Persons which were Affiliates of the Corporation prior to such event;
 - (iv) the occurrence of a transaction requiring approval of the Corporation's shareholders whereby the Corporation is acquired through consolidation, merger, exchange of securities, purchase of assets, amalgamation, statutory arrangement or otherwise by any other Person (other than a short form amalgamation or exchange of securities with a subsidiary of the Corporation);
 - (v) individuals who comprise the Board as of the date hereof (the **"Incumbent Board"**) for any reason cease to constitute at least a majority of the members of the Board, unless the election, or nomination for election by the Corporation's shareholders, of any new director was approved by a vote of at least a majority of the Incumbent Board, and in that case such new director shall be considered as a member of the Incumbent Board; or
 - (vi) any other event which the Board determines to constitute a change in control of the Corporation;

provided that, notwithstanding clause (i), (ii), (iii) and (iv) above, a Change in Control shall be deemed not to have occurred if immediately following the transaction set forth in clause (i), (ii), (iii) or (iv) above: (A) the holders of securities of the Corporation that immediately prior to the consummation of such transaction represented more than 50% of the combined voting power of the then outstanding securities eligible to vote for the election of directors of the Corporation hold (x) securities of the entity resulting from such transaction (including, for greater certainty, the Person succeeding to assets of the Corporation in a transaction contemplated in clause (ii) above) (the **"Surviving Entity"**) that represent more than 50% of the combined voting power of the then outstanding securities eligible to vote for the election of directors or trustees (**"voting power"**) of the Surviving Entity, or (y) if applicable, securities of the entity that directly or indirectly has beneficial ownership of 100% of the securities eligible to elect directors or trustees of the Surviving Entity (the **"Parent Entity"**) that represent more than 50% of the combined voting power of the then outstanding securities eligible to vote for the election of directors or trustees of the Parent Entity, and (B) no Person or group of two or more Persons, acting jointly or in concert, is the beneficial owner, directly or indirectly, of more than 50% of the voting power of the Parent Entity (or, if there is no Parent Entity, the Surviving Entity) (any such transaction which satisfies all of the criteria specified in clauses (A) and (B) above being referred to as a **"Non-Qualifying Transaction"** and, following the Non-Qualifying Transaction, references in this definition of "Change in Control" to the "Corporation" shall mean and refer to the Parent Entity (or, if there is no Parent Entity, the Surviving Entity) and, if such entity is a company or a trust, references to the "Board" shall mean and refer to the board of directors or trustees, as applicable, of such entity).

Notwithstanding the foregoing, for purposes of any Award that constitutes “deferred compensation” (within the meaning of Section 409A of the Code), the payment of which is triggered by or would be accelerated upon a Change in Control, a transaction will not be deemed a Change in Control for Awards granted to any Participant who is a U.S. Taxpayer unless the transaction qualifies as “a change in control event” within the meaning of Section 409A of the Code.

- (k) “**Code**” means the United States Internal Revenue Code of 1986, as amended from time to time. Any reference to a section of the Code shall be deemed to include a reference to any regulations promulgated thereunder;
- (l) “**Committee**” has the meaning set forth in Section 3.2;
- (m) “**Consultant**” means any individual or entity engaged by the Corporation or any subsidiary of the Corporation to render consulting or advisory services (including as a director or officer of any subsidiary of the Corporation), other than as an Employee or Director, and whether or not compensated for such services provided, however, that any Consultant who is in the United States or is a U.S. Person at the time such Consultant receives any offer of Award or executes any Award Agreement must be a natural person, and must agree to provide bona fide services to that Corporation that are not in connection with the offer or sale of securities in a capital-raising transaction, and do not directly or indirectly promote or maintain a market for the Corporation’s securities;
- (n) “**Control**” means the relationship whereby a Person is considered to be “controlled” by a Person if:
 - (i) when applied to the relationship between a Person and a corporation, the beneficial ownership by that Person, directly or indirectly, of voting securities or other interests in such corporation entitling the holder to exercise control and direction in fact over the activities of such corporation;
 - (ii) when applied to the relationship between a Person and a partnership, limited partnership, trust or joint venture, means the contractual right to direct the affairs of the partnership, limited partnership, trust or joint venture; and
 - (iii) when applied in relation to a trust, the beneficial ownership at the relevant time of more than 50% of the property settled under the trust, andthe words “**Controlled by**”, “**Controlling**” and similar words have corresponding meanings; provided that a Person who controls a corporation, partnership, limited partnership or joint venture will be deemed to Control a corporation, partnership, limited partnership, trust or joint venture which is Controlled by such Person and so on;
- (o) “**Corporation**” means PharmAla Biotech Holdings Inc., or any successor entity thereof;
- (p) “**Date of Grant**” means, for any Award, the date specified by the Plan Administrator at the time it grants the Award or if no such date is specified, the date upon which the Award was granted;
- (q) “**Deferred Share Unit**” or “**DSU**” means a unit equivalent in value to a Share, credited by means of a bookkeeping entry in the books of the Corporation in accordance with Article 7;
- (r) “**Director**” means a director of the Corporation who is not an Employee;
- (s) “**Director Fees**” means the total compensation (including annual retainer and meeting fees, if any) paid by the Corporation to a Director in a calendar year for service on the Board;
- (t) “**Disabled**” or “**Disability**” means, with respect to a particular Participant:

- (i) “disabled” or “disability” (or any similar terms) as such terms are defined in the employment or other written agreement between the Corporation or a subsidiary of the Corporation and the Participant;
 - (ii) in the event there is no written or other applicable employment or other agreement between the Corporation or a subsidiary of the Corporation, or “disabled” or “disability” (or any similar terms) are not defined in such agreement, “disabled” or “disability” as such term are defined in the Award Agreement; or
 - (iii) in the event neither (i) or (ii) apply, then the incapacity or inability of the Participant, by reason of mental or physical incapacity, disability, illness or disease (as determined by a legally qualified medical practitioner or by a court) that prevents the Participant from carrying out his or her normal and essential duties as an Employee, Director or Consultant for a continuous period of six months or for any cumulative period of 180 days in any consecutive twelve month period, the foregoing subject to and as determined in accordance with procedures established by the Plan Administrator for purposes of this Plan;
- (u) “**Effective Date**” means the effective date of this Plan, being January 19, 2024;
 - (v) “**Elected Amount**” has the meaning set forth in Subsection 7.1(a);
 - (w) “**Electing Person**” means a Participant who is, on the applicable Election Date, a Director;
 - (x) “**Election Date**” means the date on which the Electing Person files an Election Notice in accordance with Subsection 7.1(b);
 - (y) “**Election Notice**” has the meaning set forth in Subsection 7.1(b);
 - (z) “**Employee**” means an individual who:
 - (i) is considered an employee of the Corporation or a subsidiary of the Corporation for purposes of source deductions under applicable tax or social welfare legislation; or
 - (ii) works full-time or part-time, on a regular weekly basis for the Corporation or a subsidiary of the Corporation providing services normally provided by an employee and who is subject to the same control and direction by the Corporation or a subsidiary of the Corporation over the details and methods of work as an employee of the Corporation or such subsidiary;
 - (aa) “**Exchange**” means the Canadian Securities Exchange, or such other exchange upon which the Shares of the Corporation may become listed for trading;
 - (bb) “**Exercise Notice**” means a notice in writing, signed by a Participant and stating the Participant’s intention to exercise a particular Option;
 - (cc) “**Exercise Price**” means the price at which an Option Share may be purchased pursuant to the exercise of an Option;
 - (dd) “**Expiry Date**” means the expiry date specified in the Award Agreement (which shall not be later than the tenth anniversary of the Date of Grant) or, if not so specified, means the tenth anniversary of the Date of Grant;
 - (ee) “**In the Money Amount**” has the meaning given to it in Subsection 4.5(b);
 - (ff) “**Insider**” means an “insider” as defined in the rules of the Exchange from time to time;
 - (gg) “**Market Price**” at any date in respect of the Shares shall be the greater of the closing market price of the Shares on (i) the trading day prior to the date of grant and (ii) the date of grant, and as

otherwise required pursuant to the policies of the Exchange, if applicable. In the event that such Shares are not listed and posted for trading on any Exchange, the Market Price shall be (i) the issuance price per Share of the most recent financing completed by the Corporation within the last three (3) months; or (ii) otherwise, the fair market value of such Shares as determined by the Plan Administrator in its sole discretion and, with respect to an Award made to a U.S. Taxpayer, in accordance with Section 409A of the Code;

- (hh) **“Option”** means a right to purchase Shares under Article 4 of this Plan that is non-assignable and non-transferable, unless otherwise approved by the Plan Administrator;
- (ii) **“Option Shares”** means Shares issuable by the Corporation upon the exercise of outstanding Options;
- (jj) **“Participant”** means a Director, Employee or Consultant to whom an Award has been granted under this Plan;
- (kk) **“Performance Goals”** means performance goals expressed in terms of attaining a specified level of the particular criteria or the attainment of a percentage increase or decrease in the particular criteria, and may be applied to one or more of the Corporation, a subsidiary of the Corporation, a division of the Corporation or a subsidiary of the Corporation, or an individual, or may be applied to the performance of the Corporation or a subsidiary of the Corporation relative to a market index, a group of other companies or a combination thereof, or on any other basis, all as determined by the Plan Administrator in its discretion;
- (ll) **“Performance Share Unit”** or **“PSU”** means a unit equivalent in value to a Share, credited by means of a bookkeeping entry in the books of the Corporation in accordance with Article 6;
- (mm) **“Person”** means an individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, and a natural person in his or her capacity as trustee, executor, administrator or other legal representative;
- (nn) **“Plan”** means this Omnibus Equity Incentive Plan, as may be amended from time to time;
- (oo) **“Plan Administrator”** means the Board, or if the administration of this Plan has been delegated by the Board to the Committee pursuant to Section 3.2, the Committee;
- (pp) **“PSU Service Year”** has the meaning given to it in Section 6.1;
- (qq) **“Restricted Share Unit”** or **“RSU”** means a unit equivalent in value to a Share, credited by means of a bookkeeping entry in the books of the Corporation in accordance with Article 5;
- (rr) **“Retirement”** means, unless otherwise defined in the Participant’s written or other applicable employment agreement or in the Award Agreement, the termination of the Participant’s working career at the age of 67 or such other retirement age, with consent of the Plan Administrator, if applicable, other than on account of the Participant’s termination of service by the Corporation or its subsidiary for Cause;
- (ss) **“RSU Service Year”** has the meaning given to it in Section 5.1.
- (tt) **“Section 409A of the Code”** or **“Section 409A”** means Section 409A of the Code and all regulations, guidance, compliance programs, and other interpretive authority issued thereunder;
- (uu) **“Securities Laws”** means securities legislation, securities regulation and securities rules, as amended, and the policies, notices, instruments and blanket orders in force from time to time that govern or are applicable to the Corporation or to which it is subject;
- (vv) **“Security Based Compensation Arrangement”** means a stock option, stock option plan, employee stock purchase plan or any other compensation or incentive mechanism involving the issuance or

potential issuance of Shares to Directors, officers, Employees and/or service providers of the Corporation or any subsidiary of the Corporation, including a share purchase from treasury which is financially assisted by the Corporation by way of a loan, guarantee or otherwise;

- (ww) **“Share”** means one (1) common share in the capital of the Corporation as constituted on the Effective Date or any share or shares issued in replacement of such common share in compliance with Canadian law or other applicable law, and/or one share of any additional class of common shares in the capital of the Corporation as may exist from time to time, or after an adjustment contemplated by Article 10, such other shares or securities to which the holder of an Award may be entitled as a result of such adjustment;
- (xx) **“subsidiary”** means an issuer that is Controlled directly or indirectly by another issuer and includes a subsidiary of that subsidiary, or any other entity in which the Corporation has an equity interest and is designated by the Plan Administrator, from time to time, for purposes of this Plan to be a subsidiary;
- (yy) **“Tax Act”** has the meaning set forth in Section 4.5(d);
- (zz) **“Termination Date”** means, subject to applicable law which cannot be waived:
 - (i) in the case of an Employee whose employment with the Corporation or a subsidiary of the Corporation terminates, (i) the date designated by the Employee and the Corporation or a subsidiary of the Corporation as the “Termination Date” (or similar term) in a written employment or other agreement between the Employee and Corporation or a subsidiary of the Corporation, or (ii) if no such written employment or other agreement exists, the date designated by the Corporation or a subsidiary of the Corporation, as the case may be, on which the Employee ceases to be an employee of the Corporation or the subsidiary of the Corporation, as the case may be, provided that, in the case of termination of employment by voluntary resignation by the Participant, such date shall not be earlier than the date notice of resignation was given; and in any event, the “Termination Date” shall be determined without including any period of reasonable notice that the Corporation or the subsidiary of the Corporation (as the case may be) may be required by law to provide to the Participant or any pay in lieu of notice of termination, severance pay or other damages paid or payable to the Participant;
 - (ii) in the case of a Consultant whose agreement or arrangement with the Corporation or a subsidiary of the Corporation terminates, (i) the date designated by the Corporation or the subsidiary of the Corporation, as the “Termination Date” (or similar term) or expiry date in a written agreement between the Consultant and Corporation or a subsidiary of the Corporation, or (ii) if no such written agreement exists, the date designated by the Corporation or a subsidiary of the Corporation, as the case may be, on which the Consultant ceases to be a Consultant or a service provider to the Corporation or the subsidiary of the Corporation, as the case may be, or on which the Participant’s agreement or arrangement is terminated, provided that in the case of voluntary termination by the Participant of the Participant’s consulting agreement or other written arrangement, such date shall not be earlier than the date notice of voluntary termination was given; in any event, the “Termination Date” shall be determined without including any period of notice that the Corporation or the subsidiary of the Corporation (as the case may be) may be required by law to provide to the Participant or any pay in lieu of notice of termination, termination fees or other damages paid or payable to the Participant; and
 - (iii) in the case of a Director, the date such individual ceases to be a Director,

in each case, unless the individual continues to be a Participant in another capacity.

Notwithstanding the foregoing, in the case of a U.S. Taxpayer, a Participant’s “Termination Date” will be the date the Participant experiences a “separation from service” with the Corporation or a subsidiary of the Corporation within the meaning of Section 409A of the Code.

- (aaa) “U.S.” or “**United States**” means the United States of America, its territories and possessions, any State of the United States, and the District of Columbia;
- (bbb) “**U.S. Person**” shall mean a “**U.S. person**” as such term is defined in Rule 902(k) of Regulation S under the U.S. Securities Act (the definition of which includes, but is not limited to, (i) any natural person resident in the United States, (ii) any partnership or corporation organized or incorporated under the laws of the United States, (iii) any partnership or corporation organized outside of the United States by a U.S. Person principally for the purpose of investing in securities not registered under the U.S. Securities Act, unless it is organized, or incorporated, and owned, by accredited investors who are not natural persons, estates or trusts, and (iv) any estate or trust of which any executor or administrator or trustee is a U.S. Person);
- (ccc) “**U.S. Securities Act**” means the United States *Securities Act of 1933*, as amended; and
- (ddd) “**U.S. Taxpayer**” shall mean a Participant who, with respect to an Award, is subject to taxation under the applicable U.S. tax laws.

2.2 Interpretation

- (a) Whenever the Plan Administrator exercises discretion in the administration of this Plan, the term “discretion” means the sole and absolute discretion of the Plan Administrator.
- (b) As used herein, the terms “Article”, “Section”, “Subsection” and “clause” mean and refer to the specified Article, Section, Subsection and clause of this Plan, respectively.
- (c) Words importing the singular include the plural and vice versa and words importing any gender include any other gender.
- (d) Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period begins, including the day on which the period ends, and abridging the period to the immediately preceding Business Day in the event that the last day of the period is not a Business Day. In the event an action is required to be taken or a payment is required to be made on a day which is not a Business Day such action shall be taken or such payment shall be made by the immediately preceding Business Day.
- (e) Unless otherwise specified, all references to money amounts are to Canadian currency.
- (f) The headings used herein are for convenience only and are not to affect the interpretation of this Plan.

ARTICLE 3 ADMINISTRATION

3.1 Administration

This Plan will be administered by the Plan Administrator and the Plan Administrator has sole and complete authority, in its discretion, to:

- (a) determine the individuals to whom grants under the Plan may be made;
- (b) make grants of Awards under the Plan relating to the issuance of Shares (including any combination of Options, Restricted Share Units, Performance Share Units or Deferred Share Units) in such amounts, to such Persons and, subject to the provisions of this Plan, on such terms and conditions as it determines including without limitation:
 - (i) the time or times at which Awards may be granted;
 - (ii) the conditions under which:

- (A) Awards may be granted to Participants; or
 - (B) Awards may be forfeited to the Corporation,
including any conditions relating to the attainment of specified Performance Goals;
 - (iii) the number of Shares to be covered by any Award;
 - (iv) the price, if any, to be paid by a Participant in connection with the purchase of Shares covered by any Awards;
 - (v) whether restrictions or limitations are to be imposed on the Shares issuable pursuant to grants of any Award, and the nature of such restrictions or limitations, if any; and
 - (vi) any acceleration of exercisability or vesting, or waiver of termination regarding any Award, based on such factors as the Plan Administrator may determine;
- (c) establish the form or forms of Award Agreements;
 - (d) cancel, amend, adjust or otherwise change any Award under such circumstances as the Plan Administrator may consider appropriate in accordance with the provisions of this Plan;
 - (e) construe and interpret this Plan and all Award Agreements;
 - (f) adopt, amend, prescribe and rescind administrative guidelines and other rules and regulations relating to this Plan, including rules and regulations relating to sub plans established for the purpose of satisfying applicable foreign laws or for qualifying for favorable tax treatment under applicable foreign laws; and
 - (g) make all other determinations and take all other actions necessary or advisable for the implementation and administration of this Plan.

3.2 Delegation to Committee

- (a) The initial Plan Administrator shall be the Board.
- (b) To the extent permitted by applicable law, the Board may, from time to time, delegate to a committee of the Board (the “**Committee**”) all or any of the powers conferred on the Plan Administrator pursuant to this Plan, including the power to sub-delegate to any member(s) of the Committee or any specified officer(s) of the Corporation or its subsidiaries all or any of the powers delegated by the Board. In such event, the Committee or any sub-delegate will exercise the powers delegated to it in the manner and on the terms authorized by the delegating party. Any decision made or action taken by the Committee or any sub-delegate arising out of or in connection with the administration or interpretation of this Plan in this context is final and conclusive and binding on the Corporation and all subsidiaries of the Corporation, all Participants and all other Persons.

3.3 Determinations Binding

Any decision made or action taken by the Board, the Committee or any sub-delegate to whom authority has been delegated pursuant to Section 3.2 arising out of or in connection with the administration or interpretation of this Plan is final, conclusive and binding on the Corporation, the affected Participant(s), their legal and personal representatives and all other Persons.

3.4 Eligibility

All Directors, Employees and Consultants are eligible to participate in the Plan, subject to Section 9.1(f). Participation in the Plan is voluntary and eligibility to participate does not confer upon any Director, Employee or Consultant any right to receive any grant of an Award pursuant to the Plan. The extent to which any Director, Employee or Consultant

is entitled to receive a grant of an Award pursuant to the Plan will be determined in the sole and absolute discretion of the Plan Administrator.

3.5 Plan Administrator Requirements

Any Award granted under this Plan shall be subject to the requirement that, if at any time the Plan Administrator shall determine that the listing, registration or qualification of the Shares issuable pursuant to such Award upon any securities exchange or under any Securities Laws of any jurisdiction, or the consent or approval of the Exchange, if applicable, and any securities commissions or similar securities regulatory bodies having jurisdiction over the Corporation is necessary as a condition of, or in connection with, the grant or exercise of such Award or the issuance or purchase of Shares thereunder, such Award may not be accepted or exercised, as applicable, in whole or in part unless such listing, registration, qualification, consent or approval shall have been effected or obtained on conditions acceptable to the Plan Administrator. Without limiting the generality of the foregoing, all Awards shall be issued pursuant to the registration requirements of the U.S. Securities Act, or pursuant an exemption or exclusion from such registration requirements. Nothing herein shall be deemed to require the Corporation to apply for or to obtain such listing, registration, qualification, consent or approval. Participants shall, to the extent applicable, cooperate with the Corporation in complying with such legislation, rules, regulations and policies.

3.6 Total Shares Subject to Awards

- (a) Subject to adjustment as provided for in Article 10 and any subsequent amendment to this Plan, the aggregate number of Shares reserved for issuance pursuant to Awards granted under this Plan shall not exceed 20% of the Corporation's total issued and outstanding Shares from time to time. This Plan is considered an "evergreen" plan, since the shares covered by Awards which have been settled, exercised or terminated shall be available for subsequent grants under the Plan and the number of Awards available to grant increases as the number of issued and outstanding Shares increases.
- (b) To the extent any Awards (or portion(s) thereof) under this Plan terminate or are cancelled for any reason prior to exercise in full, or are surrendered or settled by the Participant, any Shares subject to such Awards (or portion(s) thereof) shall be added back to the number of Shares reserved for issuance under this Plan and will again become available for issuance pursuant to the exercise of Awards granted under this Plan.
- (c) Any Shares issued by the Corporation through the assumption or substitution of outstanding stock options or other equity-based awards from an acquired company shall not reduce the number of Shares available for issuance pursuant to the exercise of Awards granted under this Plan.

3.7 Limits on Grants of Awards

Notwithstanding anything in this Plan:

- (a) the aggregate number of Shares:
 - (i) issuable to Insiders at any time, under all of the Corporation's Security Based Compensation Arrangements, shall not exceed ten percent (10%) of the Corporation's issued and outstanding Shares;
 - (ii) issued to Persons performing investor relations services, within any one (1) year period, under all of the Corporation's Security Based Compensation Arrangements, shall not exceed two percent (2%) of the Corporation's issued and outstanding Shares; and
 - (iii) issued to Insiders within any one (1) year period, under all of the Corporation's Security Based Compensation Arrangements, shall not exceed ten percent (10%) of the Corporation's issued and outstanding Shares,

provided that the acquisition of Shares by the Corporation for cancellation shall be disregarded for the purposes of determining non-compliance with this Section 3.7 for any Awards outstanding prior to such purchase of Shares for cancellation; and

- (b) if the Corporation ceases to be a “venture issuer” as defined in National Instrument 52-110 – *Audit Committees*, the Plan Administrator shall not make grants of Awards to Directors if, after giving effect to such grants of Awards, the aggregate number of Shares issuable to Directors, at the time of such grant, under all of the Corporation’s Security Based Compensation Arrangements would exceed 1% of the issued and outstanding Shares on a non-diluted basis.

3.8 Award Agreements

Each Award under this Plan will be evidenced by an Award Agreement. Each Award Agreement will be subject to the applicable provisions of this Plan and will contain such provisions as are required by this Plan and any other provisions that the Plan Administrator may direct. Any one officer of the Corporation is authorized and empowered to execute and deliver, for and on behalf of the Corporation, an Award Agreement to a Participant granted an Award pursuant to this Plan.

3.9 Non-transferability of Awards

Except as permitted by the Plan Administrator and to the extent that certain rights may pass to a beneficiary or legal representative upon death of a Participant, by will or as required by law, no assignment or transfer of Awards, whether voluntary, involuntary, by operation of law or otherwise, vests any interest or right in such Awards whatsoever in any assignee or transferee and immediately upon any assignment or transfer, or any attempt to make the same, such Awards will terminate and be of no further force or effect. To the extent that certain rights to exercise any portion of an outstanding Award pass to a beneficiary or legal representative upon death of a Participant, the period in which such Award can be exercised by such beneficiary or legal representative shall not exceed one year from the Participant’s death.

ARTICLE 4 OPTIONS

4.1 Granting of Options

The Plan Administrator may, from time to time, subject to the provisions of this Plan and such other terms and conditions as the Plan Administrator may prescribe, grant Options to any Participant. The terms and conditions of each Option grant shall be evidenced by an Award Agreement.

4.2 Exercise Price

The Plan Administrator will establish the Exercise Price at the time each Option is granted, which Exercise Price must in all cases be not less than the Market Price on the Date of Grant.

4.3 Term of Options

Subject to any accelerated termination as set forth in this Plan, each Option expires on its Expiry Date.

4.4 Vesting and Exercisability

- (a) The Plan Administrator shall have the authority to determine the vesting terms applicable to grants of Options.
- (b) Once an Option becomes vested, it shall remain vested and shall be exercisable until expiration or termination of the Option, unless otherwise specified by the Plan Administrator, or as may be otherwise set forth in any written employment agreement, Award Agreement or other written agreement between the Corporation or a subsidiary of the Corporation and the Participant. Each vested Option may be exercised at any time or from time to time, in whole or in part, for up to the total number of Option Shares with respect to which it is then exercisable. The Plan Administrator has the right to accelerate the date upon which any Option becomes exercisable.
- (c) Subject to the provisions of this Plan and any Award Agreement, Options shall be exercised by means of a fully completed Exercise Notice delivered to the Corporation.

- (d) The Plan Administrator may provide at the time of granting an Option that the exercise of that Option is subject to restrictions, in addition to those specified in this Section 4.4, such as vesting conditions relating to the attainment of specified Performance Goals.

4.5 Payment of Exercise Price

- (a) Unless otherwise specified by the Plan Administrator at the time of granting an Option and set forth in the particular Award Agreement, the Exercise Notice must be accompanied by payment of the Exercise Price. The Exercise Price must be fully paid by certified cheque, wire transfer, bank draft or money order payable to the Corporation or by such other means as might be specified from time to time by the Plan Administrator, which may include (i) through an arrangement with a broker approved by the Corporation (or through an arrangement directly with the Corporation) whereby payment of the Exercise Price is accomplished with the proceeds of the sale of Shares deliverable upon the exercise of the Option, (ii) through the cashless exercise process set out in Section 4.5(b), or (iii) such other consideration and method of payment for the issuance of Shares to the extent permitted by Securities Laws, or any combination of the foregoing methods of payment.
- (b) Unless otherwise specified by the Plan Administrator and set forth in the particular Award Agreement, if permitted by the Plan Administrator, and subject to compliance with the policies of the Exchange, if applicable, a Participant may, in lieu of exercising an Option pursuant to an Exercise Notice, elect to surrender such Option to the Corporation (a “**Cashless Exercise**”) in consideration for an amount from the Corporation equal to (i) the Market Price of the Shares issuable on the exercise of such Option (or portion thereof) as of the date such Option (or portion thereof) is exercised, less (ii) the aggregate Exercise Price of the Option (or portion thereof) surrendered relating to such Shares (the “**In-the-Money Amount**”), by written notice to the Corporation indicating the number of Options such Participant wishes to exercise using the Cashless Exercise, and such other information that the Corporation may require. Subject to Section 8.3, the Corporation shall satisfy payment of the In-the-Money Amount by delivering to the Participant such number of Shares (rounded down to the nearest whole number) having a fair market value equal to the In-the-Money Amount.
- (c) No Shares will be issued or transferred until full payment therefor has been received by the Corporation, or arrangements for such payment have been made to the satisfaction of the Plan Administrator.
- (d) If a Participant surrenders Options through a Cashless Exercise pursuant to Section 4.5(b), to the extent that such Participant would be entitled to a deduction under paragraph 110(1)(d) of the *Income Tax Act* (Canada) (the “**Tax Act**”) in respect of such surrender if the election described in subsection 110(1.1) of the Tax Act were made and filed (and the other procedures described therein were undertaken) on a timely basis after such surrender, the Corporation will cause such election to be so made and filed (and such other procedures to be so undertaken).

ARTICLE 5 RESTRICTED SHARE UNITS

5.1 Granting of RSUs

- (a) The Plan Administrator may, from time to time, subject to the provisions of this Plan and such other terms and conditions as the Plan Administrator may prescribe, grant RSUs to any Participant in respect of a bonus or similar payment in respect of services rendered by the applicable Participant in a taxation year (the “**RSU Service Year**”). The terms and conditions of each RSU grant may be evidenced by an Award Agreement. Each RSU will consist of a right to receive a Share, cash payment, or a combination thereof (as provided in Section 5.4(a)), upon the settlement of such RSU.
- (b) The number of RSUs (including fractional RSUs) granted at any particular time pursuant to this Article 5 will be calculated by dividing (i) the amount of any bonus or similar payment that is to be paid in RSUs, as determined by the Plan Administrator, by (ii) the greater of (A) the Market Price

of a Share on the Date of Grant; and (B) such amount as determined by the Plan Administrator in its sole discretion.

5.2 RSU Account

All RSUs received by a Participant shall be credited to an account maintained for the Participant on the books of the Corporation, as of the Date of Grant.

5.3 Vesting of RSUs

The Plan Administrator shall have the authority to determine any vesting terms applicable to the grant of RSUs, provided that the terms comply with Section 409A, with respect to a U.S. Taxpayer.

5.4 Settlement of RSUs

- (a) The Plan Administrator shall have the sole authority to determine the settlement terms applicable to the grant of RSUs, provided that with respect to a U.S. Taxpayer the terms comply with Section 409A to the extent it is applicable. Subject to Section 11.6(d) below and except as otherwise provided in an Award Agreement, on the settlement date for any RSU, the Participant shall redeem each vested RSU for the following at the election of the Participant but subject to the approval of the Plan Administrator:
 - (i) one fully paid and non-assessable Share issued from treasury to the Participant or as the Participant may direct,
 - (ii) a cash payment, or
 - (iii) a combination of Shares and cash as contemplated by paragraphs (i) and (ii) above.
- (b) Any cash payments made under this Section 5.4 by the Corporation to a Participant in respect of RSUs to be redeemed for cash shall be calculated by multiplying the number of RSUs to be redeemed for cash by the Market Price per Share as at the settlement date.
- (c) Payment of cash to Participants on the redemption of vested RSUs may be made through the Corporation's payroll in the pay period that the settlement date falls within.
- (d) Notwithstanding any other terms of this Plan but subject to Section 11.6(d) below and except as otherwise provided in an Award Agreement, no settlement date for any RSU shall occur, and no Share shall be issued or cash payment shall be made in respect of any RSU, under this Section 5.4 any later than the final Business Day of the third calendar year following the applicable RSU Service Year.

ARTICLE 6 PERFORMANCE SHARE UNITS

6.1 Granting of PSUs

The Plan Administrator may, from time to time, subject to the provisions of this Plan and such other terms and conditions as the Plan Administrator may prescribe, grant PSUs to any Participant in respect of a bonus or similar payment in respect of services rendered by the applicable Participant in a taxation year (the "**PSU Service Year**"). The terms and conditions of each PSU grant shall be evidenced by an Award Agreement, provided that with respect to a U.S. Taxpayer the terms comply with Section 409A to the extent it is applicable. Each PSU will consist of a right to receive a Share, cash payment, or a combination thereof (as provided in Section 6.6(a)), upon the achievement of such Performance Goals during such performance periods as the Plan Administrator shall establish.

6.2 Terms of PSUs

The Performance Goals to be achieved during any performance period, the length of any performance period, the amount of any PSUs granted, the effect of termination of a Participant's service and the amount of any payment or transfer to be made pursuant to any PSU will be determined by the Plan Administrator and by the other terms and conditions of any PSU, all as set forth in the applicable Award Agreement.

6.3 Performance Goals

The Plan Administrator will issue Performance Goals prior to the Date of Grant to which such Performance Goals pertain. The Performance Goals may be based upon the achievement of corporate, divisional or individual goals, and may be applied to performance relative to an index or comparator group, or on any other basis determined by the Plan Administrator. Following the Date of Grant, the Plan Administrator may modify the Performance Goals as necessary to align them with the Corporation's corporate objectives, subject to any limitations set forth in an Award Agreement or an employment or other agreement with a Participant. The Performance Goals may include a threshold level of performance below which no payment will be made (or no vesting will occur), levels of performance at which specified payments will be made (or specified vesting will occur), and a maximum level of performance above which no additional payment will be made (or at which full vesting will occur), all as set forth in the applicable Award Agreement.

6.4 PSU Account

All PSUs received by a Participant shall be credited to an account maintained for the Participant on the books of the Corporation, as of the Date of Grant.

6.5 Vesting of PSUs

The Plan Administrator shall have the authority to determine any vesting terms applicable to the grant of PSUs.

6.6 Settlement of PSUs

- (a) The Plan Administrator shall have the authority to determine the settlement terms applicable to the grant of PSUs provided that with respect to a U.S. Taxpayer the terms comply with Section 409A to the extent it is applicable. Subject to Section 11.6(d) below and except as otherwise provided in an Award Agreement, on the settlement date for any PSU, the Participant shall redeem each vested PSU for the following at the election of the Participant but subject to the approval of the Plan Administrator:
 - (i) one fully paid and non-assessable Share issued from treasury to the Participant or as the Participant may direct,
 - (ii) a cash payment, or
 - (iii) a combination of Shares and cash as contemplated by paragraphs (i) and (ii) above.
- (b) Any cash payments made under this Section 6.6 by the Corporation to a Participant in respect of PSUs to be redeemed for cash shall be calculated by multiplying the number of PSUs to be redeemed for cash by the Market Price per Share as at the settlement date.
- (c) Payment of cash to Participants on the redemption of vested PSUs may be made through the Corporation's payroll in the pay period that the settlement date falls within.
- (d) Notwithstanding any other terms of this Plan but subject to Section 11.6(d) below and except as otherwise provided in an Award Agreement, no settlement date for any PSU shall occur, and no Share shall be issued or cash payment shall be made in respect of any PSU, under this Section 6.6 any later than the final Business Day of the third calendar year following the applicable PSU Service Year.

ARTICLE 7
DEFERRED SHARE UNITS

7.1 Granting of DSUs

- (a) The Board may fix from time to time a portion of the Director Fees that is to be payable in the form of DSUs. In addition, each Electing Person is given, subject to the conditions stated herein, the right to elect in accordance with Section 7.1(b) to participate in the grant of additional DSUs pursuant to this Article 7. An Electing Person who elects to participate in the grant of additional DSUs pursuant to this Article 7 shall receive their Elected Amount (as that term is defined below) in the form of DSUs. The “**Elected Amount**” shall be an amount, as elected by the Director, in accordance with applicable tax law, between 0% and 100% of any Director Fees that would otherwise be paid in cash (the “**Cash Fees**”).
- (b) Each Electing Person who elects to receive their Elected Amount in the form of DSUs will be required to file a notice of election in the form of Schedule “A” hereto (the “**Election Notice**”) with the Chief Financial Officer of the Corporation: (i) in the case of an existing Electing Person, by December 31st in the year prior to the year to which such election is to apply (other than for Director Fees payable for the 2024 financial year, in which case any Electing Person who is not a U.S. Taxpayer as of the date of this Plan shall file the Election Notice by the date that is 30 days from the Effective Date with respect to compensation paid for services to be performed after such date); and (ii) in the case of a newly appointed Electing Person who is not a U.S. Taxpayer, within 30 days of such appointment with respect to compensation paid for services to be performed after such date. In the case of the first year in which an Electing Person who is a U.S. Taxpayer first becomes an Electing Person under the Plan (or any plan required to be aggregated with the Plan under Section 409A), an initial Election Notice may be filed within 30 days of such appointment only with respect to compensation paid for services to be performed after the end of the 30-day election period. If no election is made within the foregoing time frames, the Electing Person shall be deemed to have elected to be paid the entire amount of his or her Cash Fees in cash.
- (c) Subject to Subsection 7.1(d), the election of an Electing Person under Subsection 7.1(b) shall be deemed to apply to all Cash Fees paid subsequent to the filing of the Election Notice. In the case of an Electing Person who is a U.S. Taxpayer, his or her election under Section 7.1(b) shall be deemed to apply to all Cash Fees that are earned after the Election Date. An Electing Person is not required to file another Election Notice for subsequent calendar years.
- (d) Each Electing Person who is not a U.S. Taxpayer is entitled once per calendar year to terminate his or her election to receive DSUs by filing with the Chief Financial Officer of the Corporation a termination notice in the form of Schedule “B”. Such termination shall be effective immediately upon receipt of such notice, provided that the Corporation has not imposed a “black-out” on trading. Thereafter, any portion of such Electing Person’s Cash Fees payable or paid in the same calendar year and, subject to complying with Subsection 7.1(b), all subsequent calendar years shall be paid in cash. For greater certainty, to the extent an Electing Person terminates his or her participation in the grant of DSUs pursuant to this Article 7, he or she shall not be entitled to elect to receive the Elected Amount, or any other amount of his or her Cash Fees in DSUs again until the calendar year following the year in which the termination notice is delivered. An election by a U.S. Taxpayer to receive the Elected Amount in DSUs for any calendar year (or portion thereof) is irrevocable for that calendar year after the expiration of the election period for that year and any termination of the election will not take effect until the first day of the calendar year following the calendar year in which the termination notice in the form of Schedule “C” is delivered.
- (e) Any DSUs granted pursuant to this Article 7 prior to the delivery of a termination notice pursuant to Section 7.1(d) shall remain in the Plan following such termination and will be redeemable only in accordance with the terms of the Plan.
- (f) The number of DSUs (including fractional DSUs) granted at any particular time pursuant to this Article 7 will be calculated by dividing (i) the amount of Director Fees that are to be paid as DSUs,

as determined by the Plan Administrator or Director Fees that are to be paid in DSUs (including any Elected Amount), by (ii) the Market Price of a Share on the Date of Grant.

- (g) In addition to the foregoing, the Plan Administrator may, from time to time, subject to the provisions of this Plan and such other terms and conditions as the Plan Administrator may prescribe, grant DSUs to any Participant.

7.2 DSU Account

All DSUs received by a Participant (which, for greater certainty includes Electing Persons) shall be credited to an account maintained for the Participant on the books of the Corporation, as of the Date of Grant. The terms and conditions of each DSU grant shall be evidenced by an Award Agreement.

7.3 Vesting of DSUs

Except as otherwise determined by the Plan Administrator or as set forth in the particular Award Agreement, DSUs shall vest immediately upon grant.

7.4 Settlement of DSUs

- (a) DSUs shall be settled on the date established in the Award Agreement; provided, however that if there is no Award Agreement or the Award Agreement does not establish a date for the settlement of the DSUs, then, for a Participant who is not a U.S. Taxpayer the settlement date shall be the date determined by the Participant (which date shall not be earlier than the Termination Date), and for a Participant who is a U.S. taxpayer, the settlement date shall be the date determined by the Participant in accordance with the Election Notice (which date shall not be earlier than the “separation from service” (within the meaning of Section 409A)). On the settlement date for any DSU, the Participant shall redeem each vested DSU for:
 - (i) one fully paid and non-assessable Share issued from treasury to the Participant or as the Participant may direct; or
 - (ii) at the election of the Participant and subject to the approval of the Plan Administrator, a cash payment.
- (b) Any cash payments made under this Section 7.4 by the Corporation to a Participant in respect of DSUs to be redeemed for cash shall be calculated by multiplying the number of DSUs to be redeemed for cash by the Market Price per Share as at the settlement date.
- (c) Payment of cash to Participants on the redemption of vested DSUs may be made through the Corporation’s payroll or in such other manner as determined by the Corporation.

7.5 No Additional Amount or Benefit

For greater certainty, neither a Participant to whom DSUs are granted nor any person with whom such Participant does not deal at arm’s length (for purposes of the Tax Act) shall be entitled, either immediately or in the future, either absolutely or contingently, to receive or obtain any amount or benefit granted or to be granted for the purpose of reducing the impact, in whole or in part, of any reduction in the Market Price of the Shares to which the DSUs relate.

ARTICLE 8 ADDITIONAL AWARD TERMS

8.1 Dividend Equivalents

- (a) Unless otherwise determined by the Plan Administrator or as set forth in the particular Award Agreement, an Award of RSUs, PSUs and DSUs shall include the right for such RSUs, PSUs and DSUs be credited with dividend equivalents in the form of additional RSUs, PSUs and DSUs, respectively, as of each dividend payment date in respect of which normal cash dividends are paid

on Shares. Such dividend equivalents shall be computed by dividing: (a) the amount obtained by multiplying the amount of the dividend declared and paid per Share by the number of RSUs, PSUs and DSUs, as applicable, held by the Participant on the record date for the payment of such dividend, by (b) the Market Price at the close of the first Business Day immediately following the dividend record date, with fractions computed to three decimal places. Dividend equivalents credited to a Participant's account shall vest in proportion to the RSUs, PSUs and DSUs to which they relate, and shall be settled in accordance with Subsections 5.4, 6.6, and 7.4 respectively.

- (b) The foregoing does not obligate the Corporation to declare or pay dividends on Shares and nothing in this Plan shall be interpreted as creating such an obligation.

8.2 Restricted Period

In the event that an Award expires, at a time when a scheduled restricted period is in place or an undisclosed material change or material fact in the affairs of the Corporation exists, the expiry of such Award will be the date that is 10 Business Days after which such scheduled restricted period terminates or there is no longer such undisclosed material change or material fact.

8.3 Withholding Taxes

Notwithstanding any other terms of this Plan, the granting, vesting or settlement of each Award under this Plan is subject to the condition that if at any time the Plan Administrator determines, in its discretion, that the satisfaction of withholding tax or other withholding liabilities is necessary or desirable in respect of such grant, vesting or settlement, such action is not effective unless such withholding has been effected to the satisfaction of the Plan Administrator. In such circumstances, the Plan Administrator may require that a Participant pay to the Corporation the minimum amount as the Corporation or a subsidiary of the Corporation is obliged to withhold or remit to the relevant taxing authority in respect of the granting, vesting or settlement of the Award. Any such additional payment is due no later than the date on which such amount with respect to the Award is required to be remitted to the relevant tax authority by the Corporation or a subsidiary of the Corporation, as the case may be. Alternatively, and subject to any requirements or limitations under applicable law, the Corporation or any Affiliate may (a) withhold such amount from any remuneration or other amount payable by the Corporation or any Affiliate to the Participant, (b) require the sale, on behalf of the applicable Participant, of a number of Shares issued upon exercise, vesting, or settlement of such Award and the remittance to the Corporation of the net proceeds from such sale sufficient to satisfy such amount, or (c) enter into any other suitable arrangements for the receipt of such amount.

8.4 Recoupment

Notwithstanding any other terms of this Plan, Awards may be subject to potential cancellation, recoupment, rescission, payback or other action in accordance with the terms of any clawback, recoupment or similar policy adopted by the Corporation or the relevant subsidiary of the Corporation, or as set out in the Participant's employment agreement, Award Agreement or other written agreement, or as otherwise required by law or the rules of the Exchange, if applicable. The Plan Administrator may at any time waive the application of this Section 8.4 to any Participant or category of Participants.

ARTICLE 9 TERMINATION OF EMPLOYMENT OR SERVICES

9.1 Termination of Employee, Consultant or Director

Subject to Section 9.2, unless otherwise determined by the Plan Administrator or as set forth in an employment agreement, Award Agreement or other written agreement:

- (a) where a Participant's employment, consulting agreement or arrangement is terminated or the Participant ceases to hold office or his or her position, as applicable, by reason of voluntary resignation by the Participant or termination by the Corporation or a subsidiary of the Corporation for Cause, then any Option or other Award held by the Participant that has not been exercised, surrendered or settled as of the Termination Date shall be immediately forfeited and cancelled as of the Termination Date;

- (b) where a Participant's employment, consulting agreement or arrangement is terminated by the Corporation or a subsidiary of the Corporation without Cause (whether such termination occurs with or without any or adequate reasonable notice, or with or without any or adequate compensation in lieu of such reasonable notice) then a portion of any unvested Options or other Awards shall immediately vest, such portion to be equal to the number of unvested Options or other Awards held by the Participant as of the Termination Date multiplied by a fraction the numerator of which is the number of days between the Date of Grant and the Termination Date and the denominator of which is the number of days between the Date of Grant and the date any unvested Options or other Awards were originally scheduled to vest. Any vested Options may be exercised by the Participant at any time during the period that terminates on the earlier of: (A) the Expiry Date of such Option; and (B) the date that is 90 days after the Termination Date. If an Option remains unexercised upon the earlier of (A) or (B), the Option shall be immediately forfeited and cancelled for no consideration upon the termination of such period. In the case of a vested Award other than an Option, such Award will be settled within 90 days after the Termination Date;
- (c) where a Participant's employment, consulting agreement or arrangement terminates on account of his or her becoming Disabled, then any Award held by the Participant that has not vested as of the date of the Participant's Termination Date shall vest on such date. Any vested Option may be exercised by the Participant at any time until the Expiry Date of such Option. Any vested Award other than an Option will be settled within 90 days after the Termination Date;
- (d) where a Participant's employment, consulting agreement or arrangement is terminated by reason of the death of the Participant, then any Award that is held by the Participant that has not vested as of the date of the death of such Participant shall vest on such date. Any vested Option may be exercised by the Participant's beneficiary or legal representative (as applicable) at any time during the period that terminates on the earlier of: (A) the Expiry Date of such Option; and (B) the first anniversary of the date of the death of such Participant. If an Option remains unexercised upon the earlier of (A) or (B), the Option shall be immediately forfeited and cancelled for no consideration upon the termination of such period. In the case of a vested Award other than an Option, such Award will be settled with the Participant's beneficiary or legal representative (as applicable) within 90 days after the date of the Participant's death;
- (e) where a Participant's employment, consulting agreement or arrangement is terminated due to the Participant's Retirement, then (i) any outstanding Award that vests or becomes exercisable based solely on the Participant remaining in the service of the Corporation or its subsidiary will become 100% vested, and (ii) any outstanding Award that vests based on the achievement of Performance Goals and that has not previously become vested shall continue to be eligible to vest based upon the actual achievement of such Performance Goals. Any vested Option may be exercised by the Participant at any time during the period that terminates on the earlier of: (A) the Expiry Date of such Option; and (B) the third anniversary of the Participant's date of Retirement. If an Option remains unexercised upon the earlier of (A) or (B), the Option shall be immediately forfeited and cancelled for no consideration upon the termination of such period. In the case of a vested Award other than an Option that is described in (i), such Award will be settled within 90 days after the Participant's Retirement. In the case of a vested Award other than an Option that is described in (ii), such Award will be settled at the same time the Award would otherwise have been settled had the Participant remained in active service with the Corporation or its subsidiary. Notwithstanding the foregoing, if, following his or her Retirement, the Participant commences (the "**Commencement Date**") employment, consulting or acting as a director of the Corporation or any of its subsidiaries (or in an analogous capacity) or otherwise as a service provider to any Person that carries on or proposes to carry on a business competitive with the Corporation or any of its subsidiaries, any Option or other Award held by the Participant that has not been exercised or settled as of the Commencement Date shall be immediately forfeited and cancelled as of the Commencement Date;
- (f) a Participant's eligibility to receive further grants of Options or other Awards under this Plan ceases as of:
 - (i) the date that the Corporation or a subsidiary of the Corporation, as the case may be, provides the Participant with written notification that the Participant's employment,

consulting agreement or arrangement is terminated, notwithstanding that such date may be prior to the Termination Date; or

- (ii) the date of the death, Disability or Retirement of the Participant;
- (g) notwithstanding Subsection 9.1(b), unless the Plan Administrator, in its discretion, otherwise determines, at any time and from time to time, but with due regard for Section 409A, Options or other Awards are not affected by a change of employment or consulting agreement or arrangement, or directorship within or among the Corporation or a subsidiary of the Corporation for so long as the Participant continues to be a Director, Employee or Consultant, as applicable, of the Corporation or a subsidiary of the Corporation; and
- (h) notwithstanding any other provision of this Section 9.1, in the case of an Award (other than an Option) granted to a U.S. Taxpayer that is vested or that immediately vests (in whole or in part) as a result of a Participant's termination of service, then such Award will, subject to Section 11.6(d), be settled as soon as administratively practicable following the Participant's termination of service, but in no event later than 90 days following the Participant's termination of service. In the case of an Award (other than an Option) granted to a U.S. Taxpayer that remains eligible to vest (in whole or in part) following a Participant's termination of service based upon the achievement of one or more Performance Goals, such Award will be settled at the originally scheduled settlement date for such Award.

9.2 Discretion to Permit Acceleration

Notwithstanding the provisions of Section 9.1, the Plan Administrator may, in its discretion, at any time prior to, or following the events contemplated in such Section, or in an employment agreement, Award Agreement or other written agreement between the Corporation or a subsidiary of the Corporation and the Participant, permit the acceleration of vesting of any or all Awards or waive termination of any or all Awards, all in the manner and on the terms as may be authorized by the Plan Administrator.

ARTICLE 10 EVENTS AFFECTING THE CORPORATION

10.1 General

The existence of any Awards does not affect in any way the right or power of the Corporation or its shareholders to make, authorize or determine any adjustment, recapitalization, reorganization or any other change in the Corporation's capital structure or its business, or any amalgamation, combination, arrangement, merger or consolidation involving the Corporation, to create or issue any bonds, debentures, Shares or other securities of the Corporation or to determine the rights and conditions attaching thereto, to effect the dissolution or liquidation of the Corporation or any sale or transfer of all or any part of its assets or business, or to effect any other corporate act or proceeding, whether of a similar character or otherwise, whether or not any such action referred to in this Article 10 would have an adverse effect on this Plan or on any Award granted hereunder.

10.2 Change in Control

Except as may be set forth in an employment agreement, Award Agreement or other written agreement between the Corporation or a subsidiary of the Corporation and the Participant:

- (a) Subject to this Section 10.2, but notwithstanding anything else in this Plan or any Award Agreement, the Plan Administrator may, without the consent of any Participant, take such steps as it deems necessary or desirable, including to cause (i) the conversion or exchange of any outstanding Awards into or for, rights or other securities of substantially equivalent value, as determined by the Plan Administrator in its discretion, in any entity participating in or resulting from a Change in Control; (ii) outstanding Awards to vest and become exercisable, realizable, or payable, or restrictions applicable to an Award to lapse, in whole or in part prior to or upon consummation of such merger or Change in Control, and, to the extent the Plan Administrator determines, terminate upon or immediately prior to the effectiveness of such merger or Change in Control; (iii) the termination of

an Award in exchange for an amount of cash and/or property, if any, equal to the amount that would have been attained upon the exercise or settlement of such Award or realization of the Participant's rights as of the date of the occurrence of the transaction (and, for the avoidance of doubt, if as of the date of the occurrence of the transaction the Plan Administrator determines in good faith that no amount would have been attained upon the exercise or settlement of such Award or realization of the Participant's rights, then such Award may be terminated by the Corporation without payment); (iv) the replacement of such Award with other rights or property selected by the Board of Directors in its sole discretion where such replacement would not adversely affect the holder; or (v) any combination of the foregoing. In taking any of the actions permitted under this Section 10.2(a), the Plan Administrator will not be required to treat all Awards similarly in the transaction. Notwithstanding the foregoing, in the case of Options held by a Canadian Taxpayer, the Plan Administrator may not cause the Canadian Taxpayer to receive (pursuant to this Subsection 10.2(a)) any property in connection with a Change in Control other than rights to acquire shares of a corporation or units of a "mutual fund trust" (as defined in the Tax Act), of the Corporation or a "qualifying person" (as defined in the Tax Act) that does not deal at arm's length (for purposes of the Tax Act) with the Corporation, as applicable, at the time such rights are issued or granted.

- (b) Notwithstanding Section 9.1, and except as otherwise provided in a written employment or other agreement between the Corporation or a subsidiary of the Corporation and a Participant, if within 12 months following the completion of a transaction resulting in a Change in Control, a Participant's employment, consultancy or directorship is terminated by the Corporation or a subsidiary of the Corporation without Cause:
 - (i) any unvested Awards held by the Participant at the Termination Date shall immediately vest; and
 - (ii) any vested Awards of Participants may, subject to Sections 5.4(d) and 6.6(d) (where applicable), be exercised, surrendered or settled by such Participant at any time during the period that terminates on the earlier of: (A) the Expiry Date of such Award; and (B) the date that is 90 days after the Termination Date, provided that any vested Awards (other than Options) granted to U.S. Taxpayers will be settled within 90 days of the Participant's "separation from service". Any Award that has not been exercised, surrendered or settled at the end of such period will be immediately forfeited and cancelled.
- (c) Notwithstanding Subsection 10.2(a) and unless otherwise determined by the Plan Administrator, if, as a result of a Change in Control, the Shares will cease trading on an Exchange, then the Corporation may terminate all of the Awards, other than an Option held by a Canadian Taxpayer for the purposes of the Tax Act, granted under this Plan at the time of and subject to the completion of the Change in Control transaction by paying to each holder at or within a reasonable period of time following completion of such Change in Control transaction an amount for each Award equal to the fair market value of the Award held by such Participant as determined by the Plan Administrator, acting reasonably, provided that any vested Awards granted to U.S. Taxpayers will be settled within 90 days of the Change in Control.
- (d) It is intended that any actions taken under this Section 10.2 will comply with the requirements of Section 409A of the Code with respect to Awards granted to U.S. Taxpayers.

10.3 Reorganization of Corporation's Capital

Should the Corporation effect a subdivision or consolidation of Shares or any similar capital reorganization or a payment of a stock dividend (other than a stock dividend that is in lieu of a cash dividend), or should any other change be made in the capitalization of the Corporation that does not constitute a Change in Control and that would warrant the amendment or replacement of any existing Awards in order to adjust the number of Shares that may be acquired on the vesting of outstanding Awards and/or the terms of any Award in order to preserve proportionately the rights and obligations of the Participants holding such Awards, the Plan Administrator will, subject to the prior approval of the Exchange, if applicable, authorize such steps to be taken as it may consider to be equitable and appropriate to that end.

10.4 Other Events Affecting the Corporation

In the event of an amalgamation, combination, arrangement, merger or other transaction or reorganization involving the Corporation and occurring by exchange of Shares, by sale or lease of assets or otherwise, that does not constitute a Change in Control and that warrants the amendment or replacement of any existing Awards in order to adjust the number and/or type of Shares that may be acquired, or by reference to which such Awards may be settled, on the vesting of outstanding Awards and/or the terms of any Award in order to preserve proportionately the rights and obligations of the Participants holding such Awards, the Plan Administrator will, subject to the prior approval of the Exchange, if applicable, authorize such steps to be taken as it may consider to be equitable and appropriate to that end.

10.5 Immediate Acceleration of Awards

In taking any of the steps provided in Sections 10.3 and 10.4, the Plan Administrator will not be required to treat all Awards similarly and where the Plan Administrator determines that the steps provided in Sections 10.3 and 10.4 would not preserve proportionately the rights, value and obligations of the Participants holding such Awards in the circumstances or otherwise determines that it is appropriate, the Plan Administrator may, but is not required to, permit the immediate vesting of any unvested Awards.

10.6 Issue by Corporation of Additional Shares

Except as expressly provided in this Article 10, neither the issue by the Corporation of shares of any class or securities convertible into or exchangeable for shares of any class, nor the conversion or exchange of such shares or securities, affects, and no adjustment by reason thereof is to be made with respect to the number of Shares that may be acquired as a result of a grant of Awards.

10.7 Fractions

No fractional Shares will be issued pursuant to an Award. Accordingly, if, as a result of any adjustment under this Article 10 or a dividend equivalent, a Participant would become entitled to a fractional Share, the Participant has the right to acquire only the adjusted number of full Shares and no payment or other adjustment will be made with respect to the fractional Shares, which shall be disregarded.

ARTICLE 11 U.S. TAXPAYERS

11.1 Provisions for U.S. Taxpayers

Options granted under this Plan to U.S. Taxpayers may be non-qualified stock options or incentive stock options qualifying under Section 422 of the Code (“ISOs”). Each Option shall be designated in the Award Agreement as either an ISO or a non-qualified stock option. If an Award Agreement fails to designate an Option as either an ISO or non-qualified stock option, the Option will be a non-qualified stock option. The Corporation shall not be liable to any Participant or to any other Person if it is determined that an Option intended to be an ISO does not qualify as an ISO. Non qualified stock options will be granted to a U.S. Taxpayer only if (i) such U.S. Taxpayer performs services for the Corporation or any corporation or other entity in which the Corporation has a direct or indirect controlling interest or otherwise has a significant ownership interest, as determined under Section 409A, such that the Option will constitute an option to acquire “service recipient stock” within the meaning of Section 409A, or (ii) such option otherwise is exempt from Section 409A.

11.2 ISOs

Subject to any limitations in Section 3.6, the aggregate number of Shares reserved for issuance in respect of granted ISOs shall not exceed 10,000,000 Shares, and the terms and conditions of any ISOs granted to a U.S. Taxpayer on the Date of Grant hereunder, including the eligible recipients of ISOs, shall be subject to the provisions of Section 422 of the Code, and the terms, conditions, limitations and administrative procedures established by the Plan Administrator from time to time in accordance with this Plan. At the discretion of the Plan Administrator, ISOs may only be granted to an individual who is an employee of the Corporation, or of a “parent corporation” or “subsidiary corporation” of the Corporation, as such terms are defined in Sections 424(e) and (f) of the Code.

11.3 ISO Grants to 10% Shareholders

Notwithstanding anything to the contrary in this Plan, if an ISO is granted to a person who owns shares representing more than 10% of the voting power of all classes of shares of the Corporation or of a “parent corporation” or “subsidiary corporation”, as such terms are defined in Section 424(e) and (f) of the Code, on the Date of Grant, the term of the Option shall not exceed five years from the time of grant of such Option and the Exercise Price shall be at least 110% of the Market Price of the Shares subject to the Option.

11.4 \$100,000 Per Year Limitation for ISOs

To the extent the aggregate Market Price as at the Date of Grant of the Shares for which ISOs are exercisable for the first time by any person during any calendar year (under all plans of the Corporation and any “parent corporation” or “subsidiary corporation”, as such terms are defined in Section 424(e) and (f) of the Code) exceeds US\$100,000, such excess ISOs shall be treated as non-qualified stock options.

11.5 Disqualifying Dispositions

Each person awarded an ISO under this Plan shall notify the Corporation in writing immediately after the date he or she makes a disposition or transfer of any Shares acquired pursuant to the exercise of such ISO if such disposition or transfer is made (a) within two years from the Date of Grant or (b) within one year after the date such person acquired the Shares. Such notice shall specify the date of such disposition or other transfer and the amount realized, in cash, other property, assumption of indebtedness or other consideration, by the person in such disposition or other transfer. The Corporation may, if determined by the Plan Administrator and in accordance with procedures established by it, retain possession of any Shares acquired pursuant to the exercise of an ISO as agent for the applicable person until the end of the later of the periods described in (a) or (b) above, subject to complying with any instructions from such person as to the sale of such Shares.

11.6 Section 409A of the Code

- (a) This Plan will be construed and interpreted to be exempt from, or where not so exempt, to comply with Section 409A of the Code to the extent required to preserve the intended tax consequences of this Plan. Any reference in this Plan to Section 409A of the Code shall also include any regulation promulgated thereunder or any other formal guidance issued by the Internal Revenue Service with respect to Section 409A of the Code. Each Award shall be construed and administered such that the Award either (A) qualifies for an exemption from the requirements of Section 409A of the Code or (B) satisfies the requirements of Section 409A of the Code. If an Award is subject to Section 409A of the Code, (I) distributions shall only be made in a manner and upon an event permitted under section 409A of the Code, (II) payments to be made upon a termination of employment or service shall only be made upon a “separation from service” under Section 409A of the Code, (III) unless the Award specifies otherwise, each installment payment shall be treated as a separate payment for purposes of Section 409A of the Code, and (IV) in no event shall a Participant, directly or indirectly, designate the calendar year in which a distribution is made except in accordance with Section 409A of the Code. To the extent that an Award or payment, or the settlement or deferral thereof, is subject to Section 409A of the Code, the Award will be granted, paid, settled or deferred in a manner that will meet the requirements of Section 409A of the Code, such that the grant, payment, settlement or deferral will not be subject to the additional tax or interest applicable under Section 409A of the Code. The Corporation reserves the right to amend this Plan to the extent it reasonably determines is necessary in order to preserve the intended tax consequences of this Plan in light of Section 409A of the Code. In no event will the Corporation or any of its subsidiaries or Affiliates be liable for any tax, interest or penalties that may be imposed on a Participant under Section 409A of the Code or any damages for failing to comply with Section 409A of the Code.
- (b) All terms of the Plan that are undefined or ambiguous must be interpreted in a manner that complies with Section 409A of the Code if necessary to comply with Section 409A of the Code.
- (c) The Plan Administrator, in its sole discretion, may permit the acceleration of the time or schedule of payment of a U.S. Taxpayer’s vested Awards in the Plan under circumstances that constitute permissible acceleration events under Section 409A of the Code.

- (d) Notwithstanding any provisions of the Plan to the contrary, in the case of any “specified employee” within the meaning of Section 409A of the Code who is a U.S. Taxpayer, distributions of non-qualified deferred compensation under Section 409A of the Code made in connection with a “separation from service” within the meaning set forth in Section 409A of the Code may not be made prior to the date which is six months after the date of separation from service (or, if earlier, the date of death of the U.S. Taxpayer). Any amounts subject to a delay in payment pursuant to the preceding sentence shall be paid as soon practicable following such six-month anniversary of such separation from service.

11.7 Section 83(b) Election

If a Participant makes an election pursuant to Section 83(b) of the Code with respect to an Award of Shares subject to vesting or other forfeiture conditions, the Participant shall be required to promptly file a copy of such election with the Corporation.

11.8 Application of Article 11 to U.S. Taxpayers

For greater certainty, the provisions of this Article 11 shall only apply to U.S. Taxpayers.

ARTICLE 12 AMENDMENT, SUSPENSION OR TERMINATION OF THE PLAN

12.1 Amendment, Suspension, or Termination of the Plan

The Plan Administrator may from time to time, without notice and without approval of the holders of voting shares of the Corporation, amend, modify, change, suspend or terminate the Plan or any Awards granted pursuant to the Plan as it, in its discretion determines appropriate, provided, however, that:

- (a) no such amendment, modification, change, suspension or termination of the Plan or any Awards granted hereunder may materially impair any rights of a Participant or materially increase any obligations of a Participant under the Plan without the consent of the Participant, unless the Plan Administrator determines such adjustment is required or desirable in order to comply with any applicable Securities Laws or Exchange requirements; and
- (b) any amendment that would cause an Award held by a U.S. Taxpayer to be subject to income inclusion under Section 409A of the Code shall be null and void ab initio with respect to the U.S. Taxpayer unless the consent of the U.S. Taxpayer is obtained.

12.2 Shareholder Approval

Notwithstanding Section 12.1 and subject to any rules of the Exchange, if applicable, approval of the holders of Shares shall be required for any amendment, modification or change that:

- (a) increases the percentage of Shares reserved for issuance under the Plan, except pursuant to the provisions under Article 10 which permit the Plan Administrator to make equitable adjustments in the event of transactions affecting the Corporation or its capital;
- (b) increases or removes the 10% limits on Shares issuable or issued to Insiders as set forth in Subsection 3.7(a);
- (c) reduces the exercise price of an Option Award (for this purpose, a cancellation or termination of an Option Award of a Participant prior to its Expiry Date for the purpose of reissuing an Option Award to the same Participant with a lower exercise price shall be treated as an amendment to reduce the exercise price of an Option Award. Notwithstanding the foregoing, a cancellation or termination of an award of a participant may be done and will not require approval of the holders of Shares if conducted in compliance with, and allowed pursuant to, the policies of the Exchange) except pursuant to the provisions in the Plan which permit the Plan Administrator to make equitable adjustments in the event of transactions affecting the Corporation or its capital;

- (d) extends the term of an Option Award beyond the original Expiry Date (except where an Expiry Date would have fallen within a blackout period applicable to the Participant or within 10 Business Days following the expiry of such a blackout period);
- (e) permits an Option Award to be exercisable beyond 10 years from its Date of Grant (except where an Expiry Date would have fallen within a blackout period of the Corporation);
- (f) increases or removes the limits on the participation of Directors;
- (g) permits Awards to be transferred to a Person;
- (h) changes the eligible participants of the Plan; or
- (i) deletes or reduces the range of amendments which require approval of shareholders under this Section 12.2.

12.3 Permitted Amendments

Without limiting the generality of Section 12.1, but subject to Section 12.2, the Plan Administrator may, without shareholder approval, at any time or from time to time, amend the Plan for the purposes of:

- (a) making any amendments to the general vesting provisions of each Award;
- (b) making any amendments to the provisions set out in Article 9;
- (c) making any amendments to add covenants of the Corporation for the protection of Participants, as the case may be, provided that the Plan Administrator shall be of the good faith opinion that such additions will not be prejudicial to the rights or interests of the Participants, as the case may be;
- (d) making any amendments not inconsistent with the Plan as may be necessary or desirable with respect to matters or questions which, in the good faith opinion of the Plan Administrator, having in mind the best interests of the Participants, it may be expedient to make, including amendments that are desirable as a result of changes in law in any jurisdiction where a Participant resides, provided that the Plan Administrator shall be of the opinion that such amendments and modifications will not be prejudicial to the interests of the Participants and Directors; or
- (e) making such changes or corrections which, on the advice of counsel to the Corporation, are required for the purpose of curing or correcting any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error, provided that the Plan Administrator shall be of the opinion that such changes or corrections will not be prejudicial to the rights and interests of the Participants.

ARTICLE 13 MISCELLANEOUS

13.1 Legal Requirement

The Corporation is not obligated to grant any Awards, issue any Shares or other securities, make any payments or take any other action if, in the opinion of the Plan Administrator, in its sole discretion, such action would constitute a violation by a Participant or the Corporation of any provision of any applicable statutory or regulatory enactment of any government or government agency or the requirements of any Exchange upon which the Shares may then be listed, if applicable.

13.2 No Other Benefit

No amount will be paid to, or in respect of, a Participant under the Plan to compensate for a downward fluctuation in the price of a Share, nor will any other form of benefit be conferred upon, or in respect of, a Participant for such purpose.

13.3 Rights of Participant

No Participant has any claim or right to be granted an Award and the granting of any Award is not to be construed as giving a Participant a right to remain as an Employee, Consultant or Director. No Participant has any rights as a shareholder of the Corporation in respect of Shares issuable pursuant to any Award until the allotment and issuance to such Participant, or as such Participant may direct, of certificates representing such Shares.

13.4 Corporate Action

Nothing contained in this Plan or in an Award shall be construed so as to prevent the Corporation from taking corporate action which is deemed by the Corporation to be appropriate or in its best interest, whether or not such action would have an adverse effect on this Plan or any Award.

13.5 Conflict

In the event of any conflict between the provisions of this Plan and an Award Agreement, the provisions of the Award Agreement shall govern. In the event of any conflict between or among the provisions of this Plan or any Award Agreement, on the one hand, and a Participant's employment agreement with the Corporation or a subsidiary of the Corporation, as the case may be, on the other hand, the provisions of the employment agreement or other written agreement shall prevail.

13.6 Anti-Hedging Policy

By accepting an Award each Participant acknowledges that he or she is restricted from purchasing financial instruments such as 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 Awards.

13.7 Participant Information

Each Participant shall provide the Corporation with all information (including personal information) required by the Corporation in order to administer the Plan. Each Participant acknowledges that information required by the Corporation in order to administer the Plan may be disclosed to any custodian appointed in respect of the Plan and other third parties, and may be disclosed to such persons (including persons located in jurisdictions other than the Participant's jurisdiction of residence), in connection with the administration of the Plan. Each Participant consents to such disclosure and authorizes the Corporation to make such disclosure on the Participant's behalf.

13.8 Participation in the Plan

The participation of any Participant in the Plan is entirely voluntary and not obligatory and shall not be interpreted as conferring upon such Participant any rights or privileges other than those rights and privileges expressly provided in the Plan. In particular, participation in the Plan does not constitute a condition of employment or engagement nor a commitment on the part of the Corporation to ensure the continued employment or engagement of such Participant. The Plan does not provide any guarantee against any loss which may result from fluctuations in the market value of the Shares. The Corporation does not assume responsibility for the income or other tax consequences for the Participants and Directors and they are advised to consult with their own tax advisors.

13.9 International Participants

With respect to Participants who reside or work outside Canada and the United States, the Plan Administrator may, in its sole discretion, amend, or otherwise modify, without shareholder approval, the terms of the Plan or Awards with respect to such Participants in order to conform such terms with the provisions of local law, and the Plan Administrator may, where appropriate, establish one or more sub-plans to reflect such amended or otherwise modified provisions.

13.10 Successors and Assigns

The Plan shall be binding on all successors and assigns of the Corporation and its subsidiaries.

13.11 General Restrictions or Assignment

Except as required by law, the rights of a Participant under the Plan are not capable of being assigned, transferred, alienated, sold, encumbered, pledged, mortgaged or charged and are not capable of being subject to attachment or legal process for the payment of any debts or obligations of the Participant unless otherwise approved by the Plan Administrator.

13.12 Severability

The invalidity or unenforceability of any provision of the Plan shall not affect the validity or enforceability of any other provision and any invalid or unenforceable provision shall be severed from the Plan.

13.13 Notices

- (a) All written notices to be given by a Participant to the Corporation shall be delivered personally, e-mail or mail, postage prepaid, addressed as noted on the Corporation's SEDAR+ profile.
- (b) All notices to a Participant will be addressed to the principal address of the Participant on file with the Corporation. Either the Corporation or the Participant may designate a different address by written notice to the other. Such notices are deemed to be received, if delivered personally or by e-mail, on the date of delivery, and if sent by mail, on the fifth Business Day following the date of mailing. Any notice given by either the Participant or the Corporation is not binding on the recipient thereof until received.

13.14 Effective Date

This Plan becomes effective on a date to be determined by the Plan Administrator, subject to the approval of the shareholders of the Corporation.

13.15 Governing Law

This Plan and all matters to which reference is made herein shall be governed by and interpreted in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein, without any reference to conflicts of law rules.

13.16 Submission to Jurisdiction

The Corporation and each Participant irrevocably submits to the exclusive jurisdiction of the courts of competent jurisdiction in the Province of British Columbia in respect of any action or proceeding relating in any way to the Plan, including, without limitation, with respect to the grant of Awards and any issuance of Shares made in accordance with the Plan.

SCHEDULE "A"

**PHARMALA BIOTECH HOLDINGS INC.
OMNIBUS EQUITY INCENTIVE PLAN
(THE "PLAN")**

ELECTION NOTICE

All capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Plan.

Pursuant to the Plan, I hereby elect to participate in the grant of DSUs pursuant to Article 7 of the Plan and to receive % of my Cash Fees in the form of DSUs.

If I am a U.S. Taxpayer, I hereby further elect for any DSUs subject to this Election Notice to be settled on the later of (i) my "separation from service" (within the meaning of Section 409A) or (ii) _____.

I confirm that:

- (a) I have received and reviewed a copy of the terms of the Plan and agreed to be bound by them.
- (b) I recognize that when DSUs credited pursuant to this election are redeemed in accordance with the terms of the Plan, income tax and other withholdings as required will arise at that time. Upon redemption of the DSUs, the Corporation will make all appropriate withholdings as required by law at that time.
- (c) The value of DSUs is based on the value of the Shares of the Corporation and therefore is not guaranteed.
- (d) To the extent I am a U.S. taxpayer, I understand that this election is irrevocable for the calendar year to which it applies and that any revocation or termination of this election after the expiration of the election period will not take effect until the first day of the calendar year following the year in which I file the revocation or termination notice with the Corporation.

The foregoing is only a brief outline of certain key provisions of the Plan. For more complete information, reference should be made to the Plan's text.

Date: _____

(Signature of Participant)

(Name of Participant)

SCHEDULE "B"

**PHARMALA BIOTECH HOLDINGS INC.
OMNIBUS EQUITY INCENTIVE PLAN
(THE "PLAN")**

ELECTION TO TERMINATE RECEIPT OF ADDITIONAL DSUs

All capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Plan.

Notwithstanding my previous election in the form of Schedule "A" to the Plan, I hereby elect that no portion of the Cash Fees accrued after the date hereof shall be paid in DSUs in accordance with Article 7 of the Plan.

I understand that the DSUs already granted under the Plan cannot be redeemed except in accordance with the Plan.

I confirm that I have received and reviewed a copy of the terms of the Plan and agree to be bound by them.

Date: _____

(Signature of Participant)

(Name of Participant)

Note: An election to terminate receipt of additional DSUs can only be made by a Participant once in a calendar year.

SCHEDULE "C"

**PHARMALA BIOTECH HOLDINGS INC.
OMNIBUS EQUITY INCENTIVE PLAN
(THE "PLAN")**

**ELECTION TO TERMINATE RECEIPT OF ADDITIONAL DSUs
(U.S. TAXPAYERS)**

All capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Plan.

Notwithstanding my previous election in the form of Schedule "A" to the Plan, I hereby elect that no portion of the Cash Fees accrued after the effective date of this termination notice shall be paid in DSUs in accordance with Article 5 of the Plan.

I understand that this election to terminate receipt of additional DSUs will not take effect until the first day of the calendar year following the year in which I file this termination notice with the Corporation.

I understand that the DSUs already granted under the Plan cannot be redeemed except in accordance with the Plan.

I confirm that I have received and reviewed a copy of the terms of the Plan and agree to be bound by them.

Date: _____

(Signature of Participant)

(Name of Participant)

SCHEDULE "F"
AUDIT COMMITTEE CHARTER

(See attached)

PHARMALA BIOTECH HOLDINGS INC.

AUDIT COMMITTEE CHARTER

1. PURPOSE AND PRIMARY RESPONSIBILITY

- 1.1. This charter sets out the Audit Committee's purpose, composition, member qualification, member appointment and removal, responsibilities, operations, manner of reporting to the Board of Directors (the "**Board**") of PharmAla Biotech Holdings Inc. (the "**Company**"), annual evaluation and compliance with this charter.
- 1.2. The primary responsibility of the Audit Committee is that of oversight of the financial reporting process on behalf of the Board. This includes oversight responsibility for financial reporting and continuous disclosure, oversight of external audit activities, oversight of financial risk and financial management control, and oversight responsibility for compliance with tax and securities laws and regulations as well as whistle blowing procedures. The Audit Committee is also responsible for the other matters as set out in this charter and/or such other matters as may be directed by the Board from time to time. The Audit Committee should exercise continuous oversight of developments in these areas.

2. MEMBERSHIP

- 2.1. At least a majority of the Audit Committee must be comprised of independent directors of the Company as defined in sections 1.4 and 1.5 of National Instrument 52-110 – *Audit Committees* ("**NI 52-110**"), provided that should the Company become listed on a senior exchange, each member of the Audit Committee will also satisfy the independence requirements of such exchange.
- 2.2. The Audit Committee will consist of at least two members, all of whom shall be financially literate, provided that an Audit Committee member who is not financially literate may be appointed to the Audit Committee if such member becomes financially literate within a reasonable period of time following his or her appointment. Upon graduating to a more senior stock exchange, if required under the rules or policies of such exchange, the Audit Committee will consist of at least three members, all of whom shall meet the experience and financial literacy requirements of such exchange and of NI 52-110.
- 2.3. The members of the Audit Committee will be appointed annually (and from time to time thereafter to fill vacancies on the Audit Committee) by the Board. An Audit Committee member may be removed or replaced at any time at the discretion of the Board and will cease to be a member of the Audit Committee on ceasing to be an independent director.
- 2.4. The Chair of the Audit Committee will be appointed by the Board.

3. AUTHORITY

- 3.1. In addition to all authority required to carry out the duties and responsibilities included in this charter, the Audit Committee has specific authority to:
 - a) engage, set and pay the compensation for independent counsel and other advisors as it determines necessary to carry out its duties and responsibilities, and any such consultants or professional advisors so retained by the Audit Committee will report directly to the Audit Committee;
 - b) communicate directly with management and any internal auditor, and with the external auditor without management involvement; and
 - c) incur ordinary administrative expenses that are necessary or appropriate in carrying out its duties, which expenses will be paid for by the Company.

4. DUTIES AND RESPONSIBILITIES

- 4.1. The duties and responsibilities of the Audit Committee include:
 - a) recommending to the Board the external auditor to be nominated by the Board;
 - b) recommending to the Board the compensation of the external auditor to be paid by the Company in connection with (i) preparing and issuing the audit report on the Company's financial statements, and (ii) performing other audit, review or attestation services;

- c) reviewing the external auditor's annual audit plan, fee schedule and any related services proposals (including meeting with the external auditor to discuss any deviations from or changes to the original audit plan, as well as to ensure that no management restrictions have been placed on the scope and extent of the audit examinations by the external auditor or the reporting of their findings to the Audit Committee);
- d) overseeing the work of the external auditor;
- e) ensuring that the external auditor is independent by receiving a report annually from the external auditors with respect to their independence, such report to include disclosure of all engagements (and fees related thereto) for non-audit services provided to the Company;
- f) ensuring that the external auditor is in good standing with the Canadian Public Accountability Board by receiving, at least annually, a report by the external auditor on the audit firm's internal quality control processes and procedures, such report to include any material issues raised by the most recent internal quality control review, or peer review, of the firm, or any governmental or professional authorities of the firm within the preceding five years, and any steps taken to deal with such issues;
- g) ensuring that the external auditor meets the rotation requirements for partners and staff assigned to the Company's annual audit by receiving a report annually from the external auditors setting out the status of each professional with respect to the appropriate regulatory rotation requirements and plans to transition new partners and staff onto the audit engagement as various audit team members' rotation periods expire;
- h) reviewing and discussing with management and the external auditor the annual audited and quarterly unaudited financial statements and related Management Discussion and Analysis ("MD&A"), including the appropriateness of the Company's accounting policies, disclosures (including material transactions with related parties), reserves, key estimates and judgements (including changes or variations thereto) and obtaining reasonable assurance that the financial statements are presented fairly in accordance with IFRS and the MD&A is in compliance with appropriate regulatory requirements;
- i) reviewing and discussing with management and the external auditor major issues regarding accounting principles and financial statement presentation including any significant changes in the selection or application of accounting principles to be observed in the preparation of the financial statements of the Company and its subsidiaries;
- j) reviewing and discussing with management and the external auditor the external auditor's written communications to the Audit Committee in accordance with generally accepted auditing standards and other applicable regulatory requirements arising from the annual audit and quarterly review engagements;
- k) reviewing and discussing with management and the external auditor all earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies prior to such information being disclosed;
- l) reviewing the external auditor's report to the shareholders on the Company's annual financial statements;
- m) reporting on and recommending to the Board the approval of the annual financial statements and the external auditor's report on those financial statements, the quarterly unaudited financial statements, and the related MD&A and press releases for such financial statements, prior to the dissemination of these documents to shareholders, regulators, analysts and the public;
- n) satisfying itself on a regular basis through reports from management and related reports, if any, from the external auditors, that adequate procedures are in place for the review of the Company's disclosure of financial information extracted or derived from the Company's financial statements that such information is fairly presented;
- o) overseeing the adequacy of the Company's system of internal accounting controls and obtaining from management and the external auditor summaries and recommendations for improvement of such internal controls and processes, together with reviewing management's remediation of identified weaknesses;
- p) reviewing with management and the external auditors the integrity of disclosure controls and internal controls over financial reporting;
- q) reviewing and monitoring the processes in place to identify and manage the principal risks that could impact the financial reporting of the Company and assessing, as part of its internal controls responsibility, the effectiveness of the over-all process for identifying principal business risks and report thereon to the Board;

- r) satisfying itself that management has developed and implemented a system to ensure that the Company meets its continuous disclosure obligations through the receipt of regular reports from management and the Company's legal advisors on the functioning of the disclosure compliance system, (including any significant instances of non-compliance with such system) in order to satisfy itself that such system may be reasonably relied upon;
 - s) resolving disputes between management and the external auditor regarding financial reporting;
 - t) establishing procedures for: (i) the receipt, retention and treatment of complaints received by the Company from employees and others regarding accounting, internal accounting controls or auditing matters and questionable practises relating thereto; and (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters;
 - u) reviewing and approving the Company's hiring policies with respect to partners or employees (or former partners or employees) of either a former or the present external auditor;
 - v) pre-approving all non-audit services to be provided to the Company or any subsidiaries by the Company's external auditor;
 - w) overseeing compliance with regulatory authority requirements for disclosure of external auditor services and Audit Committee activities;
 - x) establishing procedures for: (i) reviewing the adequacy of the Company's insurance coverage, including the Directors' and Officers' insurance coverage; (ii) reviewing activities, organizational structure, and qualifications of the Chief Financial Officer ("**CFO**") and the staff in the financial reporting area and ensuring that matters related to succession planning within the Company are raised for consideration at the Board; (iii) obtaining reasonable assurance as to the integrity of the Chief Executive Officer ("**CEO**") and other senior management and that the CEO and other senior management strive to create a culture of integrity throughout the Company; (iv) reviewing fraud prevention policies and programs, and monitoring their implementation; (v) reviewing regular reports from management and others (e.g., external auditors, legal counsel) with respect to the Company's compliance with laws and regulations having a material impact on the financial statements including:
 - a. Tax and financial reporting laws and regulations;
 - b. Legal withholding requirements;
 - c. Environmental protection laws and regulations; and
 - d. Other laws and regulations which expose directors to liability.
- 4.2. A regular part of Audit Committee meetings involves the appropriate orientation of new members as well as the continuous education of all members. Items to be discussed include specific business issues as well as new accounting and securities legislation that may impact the organization. The Chair of the Audit Committee will regularly canvass the Audit Committee members for continuous education needs and in conjunction with the Board education program, arrange for such education to be provided to the Audit Committee on a timely basis.
- 4.3. On an annual basis the Audit Committee shall review and assess the adequacy of this charter taking into account all applicable legislative and regulatory requirements as well as any best practice guidelines recommended by regulators or stock exchanges with whom the Company has a reporting relationship and, if appropriate, recommend changes to the Audit Committee charter to the Board for its approval.

5. MEETINGS

- 5.1. The quorum for a meeting of the Audit Committee is a majority of the members of the Audit Committee.
- 5.2. The Chair of the Audit Committee shall be responsible for leadership of the Audit Committee, including scheduling and presiding over meetings, preparing agendas, overseeing the preparation of briefing documents to circulate during the meetings as well as pre-meeting materials, and making regular reports to the Board. The Chair of the Audit Committee will also maintain regular liaison with the CEO, CFO, and the lead external audit partner.
- 5.3. The Audit Committee will meet in camera separately with each of the CEO and the CFO of the Company at least annually to review the financial affairs of the Company.
- 5.4. The Audit Committee will meet with the external auditor of the Company in camera at least once each year, at such

time(s) as it deems appropriate, to review the external auditor's examination and report.

- 5.5. The external auditor must be given reasonable notice of, and has the right to appear before and to be heard at, each meeting of the Audit Committee.
- 5.6. Each of the Chair of the Audit Committee, members of the Audit Committee, Chair of the Board, external auditor, CEO, CFO or secretary shall be entitled to request that the Chair of the Audit Committee call a meeting which shall be held within 48 hours of receipt of such request to consider any matter that such individual believes should be brought to the attention of the Board or the shareholders.

6. REPORTS

- 6.1. The Audit Committee will report, at least annually, to the Board regarding the Audit Committee's examinations and recommendations.
- 6.2. The Audit Committee will report its activities to the Board to be incorporated as a part of the minutes of the Board meeting at which those activities are reported.

7. MINUTES

- 7.1. The Audit Committee will maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board.

8. ANNUAL PERFORMANCE EVALUATION

The Board will conduct an annual performance evaluation of the Audit Committee, taking into account the Charter, to determine the effectiveness of the Audit Committee.