

CUBICFARM SYSTEMS CORP.
(the “Company”)

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS
(“Notice of Meeting”)

NOTICE IS HEREBY GIVEN THAT the annual general meeting of the shareholders (“**Shareholders**”) of the Company (the “**Meeting**”) will be held on January 10, 2025 at 11 a.m. (Pacific Time) virtually via teleconference using the Accutel meeting platform by dialing (+1) 888 886 7786 for the following purposes:

1. To receive the financial statements of the Company for the financial year ended December 31, 2023;
2. To set the number of directors of the Company at four (4);
3. To elect four (4) directors of the Company for the ensuing year;
4. To ratify the appointment of MSLL CPA LLP, Chartered Professional Accountants, as auditor for the Company for the financial year ended December 31, 2023;
5. To re-appoint MSLL CPA LLP, Chartered Professional Accountants, as auditor for the Company for the ensuing financial year, or until their successors are sooner appointed, at a remuneration to be fixed by the Board;
6. To approve, by ordinary resolution, amendments to the Company’s stock option plan, as more particularly described in the Circular; and
7. To transact other business as may properly come before the Meeting.

Accompanying this Notice of Meeting are: (1) an Information Circular, which provides additional information relating to the matters to be dealt with at the Meeting; (2) a form of proxy or voting instruction form (“**VIF**”) (including a financial statement request form for use by Shareholders who wish to receive the Company’s future annual and/or interim financial statements and related management’s discussion and analysis); and (3) a return envelope for use by the Shareholders to send in their proxy or VIF.

Shareholders will not be able to attend the Meeting in person. At the virtual Meeting, registered Shareholders and duly appointed proxyholders, including non-registered Shareholders who have duly appointed themselves or a third-party as proxyholder, regardless of geographic location and equity ownership, will have an equal opportunity to participate, to ask questions, and vote, all in real time, at the Meeting through the Accutel meeting platform by dialing (+1) 888 886 7786. Non-registered Shareholders must carefully follow the procedures set out in the Circular in order to vote virtually and ask questions through the virtual platform. Guests, including non-registered Shareholders who have not duly appointed themselves or a third party as proxyholder, can dial into the Meeting as a guest. Guests may listen to the Meeting but will not be entitled to vote or ask questions during the Meeting.

Shareholders who cannot attend the virtual Meeting may vote by proxy if a registered Shareholder or provide voting instructions if a non-registered Shareholder. If you are a registered Shareholder and are unable to attend the virtual Meeting, please complete, date and sign the accompanying form of proxy and deposit it with Computershare Investor Services Inc., by mail to 8th Floor, 100 University Avenue, Toronto, Ontario, Canada, M5J 2Y1 or hand deliver to 3rd Floor, 510 Burrard Street, Vancouver, British Columbia

at least 48 hours (excluding Saturdays, Sundays and holidays) before the time that the Meeting is to be reconvened after any adjournment of the Meeting.

If you are a non-registered Shareholder and receive these materials through your broker or through another intermediary, please complete and return the materials in accordance with the instructions provided to you by your broker or such other intermediary. If you do not complete and return the materials in accordance with such instructions, you may lose your right to vote at the Meeting, either in person or by proxy.

DATED at Langley, British Columbia, this 13th day of November, 2024.

BY ORDER OF THE BOARD

(signed) Daniel Burns

Daniel Burns
Chairman

**CUBICFARM SYSTEMS CORP.
MANAGEMENT INFORMATION CIRCULAR
DATED AS OF NOVEMBER 13, 2024**

ATTENDING THE VIRTUAL MEETING

This Management Information Circular (the “Circular”) is furnished in connection with the solicitation by management of CubicFarm Systems Corp. (the “Company”) of proxies to be used at the annual general meeting (the “Meeting”) of shareholders of the Company (“Shareholders”) to be held at 11 a.m. (Pacific Time) on January 10, 2025, and at any adjournment thereof, virtually via teleconference using the Accutel meeting platform by dialing (+1) 888 886 7786, for the purposes set forth in the accompanying Notice of Annual General Meeting of Shareholders (the “Notice of Meeting”). While it is expected that the solicitation will be made primarily by mail, proxies may be solicited personally or by telephone by directors, officers and employees of the Company at nominal cost. All costs of this solicitation will be borne by the Company.

No person has been authorized to give any information or make any representation in connection with any 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. The information contained in this Circular is given as of November 13, 2024 unless otherwise indicated.

The record date for the determination of Shareholders entitled to receive notice of and to vote at the Meeting is November 13, 2024 (the “**Record Date**”). Only Shareholders of record as at the Record Date are entitled to receive notice of the Meeting and to vote their common shares (“**Common Shares**”) at the Meeting. Attending the Meeting virtually allows Registered Shareholders (as defined herein) and duly appointed proxyholders, including Beneficial Shareholders (as defined herein) who have duly appointed themselves or a third party as proxyholder, to participate, ask questions, and vote at the Meeting using the Accutel meeting platform by dialing (+1) 888 886 7786. Guests, including Beneficial Shareholders who have not duly appointed themselves or a third party as proxyholder, dial into the virtual Meeting as a guest. Guests may listen to the Meeting but will not be entitled to vote during the Meeting.

How to Access and Vote at the Meeting

Shareholders will be able to participate in the Meeting using a mobile or landline phone.

A Shareholder can vote either at the Meeting or by proxy using its proxy (“**Proxy**”) or voting instruction form (“**VIF**”). Voting at the Meeting will be conducted by Accutel’s star touch feature, (star 1 (*1) for; star 2 (*2) against). Voting instructions will be given at the Meeting.

Even if you currently plan to participate in the virtual Meeting, you should consider voting your Common Shares by Proxy in advance so that your vote will be counted if you later decide not to attend the Meeting or in the event that you are unable to access the Meeting for any reason. If you access and vote on any matter at the Meeting during the teleconference, you will revoke any previously submitted Proxy.

Asking Questions at the Meeting

The Company believes that the ability to participate in the Meeting in a meaningful way, including asking questions, remains important despite the decision to hold the Meeting virtually. Registered Shareholders and duly appointed proxyholders (including Beneficial Shareholders who have duly appointed themselves or a third-party as proxyholder), will have an opportunity to ask questions at the Meeting through the virtual

platform. It is anticipated that Shareholders will have substantially the same opportunity to ask questions on matters of business before the Meeting as if the Meeting was held in person.

At the start of the Q&A session, the Operator will provide instructions on how to queue up, should you wish to ask a question. The participants will be instructed to press star 1 (*1) on their touchtone phone to register. They will hear a three tone prompt to confirm they are in the queue. The Operator will announce each person, one by one and open their line to pose their question.

Difficulties in Accessing the Meeting

Shareholders with questions regarding the virtual meeting or requiring assistance accessing the Meeting may contact Accutel's technical support at customercare@accutel.com or by dialing Accutel customer support at (+1) 877 299 7070 for additional information.

During the Meeting, you must ensure you are connected to the teleconference at all times in order to vote when polling is commenced on the resolutions put before the Meeting. It is your responsibility to ensure teleconference connectivity. If you lose connectivity once the Meeting has commenced, there may be insufficient time to resolve your issue before voting is completed. Therefore, even if you currently plan to access the Meeting and vote during the teleconference, you should consider voting your Common Shares in advance or by proxy so that your vote will be counted in the event you experience any technical difficulties or are otherwise unable to access the Meeting.

APPOINTMENT OF PROXIES AND PROXY VOTING

A Shareholder whose name appears on the Company's records as a Shareholder (a "**Registered Shareholder**") may vote at the virtual Meeting or they may appoint another person, who does not have to be a Shareholder, as their proxy to attend and vote in their place. The persons named in the enclosed form of Proxy are directors and/or officers of the Company.

Each Registered Shareholder submitting a Proxy has the right to appoint a proxyholder other than the persons designated in the form of Proxy furnished by the Company, who need not be a Shareholder, to attend and act for the Registered Shareholder and on the Registered Shareholder's behalf at the Meeting. To exercise such right, the names of the persons designated by management should be crossed out and the name of the Registered Shareholder's appointee should be legibly printed in the blank space provided in the enclosed form of Proxy or by submitting another appropriate form of Proxy.

A Proxy will not be valid unless it is completed, dated and signed and mailed to Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario, Canada M5J 2Y1 or hand delivered to 3rd Floor, 510 Burrard Street, Vancouver, British Columbia, Canada V6C 3B9, at least 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the Meeting, or is delivered to the chair of the Meeting prior to the commencement of the Meeting.

You may also submit your Proxy by using one of the following methods:

- (a) **By phone:** Please refer to the enclosed Proxy for the toll free number, holder's account number and the proxy access number and follow the instructions of the voice response system. You will need your 15 digit control number which is located on your Proxy/VIF. **If you vote by telephone, you cannot appoint anyone other than the directors named on your Proxy as your proxyholder;**

- (b) By internet: Submit your Proxy through the website of the Company's transfer agent at www.investorvote.com and follow the instructions that appear on the screen, referring to the enclosed Proxy for holder's account number and proxy access number. You will need your 15 digit control number which is located on your Proxy/VIF; or
- (c) By facsimile: Complete, date and sign the enclosed Proxy and fax the front and back to 1-866- 249-7775 or 1-416-263-9524 for international residents.

Registered Shareholders may request a copy of the Meeting Materials, information on how to who require assistance submitting submit their votes by proxy to the Company in a manner that would not require the registered shareholder to use the postal service, including any deadline for return of the proxy or voting instructions, , or who wish to request copies of the Meeting Materials or their voting control numbers for voting online at www.investorvote.com, by contacting may contact the Company's transfer agent, Computershare Investor Services Inc., by phone between the hours of 8:30 a.m. and 8:00 p.m. (Toronto time) at 1-800-564-6253 or by email at service@computershare.com.

NON-REGISTERED HOLDERS

Only Registered Shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Certain Shareholders of the Company are "non-registered" shareholders because the Common Shares they own are not registered in their names but are instead registered in the names of a brokerage firm, bank or other intermediary or in the name of a clearing agency. Shareholders who do not hold their Common Shares in their own name (referred to herein as "Beneficial Shareholders") should note that only Registered Shareholders (or duly appointed proxyholders) may complete a Proxy or vote at the virtual Meeting. If Common Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those Common Shares will not be registered in such Shareholder's name on the records of the Company. Such Common Shares will more likely be registered under the name of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of such Common Shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository for Securities Inc., which company 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 (for or against resolutions) at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting Common Shares for the brokers' clients. Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.

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

In accordance with the requirements of NI 54-101, the Company is sending the VIF together with the Notice of Meeting, this Circular and related materials (the "**Meeting Materials**") indirectly through intermediaries to all Beneficial Shareholders. NI 54-101 permits the Company, in its discretion, to obtain a list of its NOBOs from intermediaries and use such list for the purpose of distributing the Meeting Materials directly

to, and seeking voting instructions directly from, such NOBOs. As a result, the Company is entitled to deliver the Meeting Materials to Beneficial Shareholders in two manners: (a) directly to NOBOs and indirectly through intermediaries to OBOs; or (b) indirectly to all Beneficial Shareholders through intermediaries. In accordance with the requirements of NI 54-101, the Company is sending the Meeting Materials indirectly through intermediaries to all Beneficial Shareholders. The Company will pay the permitted fees and costs for intermediaries to forward the Meeting Materials to NOBOs.

Intermediaries are required to forward the Meeting Material to OBOs unless in the case of certain proxy-related materials the OBO has waived the right to receive them. The Company will not pay the permitted fees and costs for intermediaries to forward the Meeting Materials to OBOs. Accordingly, OBOs will not receive the Meeting Materials unless their intermediary assumes the cost of delivery.

The VIFs are to be completed and returned in accordance with the instructions provided. **Beneficial Shareholders should carefully follow the instructions provided, including those regarding when and where to return the completed VIFs. Beneficial Shareholders that wish to change their vote must contact their intermediary to arrange to change their vote in sufficient time in advance of the Meeting.**

Should a Beneficial Shareholder wish to attend and vote at the virtual Meeting, the Beneficial Shareholder must insert their name (or such other person as the Beneficial Shareholder wishes to attend and vote on their behalf) in the blank space provided for that purpose on the VIF and return the completed VIF in line with the instructions provided to the intermediary or its service provider or the Beneficial Shareholder must submit, to their intermediary, any other document in writing that requests that the Beneficial Shareholder or a nominee of the Beneficial Shareholder be appointed as proxyholder. In such circumstances an intermediary who is the registered holder of, or holds a proxy in respect of, securities owned by a Beneficial Shareholder is required under NI 54-101 to arrange, without expense to the Beneficial Shareholder, to appoint the Beneficial Shareholder or a nominee of the Beneficial Shareholder as a proxyholder in respect of those securities. Under NI 54-101, if an intermediary appoints a Beneficial Shareholder or the nominee of the Beneficial Shareholder as a proxyholder as aforesaid, the Beneficial Shareholder or nominee of the Beneficial Shareholder, as applicable, must be given the authority to attend, vote and otherwise act for and on behalf of the intermediary, in respect of all matters that may come before the Meeting and any adjournment or continuance thereof, unless corporate law does not permit the giving of that authority. Pursuant to NI 54-101, an intermediary who appoints a Beneficial Shareholder or its nominee as proxyholder as aforesaid is required under NI 54-101 to deposit the proxy within the timeframe specified above for the deposit of proxies if the intermediary obtains the instructions at least one (1) business day before the termination of that time. **If the Beneficial Shareholder or a nominee of the Beneficial Shareholder is appointed a proxyholder, the appointed proxyholder will need to attend the virtual Meeting in order for their votes to be counted.**

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

REVOCATION OF PROXIES

In addition to revocation in any manner permitted by law, a Proxy may be revoked by an instrument in writing signed by the Shareholder or by the Shareholder's attorney duly authorized in writing or, if the Shareholder is a corporation or association, the instrument in writing should bear the seal of such corporation or association and must be executed by an officer or by an attorney duly authorized in writing, and deposited at the registered office of the Company, Suite 2900 - 550 Burrard Street, Vancouver, British Columbia, V6C 0A3, Attention: Martin Ferreira Pinho, at any time up to and including the last business day preceding the day of the Meeting or any adjournment thereof, or, as to any matter in respect of which

a vote shall not already have been cast pursuant to such Proxy, with the Chairman of the Meeting on the day of the Meeting, or at any adjournment thereof, and upon either of such deposits the Proxy is revoked. **Only Registered Shareholders have the right to revoke a Proxy. Beneficial Shareholders who wish to change their vote must, at least seven (7) days before the Meeting, arrange for their respective intermediaries to revoke the Proxy on their behalf.**

A revocation of a Proxy does not affect any matter on which a vote has been taken prior to the revocation.

VOTING OF PROXIES

All Common Shares represented at the Meeting by properly executed Proxies will be voted or withheld from voting (including the voting on any ballot), in accordance with the instructions specified in the enclosed form of Proxy. **In the absence of any such specification, the form of Proxy confers discretionary authority on the proxyholder with respect to such matter. It is intended that the management designees, if named as proxyholder, will vote in favour of each matter referred to in the form of Proxy and for the nominees of management for directors and for auditor.**

The management designees named in the enclosed form of Proxy are Daniel Burns, Chairman of the board of directors of the Company (the “**Board**”), and Michael Brendan Kyne, CFO and Corporate Secretary of the Company, and each have indicated their willingness to represent as proxyholder the Shareholder who appoints them.

The enclosed form of Proxy, when properly signed, confers discretionary authority upon the persons named therein with respect to amendments or variations of matters identified in the Notice of Meeting and any other matters which may properly be brought before the Meeting. As of the date hereof, management of the Company is not aware of any such amendments to or variations of matters identified in the Notice of Meeting or of other matters to be presented for action at the Meeting. However, if any other matters which are not now known to the management should properly come before the Meeting, then the management designees intend to vote in accordance with the judgment of the management of the Company.

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

Except as disclosed herein, no director or executive officer of the Company, no proposed nominee for election as a director of the Company and no associate or affiliate of the foregoing has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in matters to be acted upon at the Meeting.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The authorized capital of the Company consists of an unlimited number of Common Shares without par value, an unlimited number of class A preferred shares without par value and an unlimited number of class B preferred shares without par value.

On January 19, 2024, the Company completed a consolidation of the Common Shares on the basis of one (1) post-consolidation Common Share for every ten (10) pre-consolidation Common Shares (the “**Consolidation**”). All issued and outstanding convertible securities of the Company were adjusted in accordance with the Consolidation and the terms and conditions of such outstanding grants. As of the Record Date, on a post-Consolidation basis, there are 39,489,571 Common Shares issued and outstanding, each such share carrying the right to one (1) vote at the Meeting.

Each Shareholder of record on November 13, 2024, being the Record Date, is entitled to receive notice of, to attend and to vote at the Meeting.

The Articles of the Company provide that a quorum for the transaction of business at the Meeting is two (2) persons who are, or who represent by proxy, Shareholders who, in the aggregate, hold at least 5% of the issued shares entitled to be voted at the Meeting.

Except where otherwise stated, and other than the election of directors, a simple majority of 50% plus one (1) of the votes cast at the Meeting is required to approve the matters being submitted to a vote of Shareholders at the Meeting.

To the knowledge of the directors and executive officers of the Company, as at November 13, 2024, there are no Shareholders who beneficially own, or control or direct, directly or indirectly, Common Shares carrying 10% or more of the voting rights attached to all outstanding voting securities of the Company entitled to vote at the Meeting.

STATEMENT OF EXECUTIVE COMPENSATION

General

The following information is provided as required under Form 51-102F6V for Venture Issuers, as that term is defined in National Instrument 51-102 – *Continuous Disclosure Obligations*, for the financial year ended December 31, 2023. Information contained in this Statement of Executive Compensation is as of December 31, 2023, unless indicated otherwise.

Oversight and Description of Director and NEO Compensation

The Company does not have a formal compensation program. However, the Board has established a Compensation and Corporate Governance Committee (the “**Compensation Committee**”) with the purpose of assisting the Board in fulfilling its oversight and responsibilities with respect to executive compensation and corporate governance.

The responsibilities and operation of the Compensation Committee are set out in its written charter. The Compensation Committee is generally responsible for, among other things: (a) establishing the Company’s general compensation philosophy and overseeing the development and implementation of compensation programs; (b) reviewing and approving corporate goals and objectives relevant to the compensation of the CEO, evaluating the performance of the CEO in light of those goals and objectives, and making recommendations to the Board regarding the CEO’s compensation level; and (c) making recommendations to the Board regarding incentive and equity-based compensation grants for all other executive officers of the Company after considering recommendations of the CEO.

The Compensation Committee then makes recommendations relating to the compensation of executive officers to the Board. Based on these recommendations, the Board makes decisions concerning the nature and scope of the compensation to be paid to the Company’s executive officers. The Compensation Committee bases its recommendations to the Board on its compensation philosophy and the Compensation Committee’s assessment of corporate and individual performance, recruiting and retention needs.

The Compensation Committee will meet as frequently as necessary, but in no event less than one (1) time annually, to carry out its responsibilities.

As of the date hereof, the members of the Compensation Committee are Michael McCarthy (Chair), George David Cole, and Janet Wood. All members of the Compensation Committee are independent. All members of the Compensation Committee are experienced participants in the business world who have sat on the board of directors of other companies or business associations, in addition to the Board.

The Company has engaged the services of independent compensation consultants Global Governance Advisors (“GGA”). Based on recommendations from GGA and Company management, in August 2022 the Compensation Committee recommended to the Board a director compensation arrangement consisting of annual cash and equity compensation. Due to Company financial constraints, the Board resolved to defer the proposed arrangement until the Company’s cash position improves.

In performing its duties, the Compensation Committee has considered the implications or risks associated with the Company’s compensation policies and practices. At its present early stage of development and considering its present compensation policies, the Company currently has no compensation policies or practices that would encourage an executive officer or other individual to take inappropriate or excessive risks.

The general objectives of the Company’s compensation strategy are to (a) compensate management in a manner that encourages and rewards a high level of performance and outstanding results with a view to increasing long-term shareholder value; (b) align management’s interests with the long-term interests of shareholders; (c) provide a compensation package that enables the Company to attract and retain talent; and (d) ensure that the total compensation package is designed in a manner that takes into account the constraints under which the Company will operate given that it will be a clean-technology company with limited history of earnings.

The Board generally considers three elements of compensation – a base salary for the current financial year, a discretionary cash bonus for the previously completed financial year and a grant of long-term incentive stock options.

Base salary is used to provide executive officers with a set amount of money during the year with the expectation that he or she will perform his or her responsibilities to the best of his or her ability and in the best interests of the Company. The Board determines what the executive officer’s base salary for the upcoming year will be based on the recommendations of the Compensation Committee, overall performance of the Company, the performance of the executive officer and general trends in the industry.

The granting of incentive stock options provides a link between management compensation and the Company’s share price. It also rewards management for achieving results that improve Company performance and thereby increase shareholder value. In making a determination as to whether a grant of long-term incentive stock options is appropriate, and if so, the number of options that should be granted, the Board will consider: (i) the number and terms of outstanding incentive stock options held by the executive officer; (ii) the value in securities of the Company that the Board intends to award as compensation; (iii) the potential dilution to shareholders and the cost to the Company; (iv) general industry standards; and (v) the limits imposed by the terms of the Stock Option Plan (as defined herein) and the TSX-Venture Exchange (the “Exchange”). The Company considers the granting of incentive stock options to be a particularly important element of compensation as it allows the Company to reward the executive officer’s efforts to increase value for shareholders without requiring the Company to use cash from its treasury. The terms and conditions of the Company’s stock option grants, including vesting provisions and exercise prices, are governed by the terms of the Stock Option Plan, which can be viewed on the Company’s SEDAR+ profile at www.sedarplus.ca.

Finally, the Board will consider whether it is appropriate and in the best interests of the Company to award a discretionary cash bonus to the executive officer for the most recently completed financial year and if so, in what amount. A cash bonus may be awarded to reward extraordinary performance that has led to increased value for shareholders through property acquisitions or divestitures, the formation of new strategic or joint venture relationships and/or capital raising efforts. Demonstrations of extraordinary personal commitment to the Company's interests, the community and the industry may also be rewarded through a cash bonus.

The Company has not, as yet, adopted a policy restricting its executive officers and directors from purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted or awarded as compensation or held, directly or indirectly, by executive officers or directors. As of the date hereof, entitlement to grants of incentive stock options under the Company's Stock Option Plan is the only equity security element awarded by the Company to its executive officers and directors.

Other than as described above, there are no other perquisites provided to executive officers.

Director Compensation

Pending Board approval of the most recent Compensation Committee recommendations (see *Oversight and Description of Director and NEO Compensation*), the Company has no standard arrangements pursuant to which directors are compensated by the Company for their services in their capacity as directors except for the granting from time to time of incentive stock options in accordance with the Stock Option Plan and the Exchange. The granting of incentive stock options provides a link between director compensation and the Company's share price. It also rewards directors for achieving results that improve Company performance and thereby increase shareholder value. In making a determination as to whether a grant of long-term incentive stock options is appropriate, and if so, the number of options that should be granted, the Board will consider: (i) the number and terms of outstanding incentive stock options held by each director; the value in securities of the Company that the Board intends to award as compensation; (ii) the potential dilution to shareholders and the cost to the Company; and (iii) general industry standards; and the limits imposed by the terms of the Stock Option Plan and the Exchange. The granting of incentive stock options allows the Company to reward the directors' efforts to increase value for shareholders without requiring the Company to use cash from its treasury. The terms and conditions of the Company's stock option grants, including vesting provisions and exercise prices, are governed by the terms of the Stock Option Plan. The directors may be reimbursed for actual expenses reasonably incurred in connection with the performance of their duties as directors.

Director and NEO Compensation, Excluding Compensation Securities

For the purpose of this disclosure:

“**CEO**” means each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief executive officer, including an individual performing functions similar to a chief executive officer;

“**CFO**” means each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief financial officer, including an individual performing functions similar to a chief financial officer; and

“**Named Executive Officer**” or “**NEO**” means: (a) a CEO; (b) a CFO; (c) the most highly compensated executive officer, including any of the Company’s subsidiaries, other than the CEO and CFO, at the end of the most recently completed financial year and whose total compensation was, individually, more than C\$150,000 as determined in accordance with subsection 1.3(6) of Form 51-102F6 Statement of Executive Compensation, for that financial year; and (d) each individual who would be a NEO under paragraph (c) 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 the most recently completed financial year.

During the year ended December 31, 2023, the Company had six (6) NEOs, namely John Hendrik de Jonge, the Interim CEO of the Company and President of HydroGreen, Inc., a wholly owned subsidiary of the Company, Michael Brendan Kyne, the CFO and Corporate Secretary of the Company, Daniel Burns, a director and the Chairman of the Company, Michael McCarthy, a director of the Company, Janet Wood, a director of the Company, and George David Cole, a director of the Company.

The compensation paid to the NEOs and directors of the Company during the Company’s two most recently completed financial years ended December 31, 2023, and 2022, is as set out below:

Name and Principal Position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
John Hendrik de Jonge ⁽¹⁾ <i>Interim CEO & President, HydroGreen, Inc.</i>	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
Michael Brendan Kyne ⁽²⁾ <i>CFO & Corporate Secretary</i>	2023	\$130,513	\$25,000	Nil	Nil	Nil	\$155,513
	2022	Nil	Nil	Nil	Nil	Nil	Nil
Daniel Burns ⁽³⁾ <i>Chairman & Director</i>	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	\$105,000	Nil	Nil	Nil	Nil	\$105,000
Michael McCarthy <i>Director</i>	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
Janet Wood <i>Director</i>	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
George David Cole <i>Director</i>	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil

(1) John Hendrik de Jonge was appointed Interim CEO effective as of October 24, 2022.

(2) Michael Brendan Kyne was appointed CFO effective as of May 5, 2023, and was appointed Corporate Secretary effective as of December 7, 2023.

- (3) Compensation disclosed herein was paid to Daniel Burns in his capacity as interim CFO during the year ended December 31, 2022.

Stock Options and Other Compensation Securities

The following table sets forth information in respect of all compensation securities granted or issued to each director and NEO by the Company or one of its subsidiaries for services provided or to be provided, directly or indirectly to the Company or its subsidiaries in the Company's most recently completed financial year ended December 31, 2023:

Compensation Securities ⁽¹⁾							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry Date
John Hendrik de Jonge ⁽²⁾ <i>Interim CEO & President, HydroGreen, Inc.</i>	Share Appreciation Rights	11,670 0.04%	Feb 1, 2023	\$0.1	\$0.75	\$0.2	Sep 1, 2028
Daniel Burns ⁽³⁾ <i>Chairman & Director</i>	Share Appreciation Rights	2,127,659 8.08%	Feb 1, 2023	\$0.1	\$0.75	\$0.2	Sep 1, 2028
Michael McCarthy ⁽⁴⁾ <i>Director</i>	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Janet Wood ⁽⁵⁾ <i>Director</i>	Share Appreciation Rights	319,149 1.2%	Feb 1, 2023	\$0.1	\$0.75	\$0.2	Sep 1, 2028
George David Cole ⁽⁶⁾ <i>Director</i>	Share Appreciation Rights	319,149 1.2%	Feb 1, 2023	\$0.1	\$0.75	\$0.2	Sep 1, 2028
Michael Kyne <i>CFO & Corporate Secretary</i>	Nil	Nil	Nil	Nil	Nil	Nil	Nil

- (1) All amounts, percentages and prices, as and where applicable, are provided on a post-Consolidation basis as of December 31, 2023.
- (2) John Hendrik de Jonge may be granted additional share appreciation rights (“**Share Appreciation Rights**”) pursuant to, among other conditions, the satisfaction of certain revenue-based targets. John Hendrik de Jonge also holds 60,000 options, on a post-Consolidation basis, as of December 31, 2023, which are all fully vested.
- (3) As of December 31, 2023, 1,093,405 Share Appreciation Rights granted to Daniel Burns are fully vested. During the year ended December 31, 2023, Daniel Burns received \$455,000 as draw commitments against the Share Appreciation Rights. Daniel Burns also holds 50,000 options, on a post-Consolidation basis, as of December 31, 2023, which are all fully vested.
- (4) Michael McCarthy also holds 38,000 options, on a post-Consolidation basis, as of December 31, 2023, which are all fully vested.

- (5) As of December 31, 2023, 164,010 Share Appreciation Rights granted to Janet Woods are fully vested. Janet Wood also holds 17,500 options, on a post-Consolidation basis, as of December 31, 2023, which are all fully vested.
- (6) As of December 31, 2023, 164,010 Share Appreciation Rights granted to George David Cole are fully vested. George David Cole also holds 17,500 options, on a post-Consolidation basis, as of December 31, 2023, which are all fully vested.

The Share Appreciation Rights are governed by certain agreements between each holder and the Company (the “**SARs Agreements**”). Pursuant to the SARs Agreements, among other things: (1) the Share Appreciation Rights will not be exercisable until September 1, 2023; (2) the Share Appreciation Rights will become eligible for exercise pursuant to, among other conditions, the satisfaction of certain performance-based acceleration conditions; (3) each holder may exercise an eligible Share Appreciation Right by delivering a written notice of exercise to the Company (“**Exercise Notice**”); (4) following the delivery of an Exercise Notice, the applicable holder may not deliver another Exercise Notice for a period of three (3) months; (5) subject to certain exemptions, the maximum amount of Share Appreciation Rights that may be exercised pursuant to an Exercise Notice may not exceed 5% of the total Share Appreciation Rights granted to the applicable holder; (6) the Company will pay each holder who delivers an Exercise Notice the applicable amounts on the date that is thirty (30) days following the receipt of an Exercise Notice; (7) the Share Appreciation Rights may not be transferred without the consent of the Company; and (8) upon completing a take-private transaction, a merger transaction or a sale of HydroGreen Inc. or any other sale requiring shareholder approval, each eligible Share Appreciation Right will be deemed exercised and payable as of the closing date of the transaction. In addition to the foregoing, with respect to the Share Appreciation Rights granted to Daniel Burns: (1) subject to certain conditions, the Company has committed to provide draw commitments to Daniel Burns; (2) upon receipt of a draw request by the Company, the Company will pay the applicable amounts to Daniel Burns within ten (10) business days; and (3) upon receipt of an Exercise Notice from Daniel Burns, the applicable Share Appreciation Rights will first be exercised on a non-cash basis and applied to reduce the amount owing and unpaid under the draw commitments.

Exercise of Compensation Securities by Directors and NEOs

Daniel Burns received \$455,000 as draw commitments against the Share Appreciation Rights. No other director or NEO exercised compensation securities during the Company’s most recently completed financial year ended December 31, 2023.

Stock Option Plans and Other Incentive Plans

On June 18, 2019, the Board adopted a stock option plan (the “**Stock Option Plan**”) which corresponds to the requirements of the Exchange and became effective upon the Company’s listing on the Exchange on July 9, 2019. The Stock Option Plan is a “fixed” ceiling incentive stock option plan, adopted by the Board and dated effective June 18, 2019. At the Meeting, disinterested Shareholders will be asked to consider certain amendments to the Stock Option Plan. For a description of the proposed amendments, see *Particulars of Matters to be Acted Upon - Amendment to Stock Option Plan*.

Under the Stock Option Plan, 16,835,942 stock options to purchase Common Shares were initially reserved for issuance, representing 20% of the Company’s issued and outstanding Common Shares as at the date of the adoption of the Stock Option Plan. At the Company’s 2020 Annual General and Special Meeting held on December 16, 2020 (the “**2020 AGM**”), the Shareholders approved an amendment to the Stock Option Plan increasing the number of Common Shares available for future grants to 23,895,892, representing 20% of the Company’s issued and outstanding Common Shares as of November 12, 2020, the record date for the determination of Shareholders entitled to receive notice of and to vote at the 2020 AGM. At the Company’s Annual General and Special Meeting held on June 17, 2021 (the “**2021 AGM**”), the Shareholders approved an amendment to the Stock Option Plan increasing the number of Common Shares available for future grants to 27,901,098, being 20% of the issued and outstanding Common Shares as of

May 17, 2021, the record date for the determination of Shareholders entitled to receive notice of and to vote at the 2021 AGM. At the Company's Annual General and Special Meeting held on June 16, 2022 (the "2022 AGM"), the Shareholders approved an amendment to the Stock Option Plan increasing the number of Common Shares available for future grants to 35,669,440, being 20% of the issued and outstanding Common Shares as of May 11, 2022, the record date for the determination of Shareholders entitled to receive notice of and to vote at the 2022 AGM. On January 19, 2024, the total number of Common Shares available for future grants under the Stock Option Plan and existing stock options were all reduced by a factor of 10, as a result of the Consolidation, and correspondingly the exercise prices of the existing stock options were all increased by a factor of 10. The terms and conditions of the Company's stock option grants, including vesting provisions and exercise prices, are governed by the terms of the Stock Option Plan, which can be viewed on the Company's SEDAR+ profile at www.sedarplus.ca.

As of the Record Date, the number of Common Shares available for future grants of stock options under the Stock Option Plan, on a post-Consolidation basis, is 2,766,826. If stock options expire or otherwise terminate for any reason without having been exercised, the number of Common Shares in respect of the expired or terminated stock options will again be available for grant.

The Stock Option Plan provides that stock options may be granted to directors, officers, employees and consultants (as defined in National Instrument 45-106) of the Company and any of its affiliates, and to consultant companies. The Stock Option Plan provides that it is solely within the discretion of the Board to determine who should receive stock options and in what amounts. The Board may issue a majority of the options to insiders of the Company. However, in no case shall:

- (a) the number of options awarded in a twelve-month period to any one consultant exceed 2% of the issued shares of the Company (calculated at the time of award);
- (b) the number of options awarded in a one-year period to any one individual exceed 5% of the outstanding shares of the Company (calculated at the time of award), unless disinterested shareholder approval has been obtained;
- (c) the aggregate number of options awarded in a one-year period to employees undertaking investor relations activities exceed 2% of the issued shares of the Company (calculated at the time of award);
- (d) the aggregate number of options awarded to insiders under the Stock Option Plan and any previously established and outstanding stock option plans or grants in a twelve-month period exceed 10% of the issued shares of the Company (calculated at the time of award), unless disinterested shareholder approval has been obtained; or
- (e) the aggregate number of common shares reserved for issuance to insiders upon the exercise of options awarded under the Stock Option Plan and any previously established and outstanding stock option plans or grants, exceed 10% of the issued shares of the Company (calculated at the time of award), unless disinterested shareholder approval has been obtained.

The Stock Option Plan may be terminated by the Board at any time, but such termination will not alter the terms or conditions of any option awarded prior to the date of such termination. Any stock option outstanding when the Stock Option Plan is terminated will remain in effect until it is exercised or expires or is otherwise terminated in accordance with the provisions of the Stock Option Plan.

The Stock Option Plan provides that other terms and conditions may be attached to a particular stock option, such terms and conditions to be referred to in a schedule attached to the option certificate. The Board, subject to the policies of the Exchange, may determine and impose terms upon which options will become vested and exercisable.

Options granted under the Stock Option Plan will be for a term not to exceed ten (10) years from the date of their grant. In the event an option holder ceases to be a consultant or employee of the Company (other than by reason of death or disability), vested options will expire on the earlier of the expiry date stated in the option certificate (the “**Fixed Expiry Date**”) and the last day of such reasonable period of time of up to one (1) year (the “**Expiry Period**”) following the date of termination that is determined by the Board. In the event an option holder ceases to be a director or officer of the Company (other than by reason of death or disability), vested options will expire on the earlier of the Fixed Expiry Date and the last day of the Expiry Period following the date the option holder ceases to be a director or officer of the Company. Notwithstanding the foregoing, vested options will expire immediately in the event an option holder ceases to be a director or officer of the Company as a result of ceasing to meet the qualifications under the *Business Corporations Act* (British Columbia) (“**BCBCA**”) or an order being made by a regulatory authority. Vested options will also expire immediately in the event an option holder ceases to be an employee or consultant as a result of termination for cause or as a result of an order made by a regulatory authority. In the event of the death or disability of an option holder, vested options will expire one year following the death or disability of the option holder.

The price at which an option holder may purchase a Common Share upon the exercise of a stock option will be as set forth in the option certificate issued in respect of such option and in any event will not be less than the discounted market price of the Common Shares as of the date of the grant of the stock option (the “**Award Date**”). The market price of the Common Shares for a particular Award Date would be the closing trading price of the Common Shares on the last trading day immediately preceding the Award Date, or otherwise in accordance with the terms of the Stock Option Plan.

In no case will a stock option be exercisable at a price less than the minimum prescribed by each of the organized trading facilities or the applicable regulatory authorities that would apply to the award of the stock option in question.

Stock options will be non-assignable except that they will be exercisable by the personal representative of the option holder in the event of the option holder’s death or incapacity.

Shareholders may view the Stock Option Plan in advance of the Meeting at the Company’s registered office located at Suite 2900 - 550 Burrard Street, Vancouver, British Columbia, V6C 0A3.

The Company does not have any equity incentive plans other than the Stock Option Plan.

Employment, Consulting and Management Agreements

The Company had employment agreements with Carlos Yam and Michael Kyne (each, an “**Employee NEO**”) during the year ended December 31, 2023. The Employee NEO’s employment agreements include standard provisions regarding, among other things, base salary, benefits, confidentiality, non-solicitation, non-competition and ownership of intellectual property rights.

Carlos Yam submitted his resignation from his employment with the Company on May 5, 2023 and was required to provide the Company with thirty (30) days’ written notice prior to his resignation. No other Employee NEO agreement was terminated during the year ended December 31, 2023 and subsequently.

Michael Kyne may resign from his employment with the Company by providing two (2) weeks written notice. The Company may terminate the agreement with Michael Kyne for cause at any time without any notice, payment in lieu of notice or severance compensation. The Company may terminate the agreement with Michael Kyne without cause by providing notice of termination or, in the Company’s sole discretion, payment in lieu of notice, or a combination thereof, in an amount limited to the minimum required by the *Employment Standards Act*, R.S.B.C. 1996, c. 113, as amended from time to time. Upon termination of employment, for any reason, the Company will pay Michael Kyne all wages owing up to and including the last day of employment.

Following a change in control, all stock options or incentive securities granted to a NEO or director shall be dealt with in accordance with the terms of the Stock Option Plan, however, all stock options or incentive securities granted to a NEO or director, but not yet vested, shall vest immediately.

“Change in control” shall mean the occurrence of any one (1) or more of the following events:

- a) a business combination in which the Company is not the surviving, corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity;
- b) the Common Shares being converted into securities of another entity or exchanged for other consideration; or
- c) an offer for fifty percent or more of shares being made by a third party that constitutes a take-over bid as that term is defined in Multilateral Instrument 62-104 of the Canadian Securities Administrators (“MI 62-104”) or would constitute a take-over bid as that term is defined in the MI 62-104 but for the fact that the offeree is not in British Columbia.

Pension Plan Benefits

The Company does not currently have a pension plan in place, and the Company does not provide a pension to any director or NEO.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The follow table shows, as of December 31, 2023, aggregated information for the Company’s compensation plans under which equity securities of the Company are authorized for issuance from treasury. As of December 31, 2023, on a post-Consolidation basis, the Company had 26,316,381 Common Shares issued and outstanding.

Plan Category		Number of Common Shares to be issued upon the exercise of outstanding options, warrants and rights (#)⁽¹⁾	Weighted-average exercise price of outstanding options, warrants and rights (\$)⁽¹⁾	Number of Common Shares remaining available for future issuance under equity compensation plans (excluding shares issuance under outstanding options, warrants and rights)⁽¹⁾
Equity compensation plans approved by securityholders	Stock Option Plan ⁽²⁾	800,118	\$0.7	2,766,826
Equity compensation plans not approved by securityholders	-	-	-	-

Total		800,118	\$0.7	2,766,826
-------	--	---------	-------	-----------

- (1) All amounts and prices, as and where applicable, are provided on a post-Consolidation basis as of December 31, 2023.
- (2) All of the Common Shares covered by exercised, expired, cancelled or forfeited awards shall become available for grants of further awards under the Stock Option Plan. See *Stock Option Plans and Other Incentive Plans* for a description of the material features of the Stock Option Plan.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No person who is, or who was at any time during the fiscal year ended December 31, 2023, a director, executive officer or senior officer of the Company or a subsidiary thereof, and no person who is a nominee for election as a director of the Company, and no associate of such persons, is, or was at any time since the beginning of the fiscal year ended December 31, 2023, indebted to the Company or a subsidiary thereof, nor has any such person been indebted at any time since the beginning of the fiscal year ended December 31, 2023, to any other entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or a subsidiary thereof.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

None of the persons who were directors or executive officers of the Company or a subsidiary of the Company at any time during the Company's last three most recently completed financial years or during the current financial year, no person or company who beneficially owns, directly or indirectly, or who exercises control or direction over (or a combination of both) more than 10% of the issued and outstanding Common Shares of the Company, any proposed director of the Company, nor any associate or affiliate of those persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries.

APPOINTMENT OF AUDITOR

Effective as of May 18, 2023, KMPG LLP resigned as auditor for the Company. The resignation was considered and approved by the Audit Committee of the Company.

Following a conventional process to appoint a replacement audit firm to fill the vacancy, the Company appointed MSL CPA LLP, Chartered Professional Accountants ("MSL"), as the auditor for the Company effective as of April 15, 2024. At the Meeting, the Shareholders will be asked to: (i) approve and ratify the appointment of MSL as auditor for the Company for the financial year ended December 31, 2023 and (ii) re-appoint MSL as auditor for the Company until the next annual meeting of Shareholders, or until their successors are sooner appointed, at a remuneration to be fixed by the Board.

There have been no reportable disagreements between the Company and KMPG LLP and no qualified opinions or denials of opinions by KMPG LLP for the purposes of National Instrument 51-102. A copy of the Company's Reporting Package with respect to the appointment of MSL (including the Notice of Change of Auditor, a letter from KMPG LLP and a letter from MSL) is attached as Schedule "A" to this Circular.

The foregoing resolution must be approved by a simple majority of the votes cast at the Meeting by the Shareholders voting in person or by proxy. **Unless otherwise directed, the management designees named in the enclosed form of Proxy intend to vote in favour of ratifying the appointment of MSL as auditor for the Company for the financial year ended December 31, 2023 and re-appointing MSL**

as auditor for the Company until the next annual meeting of Shareholders, or until their successors are sooner appointed, at a remuneration to be fixed by the Board.

MANAGEMENT CONTRACTS

There are no management functions of the Company which are to any substantial degree performed by a person or company other than the directors or executive officers of the Company.

CORPORATE GOVERNANCE

The following disclosure relates to the Company's Corporate Governance Practices as required under National Instrument 58-101 - *Disclosure of Corporate Governance Practices*.

Board of Directors

The Board currently consists of a total of four (4) directors, all of whom are independent.

An "independent" director is a director who has no direct or indirect "material relationship" with the Company. A "material relationship" means a relationship which could, in the view of the Company's Board, reasonably interfere with the exercise of a member's independent judgment. Section 1.4 of National Instrument 52-110 – *Audit Committees* ("NI 52-110") contains further clarification of the meaning of "independence" and what constitutes a "material relationship".

Directorships

No director of the Company is presently a director of any other reporting issuers.

Orientation and Continuing Education

The Company does not have a formal process of orientation for new Board members. However, it does orient and educate new Board members by providing background information, conducting personal meetings and demonstrations and responding to questions during the early stages of a new Board member's involvement with the Company.

The Company does not have a formal process of continuing education for directors. Board and Committee meetings are generally held at the Company's offices in Langley, B.C. and Board and Committee members are updated on an ongoing basis with respect to new innovations. As needed, the Company's legal counsel is invited to attend Board and Committee meetings to provide advice concerning securities regulatory policy and related corporate matters. Other professional advisors may be invited to attend Board meetings, as needed. The Company also relies on the relatively straightforward nature of its business, and the established qualifications and expertise of its Board members.

Ethical Business Conduct

The Board has not adopted a written code for the Company's directors, officers and employees with respect to ethical business conduct. To the greatest extent possible, the Company attempts to attract and retain individuals with a well-developed personal code of ethical conduct in both their business and personal lives.

In considering a transaction in which a director has a material interest, the director is required to disclose the nature and extent of his interest to the Board and to abstain from voting on any resolution pertaining to the transaction.

Nomination of Directors

The Compensation Committee is responsible for, among other things, recommending qualified candidates to the Board and recommending nominees for election as directors by Shareholders at the Shareholders' annual general meeting. The current members of the Compensation Committee are Michael McCarthy (Chair), George David Cole, and Janet Wood, all of whom are independent.

In making its recommendation, the Compensation Committee will consider: (i) the competencies and skills that the Board considers to be necessary for the Board, as a whole, to possess; (ii) the competencies and skills that the Board considers each existing director to possess; (iii) the competencies and skills each new nominee should bring to the Board; and (iv) diversity in the composition of the Board.

The Compensation Committee will meet as frequently as necessary, but in no event less than one time annually, to carry out its responsibilities.

Potential candidates recommended for appointment are considered by the Board as a whole, in reliance on the recommendations, qualifications and experience of its members. The Board recognizes that, in accordance with good corporate governance practices, it is desirable to appoint members who are independent, and gives weight to this consideration.

Compensation

The general objective of the Company's compensation is to: (i) compensate management in a manner that encourages and rewards a high level of performance and outstanding results with a view to increasing long-term shareholder value; (ii) align management's interests with the long-term interests of shareholders; and (iii) ensure that the total compensation package is designed in a manner that takes into account the constraints under which the Company will operate given that it will be a clean-technology company with limited history of earnings.

The Company has no formal compensation program in place. However, the Board has a Compensation Committee with the purpose of assisting the Board in fulfilling its oversight and responsibilities with respect to director and executive compensation.

The responsibilities and operation of the Compensation Committee are set out in its written charter. As of the Record Date, the Compensation Committee is generally responsible for, among other things: (i) establishing the Company's general compensation philosophy and overseeing the development and implementation of compensation programs; (ii) reviewing and approving corporate goals and objectives relevant to the compensation of the CEO, evaluating the performance of the CEO in light of those goals and objectives, and making recommendations to the Board regarding the CEO's compensation level; (iii) making recommendations to the Board regarding incentive and equity-based compensation grants for all other executive officers of the Company after considering recommendations of the CEO; and (iv) the compensation structure for non-management directors.

The Compensation Committee then makes recommendations relating to the compensation of executive officers to the Board. Based on these recommendations, the Board makes decisions concerning the nature and scope of the compensation to be paid to the Company's executive officers. The Compensation Committee bases its recommendations to the Board on its compensation philosophy and the Compensation Committee's assessment of corporate and individual performance, recruiting and retention needs.

The Compensation Committee will meet as frequently as necessary, but in no event less than one time annually, to carry out its responsibilities.

The current members of the Compensation Committee are Michael McCarthy (Chair), George David Cole, and Janet Wood, all of whom are independent. All members of the Compensation Committee are experienced participants in the business world who have sat on the board of directors of other companies or business associations, in addition to the Board.

The Company has engaged the services of independent compensation consultants Global Governance Advisors (“GGA”). Based on recommendations from GGA and Company management, in August 2022 the Compensation Committee recommended to the Board a director compensation arrangement consisting of annual cash and equity compensation. Due to Company financial constraints, the Board resolved to defer the proposed arrangement until the Company’s cash position improves.

In performing its duties, the Compensation Committee has considered the implications or risks associated with the Company’s compensation policies and practices. At its present early stage of development and considering its present compensation policies, the Company currently has no compensation policies or practices that would encourage an executive officer or other individual to take inappropriate or excessive risks.

Other Board Committees

In September 2022, the Company announced the appointment of a special committee of the Board (the “**Special Committee**”) to review, consider and evaluate any potential transactions and any strategic alternatives available to the Company, including significant changes in the direction of the Company and its reorganization and restructuring.

Other than the Audit Committee, Compensation Committee and Special Committee, the Board currently has no other committees.

Assessments

The Board has no specific procedures for regularly assessing the effectiveness and contribution of the Board, its committees or individual directors. As the business of the Company is relatively straightforward and its Board relatively small, it is expected that a significant lack of performance on the part of a committee or individual director would become readily apparent and could be dealt with on a case-by-case basis. With respect to the Board as a whole, the Board monitors its performance on an ongoing basis, and as part of that process considers the overall performance of the Company and input from its Shareholders.

AUDIT COMMITTEE DISCLOSURE

The Audit Committee’s Charter

The Charter of the Company’s Audit Committee is attached to this Circular as Schedule “B”.

Composition of the Audit Committee

The Company’s Audit Committee is comprised of three (3) directors: George David Cole, Michael McCarthy, and Daniel Burns, all of whom are independent (as defined in NI 52-110).

All Audit Committee members are “financially literate,” as defined in NI 52-110, as all have the industry experience necessary to understand and analyze financial statements of the Company, as well as the understanding of internal controls and procedures necessary for financial reporting.

The Audit Committee is responsible for the review of both interim and annual financial statements for the Company. For the purposes of performing their duties, the members of the Audit Committee have the right at all times, to inspect all the books and financial records of the Company and any subsidiaries and to discuss with management and the external auditor of the Company any accounts, records and matters relating to the financial statements of the Company. The Audit Committee members meet periodically with management and quarterly with the external auditor.

Relevant Experience and Experience of Members of the Audit Committee

Every member in the Audit Committee has sufficient education and experience to perform its responsibilities in relation to the Audit Committee, including:

- Understanding the accounting principles used by the Company to prepare its financial statements;
- Having the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and provisions;
- 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 one or more individuals engaged in such activities; and
- An understanding of internal controls and procedures for financial reporting.

The relevant education and/or experience of each member of the Audit Committee is as follows:

- Daniel Burns (Independent Director, Audit Committee Chair) is a lawyer, accountant, and entrepreneur. He is the CEO of NDC Solutions Inc, a software development company that has developed alternative booking solutions for major airlines. He was the first ICD certified director British Columbia and is an experienced corporate director with regulated and public companies. Burns has a Master of Business Administration from the Rotman School of Management, University of Toronto and a Global Executive Master of Business Administration from the University of St. Gallen, Switzerland.
- Michael McCarthy (Independent Director) held a senior executive role at TELUS (one of Canada's largest corporations) for 9 years (2010 - 2019). His responsibilities included managing P&L, bid management, competition law compliance, financial accounting, and regulatory compliance. McCarthy has a B.Sc. in Computer Science / Mathematics from McMaster University.
- George David Cole (Independent Director) is a senior financial executive with nearly 40 years of corporate experience in a broad range of global markets and economies. Cole is the Vice Chairman of the Enterprise Strategic Client Group at Royal Bank of Canada, Canada's largest bank, with extensive expertise in strategic business growth, capital markets and financial products. He is a member of the Institute of Corporate Directors and a member of multiple boards. Cole has a Master of Business Administration from Kellogg School of Management, Northwestern University.

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

Reliance on Certain Exemptions

Since the commencement of the most recently completed financial year, the Company has not relied on the exemptions contained in sections 2.4, 6.1.1(4), 6.1.1(5), 6.1.1(6) or Part 8 of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as set out in the Audit Committee Charter of the Company.

External Auditor Service Fees (By Category)

The aggregate fees billed by the Company's external auditor⁽¹⁾ in each of the last two (2) fiscal years for audit fees are as follows:

Financial Year Ending	Audit Fees	Audit-Related Fees ⁽²⁾	Tax Fees ⁽³⁾	All Other Fees ⁽⁴⁾
December 31, 2023	\$206,998	Nil	Nil	Nil
December 31, 2022	\$276,508	\$109,140	\$44,619	\$80,384

(1) KPMG LLP resigned as the Company's external auditor effective as of May 18, 2023.

(2) Audit-Related Fees consist of quarterly reviews, financial, accounting and income tax matters for quarterly reviews. In the year ended December 31, 2023, the Company filed unaudited quarterly results.

(3) Tax Fees consist of the preparation of tax returns, tax compliance, tax advice and tax planning. In the year ended December 31, 2023, the Company's auditor MSL LLP was not involved in tax filings.

(4) All Other Fees consist of any fees that do not fall under the above categories.

PARTICULARS OF ANNUAL MATTERS TO BE ACTED ON

Appointment and Remuneration of Auditor

The Audit Committee of the Company recommends that the Shareholders: (i) approve and ratify the appointment of MSLL as auditor for the Company for the financial year ended December 31, 2023 and (ii) re-appoint MSLL as auditor for the Company until the next annual meeting of Shareholders, or until their successors are sooner appointed, at a remuneration to be fixed by the Board. MSLL was first appointed as auditor of the Company effective as of April 15, 2024.

Amendment to Stock Option Plan

The Company's Stock Option Plan is a "fixed" ceiling incentive stock option plan approved by the Board on June 18, 2019 prior to the Company's listing on the Exchange. As at the date of the adoption of the Stock Option Plan, 16,835,942 Common Shares were initially reserved for issuance upon the exercise of options. This number represented 20% of the issued and outstanding Common Shares of the Company that were outstanding as at June 18, 2019. At the 2020 AGM, the Shareholders approved an amendment to the Stock Option Plan increasing the number of Common Shares available for future grant to 23,895,892, representing 20% of the Company's issued and outstanding Common Shares as at November 12, 2020, the record date for the determination of Shareholders entitled to receive notice of and to vote at the 2020 AGM. At the 2021 AGM the Shareholders approved an amendment to the Stock Option Plan increasing the number of Common Shares available for future grant to 27,901,098, being 20% of the issued and outstanding Common Shares as of May 17, 2021, the record date for the determination of Shareholders entitled to receive notice of and to vote at the 2021 AGM. At the 2022 AGM, the Shareholders approved an amendment to the Stock Option Plan increasing the number of Common Shares available for future grants to 35,669,440, being 20%

of the issued and outstanding Common Shares as of May 11, 2022, the record date for the determination of Shareholders entitled to receive notice of and to vote at the 2022 AGM.

On January 19, 2024, the total number of Common Shares available for future grants under the Stock Option Plan and existing stock options were all reduced by a factor of 10, as a result of the Consolidation, and correspondingly the exercise prices of the existing stock options were all increased by a factor of 10.

As of the Record Date, the number of Common Shares available for future grants of stock options under the Stock Option Plan, on a post-Consolidation basis, is 2,766,826.

The Board has determined that it is in the best interest of the Company to increase the number of Common Shares available for grant under the Stock Option Plan as it would allow the Company to grant options to new and existing directors, officers, employees and consultants of the Company thereby encouraging longer term commitment and performance consistent with shareholder expectations.

In addition, the Board has determined that it is in the best interests of the Company to make certain amendments to the terms and conditions of the Stock Option Plan to comply with the policies of the Exchange, including amendments to:

- (i) revise the definition of Management Company Employee;
- (ii) revise section 6(f)(iv)(D) to require disinterested shareholder approval for extensions to the term of an Option;
- (iii) revise section 6(f)(v) to include officers of the Company;
- (iv) revise section 6(f)(vi) to require that the Company issue a news release for any grants of Options to officers of the Company retained to provide Investor Relations Activities and for any amendments to grants of Options to persons retained to provide Investor Relations Activities;
- (v) revise section 6(f)(vii) to update the legend requirements for Options and Option Shares;
- (vi) revise section 8(a) to require the prior approval of the Exchange for the changes referenced therein;
- (vii) revise section 10 to add language ensuring that the provision does not supersede the requirements of the policies of the Exchange; and
- (viii) revise section 13 to require the prior approval of the Exchange for amendments to the Stock Option Plan or Options.

The Board believes that these amendments will better allow the Company to continue adequately carrying out its compensation program to attract, retain, motivate and reward qualified key personnel, and use options as a cost-effective incentive to align the interests of key personnel with those of Shareholders, as well as clarify and align the terms and conditions of the Stock Option Plan with current best governance and market practices for security-based compensation arrangements.

Therefore, the Board is seeking approval for (1) an amendment to the Stock Option Plan to increase the number of shares reserved for issuance from 3,566,944 Common Shares to 7,897,914 Common Shares,

representing 20% of the Company's issued and outstanding shares as of the Record Date, and (2) certain amendments to the terms and conditions of the Stock Option Plan (as amended, the "**Amended Plan**"), as presented in its final form and attached as Schedule "C" hereto (collectively, the "**Proposed Amendments**"). Subsequent to the Proposed Amendments, there will be an additional 4,330,970 Common Shares available for future grants of stock options under the Stock Option Plan.

A blackline comparison between the Stock Option Plan and the Amended Plan is attached to this Circular as Schedule "D".

In accordance with the policies of the Exchange, approval of the Proposed Amendments and the Amended Plan is subject to disinterested shareholder approval at the Meeting, being the approval of a majority of the votes cast by Shareholders at the Meeting excluding "Insiders" to whom options may be granted and any "Associates" and "Affiliates" thereof (as such terms are defined in the policies of the Exchange). As of the Record Date, "Insiders" and "Associates" and "Affiliates" thereof that are prohibited from voting on the resolution in respect of the Amended Plan hold an aggregate of 918,070 Common Shares, representing 2.32% of the issued and outstanding Common Shares of the Company, which shares will be excluded for the purposes of determining whether the Amended Plan is approved.

Shareholder Approval

At the Meeting, disinterested Shareholders will be asked to approve the following resolution:

"WHEREAS:

- A. the Company has a stock option plan (the "**Plan**") for directors, officers, employees and consultants which reserves for the grant of stock options under the Plan up to a maximum of 20% of the Company's issued and outstanding shares from time to time;
- B. the Company wishes to increase the number of common shares available for purchase upon the exercise of stock options under the Plan from 3,566,944 common shares to 7,897,914 common shares (the "**Proposed Increase**"); and
- C. the Board of Directors has determined it is in the best interests of the Company to make certain amendments to the Plan (as amended, the "**Amended Plan**"), as described in the Company's Management Information Circular dated November 13, 2024 and as presented in its final form in Schedule "C" thereto.

BE IT RESOLVED THAT:

- 1. the Amended Plan be and is hereby approved;
- 2. the Proposed Increase be and is hereby approved, and the Amended Plan be amended accordingly;
- 3. the Board of Directors, by resolution, be authorized to make such amendments to the Amended Plan, from time to time, as may, in its discretion, be considered appropriate, provided always that such amendments be subject to the approval of all applicable regulatory authorities;
- 4. the directors of the Company be authorized to revoke the ordinary resolution approving the Amended Plan and/or the Proposed Increase before it is acted on without further approval of the shareholders; and

5. any one or more of the directors or officers of the Company be authorized and directed to perform all such acts, deeds and things and execute, under the seal of the Company, or otherwise, all such documents and other writings, including treasury orders, as may be required to give effect to the true intent of these resolutions.”

Number of Directors

At the Meeting, the Shareholders of the Company will be asked to set the number of directors of the Company at four (4) for the ensuing year, subject to any later increases permitted by the Company’s Articles or the BCBCA.

Election of Directors

Except as disclosed herein, no class of Shareholders has the right to elect a specified number of directors or to cumulate their votes with respect to the election of directors.

The term of office of each of the present directors expires at the Meeting. The persons named below will be presented for election at the Meeting as the Management’s nominees. Management does not contemplate that any of these nominees will be unable to serve as a director. Each director elected will hold office until the next annual meeting of the Company or until his or her successor is elected or appointed, unless his or her office is earlier vacated in accordance with the Articles of the Company or under the provisions of the BCBCA.

Name, Province/State, Country of Residence and Present Position with the Company	Date Became Director	Number of Common Shares Beneficially Owned or Controlled or Directed, Directly or Indirectly	Principal Occupation for past Five Years
Janet Wood ⁽²⁾ British Columbia, Canada <i>Director</i>	May 13, 2021	6,250 Common Shares (0.01% of Common Shares)	Corporate Director Interim President and CEO of Science World British Columbia from 2019 to 2020 HR Leader, Office of the CEO at SAP from 2017 to 2019 and Global Head, Talent and Leadership at SAP from 2013 to 2017
Michael McCarthy ⁽¹⁾⁽²⁾ British Columbia, Canada <i>Director</i>	December 19, 2018	80,000 Common Shares (0.2% of Common Shares)	Principal Consultant at McCarthy Pacific Consulting Group since January 2023 Senior Vice President Customer Relations at Finning from October 2020 to January 2023 Vice President Business Solutions at Telus from 2011 to 2019

Daniel Burns ⁽¹⁾ British Columbia, Canada <i>Director & Chairman</i>	May 7, 2019	28,900 Common Shares (0.07% of Common Shares)	Corporate Director
George David Cole ⁽¹⁾⁽²⁾ Ontario, Canada <i>Director</i>	January 11, 2022	24,000 Common Shares (0.06% of Common Shares)	Vice Chairman, Enterprise Strategic Client Group at RBC

(1) Members of the Audit Committee.

(2) Members of the Compensation Committee.

Corporate Cease Trade Orders or Bankruptcies

On April 3, 2023, in accordance with National Policy 12-203 *Management Cease Trade Orders*, the Company announced that it was granted a management cease-trade order (the “**MCTO**”) from the British Columbia Securities Commission (the “**BCSC**”) with respect to the Company’s annual financial statements for the year ended December 31, 2022, management discussion and analysis, and related documents (collectively, the “**Annual Documents**”). The MCTO prohibited the CEO and the CFO from trading in securities of the Company until it filed the Annual Documents and the BCSC revoked the MCTO. The issuance of the MCTO did not affect the ability of persons other than the CEO and CFO to trade in the Company’s securities. On May 2, 2023, the Company filed the Annual Documents and the MCTO was revoked by the BCSC on May 4, 2023.

On July 15, 2024, in accordance with Multilateral Instrument 11-103 *Failure-To-File Cease Trade Orders In Multiple Jurisdictions*, the Company announced that it was issued a failure-to-file cease trade order (the “**FFCTO**”) from the BCSC with respect to the Company’s annual audited financial statements for the fiscal year ended December 31, 2023, the related management’s discussion and analysis and annual information form for the fiscal year ended December 31, 2023 and related filings (the “**Required Annual Filings**”), as well as the Company’s interim financial statements for the three-month period ended March 31, 2024, the related management’s discussion and analysis for the three-month period ended March 31, 2024, and related filings (the “**Required Q1 Filings**”) and the Company’s interim financial statements for the three-month period ended June 30, 2024, the related management’s discussion and analysis for the three-month period ended June 30, 2024, and related filings (the “**Required Q2 Filings**”). The FFCTO prohibited the trading in or purchasing of any securities of the Company by any person or company in Canada, except in accordance with certain conditions, for as long as the FFCTO order remains in effect. The Company filed the Required Annual Filings on October 2, 2024, the Required Q1 Filings on October 17, 2024 and the Required Q2 Filings on October 29, 2025. The Company has applied to the BCSC for a full revocation of the FFCTO, however as of the date of this Circular, the FFCTO is still in effect.

To the best of the knowledge of the Company and its management, except as disclosed herein, no proposed director of the Company:

- (a) is, as of the date of this Circular, or has been, within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that:
 - (i) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for more than 30 days (an “**Order**”) that was issued while the proposed director was acting in the capacity of director, chief executive officer or chief financial officer; or

- (ii) was subject to an Order that was issued after the proposed director, chief executive officer or chief financial officer 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 of director, chief executive officer or chief financial officer; or
- (b) is, at the date of this Circular, or has been within 10 years before the date of the Circular, 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; or
- (c) has, within 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Notwithstanding subsection (a), Daniel Burns became the sole independent director of Rubicon Minerals Corporation (“**Rubicon**”) in August of 2016 after the resignation of the previous board to assist with the restructuring and refinancing of Rubicon. Rubicon entered the CCAA in October 2016 and emerged from CCAA proceedings on December 20, 2016 after a successful implementation of the restructuring transaction. Daniel Burns had no previous involvement with Rubicon prior to his appointment.

Penalties or Sanctions

To the knowledge of the Company, except as disclosed herein, none of the proposed directors (or any of their personal holding companies) has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

ADDITIONAL INFORMATION

Additional information regarding the Company and its business activities is available under the Company’s SEDAR+ profile at www.sedarplus.ca. The Company’s financial information is provided in the Company’s audited comparative financial statements and related management discussion and analysis for its most recently completed financial year and may be viewed on the SEDAR+ website.

Shareholders of the Company may request copies of the Company’s financial statements and related management discussion and analysis by contacting the Company by telephone at 605.800.1539 or by email at michael.kyne@CubicFarms.com. The Company may require payment of a reasonable charge from any person or company who is not a securityholder of the Company, who requests a copy of any such document.

APPROVAL BY THE BOARD OF DIRECTORS

The contents of this Circular have been approved and the delivery of it to each Shareholder, director and auditor of the Company entitled thereto and to the appropriate regulatory agencies has been authorized by the Board of the Company.

DATED at Langley, British Columbia, this 13th day of November, 2024.

BY ORDER OF THE BOARD

(signed) Daniel Burns

Daniel Burns
Chairman

SCHEDULE "A"

CHANGE OF AUDITOR REPORTING PACKAGE

(See attached.)

TO: British Columbia Securities Commission
Alberta Securities Commission
Financial and Consumer Affairs Authority of Saskatchewan
The Manitoba Securities Commission
Ontario Securities Commission
New Brunswick Financial and Consumer Services Commission
Nova Scotia Securities Commission
Office of the Superintendent of Securities, Prince Edward Island
Office of the Superintendent of Securities, Service Newfoundland and Labrador

AND TO: MSLL CPA LLP (“**MSLL**”)
KPMG LLP, Chartered Professional Accountants (“**KPMG**”)

RE: Notice of Change of Auditor – CubicFarm Systems Corp.

In accordance with section 4.11 of National Instrument 51 – 102 – *Continuous Disclosure Obligations* (“**NI 51-102**”), CubicFarm Systems Corp. (the “**Company**”) reports that:

Former Auditor

1. On May 28, 2023, KPMG resigned as the auditor of the Company.
2. The Audit Committee (the “**Audit Committee**”) of the Board of Directors of the Company (the “**Board**”) considered and approved the resignation.
3. There have been no modified opinions expressed in any of the audit reports of KPMG on any of the Company’s financial statements for the two most recently completed fiscal years or any subsequent periods prior to the date of resignation of KPMG.
4. The Board is of the opinion that there were no “reportable events” as defined by NI 51-102, which occurred in connection with the audit of the two most recently completed fiscal years or for any period subsequent to the most recently completed fiscal period for which an Auditors’ Report was issued prior to the date of resignation of KPMG.

Successor Auditor

1. The Board and the Audit Committee of the Company appointed MSLL as its new auditor effective as of April 15, 2024.

Dated April 15, 2024

CUBICFARM SYSTEMS CORP.

Per: (s) Michael Kyne
Michael Kyne
Chief Financial Officer



MSLL CPA LLP

2110 - 1177 West Hastings Street
Vancouver, B.C. Canada
V6E 2K3

Tel: 604 688 5671
Fax: 604 688 8479
msllcpa.com

April 19, 2024

CubicFarm Systems Corp. (the “**Company**”)

British Columbia Securities Commission
Alberta Securities Commission
Financial and Consumer Affairs Authority of Saskatchewan
The Manitoba Securities Commission
Ontario Securities Commission
New Brunswick Financial and Consumer Services Commission Nova
Nova Scotia Securities Commission
Office of the Superintendent of Securities, Prince Edward Island
Office of the Superintendent of Securities, Service Newfoundland and Labrador

Dear Sir/Madam:

Re: Notice of Change of Auditors of CubicFarm Systems Corp.

As required by subparagraph (6)(a)(ii) of section 4.11 of National Instrument 51-102, we have reviewed the change of auditor notice of the Company dated April 15, 2024 (the “Notice”) and, based on our knowledge of such information at this time, we agree with the statements made by management in the Notice. We also confirm that we have no disagreement or conflict with the Board of the Company.

Yours very truly,

/s/ MSLL CPA LLP



KPMG LLP
PO Box 10426 777 Dunsmuir Street
Vancouver BC V7Y 1K3
Canada
Telephone (604) 691-3000
Fax (604) 691-3031

British Columbia Securities Commission
Alberta Securities Commission
Financial and Consumer Affairs Authority of Saskatchewan
The Manitoba Securities Commission
Ontario Securities Commission
New Brunswick Financial and Consumer Services Commission
Nova Scotia Securities Commission
Office of the Superintendent of Securities, Prince Edward Island
Office of the Superintendent of Securities, Service Newfoundland and Labrador

April 18, 2024

Dear Sir/Madam

Re: Notice of Change of Auditors of CubicFarm Systems Corp.

We have read the Notice of CubicFarm Systems Corp. dated April 15, 2024 and are in agreement with the statements contained in such Notice except that we are not in a position to agree or disagree with the CubicFarm Systems Corp.'s statement that the Board and the Audit Committee of the Company appointed MSLL as its new auditor effective as of April 15, 2024.

Yours very truly,

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P'.

Chartered Professional Accountants

SCHEDULE "B"

AUDIT COMMITTEE CHARTER

CUBICFARM SYSTEMS CORP.

(the "Company")

As adopted by the Board of Directors of the Company, on June 25, 2019

I. PURPOSE

The Audit Committee Charter (the "**Charter**") outlines the duties and responsibilities of the Audit Committee (the "**Committee**") is, subject to applicable laws and the Company's constating documents, to:

- (a) assist the board of directors (the "**Board of Directors**" or "**Board**") of the Company in fulfilling its oversight responsibilities by reviewing and reporting on the financial information which will be provided to shareholders and others, the system of corporate internal controls which management and the Board have established, and the audit process;
- (b) identifying the principal risks of the Company and its subsidiaries and ensuring the implementation of appropriate systems to monitor those risks;
- (c) reviewing accounting principles, capital budgeting and major transactions (acquisitions, divestitures and funding);
- (d) increasing the credibility and objectivity of financial reports;
- (e) facilitating better communication between director of the Company (the "**Directors**") and the external auditor;
- (f) enhancing the independence of the external auditor; and
- (g) reviewing compliance with applicable legal and regulatory requirements.

II. COMPOSITION AND TERM OF OFFICE

- (i) Members of the Committee are appointed for a one (1) year term at the first meeting of the Directors of the Company following the Annual General Meeting. Members of the Committee may be removed from office or replaced at any time by the Board. Any member shall cease to be a member upon ceasing to be a Director. Each member of the Committee shall hold office until the close of the next annual meeting of shareholders of the Company or until the member ceases to be a director, resigns or is replaced, whichever first occurs.
- (ii) The Committee is comprised of not less than a majority of independent Directors who are financially literate (i.e. have the ability to read and understand a set of financial statements such as a balance sheet, an income statement and a cash flow statement) and at least one member shall have an accounting designation or related financial expertise.

- (iii) The Chair of the Committee shall be appointed by the Board of Directors. In the absence of the appointed Chair from any meeting of the Committee, the members shall elect a Chair from those in attendance to act as Chair of the meeting.
- (iv) The Chief Financial Officer (“CFO”) will act as the management liaison for the Committee.
- (v) The Committee will meet not less than four (4) times per year.
- (vi) The quorum for the Committee is a majority of members.

III. FINANCIAL REPORTING

The Committee will have the following duties and responsibilities:

- (i) Review and recommend to the Board the annual financial reports (AIF, MIC, N.I. 52-11OF1, financial statements, MD&A, reports to shareholders and press releases) for approval.
- (ii) If so approved by the Board, review and approve the quarterly financial statements (financial statements, MD&A, reports to shareholders and press releases) and, if not so approved by the board, review and recommend the quarterly financial statements (financial statements, MD&A, reports to shareholders and press releases) to the Board for approval
- (iii) Be satisfied that for all other public disclosures or information that is extracted or derived from the financial statements, that management has procedures in place to review such information, and periodically assess the adequacy of such procedures.
- (iv) Review and approve any other press releases that relate to material financial disclosures.
- (v) Review and recommend any changes to accounting policies to the Board.
- (vi) Review with the auditors any areas of judgment or where estimates have been made, including effects of alternatives under generally accepted accounting principles.

IV. OTHER REVIEW PROCEDURES

The Committee will have the following duties and responsibilities:

- (a) Review with management the opportunities and risks inherent in the business and the effectiveness of the controls thereon, including risk mitigation and management strategies.
- (b) Oversee management reporting on and review of adequacy of internal controls (while it is management’s responsibility to design and implement an effective system of internal control, it is the responsibility of the Audit Committee to ensure that management has done so).
- (c) Gain reasonable assurance that the Company complies with all applicable laws, regulations, rules, policies and other requirements of governments, regulatory agencies and stock exchanges relating to financial reporting and disclosure.
- (d) Confirm or review the Company’s disclosure policy.

- (e) Review material transactions (acquisitions, divestitures and funding).
- (f) Review policies and compliance with same that require significant actual or potential liabilities, contingent or otherwise, to be reported to the committee in a timely fashion.
- (g) Approve annually the reasonableness of the expenses of the Executive Chairman, President and CFO.

V. EXTERNAL AUDITORS

The Committee will recommend to the Board, for shareholder approval, an external auditor to examine the Company's accounts, control and financial statements on the basis that the external auditor is accountable to the Board and the Committee as representatives of the shareholders of the Company.

The external auditor reports directly to the Committee with unrestricted access and will meet at least quarterly with the Committee. Matters discussed will include the annual audit, quarterly reviews, the quality of the Company's accounting policies and principles, and the adequacy and effectiveness of the Company's internal control and management information systems. In-camera sessions with the external auditors will be held quarterly or as determined by the Committee. In addition, the Committee will have the following duties and responsibilities:

- (a) Provide approval and recommend to the Board the external auditor's remuneration, or their discharge.
- (b) Provide oversight to the audit engagement by way of a direct reporting relationship with the external auditor and ensure their independence.
- (c) Evaluate the audit services provided by the external auditor;
- (d) Review external audit plans for the year.
- (e) Review with the external auditors any difficulties which arose during the course of their engagement and the ongoing relationship with management.
- (f) Obtain and review, at least annually, a written report by the external auditor setting out the auditor's internal quality-control procedures, any material issues raised by the auditor's internal quality-control reviews and the steps taken to resolve those issues.
- (g) Review, at least annually, the relationship between the Company and the external auditor in order to establish the independence of the external auditor.
- (h) Pre-approve all audit and non-audit services to be provided by the external auditor (which may be delegated to one or more members of the Committee for ratification at the next scheduled Audit Committee meeting).
- (i) Review and approve any hiring of partners/employees of the external auditors.

VI. INTERNAL AUDIT

The Committee will have the following duties and responsibilities:

- (a) Work with management to establish the internal audit department's form and scope.

- (b) Review the internal audit staff functions, including:
 - the purpose, authority and organizational reporting lines; and
 - the annual audit plan, budget and staffing.
- (c) Review, with the CEO and the CFO and others, as appropriate, the Company's internal system of audit controls and the results of internal audits.
- (d) Review and monitor the Company's major financial risks and risk management policies, the effectiveness and efficiency of such policies, and the steps taken by management to mitigate those risks.
- (e) Review the Company's disclosure controls and procedures and internal control over financial reporting (the "**Controls**"), and consider whether the Controls:
 - provide reasonable assurance that material information relating to the Company, including its consolidated subsidiaries, if any, is made known to the Company's CEO and CFO, particularly during the period in which the Company's annual filings are being prepared; and
 - provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the Company's GAAP.
- (f) Meet at least annually with management (including the CEO and CFO), the internal audit staff, and the external auditor in separate executive sessions and review issues and matters of concern respecting audits and financial reporting.
- (g) In connection with its review of the annual audited financial statements and interim financial statements, the Committee will also review the process for the CEO and CFO certifications (if required by law or regulation) with respect to the financial statements and the Company's disclosure and internal controls, including any material deficiencies or changes in those controls.

VII. OTHER

The Committee will have the following duties and responsibilities:

- (a) Establish procedures for receipt, retention and treatment of complaints and concerns regarding accounting matters, internal accounting controls and auditing matters or related questionable practices, including anonymous submissions by employees.
- (b) Ensure for each meeting that minutes are recorded, drafted and circulated on a timely basis to committee members.
- (c) Confirm or amend the Committee's charter annually, for review by external auditors and legal counsel and approval by the Board.
- (d) Prior to renewals, review Director & Officer Liability insurance and other corporate insurance coverage.

VIII. REVIEW OF CHARTER, AMENDMENT AND WAIVER

The Board will review and reassess the adequacy of this Charter annually or otherwise as it deems appropriate. These guidelines may be amended or modified by the Board, subject to disclosure and other policies and guidelines of the Canadian Securities Administrators.

SCHEDULE "C"

AMENDED STOCK OPTION PLAN

(See attached.)

CUBICFARM SYSTEMS CORP.

STOCK OPTION PLAN

APPROVED BY THE BOARD OF DIRECTORS ON JUNE 18, 2019

AS LAST AMENDED BY THE BOARD OF DIRECTORS ON DECEMBER 6, 2023

TABLE OF CONTENTS

1. PURPOSE.....	1
2. DEFINITIONS AND INTERPRETATION.....	1
3. ADMINISTRATION.....	4
4. OPTIONEES	5
5. THE OPTION SHARES	5
6. GRANT OF OPTIONS	5
7. TERMINATION OF OPTIONS	9
8. ADJUSTMENT OF AND CHANGES IN THE OPTION SHARES	10
9. CHANGE OF CONTROL.....	11
10. PAYMENT	12
11. SECURITIES LAW AND EXCHANGE REQUIREMENTS	13
12. EFFECTIVENESS AND TERMINATION OF PLAN.....	13
13. AMENDMENT OF THE PLAN	14
14. MISCELLANEOUS	15
15. SHAREHOLDER APPROVAL	16
Schedule A	1
Schedule B	1

CUBICFARM SYSTEMS CORP.
(the “Corporation”)

STOCK OPTION PLAN

1. PURPOSE

The purpose of this Plan is to provide an incentive to Eligible Persons, as that term is defined below in Section 2, to acquire a proprietary interest in the Corporation, to continue their participation in the affairs of the Corporation and to increase their efforts on behalf of the Corporation.

2. DEFINITIONS AND INTERPRETATION

In this Plan, the following words have the following meanings:

- (a) “Board” means the board of directors of the Corporation;
- (b) “Blackout Period” means a period of time during which the Corporation prohibits Optionees from exercising the Options;
- (c) “Company” means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual;
- (d) “Consultant” means, in relation to the Corporation, an individual (other than an Employee or a Director of the Corporation) or Company that:
 - (i) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Corporation or to an affiliate of the Corporation, other than services provided in relation to a distribution;
 - (ii) provides the services under a written contract between the Corporation or the affiliate and the individual or the Company, as the case may be;
 - (iii) in the reasonable opinion of the Corporation, spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or an affiliate of the Corporation; and
 - (iv) has a relationship with the Corporation or an affiliate of the Corporation that enables the individual to be knowledgeable about the business and affairs of the Corporation;
- (e) “Consultant Company” means a Consultant that is a Company;
- (f) “Corporation” means CubicFarm Systems Corp.;
- (g) “Director” means a director, senior officer or Management Company Employee of the Corporation, or of an unlisted Company seeking a listing on the Exchange, or a director,

senior officer or Management Company Employee of the Corporation's subsidiaries or an unlisted Company's subsidiary;

- (h) "Early Expiry Date" means 4:00 pm local time in Vancouver on:
 - (i) the date fixed by the Board for early expiry of each Option, which date will be no more than one year from the date on which the Optionee ceases to be an Eligible Person for any reason other than death, disability or cause; or
 - (ii) the date that is 30 days from the date on which the Optionee ceases to be an Eligible Person for any reason other than death, disability or cause, if no date is fixed by the Board under (i) above;
- (i) "Eligible Person" means a person who is a Director, Employee or Consultant of the Corporation or its subsidiary on the Grant Date;
- (j) "Employee" means:
 - (i) an individual who is considered an employee of the Corporation or its subsidiary under the *Income Tax Act* (Canada) (and for whom income tax, employment insurance and CPP deductions must be made at source);
 - (ii) an individual who works full-time for the Corporation or its subsidiary providing services normally provided by an employee and who is subject to the same control and direction by the Corporation over the details and methods of work as an employee of the Corporation, but for whom income tax deductions are not made at source; or
 - (iii) an individual who works for the Corporation or its subsidiary on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Corporation over the details and methods of work as an employee of the Corporation, but for whom income tax deductions are not made at source;
- (k) "Exchange" means the principal stock exchange on which the Common Shares are listed and posted for trading and may include the TSXV or TSX, as applicable
- (l) "Expiry Date" means the date so fixed by the Board at the time the Option is awarded;
- (m) "Grant Date" means the date of grant of an Option to an Optionee;
- (n) "Investor Relations Activities" means any activities, by or on behalf of the Corporation or a shareholder of the Corporation, that promote or reasonably could be expected to promote the purchase or sale of securities of the Corporation, but does not include:
 - (i) the dissemination of information provided, or records prepared, in the ordinary course of business of the Corporation:
 - (A) to promote the sale of products or services of the Corporation, or

(B) to raise public awareness of the Corporation,

that cannot reasonably be considered to promote the purchase or sale of securities of the Corporation;

(ii) activities or communications necessary to comply with the requirements of:

(A) applicable Securities Laws, or

(B) Exchange requirements or the by-laws, rules or other regulatory instruments of any other self-regulatory body or stock exchange having jurisdiction over the Corporation;

(iii) communications by a publisher of, or writer for, a newspaper, magazine or business or financial publication, that is of general and regular paid circulation, distributed only to subscribers to it for value or to purchasers of it, if:

(A) the communication is only through the newspaper, magazine or publication, and

(B) the publisher or writer receives no commission or other consideration other than for acting in the capacity of publisher or writer; or

(iv) activities or communications that may be otherwise specified by the Exchange;

(o) “Insider” 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;

(iii) A Person that beneficially owns or controls, directly or indirectly, voting shares carrying more than 10% of the voting rights attached to all outstanding voting shares of the Corporation, or

(iv) The Corporation itself if it holds any of its own securities;

(p) “Management Company Employee” means an individual employed by a Company providing management services to the Corporation, which services are required for the ongoing successful operation of the business enterprise of the Corporation;

(q) “Material Change” has the definition prescribed by applicable Securities Laws;

(r) “Material Fact” has the definition prescribed by applicable Securities Laws;

(s) “Material Information” means Material Fact and/or Material Change as defined by applicable Securities Laws and Exchange policy;

- (t) “Option” means the option granted to an Optionee under this Plan;
- (u) “Option Certificate” means the option certificate in the form attached as Schedule A and issued to an Optionee;
- (v) “Option Period” means the period of time between the Grant Date and the Expiry Date, during which the Option may be exercised subject to any vesting conditions;
- (w) “Option Price” is the price at which the Optionee is entitled, pursuant to the Plan and as described in the Option Certificate, to acquire Option Shares;
- (x) “Option Shares” means the Shares which the Optionee is entitled to acquire pursuant to this Plan and as described in the Option Certificate;
- (y) “Optionee” means an Eligible Person to whom an Option has been granted;
- (z) “Person” means an individual or a Company;
- (aa) “Plan” means this Stock Option Plan, as may be amended and restated from time to time in accordance with the provisions hereof;
- (bb) “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 are applicable to the Corporation;
- (cc) “Shares” means common shares in the authorized share capital of the Corporation;
- (dd) “TSX” means the Toronto Stock Exchange; and
- (ee) “TSXV” means the TSX Venture Exchange.

The Plan will be interpreted and construed in accordance with the laws of the Province of British Columbia.

3. ADMINISTRATION

The Plan will be administered by the Board in accordance with the provisions of the Plan and subject to the rules of the Exchange from time to time, and the Board will have full authority to:

- (a) determine which Eligible Persons will receive a grant of Options;
- (b) set the Option Price;
- (c) grant Options to Eligible Persons in such amounts and on such terms as the Board may determine;
- (d) set the Expiry Date and the Early Expiry Date for each Option provided that the Expiry Date will be a date that is no later than 10 years from the Grant Date (subject to extension where the Expiry Date falls within a Blackout Period);

- (e) impose vesting conditions on Options; and
- (f) interpret the Plan and make such rules and regulations and establish such procedures as it deems appropriate for the administration of the Plan, taking into consideration the recommendations of management of the Corporation.

The interpretation by the Board of any of the provisions of the Plan will be final and conclusive. No member of the Board will be liable for any action or determination in connection with the Plan made or taken in good faith, and each member of the Board will be entitled to indemnification with respect to any such action or determination.

4. OPTIONEES

Optionees must be Eligible Persons (or companies wholly owned by Eligible Persons) who, in the opinion of the Board, are in a position to contribute to the success of the Corporation. For as long as the Shares of the Corporation are listed on the TSXV, if the Optionee is a Company, excluding Optionees that are Consultant Companies, then such Optionee must:

- (i) provide the TSXV with a completed Form 4F- *Certification and Undertaking Required from a Company Granted an Incentive Stock Option* or similar form required by Securities Laws; and
- (ii) not effect or permit any transfer of ownership or option of shares of the Company nor issue further shares of any class in the company to any other individual or entity as long as the Option remains outstanding, except with the written consent of the TSXV.

5. THE OPTION SHARES

- (a) The number of Option Shares reserved for issuance under the Plan may not exceed 16,835,942 Shares at the time of Grant. If any Option expires or otherwise terminates for any reason without having been exercised in full, the number of Shares in respect of which the Option was not exercised will again be available for the purposes of the Plan.
- (b) The Corporation shall, at all times while this Plan is in effect, reserve and keep available such number of Common Shares as will be sufficient to satisfy the requirements of this Plan.

6. GRANT OF OPTIONS

Options may be granted by the Board in accordance with the Plan at any time prior to the termination of the Plan. Options granted pursuant to the Plan will be further described in an Option Certificate and will be subject to the following terms and conditions:

- (a) Option Price

The Option Price will be determined by the Board in its sole discretion, subject to the following:

- (i) if the Shares are listed on the TSXV, the Option Price will not be lower than the last closing price for the Shares as quoted on the TSXV prior to the Grant Date, less any discount permitted by the Exchange, and provided that the Option Price will not be lower than the discounted market price (as defined in the policies of the TSXV);
- (ii) if the Shares are listed on the TSX, the Option Price will not be lower than the last closing price for the Shares as quoted on the TSX prior to the Grant Date; and
- (iii) if the Shares are not listed on the Exchange, the price will be determined by the Board, subject to the rules or policies of any stock exchange or quotation system on which the Shares are listed.

A minimum exercise price cannot be established unless the Options are allocated to a particular Person or Persons.

(b) Exercise of Options

The Options must be exercised in accordance with the Plan and the Option Certificate and on the terms set out in the resolution of the Board pursuant to which the grant of the Options are authorized. The Corporation will not be required to issue Option Shares in an amount less than a board lot (as defined in the policies of the Exchange), unless such number of Option Shares represents the balance of the Option Shares.

(c) Re-issuance of Options

Options which are cancelled, or expire prior to exercise continue to be issuable under the Plan.

(d) Blackout Period

The Expiry Date of the Options will be automatically extended by the amount of time set out in this subsection in the event that the Expiry Date falls within a Blackout Period and all of the following conditions exist:

- (i) the Blackout Period is formally imposed by the Corporation pursuant to its internal trading policies as a result of the bona fide existence of undisclosed Material Information. For greater certainty, in the absence of the Corporation formally imposing the Blackout Period, the Expiry Date of the Options will not be automatically extended in any circumstances;
- (ii) the Blackout Period expires upon the general disclosure of the undisclosed Material Information; and
- (iii) the Optionee or the Corporation is not subject to a cease trade order (or similar order under Securities Laws) in respect of the Corporation securities.

If the Expiry Date falls within a Blackout Period and all of the above conditions exist, then the Expiry Date of the Options affected by the Blackout Period will be extended by the length of the Blackout Period plus ten (10) Business Days.

(e) Transferability of Option

The Options are all non-transferable and non-assignable.

(f) Other Terms and Conditions

The Option Certificate may contain such other provisions as the Board deems appropriate, provided such provisions are not inconsistent with the Plan and the requirements of the Exchange.

For as long as the Shares of the Corporation are listed on the TSXV, the Corporation will comply with the following requirements:

- (i) the Corporation may not grant, to any one Consultant, Options to acquire more than an aggregate of 2% of the issued and outstanding Shares of the Corporation in any 12 month period, calculated at the date the Options are granted to the Consultant;
- (ii) the Corporation may not grant, to all persons retained to provide Investor Relations Activities, Options to acquire more than an aggregate of 2% of the issued and outstanding Shares of the Corporation in any 12 month period, calculated at the date the Options are granted to any such person. For greater certainty persons retained to provide Investor Relations Activities include any Consultant that performs Investor Relations Activities and any Employee or Director whose role and duties primarily consist of Investor Relations Activities;
- (iii) Options issued to persons retained to provide Investor Relations Activities must vest in stages over a period of not less than 12 months with no more than one-quarter of the Options vesting in any three month period;
- (iv) the approval of the disinterested shareholders of the Corporation will be obtained:
 - (A) for Options granted to any one Person (including to companies wholly-owned by that Person) within a 12 month period to acquire more than 5% of the issued and outstanding Shares of the Corporation, calculated on the date the Options are granted to the Person;
 - (B) for Options which will result in the number of Options granted to Insiders within a 12 month period exceeding 10% of the issued and outstanding Shares of the Corporation; and
 - (C) for Options which will result in the number of Options granted to Insiders at any point in time exceeding 10% of the issued and outstanding Shares of the Corporation; and

- (D) for any amendment to or reduction in the Option Price or extending the term of the Option if the Optionee is an Insider of the Corporation at the time of the proposed amendment or reduction;
- (v) for Options granted to Employees, officers, Consultants or Management Company Employees of the Corporation, the Corporation and the Optionee will be responsible for ensuring and confirming that the Optionee is a bona fide Employee, officer, Consultant or Management Company Employee of the Corporation, as the case may be;
- (vi) the Corporation must issue a news release disclosing the grant of Options to Insiders, officers or persons retained to provide Investor Relations Activities, and any amendment to any of the foregoing on the day any such Option is granted, issued or amended, including without limitation the terms of such Options and subsequent approvals that may be required, if any; and
- (vii) in addition to any resale restrictions under Securities Laws and any other circumstance for which the TSXV hold period may apply, the following Options and Option Shares must be legended with a four-month hold period commencing on the Grant Date:
 - (A) Options and Option Shares issued to:
 - (I) Directors, officers and Promoters (as defined in the applicable Securities Laws) of the Corporation;
 - (II) Consultants; or
 - (III) Persons holding securities carrying more than 10% of the voting rights attached to the Corporation's securities both immediately before and after the transaction in which securities are issued, and who have elected or appointed or have the right to elect or appoint one or more Directors or senior officers of the Corporation,

except in the case of securities whose Distribution was qualified by a Prospectus or which were issued under a take-over bid, rights offering or pursuant to an amalgamation or other statutory procedure;
 - (B) Options and Option Shares granted to any Person with an exercise price that is less than the applicable Market Price (as defined in the policies of the TSXV); and
 - (C) Options and Option Shares granted or issued at a price or deemed price that is less than \$0.05 except in the case of securities whose distribution was qualified by a prospectus or securities issued pursuant to TSXV Policy 4.5.

For as long as the Shares of the Corporation are listed on the TSX, the Corporation will comply with the following requirements:

- (i) the Corporation may not grant to Insiders Options to acquire more than an aggregate of 10% of the issued and outstanding Shares of the Corporation; and
- (ii) the Corporation may not grant to Insiders, Options to acquire more than an aggregate of 10% of the issued and outstanding Shares of the Corporation in any 12 month period at the end of such period, provided that any Options granted prior to the grantee becoming an Insider shall be excluded for the purposes of this limit.

7. **TERMINATION OF OPTIONS**

(a) All rights to exercise Options will terminate upon the earliest of:

- (i) the Expiry Date; and
- (ii) the date set out in Section 7(b) or 7(c), as applicable.

(b) Ceasing to Hold Office

If the Optionee holds his or her Option as a Director and such Optionee ceases to be a Director prior to the end of the Option Period, then the Option will terminate on the Early Expiry Date, unless the Optionee:

- (i) ceases to be a Director as a result of the death or disability of the Optionee, in which case the Option will terminate one year from the date of death or disability of the Optionee;
- (ii) ceases to be a Director:
 - (A) as a result of being convicted in or out of British Columbia of an offence in connection with the promotion, formation or management of a corporation or unincorporated business, or of an offence involving fraud; or
 - (B) by order of the British Columbia Securities Commission, the Exchange or any other regulatory body having jurisdiction to so order;
 - (C) where the Director is required to resign as a consequence of ceasing to meet the director qualifications specified in the British Columbia Business Corporations Act;

in which case, the Option will terminate on the date on which the Optionee ceases to be a Director; or

- (iii) remains an Eligible Person, in which case the Board may, in its discretion, allow the Optionee to retain the Option.

(c) Ceasing to be Employed

If the Optionee holds his or her option as an Employee, Consultant or Management Company Employee and such Optionee ceases to be an Employee, Consultant or Management Company Employee prior to the end of the Option Period, then the Option will terminate on the Early Expiry Date, unless the Optionee:

- (i) ceases to be an Employee, Consultant or Management Company Employee as a result of the death or disability of the Optionee, in which case the Option will terminate one year from the date of death or disability of the Optionee;
- (ii) ceases to be an Employee, Consultant or Management Company Employee:
 - (A) as a result of the Corporation terminating the Optionee for cause; or
 - (B) by order of the British Columbia Securities Commission, the Exchange or any other regulatory body having jurisdiction to so order,

in which case, the Option will terminate on the date on which the Optionee ceases to be an Employee, Consultant or Management Company Employee; or

- (iii) remains an Eligible Person, in which case the Board may, in its discretion, allow the Optionee to retain the Option.

(d) Vesting on Termination

Unless otherwise provided by the Board, any options that are unvested on the date that the Corporation provides the Optionee with written notice of termination or the Optionee provides the Corporation with written notice of resignation, will automatically terminate on the date of such notice.

(e) Exercise after Death or Disability of Optionee

In the event of the death of an Optionee, the Optionee's Option must be exercised only by the person or persons to whom the Optionee's rights under the Option will pass by the Optionee's will or the laws of descent and distribution. In the event of the death or disability of an Optionee, the Optionee's Option may be exercised to the extent that the Optionee was entitled to exercise the Option at the date of the Optionee's death or disability. The period in which the Optionee's Option may be exercised must not exceed one year from the date of death of the Optionee.

8. ADJUSTMENT OF AND CHANGES IN THE OPTION SHARES

- (a) Subject to the limitations under Section 6(f) herein and the prior approval of the TSXV, if the Corporation:
 - (i) changes its capital structure through stock splits, reverse split, consolidations, recapitalizations, reclassifications, changes in or elimination of part value shares;

- (ii) declares any dividends or makes other distributions to holders of shares; provided that if the limitations under Section 6(f) are to be exceeded, the Corporation will settle the obligation in cash;
- (iii) grants any rights to purchase shares at prices substantially below the Option Price as determined in accordance with Section 6(a) to holders of shares of the Corporation; or
- (iv) converts or exchanges its shares for any other securities as a result of a business combination,

then in any such case the Corporation may:

- (i) make such adjustments in the right to purchase granted hereby; or
- (ii) subject to prior acceptance by the TSXV, terminate an Option 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 Option or realization of the Eligible Person's rights as of the date of the occurrence of the transaction net of any exercise price payable by such Person (and, for the avoidance of doubt, if as of the date of the occurrence of the transaction the Board determines in good faith that no amount would have been attained upon the exercise or settlement of such Board or realization of such Person's rights net of any exercise price payable by such Person, then such Option may be terminated by the Corporation without payment);

in each case which are appropriate and reflective of such event, and as may be required to prevent substantial dilution or enlargement of the rights granted to or available for the Optionee hereunder.

- (b) Options for fractional Option Shares resulting from any adjustment in Options pursuant to this Section 8 will be terminated. Any adjustment will be effective and binding on each Optionee for all purposes of the Plan.

9. CHANGE OF CONTROL

In the event of:

- (a) a business combination in which the Corporation is not the surviving Company;
- (b) the Shares being converted into securities of another entity or exchanged for other consideration; or
- (c) an offer for fifty percent or more of shares being made by a third party that constitutes a take-over bid as that term is defined in Multilateral Instrument 62-104 of the Canadian Securities Administrators ("MI 62-104") or would constitute a take-over bid as that term is defined in the MI 62-104 but for the fact that the offeree is not in British Columbia,

the Board may, in its sole discretion, deal with outstanding Options in the manner it deems fair and reasonable in light of the circumstances. Without limiting the generality of the foregoing, the Board may, without any action or consent required on the part of any Optionee: (i) subject to Exchange approval, deliver a notice to the Optionee advising the Optionee that the unvested portion of the Option held by the Optionee, if any, shall immediately vest; (ii) deliver a notice to an Optionee advising the Optionee that the Expiry Date for any vested portion or portions of the Option shall be the earlier of the Expiry Date and the 10th day following the date of the notice and the Expiry Date for any unvested portion of the Option shall be the date of the notice; or (iii) take such other actions, and combinations of the foregoing actions, as it deems fair and reasonable under the circumstances.

10. PAYMENT

- (a) Subject as hereinafter provided, the full purchase price for each of the Option Shares will be paid by certified cheque or bank draft in favour of the Corporation upon exercise thereof. An Optionee will have none of the rights of a shareholder in respect of the Option Shares until the shares are issued to such Optionee.
- (b) Subject to TSXV Policy 4.4 and provided that nothing in this Section 10 results in the alteration of the exercise price of the applicable Options, upon exercise of an Option, the Optionee shall, upon notification of the amount due and prior to the delivery of the certificates representing the Option Shares, pay to the Corporation by certified cheque or bank draft, such amount as the Corporation shall determine is required to be withheld and remitted to Canada Revenue Agency to satisfy applicable federal and provincial tax and, if applicable, Canada Pension Plan withholding and remittance requirements, or shall make alternative arrangements satisfactory to the Corporation (acting in its sole discretion) in respect of such requirements. Such alternative arrangements for satisfying the withholding and remittance requirements may include, but shall not be limited to, the following:
 - (i) the Corporation may retain and withhold from any payment of cash due or to become due from the Corporation to the Optionee, whether under this Plan or otherwise, the amount of taxes and, if applicable, Canada Pension Plan contributions, required to be withheld or otherwise deducted and remitted by the Corporation to the Canada Revenue Agency in respect of such payment, and shall remit the amount so withheld to the Canada Revenue Agency, as source deductions withheld by it in respect of the issue of the Option Shares; and
 - (ii) the Corporation may deduct from the Option Shares to be issued to the Optionee, a number of Option Shares (the “Cashed-Out Shares”) having a market value of not less than the amount of taxes and, if applicable, Canada Pension Plan contributions, required to be withheld or otherwise deducted and remitted by the Corporation to the Canada Revenue Agency in respect of such payment and shall remit to the Canada Revenue Agency the amount (the “Cash-Out Amount”) that is equal to the market value of the Cashed-Out Shares, as source deductions withheld by it in respect of the issue of the Option Shares. The Cashed-Out Shares may be retained or sold by the Corporation. In such cases, the Corporation may, at its sole discretion, elect under s. 110(1.1) of the *Income Tax*

Act (Canada) not to deduct the Cash-Out Amount in computing its income for any taxation year.

11. SECURITIES LAW AND EXCHANGE REQUIREMENTS

- (a) No Option will be exercisable in whole or in part, nor will the Corporation be obligated to issue any Option Shares pursuant to the exercise of any such Option, if such exercise and issuance would, in the opinion of counsel for the Corporation, constitute a breach of any applicable laws from time to time, or the rules from time to time of the Exchange. Each Option will be subject to the further requirement that if at any time the Board determines that the listing or qualification of the Option Shares under any securities legislation or other applicable law, or the consent or approval of any governmental or other regulatory body (including the Exchange), is necessary as a condition of, or in connection with, the issue of the Option Shares hereunder, such Option may not be exercised in whole or in part unless such listing, qualification, consent or approval has been effected or obtained free of any conditions not acceptable to the Board.
- (b) By accepting and not returning an Option Certificate within 5 days of receiving it in connection with a grant of Options, an Optionee is deemed to have expressly consented to the disclosure by the Corporation of personal and other information regarding the Optionee to any governmental or other regulatory body (including the Exchange or such other self-regulatory body or stock exchange having jurisdiction over the Corporation). In addition, the Optionee is deemed to have consented to the collection, use and disclosure of personal or other information by such governmental or other regulatory body (including the Exchange or such other self-regulatory body or stock exchange having jurisdiction over the Corporation) for such purposes as may be identified by such governmental or other regulatory body, from time to time.

12. EFFECTIVENESS AND TERMINATION OF PLAN

- (a) The Plan will be effective upon the later of:
 - (i) approval of the Board;
 - (ii) acceptance by the Exchange; and
 - (iii) acceptance by any other regulatory authority having jurisdiction over the Corporation's securities.
- (b) Upon the Plan being effective, the Corporation and every person to whom an Option is awarded hereunder shall be bound by and subject to the terms and conditions of the Plan. This Plan repeals and replaces any stock option plan adopted by the Corporation prior to the effective date and any options awarded and outstanding under such prior plan shall thereafter be governed by the provisions of this Plan.
- (c) The Board may terminate the Plan at any time provided that the Corporation adopts a new stock option plan. Upon termination of the Plan, previously granted Options will be

governed by the provisions of the Corporation's stock option plan adopted by the Corporation from time to time.

13. AMENDMENT OF THE PLAN

- (a) The Board 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 Options granted pursuant to the Plan as it, in its discretion, determines appropriate, provided, however, that:
- (i) no such amendment, modification, change, suspension or termination of the Plan or any Options granted hereunder may materially impair any rights of any Person to whom an Option is awarded hereunder or materially increase any obligations of any such Person under the Plan without the consent of such Person, unless the Board determines such adjustment is required or desirable in order to comply with any applicable Securities Laws or TSXV requirements;
 - (ii) any amendment that would cause an Option held by a U.S. taxpayer be subject to the additional tax penalty under shall be null and void ab initio with respect to such U.S. taxpayer unless the consent of the U.S. taxpayer is obtained; and
 - (iii) any amendments to the Plan or to any Options granted pursuant to the Plan are subject to TSXV approval (including such amendments that do not otherwise trigger approval of the holders of voting shares of the Corporation).
- (b) Notwithstanding Section 13(a) and subject to any rules of the TSXV, approval of the holders of the Shares (including by way of disinterested shareholder approval where required by the TSXV) shall be required for any amendment, modification or change that:
- (i) increases the percentage of Shares reserved for issuance under the Plan, except pursuant to the provisions in the Plan which permit the Board to make equitable adjustments in the event of transactions affecting the Corporation or its capital;
 - (ii) increases or removes the limitations set out in Section (f);
 - (iii) allows for the grant to Insiders of the Corporation (as a group), within a 12 month period, an aggregate number of Options exceeding 10% of the Corporation's issued Shares, calculated at the date the Option is granted to the Insider;
 - (iv) allows for the grant to any one Person, within a 12 month period, an aggregate number of Options exceeding 5% of the Corporation's issued Shares, calculated at the date the Option is granted to such Person;
 - (v) reduces the exercise price of an Option to an Insider (for this purpose, a cancellation or termination of an Option prior to its expiry date for the purpose of reissuing an Option to the same Person with a lower exercise price shall be treated as an amendment to reduce the exercise price of an Option);

- (vi) extends the term of an Option beyond the original expiry date (except where an expiry date would have fallen within a blackout period applicable to the applicable Person to whom an such Option was granted);
 - (vii) increases or removes the limits on the participation of Directors;
 - (viii) permits Awards to be transferred to a Person;
 - (ix) changes the eligible participants of the Plan; or
 - (x) deletes or reduces the range of amendments which require approval of shareholders under this Section 13(b).
- (c) Without limiting the generality of Section 13(a), but subject to Section 13(b) and any rules of the TSXV, the Board may, without shareholder approval, at any time or from time to time, amend the Plan for the purposes of:
- (i) making any amendments to the general vesting provisions of each Option;
 - (ii) making any amendments to the provisions set out in Section 7;
 - (iii) making any amendments to add covenants of the Corporation for the protection of Eligible Persons, as the case may be, provided that the Board shall be of the good faith opinion that such additions will not be prejudicial to the rights or interests of such Persons, as the case may be;
 - (iv) 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 Board, having in mind the best interests of the Eligible Persons participating in the Plan, it may be expedient to make, including amendments that are desirable as a result of changes in law in any jurisdiction where each an Eligible Person participating in the Plan resides, provided that the Board shall be of the opinion that such amendments and modifications will not be prejudicial to the interests of the Eligible Persons and Directors; or
 - (v) 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 Board shall be of the opinion that such changes or corrections will not be prejudicial to the rights and interests of the Eligible Persons.

14. MISCELLANEOUS

If there is a discrepancy between the resolution of the Board authorizing the grant of an Option and the Option Certificate, then the board resolution will supersede the Option Certificate and the Option will be as described in the resolution of the Board.

The Plan supersedes and replaces all predecessor stock option plans of the Company. All options previously granted by the Company that are outstanding as at the date of the Plan shall be deemed to be Options which are subject to the terms and conditions hereof.

15. SHAREHOLDER APPROVAL

This Plan is subject to the approval of the shareholders of the Corporation as may be required by the Exchange.

SCHEDULE A

**CUBICFARM SYSTEMS CORP.
(the "Corporation")**

**STOCK OPTION CERTIFICATE
PURSUANT TO THE STOCK OPTION PLAN**

This option certificate (this "**Option Certificate**") is issued pursuant to the provisions of the Corporation's Stock Option Plan as amended or replaced from time to time (the "**Plan**") and evidences that _____ (the "**Optionee**") is the holder of an option to purchase up to _____ Shares in the Corporation at a purchase price of \$_____ per Share.

The Grant Date of this Option is _____.

The Expiry Date is _____, 20____.

This Option vests on the following terms:

(insert N/A if no vesting terms)

<@>

Other Restrictions:

1. This Option Certificate and the Option evidenced hereby will expire and terminate on the date which is the earlier of the Expiry Date and the date set out in section 7(a)(ii) of the Plan.
2. Subject to early expiry as described in paragraph 1 above and any vesting conditions, this Option may be exercised from the Grant Date until 4:00 p.m. local time in Vancouver, British Columbia on the Expiry Date, by delivering to the Corporation an Exercise Notice in the form attached as Schedule B to the Plan, together with this Option Certificate and a certified cheque or bank draft payable to CUBICFARM SYSTEMS CORP. in an amount equal to the total Option Price of the Shares in respect of which this Option is being exercised; provided that the Optionee will have satisfied the conditions precedent, if any, to the exercise of the Option set out in the Plan.
3. This Option Certificate and the Option evidenced hereby is not assignable, transferable or negotiable except in accordance with the provisions of the Plan. This Option Certificate is issued for convenience only and in the case of any dispute with regard to any matter in respect hereof, the provisions of the Plan and records of the Corporation will prevail. The Company and the Optionee hereby attorn to the jurisdiction of the Courts of British Columbia.
4. The exercise of this Option is subject to the terms and restrictions set out in the Plan. Terms have the meaning as set out in the Plan.
5. By accepting and not returning this Option Certificate within 5 days of receiving it, the Optionee expressly consents to the disclosure by the Corporation of personal and other

information regarding the Optionee to any governmental or other regulatory body (including the Exchange or such other self-regulatory body or stock exchange having jurisdiction over the Corporation). In addition, the Optionee consents to the collection, use and disclosure of personal or other information by such governmental or other regulatory body (including the Exchange or such other self-regulatory body or stock exchange having jurisdiction over the Corporation) for such purposes as may be identified by such governmental or other regulatory body, from time to time.

Dated this _____ day of _____

CUBICFARM SYSTEMS CORP.

Per: _____
Authorized Signatory

SCHEDULE B

CUBICFARM SYSTEMS CORP.

EXERCISE NOTICE

To: The Board of Directors - Stock Option Plan
CUBICFARM SYSTEMS CORP. (the "Corporation")

The undersigned hereby irrevocably gives notice, pursuant to the Corporation's 2019 Stock Option Plan, of the exercise of the Option to acquire and hereby subscribes for (cross out inapplicable item):

- (a) all of the Shares; or
- (b) of the Shares;

which are the subject of the Option Certificate held by the undersigned evidencing the undersigned's Option to purchase said Shares.

Calculation of total Option Price:

- (i) number of Shares to be acquired Shares
 - (ii) multiplied by the Option Price per Common Share: \$ _____
- TOTAL OPTION PRICE**, enclosed herewith: \$ _____

The undersigned hereby:

- (a) tenders herewith a certified cheque, bank draft or wire transfer (circle one) in the amount of \$_____ payable to the Corporation in an amount equal to the total Option Price of the aforesaid Shares, as calculated above, and directs the Corporation to issue the share certificate evidencing said Shares in the name of the undersigned to be mailed to the undersigned at the following address; or
- (b) directs the Corporation to deliver the share certificate evidencing said Shares to the undersigned's agent in trust for the undersigned at the address listed below against receipt of a check payable to the Corporation in an amount equal to the total Option Price of the aforesaid Shares, as calculated above.

Dated the ____ day of _____

Signature of Witness

Signature of Optionee

Name of Witness (please print)

Name of Optionee (please print)

SCHEDULE "D"

STOCK OPTION PLAN BLACKLINE

(See attached.)

CUBICFARM SYSTEMS CORP.

~~2019~~-STOCK OPTION PLAN

APPROVED BY THE BOARD OF DIRECTORS ON JUNE 18, 2019

AS LAST AMENDED BY THE BOARD OF DIRECTORS ON DECEMBER 6, 2023

TABLE OF CONTENTS

1. PURPOSE.....	1
2. DEFINITIONS AND INTERPRETATION.....	1
3. ADMINISTRATION.....	4
4. OPTIONEES.....	5
5. THE OPTION SHARES.....	5
6. GRANT OF OPTIONS.....	5
7. TERMINATION OF OPTIONS.....	8
8. ADJUSTMENT OF AND CHANGES IN THE OPTION SHARES.....	10
9. CHANGE OF CONTROL.....	10
10. PAYMENT.....	11
11. SECURITIES LAW AND EXCHANGE REQUIREMENTS.....	12
12. EFFECTIVENESS AND TERMINATION OF PLAN.....	12
13. AMENDMENT OF THE PLAN.....	13
14. MISCELLANEOUS.....	14
15. SHAREHOLDER APPROVAL.....	14
Schedule A.....	1
Schedule B.....	1

CUBICFARM SYSTEMS CORP.
(the “Corporation”)

~~2019~~ STOCK OPTION PLAN

1. PURPOSE

The purpose of this Plan is to provide an incentive to Eligible Persons, as that term is defined below in Section 2, to acquire a proprietary interest in the Corporation, to continue their participation in the affairs of the Corporation and to increase their efforts on behalf of the Corporation.

2. DEFINITIONS AND INTERPRETATION

In this Plan, the following words have the following meanings:

- (a) “Board” means the board of directors of the Corporation;
- (b) “Blackout Period” means a period of time during which the Corporation prohibits Optionees from exercising the Options;
- (c) “Company” means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual;
- (d) “Consultant” means, in relation to the Corporation, an individual (other than an Employee or a Director of the Corporation) or Company that:
 - (i) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Corporation or to an affiliate of the Corporation, other than services provided in relation to a distribution;
 - (ii) provides the services under a written contract between the Corporation or the affiliate and the individual or the Company, as the case may be;
 - (iii) in the reasonable opinion of the Corporation, spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or an affiliate of the Corporation; and
 - (iv) has a relationship with the Corporation or an affiliate of the Corporation that enables the individual to be knowledgeable about the business and affairs of the Corporation;
- (e) “Consultant Company” means a Consultant that is a Company;
- (f) “Corporation” means CubicFarm Systems Corp.;
- (g) “Director” means a director, senior officer or Management Company Employee of the Corporation, or of an unlisted Company seeking a listing on the Exchange, or a director,

senior officer or Management Company Employee of the Corporation's subsidiaries or an unlisted Company's subsidiary;

- (h) "Early Expiry Date" means 4:00 pm local time in Vancouver on:
 - (i) the date fixed by the Board for early expiry of each Option, which date will be no more than one year from the date on which the Optionee ceases to be an Eligible Person for any reason other than death, disability or cause; or
 - (ii) the date that is 30 days from the date on which the Optionee ceases to be an Eligible Person for any reason other than death, disability or cause, if no date is fixed by the Board under (i) above;
- (i) "Eligible Person" means a person who is a Director, Employee or Consultant of the Corporation or its subsidiary on the Grant Date;
- (j) "Employee" means:
 - (i) an individual who is considered an employee of the Corporation or its subsidiary under the *Income Tax Act* (Canada) (and for whom income tax, employment insurance and CPP deductions must be made at source);
 - (ii) an individual who works full-time for the Corporation or its subsidiary providing services normally provided by an employee and who is subject to the same control and direction by the Corporation over the details and methods of work as an employee of the Corporation, but for whom income tax deductions are not made at source; or
 - (iii) an individual who works for the Corporation or its subsidiary on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Corporation over the details and methods of work as an employee of the Corporation, but for whom income tax deductions are not made at source;
- (k) "Exchange" means the principal stock exchange on which the Common Shares are listed and posted for trading and may include the TSXV or TSX, as applicable
- (l) "Expiry Date" means the date so fixed by the Board at the time the Option is awarded;
- (m) "Grant Date" means the date of grant of an Option to an Optionee;
- (n) "Investor Relations Activities" means any activities, by or on behalf of the Corporation or a shareholder of the Corporation, that promote or reasonably could be expected to promote the purchase or sale of securities of the Corporation, but does not include:
 - (i) the dissemination of information provided, or records prepared, in the ordinary course of business of the Corporation:
 - (A) to promote the sale of products or services of the Corporation, or

(B) to raise public awareness of the Corporation,

that cannot reasonably be considered to promote the purchase or sale of securities of the Corporation;

(ii) activities or communications necessary to comply with the requirements of:

(A) applicable Securities Laws, or

(B) Exchange requirements or the by-laws, rules or other regulatory instruments of any other self-regulatory body or stock exchange having jurisdiction over the Corporation;

(iii) communications by a publisher of, or writer for, a newspaper, magazine or business or financial publication, that is of general and regular paid circulation, distributed only to subscribers to it for value or to purchasers of it, if:

(A) the communication is only through the newspaper, magazine or publication, and

(B) the publisher or writer receives no commission or other consideration other than for acting in the capacity of publisher or writer; or

(iv) activities or communications that may be otherwise specified by the Exchange;

(o) “Insider” 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;

(iii) A Person that beneficially owns or controls, directly or indirectly, voting shares carrying more than 10% of the voting rights attached to all outstanding voting shares of the Corporation, or

(iv) The Corporation itself if it holds any of its own securities;

(p) “Management Company Employee” means an individual, ~~—~~ employed by a Person, Company providing management services to the Corporation, which services are required for the ongoing successful operation of the business enterprise of the Corporation, ~~but excluding a person engaged in Investor Relations Activities;~~

(q) “Material Change” has the definition prescribed by applicable Securities Laws;

(r) “Material Fact” has the definition prescribed by applicable Securities Laws;

- (s) “Material Information” means Material Fact and/or Material Change as defined by applicable Securities Laws and Exchange policy;
- (t) “Option” means the option granted to an Optionee under this Plan;
- (u) “Option Certificate” means the option certificate in the form attached as Schedule A and issued to an Optionee;
- (v) “Option Period” means the period of time between the Grant Date and the Expiry Date, during which the Option may be exercised subject to any vesting conditions;
- (w) “Option Price” is the price at which the Optionee is entitled, pursuant to the Plan and as described in the Option Certificate, to acquire Option Shares;
- (x) “Option Shares” means the Shares which the Optionee is entitled to acquire pursuant to this Plan and as described in the Option Certificate;
- (y) “Optionee” means an Eligible Person to whom an Option has been granted;
- (z) “Person” means an individual or a Company;
- (aa) “Plan” means this ~~2019~~ Stock Option Plan, as may be amended and restated from time to time in accordance with the provisions hereof;
- (bb) “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 are applicable to the Corporation;
- (cc) “Shares” means common shares in the authorized share capital of the Corporation;
- (dd) “TSX” means the Toronto Stock Exchange; and
- (ee) “TSXV” means the TSX Venture Exchange.

The Plan will be interpreted and construed in accordance with the laws of the Province of British Columbia.

3. ADMINISTRATION

The Plan will be administered by the Board in accordance with the provisions of the Plan and subject to the rules of the Exchange from time to time, and the Board will have full authority to:

- (a) determine which Eligible Persons will receive a grant of Options;
- (b) set the Option Price;
- (c) grant Options to Eligible Persons in such amounts and on such terms as the Board may determine;

- (d) set the Expiry Date and the Early Expiry Date for each Option provided that the Expiry Date will be a date that is no later than 10 years from the Grant Date (subject to extension where the Expiry Date falls within a Blackout Period);
- (e) impose vesting conditions on Options; and
- (f) interpret the Plan and make such rules and regulations and establish such procedures as it deems appropriate for the administration of the Plan, taking into consideration the recommendations of management of the Corporation.

The interpretation by the Board of any of the provisions of the Plan will be final and conclusive. No member of the Board will be liable for any action or determination in connection with the Plan made or taken in good faith, and each member of the Board will be entitled to indemnification with respect to any such action or determination.

4. OPTIONEES

Optionees must be Eligible Persons (or companies wholly owned by Eligible Persons) who, in the opinion of the Board, are in a position to contribute to the success of the Corporation. For as long as the Shares of the Corporation are listed on the TSXV, if the Optionee is a Company, excluding Optionees that are Consultant Companies, then such Optionee must:

- (i) provide the TSXV with a completed Form 4F- *Certification and Undertaking Required from a Company Granted an Incentive Stock Option* or similar form required by Securities Laws; and
- (ii) not effect or permit any transfer of ownership or option of shares of the Company nor issue further shares of any class in the company to any other individual or entity as long as the Option remains outstanding, except with the written consent of the TSXV.

5. THE OPTION SHARES

- (a) The number of Option Shares reserved for issuance under the Plan may not exceed 16,835,942 Shares at the time of Grant. If any Option expires or otherwise terminates for any reason without having been exercised in full, the number of Shares in respect of which the Option was not exercised will again be available for the purposes of the Plan.
- (b) The Corporation shall, at all times while this Plan is in effect, reserve and keep available such number of Common Shares as will be sufficient to satisfy the requirements of this Plan.

6. GRANT OF OPTIONS

Options may be granted by the Board in accordance with the Plan at any time prior to the termination of the Plan. Options granted pursuant to the Plan will be further described in an Option Certificate and will be subject to the following terms and conditions:

(a) Option Price

The Option Price will be determined by the Board in its sole discretion, subject to the following:

- (i) if the Shares are listed on the TSXV, the Option Price will not be lower than the last closing price for the Shares as quoted on the TSXV prior to the Grant Date, less any discount permitted by the Exchange, and provided that the Option Price will not be lower than the discounted market price (as defined in the policies of the TSXV);
- (ii) if the Shares are listed on the TSX, the Option Price will not be lower than the last closing price for the Shares as quoted on the TSX prior to the Grant Date; and
- (iii) if the Shares are not listed on the Exchange, the price will be determined by the Board, subject to the rules or policies of any stock exchange or quotation system on which the Shares are listed.

A minimum exercise price cannot be established unless the Options are allocated to a particular Person or Persons.

(b) Exercise of Options

The Options must be exercised in accordance with the Plan and the Option Certificate and on the terms set out in the resolution of the Board pursuant to which the grant of the Options are authorized. The Corporation will not be required to issue Option Shares in an amount less than a board lot (as defined in the policies of the Exchange), unless such number of Option Shares represents the balance of the Option Shares.

(c) Re-issuance of Options

Options which are cancelled, or expire prior to exercise continue to be issuable under the Plan.

(d) Blackout Period

The Expiry Date of the Options will be automatically extended by the amount of time set out in this subsection in the event that the Expiry Date falls within a Blackout Period and all of the following conditions exist:

- (i) the Blackout Period is formally imposed by the Corporation pursuant to its internal trading policies as a result of the bona fide existence of undisclosed Material Information. For greater certainty, in the absence of the Corporation formally imposing the Blackout Period, the Expiry Date of the Options will not be automatically extended in any circumstances;

- (ii) the Blackout Period expires upon the general disclosure of the undisclosed Material Information; and
- (iii) the Optionee or the Corporation is not subject to a cease trade order (or similar order under Securities Laws) in respect of the Corporation securities.

If the Expiry Date falls within a Blackout Period and all of the above conditions exist, then the Expiry Date of the Options affected by the Blackout Period will be extended by the length of the Blackout Period plus ten (10) Business Days.

(e) Transferability of Option

The Options are all non-transferable and non-assignable.

(f) Other Terms and Conditions

The Option Certificate may contain such other provisions as the Board deems appropriate, provided such provisions are not inconsistent with the Plan and the requirements of the Exchange.

For as long as the Shares of the Corporation are listed on the TSXV, the Corporation will comply with the following requirements:

- (i) the Corporation may not grant, to any one Consultant, Options to acquire more than an aggregate of 2% of the issued and outstanding Shares of the Corporation in any 12 month period, calculated at the date the Options are granted to the Consultant;
- (ii) the Corporation may not grant, to all persons retained to provide Investor Relations Activities, Options to acquire more than an aggregate of 2% of the issued and outstanding Shares of the Corporation in any 12 month period, calculated at the date the Options are granted to any such person. For greater certainty persons retained to provide Investor Relations Activities include any Consultant that performs Investor Relations Activities and any Employee or Director whose role and duties primarily consist of Investor Relations Activities;
- (iii) Options issued to persons retained to provide Investor Relations Activities must vest in stages over a period of not less than 12 months with no more than one-quarter of the Options vesting in any three month period;
- (iv) the approval of the disinterested shareholders of the Corporation will be obtained:
 - (A) for Options granted to any one Person (including to companies wholly-owned by that Person) within a 12 month period to acquire more than 5% of the issued and outstanding Shares of the Corporation, calculated on the date the Options are granted to the Person;

- (B) for Options which will result in the number of Options granted to Insiders within a 12 month period exceeding 10% of the issued and outstanding Shares of the Corporation; and
- (C) for Options which will result in the number of Options granted to Insiders at any point in time exceeding 10% of the issued and outstanding Shares of the Corporation; and
- (D) for any amendment to or reduction in the Option Price or extending the term of the Option if the Optionee is an Insider of the Corporation at the time of the proposed amendment or reduction;
- (v) for Options granted to Employees, officers, Consultants or Management Company Employees of the Corporation, the Corporation and the Optionee will be responsible for ensuring and confirming that the Optionee is a bona fide Employee, officer, Consultant or Management Company Employee of the Corporation, as the case may be;
- (vi) the Corporation must issue a news release disclosing the grant of Options to Insiders, officers or persons retained to provide Investor Relations Activities, and any amendment to any of the foregoing on the day any such Option if granted, issued or amended, including without limitation the terms of such Options and subsequent approvals that may be required, if any; and
- (vii) in addition to any resale restrictions under Securities Laws and any other circumstance for which the TSXV hold period may apply, ~~where Options are granted to Insiders or where the Option Price includes a discount as permitted by the TSXV, the~~ the following Options and ~~any~~ Option Shares ~~issued on the exercise of such Options~~ must be legended with a ~~four-month TSXV~~ four-month hold period commencing on the Grant Date:

(A) Options and Option Shares issued to:

- (I) Directors, officers and Promoters (as defined in the applicable Securities Laws) of the Corporation;
- (II) Consultants; or
- (III) Persons holding securities carrying more than 10% of the voting rights attached to the Corporation's securities both immediately before and after the transaction in which securities are issued, and who have elected or appointed or have the right to elect or appoint one or more Directors or senior officers of the Corporation,

except in the case of securities whose Distribution was qualified by a Prospectus or which were issued under a take-over bid, rights offering or pursuant to an amalgamation or other statutory procedure;

- (B) Options and Option Shares granted to any Person with an exercise price that is less than the applicable Market Price (as defined in the policies of the TSXV); and
- (C) Options and Option Shares granted or issued at a price or deemed price that is less than \$0.05 except in the case of securities whose distribution was qualified by a prospectus or securities issued pursuant to TSXV Policy 4.5.

For as long as the Shares of the Corporation are listed on the TSX, the Corporation will comply with the following requirements:

- (i) the Corporation may not grant to Insiders Options to acquire more than an aggregate of 10% of the issued and outstanding Shares of the Corporation; and
- (ii) the Corporation may not grant to Insiders, Options to acquire more than an aggregate of 10% of the issued and outstanding Shares of the Corporation in any 12 month period at the end of such period, provided that any Options granted prior to the grantee becoming an Insider shall be excluded for the purposes of this limit.

7. TERMINATION OF OPTIONS

- (a) All rights to exercise Options will terminate upon the earliest of:
 - (i) the Expiry Date; and
 - (ii) the date set out in Section 7(b) or 7(c), as applicable.
- (b) Ceasing to Hold Office

If the Optionee holds his or her Option as a Director and such Optionee ceases to be a Director prior to the end of the Option Period, then the Option will terminate on the Early Expiry Date, unless the Optionee:

- (i) ceases to be a Director as a result of the death or disability of the Optionee, in which case the Option will terminate one year from the date of death or disability of the Optionee;
- (ii) ceases to be a Director:
 - (A) as a result of being convicted in or out of British Columbia of an offence in connection with the promotion, formation or management of a corporation or unincorporated business, or of an offence involving fraud; or
 - (B) by order of the British Columbia Securities Commission, the Exchange or any other regulatory body having jurisdiction to so order;

- (C) where the Director is required to resign as a consequence of ceasing to meet the director qualifications specified in the British Columbia Business Corporations Act;

in which case, the Option will terminate on the date on which the Optionee ceases to be a Director; or

- (iii) remains an Eligible Person, in which case the Board may, in its discretion, allow the Optionee to retain the Option.

(c) Ceasing to be Employed

If the Optionee holds his or her option as an Employee, Consultant or Management Company Employee and such Optionee ceases to be an Employee, Consultant or Management Company Employee prior to the end of the Option Period, then the Option will terminate on the Early Expiry Date, unless the Optionee:

- (i) ceases to be an Employee, Consultant or Management Company Employee as a result of the death or disability of the Optionee, in which case the Option will terminate one year from the date of death or disability of the Optionee;
- (ii) ceases to be an Employee, Consultant or Management Company Employee:
 - (A) as a result of the Corporation terminating the Optionee for cause; or
 - (B) by order of the British Columbia Securities Commission, the Exchange or any other regulatory body having jurisdiction to so order,

in which case, the Option will terminate on the date on which the Optionee ceases to be an Employee, Consultant or Management Company Employee; or

- (iii) remains an Eligible Person, in which case the Board may, in its discretion, allow the Optionee to retain the Option.

(d) Vesting on Termination

Unless otherwise provided by the Board, any options that are unvested on the date that the Corporation provides the Optionee with written notice of termination or the Optionee provides the Corporation with written notice of resignation, will automatically terminate on the date of such notice.

(e) Exercise after Death or Disability of Optionee

In the event of the death of an Optionee, the Optionee's Option must be exercised only by the person or persons to whom the Optionee's rights under the Option will pass by the Optionee's will or the laws of descent and distribution. In the event of the death or disability of an Optionee, the Optionee's Option may be exercised to the extent that the Optionee was entitled to exercise the Option at the date of the Optionee's death or

disability. The period in which the Optionee's Option may be exercised must not exceed one year from the date of death of the Optionee.

8. ADJUSTMENT OF AND CHANGES IN THE OPTION SHARES

~~(a) If the Corporation:~~

(a) Subject to the limitations under Section 6(f) herein and the prior approval of the TSXV, if the Corporation:

- (i) changes its capital structure through stock splits, reverse split, consolidations, recapitalizations, reclassifications, changes in or elimination of ~~par~~part value shares;
- (ii) declares any dividends or makes other distributions to holders of shares; provided that if the limitations under Section 6(f) are to be exceeded, the Corporation will settle the obligation in cash;
- (iii) grants any rights to purchase shares at prices substantially below the Option Price as determined in accordance with Section 6(a) to holders of shares of the Corporation; or
- (iv) converts or exchanges its shares for any other securities as a result of a business combination,

then in any such case the Corporation may:

(i) make such adjustments in the right to purchase granted hereby; or

(ii) subject to prior acceptance by the TSXV, terminate an Option 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 Option or realization of the Eligible Person's rights as of the date of the occurrence of the transaction net of any exercise price payable by such Person (and, for the avoidance of doubt, if as of the date of the occurrence of the transaction the Board determines in good faith that no amount would have been attained upon the exercise or settlement of such Board or realization of such Person's rights net of any exercise price payable by such Person, then such Option may be terminated by the Corporation without payment);

in each case which are appropriate and reflective of such event, and as may be required to prevent substantial dilution or enlargement of the rights granted to or available for the Optionee hereunder.

- (b) Options for fractional Option Shares resulting from any adjustment in Options pursuant to this Section 8 will be terminated. Any adjustment will be effective and binding on each Optionee for all purposes of the Plan.

9. CHANGE OF CONTROL

In the event of:

- (a) a business combination in which the Corporation is not the surviving Company;
- (b) the Shares being converted into securities of another entity or exchanged for other consideration; or
- (c) an offer for fifty percent or more of shares being made by a third party that constitutes a take-over bid as that term is defined in Multilateral Instrument 62-104 of the Canadian Securities Administrators (“MI 62-104”) or would constitute a take-over bid as that term is defined in the MI 62-104 but for the fact that the offeree is not in British Columbia,

the Board may, in its sole discretion, deal with outstanding Options in the manner it deems fair and reasonable in light of the circumstances. Without limiting the generality of the foregoing, the Board may, without any action or consent required on the part of any Optionee: (i) subject to Exchange approval, deliver a notice to the Optionee advising the Optionee that the unvested portion of the Option held by the Optionee, if any, shall immediately vest; (ii) deliver a notice to an Optionee advising the Optionee that the Expiry Date for any vested portion or portions of the Option shall be the earlier of the Expiry Date and the 10th day following the date of the notice and the Expiry Date for any unvested portion of the Option shall be the date of the notice; or (iii) take such other actions, and combinations of the foregoing actions, as it deems fair and reasonable under the circumstances.

10. PAYMENT

- (a) Subject as hereinafter provided, the full purchase price for each of the Option Shares will be paid by certified cheque or bank draft in favour of the Corporation upon exercise thereof. An Optionee will have none of the rights of a shareholder in respect of the Option Shares until the shares are issued to such Optionee.
- (b) ~~Upon~~ Subject to TSXV Policy 4.4 and provided that nothing in this Section 10 results in the alteration of the exercise price of the applicable Options, upon exercise of an Option, the Optionee shall, upon notification of the amount due and prior to the delivery of the certificates representing the Option Shares, pay to the Corporation by certified cheque or bank draft, such amount as the Corporation shall determine is required to be withheld and remitted to Canada Revenue Agency to satisfy applicable federal and provincial tax and, if applicable, Canada Pension Plan withholding and remittance requirements, or shall make alternative arrangements satisfactory to the Corporation (acting in its sole discretion) in respect of such requirements. Such alternative arrangements for satisfying the withholding and remittance requirements may include, but shall not be limited to, the following:
 - (i) the Corporation may retain and withhold from any payment of cash due or to become due from the Corporation to the Optionee, whether under this Plan or

otherwise, the amount of taxes and, if applicable, Canada Pension Plan contributions, required to be withheld or otherwise deducted and remitted by the Corporation to the Canada Revenue Agency in respect of such payment, and shall remit the amount so withheld to the Canada Revenue Agency, as source deductions withheld by it in respect of the issue of the Option Shares; and

- (ii) the Corporation may deduct from the Option Shares to be issued to the Optionee, a number of Option Shares (the “Cashed-Out Shares”) having a market value of not less than the amount of taxes and, if applicable, Canada Pension Plan contributions, required to be withheld or otherwise deducted and remitted by the Corporation to the Canada Revenue Agency in respect of such payment and shall remit to the Canada Revenue Agency the amount (the “Cash-Out Amount”) that is equal to the market value of the Cashed-Out Shares, as source deductions withheld by it in respect of the issue of the Option Shares. The Cashed-Out Shares may be retained or sold by the Corporation. In such cases, the Corporation may, at its sole discretion, elect under s. 110(1.1) of the *Income Tax Act* (Canada) not to deduct the Cash-Out Amount in computing its income for any taxation year.

11. SECURITIES LAW AND EXCHANGE REQUIREMENTS

- (a) No Option will be exercisable in whole or in part, nor will the Corporation be obligated to issue any Option Shares pursuant to the exercise of any such Option, if such exercise and issuance would, in the opinion of counsel for the Corporation, constitute a breach of any applicable laws from time to time, or the rules from time to time of the Exchange. Each Option will be subject to the further requirement that if at any time the Board determines that the listing or qualification of the Option Shares under any securities legislation or other applicable law, or the consent or approval of any governmental or other regulatory body (including the Exchange), is necessary as a condition of, or in connection with, the issue of the Option Shares hereunder, such Option may not be exercised in whole or in part unless such listing, qualification, consent or approval has been effected or obtained free of any conditions not acceptable to the Board.
- (b) By accepting and not returning an Option Certificate within 5 days of receiving it in connection with a grant of Options, an Optionee is deemed to have expressly consented to the disclosure by the Corporation of personal and other information regarding the Optionee to any governmental or other regulatory body (including the Exchange or such other self-regulatory body or stock exchange having jurisdiction over the Corporation). In addition, the Optionee is deemed to have consented to the collection, use and disclosure of personal or other information by such governmental or other regulatory body (including the Exchange or such other self-regulatory body or stock exchange having jurisdiction over the Corporation) for such purposes as may be identified by such governmental or other regulatory body, from time to time.

12. EFFECTIVENESS AND TERMINATION OF PLAN

- (a) The Plan will be effective upon the later of:

- (i) approval of the Board;
 - (ii) acceptance by the Exchange; and
 - (iii) acceptance by any other regulatory authority having jurisdiction over the Corporation's securities.
- (b) Upon the Plan being effective, the Corporation and every person to whom an Option is awarded hereunder shall be bound by and subject to the terms and conditions of the Plan. This Plan repeals and replaces any stock option plan adopted by the Corporation prior to the effective date and any options awarded and outstanding under such prior plan shall thereafter be governed by the provisions of this Plan.
- (c) The Board may terminate the Plan at any time provided that the Corporation adopts a new stock option plan. Upon termination of the Plan, previously granted Options will be governed by the provisions of the Corporation's stock option plan adopted by the Corporation from time to time.

13. AMENDMENT OF THE PLAN

(a) The Board 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 Options granted pursuant to the Plan as it, in its discretion, determines appropriate, provided, however, that:

(i) no such amendment, modification, change, suspension or termination of the Plan or any Options granted hereunder may materially impair any rights of any Person to whom an Option is awarded hereunder or materially increase any obligations of any such Person under the Plan without the consent of such Person, unless the Board determines such adjustment is required or desirable in order to comply with any applicable Securities Laws or TSXV requirements;

~~(a) Subject to any limitations that may be prescribed by the policies of the Exchange from time to time, the Board may from time to time amend the Plan and the terms and conditions of any Option granted thereunder, provided that any amendment, modification or change to the provisions of the Plan will:~~

~~(i) not adversely alter or impair any Option previously granted, except as permitted by Section 8 or 9;~~

~~(ii) be subject to any regulatory approvals, where required, including the approval of the Exchange where necessary;~~any amendment that would cause an Option held by a U.S. taxpayer be subject to the additional tax penalty under shall be null and void ab initio with respect to such U.S. taxpayer unless the consent of the U.S. taxpayer is obtained; and

~~(iii) be subject to shareholder approval in accordance with the rules of the Exchange in circumstances where the amendment, modification or change of the~~

~~Plan and terms and conditions of any Option would amend the:~~ any amendments to the Plan or to any Options granted pursuant to the Plan are subject to TSXV approval (including such amendments that do not otherwise trigger approval of the holders of voting shares of the Corporation).

~~(A) Eligible Persons who may be granted Options under the Plan;~~

~~(B) method for determining the Exercise Price of the Options;~~

~~(C) maximum term of the Options under Section 3;~~

~~(D) expiry and termination provisions relating to the Options under this Plan;~~

~~(E) limitations under the Plan on the number of Options that may be granted to any one person or category of persons, including Insiders, as set out in this Plan;~~

~~(F) maximum number or percentage, as the case may be, of Shares that may be reserved under the Plan for issuance pursuant to the exercise of the Options; or~~

~~(G) amend this Section 13;~~

~~(iv) not be subject to shareholder approval in circumstances where the amendment, modification or change of the Plan would:~~

~~(A) be of a “housekeeping nature”, including any amendment to the Plan or an Option that is necessary to comply with applicable laws, tax or accounting provisions or the requirements of any regulatory authority or the Exchange, and any amendment to the Plan or an Option to correct or rectify any ambiguity, defective provision, error or omission therein, including amendment to any definitions;~~

~~(B) clarify existing provisions of the Plan that do not have the effect of altering the scope, nature and intent of such provisions;~~

~~(C) be necessary for the Option to qualify for favourable treatment under applicable tax laws;~~

~~(D) alter, extend or accelerate any vesting terms or conditions in the Plan or any Option; or~~

~~(E) amend Section 8 or 9; and~~

~~(v) be subject to Exchange approval if required pursuant to the rules of the Exchange.~~

(b) ~~Subject to~~ Notwithstanding Section 13(a) and subject to any rules of the TSXV, approval of the holders of the Shares (including by way of disinterested shareholder approval, the Board may from time to time retroactively amend the Plan and, with the consent of the

~~affected Optionee, retroactively amend the terms and conditions of any Options which have previously been granted.~~ where required by the TSXV) shall be required for any amendment, modification or change that:

- (i) increases the percentage of Shares reserved for issuance under the Plan, except pursuant to the provisions in the Plan which permit the Board to make equitable adjustments in the event of transactions affecting the Corporation or its capital;
 - (ii) increases or removes the limitations set out in Section (f);
 - (iii) allows for the grant to Insiders of the Corporation (as a group), within a 12 month period, an aggregate number of Options exceeding 10% of the Corporation's issued Shares, calculated at the date the Option is granted to the Insider;
 - (iv) allows for the grant to any one Person, within a 12 month period, an aggregate number of Options exceeding 5% of the Corporation's issued Shares, calculated at the date the Option is granted to such Person;
 - (v) reduces the exercise price of an Option to an Insider (for this purpose, a cancellation or termination of an Option prior to its expiry date for the purpose of reissuing an Option to the same Person with a lower exercise price shall be treated as an amendment to reduce the exercise price of an Option);
 - (vi) extends the term of an Option beyond the original expiry date (except where an expiry date would have fallen within a blackout period applicable to the applicable Person to whom an such Option was granted);
 - (vii) increases or removes the limits on the participation of Directors;
 - (viii) permits Awards to be transferred to a Person;
 - (ix) changes the eligible participants of the Plan; or
 - (x) deletes or reduces the range of amendments which require approval of shareholders under this Section 13(b).
- (c) Without limiting the generality of Section 13(a), but subject to Section 13(b) and any rules of the TSXV, the Board may, without shareholder approval, at any time or from time to time, amend the Plan for the purposes of:
- (i) making any amendments to the general vesting provisions of each Option;
 - (ii) making any amendments to the provisions set out in Section 7;
 - (iii) making any amendments to add covenants of the Corporation for the protection of Eligible Persons, as the case may be, provided that the Board shall be of the good faith opinion that such additions will not be prejudicial to the rights or interests of such Persons, as the case may be;

- (iv) 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 Board, having in mind the best interests of the Eligible Persons participating in the Plan, it may be expedient to make, including amendments that are desirable as a result of changes in law in any jurisdiction where each an Eligible Person participating in the Plan resides, provided that the Board shall be of the opinion that such amendments and modifications will not be prejudicial to the interests of the Eligible Persons and Directors; or
- (v) 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 Board shall be of the opinion that such changes or corrections will not be prejudicial to the rights and interests of the Eligible Persons.

14. MISCELLANEOUS

If there is a discrepancy between the resolution of the Board authorizing the grant of an Option and the Option Certificate, then the board resolution will supersede the Option Certificate and the Option will be as described in the resolution of the Board.

The Plan supersedes and replaces all predecessor stock option plans of the Company. All options previously granted by the Company that are outstanding as at the date of the Plan shall be deemed to be Options which are subject to the terms and conditions hereof.

15. SHAREHOLDER APPROVAL

This Plan is subject to the approval of the shareholders of the Corporation as may be required by the Exchange.

SCHEDULE A

**CUBICFARM SYSTEMS CORP.
(the "Corporation")**

**STOCK OPTION CERTIFICATE
PURSUANT TO THE ~~2019~~ STOCK OPTION PLAN**

This option certificate (this "**Option Certificate**") is issued pursuant to the provisions of the Corporation's ~~2019~~ Stock Option Plan as amended or replaced from time to time (the "**Plan**") and evidences that _____ (the "**Optionee**") is the holder of an option to purchase up to _____ Shares in the Corporation at a purchase price of \$ _____ per Share.

The Grant Date of this Option is _____.

The Expiry Date is _____, 20____.

This Option vests on the following terms:

(insert N/A if no vesting terms)

<@>

Other Restrictions:

1. This Option Certificate and the Option evidenced hereby will expire and terminate on the date which is the earlier of the Expiry Date and the date set out in section 7(a)(ii) of the Plan.
2. Subject to early expiry as described in paragraph 1 above and any vesting conditions, this Option may be exercised from the Grant Date until 4:00 p.m. local time in Vancouver, British Columbia on the Expiry Date, by delivering to the Corporation an Exercise Notice in the form attached as Schedule B to the Plan, together with this Option Certificate and a certified cheque or bank draft payable to CUBICFARM SYSTEMS CORP. in an amount equal to the total Option Price of the Shares in respect of which this Option is being exercised; provided that the Optionee will have satisfied the conditions precedent, if any, to the exercise of the Option set out in the Plan.
3. This Option Certificate and the Option evidenced hereby is not assignable, transferable or negotiable except in accordance with the provisions of the Plan. This Option Certificate is issued for convenience only and in the case of any dispute with regard to any matter in respect hereof, the provisions of the Plan and records of the Corporation will prevail. The Company and the Optionee hereby attorn to the jurisdiction of the Courts of British Columbia.
4. The exercise of this Option is subject to the terms and restrictions set out in the Plan. Terms have the meaning as set out in the Plan.
5. By accepting and not returning this Option Certificate within 5 days of receiving it, the Optionee expressly consents to the disclosure by the Corporation of personal and other

information regarding the Optionee to any governmental or other regulatory body (including the Exchange or such other self-regulatory body or stock exchange having jurisdiction over the Corporation). In addition, the Optionee consents to the collection, use and disclosure of personal or other information by such governmental or other regulatory body (including the Exchange or such other self-regulatory body or stock exchange having jurisdiction over the Corporation) for such purposes as may be identified by such governmental or other regulatory body, from time to time.

Dated this _____ day of _____

CUBICFARM SYSTEMS CORP.

Per: _____
Authorized Signatory

SCHEDULE B

CUBICFARM SYSTEMS CORP.

EXERCISE NOTICE

To: The Board of Directors - Stock Option Plan
CUBICFARM SYSTEMS CORP. (the "Corporation")

The undersigned hereby irrevocably gives notice, pursuant to the Corporation's 2019 Stock Option Plan, of the exercise of the Option to acquire and hereby subscribes for (cross out inapplicable item):

- (a) all of the Shares; or
- (b) of the Shares;

which are the subject of the Option Certificate held by the undersigned evidencing the undersigned's Option to purchase said Shares.

Calculation of total Option Price:

- (i) number of Shares to be acquired Shares
 - (ii) multiplied by the Option Price per Common Share: \$ _____
- TOTAL OPTION PRICE**, enclosed herewith: \$ _____

The undersigned hereby:

- (a) tenders herewith a certified cheque, bank draft or wire transfer (circle one) in the amount of \$ _____ payable to the Corporation in an amount equal to the total Option Price of the aforesaid Shares, as calculated above, and directs the Corporation to issue the share certificate evidencing said Shares in the name of the undersigned to be mailed to the undersigned at the following address; or
- (b) directs the Corporation to deliver the share certificate evidencing said Shares to the undersigned's agent in trust for the undersigned at the address listed below against receipt of a check payable to the Corporation in an amount equal to the total Option Price of the aforesaid Shares, as calculated above.

Dated the ____ day of _____

Signature of Witness

Signature of Optionee

Name of Witness (please print)

Name of Optionee (please print)