

**ISRACANN BIOSCIENCES INC.**

595 Burrard Street, Suite 1600  
Vancouver, BC V7X 1L3  
Telephone No.: 604-788-9533

**INFORMATION CIRCULAR**

(as at February 23, 2023, except as otherwise indicated)

This information circular (“**Information Circular**”) is furnished in connection with the solicitation of proxies by the management of Isracann Biosciences Inc. (the “**Company**”) for use at the Annual General Meeting of the shareholders of the Company (“**Shareholders**”) (and any adjournment thereof) to be held on March 31, 2023 (the “**Meeting**”) at the time and place and for the purposes set forth in the accompanying Notice of Meeting. In this Information Circular, references to “the **Company**”, “**Isracann**”, “**we**” and “**our**” refer to Isracann Biosciences Inc. “**Common Shares**” means common shares without par value in the capital of the Company. “**Beneficial Shareholders**” means shareholders who do not hold Common Shares in their own name and “**intermediaries**” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders. “**Registered Shareholder**” means the person whose name appears on the central securities register maintained by or on behalf of the Company and who holds Common Shares in his or her own name.

**GENERAL PROXY INFORMATION**

**Solicitation of Proxies**

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and regular employees of the Company. The Company will bear all costs of this solicitation. We have arranged for intermediaries to forward the meeting materials to Beneficial Shareholders held of record by those intermediaries and we may reimburse the intermediaries for their reasonable fees and disbursements in that regard.

**Appointment of Proxyholders**

The individuals named in the accompanying form of proxy (the “**Proxy**”) are officers and directors of the Company. **If you are a shareholder entitled to vote at the Meeting, you have the right to appoint a person or company other than either of the persons designated in the Proxy, who need not be a shareholder, to attend and act for you and on your behalf at the Meeting. You may do so either by inserting the name of that other person in the blank space provided in the Proxy or by completing and delivering another suitable form of proxy.**

**Voting by Proxyholder**

The persons named in the Proxy will vote or withhold from voting the Common Shares represented thereby in accordance with your instructions on any ballot that may be called for. If you specify a choice with respect to any matter to be acted upon, your Common Shares will be voted accordingly. The Proxy confers discretionary authority to the persons named therein with respect to:

- (a) each matter or group of matters identified therein for which a choice is not specified, other than the appointment of an auditor and the election of directors;
- (b) any amendment to or variation of any matter identified therein; and
- (c) any other matter that properly comes before the Meeting.

In respect of a matter for which a choice is not specified in the Proxy, the persons named in the Proxy will vote the Common Shares represented by the Proxy for the approval of such matter.

### **Registered Shareholders**

Registered Shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person.

A proxy will not be valid unless it is deposited with our transfer agent Computershare,

(i) by mail using the enclosed return envelope or

(ii) by hand delivery to Computershare, 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1.

Alternatively, you may vote by telephone at 1-866-732-VOTE (8683) (toll free within North America) or 1-312-588-4290 (outside North America), by facsimile to 1-866-249-7775 or 1-416-263-9524 (if outside North America), or by internet using the 15 digit control number located at the bottom of your proxy at [www.investorvote.com](http://www.investorvote.com). All instructions are listed in the enclosed form of proxy.

Your proxy or voting instructions must be received in each case no later than 10:00 a.m. (Pacific Time) on March 29, 2023 or, if the Meeting is adjourned, 48 hours (excluding Saturdays and holidays) before the beginning of any adjournment of the Meeting. Failure to complete or deposit a proxy properly may result in its invalidation. The time limit for the deposit of proxies may be waived by the Company's board of directors (the "Board") at its discretion without notice. **Please note that in order to vote your Common Shares in person at the Meeting, you must attend the Meeting and register with the Scrutineer before the Meeting. If you have already submitted a Proxy, but choose to change your method of voting and attend the Meeting to vote, then you should register with the Scrutineer before the Meeting and inform them that your previously submitted proxy is revoked and that you personally will vote your Common Shares at the Meeting.**

### **Beneficial Shareholders**

**The following information is of significant importance to shareholders who do not hold Common Shares in their own name.** Beneficial Shareholders should note the only proxies that can be recognized and acted upon at the Meeting are those deposited by Registered Shareholders (those whose names appear on the records of the Company as the registered holders of Common Shares) or as set out in the following disclosure.

If Common Shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those Common Shares will not be registered in the shareholder's name on the records of the 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 The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms). In the United States of America (the "U.S." or the "United States") the vast majority of such Common Shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks).

Intermediaries are required to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary has its own mailing procedures and provides its own return instructions to clients.

There are two kinds of Beneficial Shareholders - those who object to their name being made known to the issuers of securities which they own (called “**OBOs**” for “*Objecting Beneficial Owners*”) and those who do not object to the issuers of the securities they own knowing who they are (called “**NOBOs**” for “*Non-Objecting Beneficial Owners*”).

These securityholder materials are sent to both registered and non-registered (beneficial) owners of the securities of the Company. If you are a non-registered owner, and the Company or its agent sent these materials directly to you, your name, address and information about your holdings of securities, were obtained in accordance with applicable securities regulatory requirements from the intermediary holding securities on your behalf.

Beneficial Shareholders who are OBOs should follow the instructions of their intermediary carefully to ensure that their Common Shares are voted at the Meeting.

The form of proxy supplied to you by your broker will be similar to the proxy provided to Registered Shareholders by the Company. However, its purpose is limited to instructing the intermediary on how to vote on your behalf. Most brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions Inc. (“**Broadridge**”) in Canada and in the United States. Broadridge mails a Voting Instruction Form (“**VIF**”) in lieu of a proxy provided by the Company. The VIF will name the same persons as the Company’s Proxy to represent you at the Meeting. You have the right to appoint a person (who need not be a Beneficial Shareholder of the Company), different from the persons designated in the VIF, to represent your Common Shares at the Meeting, and that person may be you. To exercise this right insert the name of your desired representative (which may be you) in the blank space provided in the VIF. Once you have completed and signed your VIF return it to Broadridge by mail or facsimile, or deliver your voting instructions to Broadridge by phone or via the internet, in accordance with Broadridge’s instructions. Broadridge tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. **If you receive a VIF from Broadridge, it must be completed and returned to Broadridge, in accordance with Broadridge’s instructions, well in advance of the Meeting in order to: (a) have your Common Shares voted at the Meeting as per your instructions; or (b) have an alternate representative chosen by you duly appointed to attend and vote your Common Shares at the Meeting.**

#### **Notice to Shareholders in the United States**

The solicitation of proxies involves securities of an issuer located in Canada and is being effected in accordance with the corporate laws of the Province of British Columbia, Canada and securities laws of the provinces of Canada. The proxy solicitation rules under the United States *Securities Exchange Act of 1934*, as amended, are not applicable to the Company or this solicitation, and this solicitation has been prepared in accordance with the disclosure requirements of the securities laws of the provinces of Canada. Shareholders should be aware that disclosure requirements under the securities laws of the provinces of Canada differ from the disclosure requirements under United States securities laws.

The enforcement by Shareholders of civil liabilities under United States federal securities laws may be affected adversely by the fact that the Company is incorporated under the *Business Corporations Act* (British Columbia) (the “**BCA**” and the “**Act**”), as amended, certain of its directors and its executive officers are residents of Canada, and a substantial portion of its assets and the assets of such persons are located outside the United States. Shareholders may not be able to sue a foreign company or its officers or directors in a foreign court for violations of United States federal securities laws. It may be difficult to compel a foreign company and its officers and directors to subject themselves to a judgment by a United States court.

## **Revocation of Proxies**

In addition to revocation in any other manner permitted by law, a Registered Shareholder who has given a proxy may revoke it by:

- (a) executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the Registered Shareholder or the Registered Shareholder's authorized attorney in writing, or, if the shareholder is a corporation, under its corporate seal by an officer or duly authorized attorney, and by delivering the proxy bearing a later date to Computershare or at the address of the registered office of the Company at 1500 Royal Centre, 1055 West Georgia Street, P.O. Box 11117, Vancouver, British Columbia, V6E 4N7, at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law; or
- (b) personally attending the Meeting and voting the Registered Shareholder's Common Shares.

A revocation of a proxy will not affect a matter on which a vote is taken before the revocation.

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

No director or executive officer of the Company, or any person who has held such a position since the beginning of the last completed financial year of the Company, nor any nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors and as may be set out herein.

### **VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES**

The Board has fixed February 23, 2023 as the record date (the "**Record Date**") for determination of persons entitled to receive notice of the Meeting. Only shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of proxy in the manner and subject to the provisions described above will be entitled to vote or to have their Common Shares voted at the Meeting.

The Common Shares of the Company are listed on the Canadian Securities Exchange (the "**CSE**") under stock symbol "**IPOT**". The authorized capital of the Company consists of an unlimited number of Common Shares without par value, each carrying the right to one vote and an unlimited number of preferred shares. No group of shareholders has the right to elect a specified number of directors, nor are there cumulative or similar voting rights attached to the Common Shares. As at February 23, 2023, there were 176,729,944 Common Shares issued and outstanding and no preferred shares.

To the knowledge of the directors and senior officers of the Company, there is no person or company who beneficially owns, directly or indirectly, or exercises control or direction over, shares carrying more than 10% of the voting rights attached to all outstanding Common Shares of the Company as of the close of business on the Record Date.

### **FINANCIAL STATEMENTS**

The audited financial statements of the Company for the financial year ended, May 31, 2021 and May 31, 2022 the report of the auditor thereon and the related management's discussion and analysis were filed on SEDAR at [www.sedar.com](http://www.sedar.com) and will be tabled at the Meeting.

## ELECTION OF DIRECTORS

There are currently four (4) directors in the Company. The term of office of each of the present directors expires at the Meeting. The four persons named below will be presented for election at the Meeting as 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 general meeting of the Company or until his successor is elected or appointed, unless his office is earlier vacated in accordance with the Articles of the Company or the provisions of the BCA.

At the Meeting Shareholders will be asked to approve an ordinary resolution to set the number of directors to be elected to the Board at four (4).

The following table and notes thereto set out the name of each of four management's nominees for election as a director, the province and country in which he is ordinarily resident, all offices of the Company now held by him, his principal occupation, the period of time he has been a director of the Company, and the number of Common Shares of the Company beneficially owned by him, directly or indirectly, or over which he exercises control or direction, as at the date hereof.

<b>Name of Nominee, Current Position with the Company and Province or State and Country of Residence<sup>(1)</sup></b>	<b>Principal Occupation and, if not at present an elected Director, Occupation during the past five years<sup>(1)</sup></b>	<b>Director Since</b>	<b>Common Shares Beneficially Owned or Controlled<sup>(2)</sup></b>
<b>Yana Popova</b> CFO, Corporate Secretary and Director British Columbia, Canada	Chief Financial Officer of the Issuer; Director and CFO of Pure Extracts Technologies Corp (formerly) Big Sky Petroleum.	November 15, 2017	20,000 <sup>(3)</sup>
<b>Sean Bromley</b> <sup>(6)(7)</sup> Director British Columbia, Canada	Director of the Issuer since December 19, 2017; Director of White Gold Corp. (TSX-V: WGO); Director of Pacific Rim Cobalt Corp. (CSE: BOLT); Director of Pure Extracts Technologies Corp (formerly Big Sky Petroleum) Director of Element Nutritional Sciences (ELMT) Director of Apollo Silber Corp (APGO)	December 19, 2017	205,141 <sup>(4)</sup>
<b>Desmond Balakrishnan</b> <sup>(6)(7)</sup> Director British Columbia, Canada	Partner, McMillan LLP, since January 2004.	July 5, 2019	77,666 <sup>(5)</sup>
<b>Dr. George Vrabec</b> <sup>(6)</sup> Director British Columbia, Canada	Urologist and Surgeon since July 2001; Principal Investigator of Exdeo Clinical Research.	Since April 12, 2022	Nil

Notes:

- (1) The information as to province or state and country of residence and principal occupation, not being within the knowledge of the Company, has been furnished by the respective directors individually.
- (2) The information as to shares beneficially owned or over which a director exercises control or direction, not being within the knowledge of the Company, has been furnished by the respective directors individually.

- (3) Yana Popova also holds options to purchase 300,000 Common Shares at an exercise price of \$0.20, expiring on October 15, 2023; options to purchase 166,667 Common Shares at an exercise price of \$1.20, expiring on June 21, 2023; options to purchase 400,000 Common Shares at an exercise price of \$0.19, expiring on May 8, 2023; and options to purchase 300,000 Common Shares at an exercise price of \$0.32, expiring on December 7, 2023.
- (4) 20,000 Common Shares are held indirectly through Mr. Bromley's company 1129925 B.C. Ltd. Mr. Bromley also holds options to purchase 300,000 Common Shares at an exercise price of \$0.20, expiring on October 15, 2023; options to purchase 166,667 Common Shares at an exercise price of \$1.20, expiring on June 21, 2023; options to purchase 400,000 Common Shares at an exercise price of \$0.19, expiring on May 8, 2023; and options to purchase 300,000 Common Shares at an exercise price of \$0.32, expiring on December 7, 2023.
- (5) Desmond Balakrishnan also holds options to purchase 150,000 Common Shares at an exercise price of \$0.20, expiring on October 15, 2023; options to purchase 400,000 Common Shares at an exercise price of \$0.19, expiring on May 8, 2023; and options to purchase 200,000 Common Shares at an exercise price of \$0.32, expiring on December 7, 2023.
- (6) Denotes member of Audit Committee.
- (7) Denotes member of Compensation Committee

## Cease Trade Orders

Other than as disclosed herein, no proposed director of the Company is, as at the date of this Information Circular, or has been, within 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company that:

was subject to (i) a cease trade order; (ii) an order similar to a cease trade order; or (iii) an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or

was subject to (i) a cease trade order; (ii) an order similar to a cease trade order; or (iii) an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

The British Columbia Securities Commission, as principal regulator, issued a management cease trade order (the "MCTO") against the Company on September 29, 2022 in connection with the late filing of the Company's annual financial statements, management's discussion and analysis and officer's certifications for the year ended May 31, 2022. The MCTO was revoked on December 9, 2022. Each of the proposed directors was a director of the Company at the time of issuance of the MCTO.

The British Columbia Securities Commission, as principal regulator, issued a management cease trade order (the "MCTO") against the Company on February 1, 2023 in connection with the late filing of the Company's unaudited interim financial statements, management's discussion and analysis and officer's certifications for the period ended November 30, 2022. The MCTO remains in place.

Desmond Balakrishnan, a director of the Company, was a director of Aroway Energy Inc. ("Aroway"), a TSX Venture Exchange listed company at the time a Cease Trade Order was issued by the British Columbia Securities Commission on January 4, 2016 for not having filed its annual financial statements for the year ended June 30, 2015 and its interim financial report for the financial period ended September 30, 2015 and its management's discussion and analysis for the periods ended June 30, 2015 and September 30, 2015. The Cease Trade Order remains in effect.

## **Bankruptcies**

No proposed director of the Company is, as at the date of this Information Circular, or has been within 10 years before the date of this Information Circular, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

No proposed director of the Company has, within 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

## **Penalties or Sanctions**

No proposed director of the Company 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 to be considered important to a reasonable shareholder in deciding whether to vote for a proposed director.

**Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote FOR the election of each of the director nominees listed above.**

## **APPOINTMENT OF AUDITOR**

MNP LLP, Chartered Professional Accountants, of Suite 300 – 111 Richmond Street, W., Toronto, Ontario, M5H 2G4 will be nominated at the Meeting for appointment as auditor for the ensuing year.

**Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote FOR the appointment of MNP LLP, Chartered Professional Accountants, as auditor of the Company until the close of the next annual general meeting.**

## **AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR**

Under National Instrument 52-110 – Audit Committees (“**NI 52-110**”), companies are required to provide disclosure with respect to their audit committee, including the text of the audit committee’s charter, the composition of the audit committee and the fees paid to the external auditor.

### **Audit Committee Charter**

The full text of the Company’s Audit Committee Charter is included in the Company’s information circular dated June 1, 2020.

### **Composition of the Audit Committee**

The following persons are members of the Audit Committee:

Desmond Balakrishnan	Independent	Financially Literate
Sean Bromley	Independent	Financially Literate
Dr. George Vrabec	Independent	Financially Literate

A member of the Audit Committee is independent if the member has no direct or indirect material relationship with the Company. A material relationship means a relationship, which could, in the Board's reasonable opinion, interfere with the exercise of a member's independent judgement.

A member of the Audit Committee is considered financially literate if he or she has the ability to read and understand a set of financial statements presenting a breadth and level of complexity of accounting issues generally comparable to the breadth and complexity of issues one can reasonably expect to be raised by the Company.

### **Relevant Education and Experience**

Each member of the Company's Audit Committee has adequate education and experience relevant to their performance as an Audit Committee member and, in particular, the requisite education and experience that provides the member with:

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

See further information for each audit committee member below.

#### **Sean Bromley – Director**

Mr. Bromley works in corporate finance as a consultant. He is a former investment advisor with a number of years' experience working with public companies. Mr. Bromley is a director of several TSX Venture and CSE listed companies. Mr. Bromley holds a Bachelor of Commerce from the University of Calgary.

#### **Desmond Balakrishnan – Director**

Mr. Balakrishnan is a Vancouver lawyer and has practiced law as a partner at McMillan LLP since February 2002. His areas of practice focus on mergers, acquisitions, listed company maintenance, international public listings, gaming and entertainment law. He graduated from the University of Alberta in 1997 with an LL.B (with distinction) and was called to the bar in British Columbia in 1998. Mr. Balakrishnan is now, or has been in the last five years, a director or officer of over 13 public companies or reporting issuers.

#### **Dr. George Vrabec – Director**

Mr. Vrabec is an Urologist and Surgeon. His work has published in various journals, including the New England Journal of Medicine. Known for optimizing operating procedures and bringing creativity to science, he serves on multiple boards, including Fraser Valley Health Care Foundation.

## Audit Committee Oversight

The Audit Committee has not made any recommendations to the Board to nominate or compensate any auditor other than MNP LLP, Chartered Professional Accountants.

## Pre-Approval Policies and Procedures

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

## External Auditor Service Fees

The Audit Committee has reviewed the nature and amount of the non-audit services provided by the Company's current auditor, MNP LLP, Chartered Professional Accountants, and the Company's previous auditor, Manning Elliott Accountants & Business Advisors (the "Auditors") to the Company to ensure auditor independence. Fees incurred with the Auditors, for audit and non-audit services in the last two fiscal years are outlined in the following table:

Financial Year Ending	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
May 31, 2022	\$107,000	-	-	-
May 31, 2021	\$167,000	\$4,000	\$33,333	-

### Notes:

- (1) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of the Company's consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) "Audit-Related Fees" include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) "All Other Fees" include all other non-audit services.

## Reliance on Certain Exemptions

The Company is a "venture issuer" as defined in NI 52-110 and relies on the exemption in section 6.1 of NI 52-110 relating to Parts 3 (*Composition of Audit Committee*) and 5 (*Reporting Obligations*).

## CORPORATE GOVERNANCE PRACTICES

National Instrument 58-101 - Disclosure of Corporate Governance Practices ("NI 58-101") requires issuers to disclose their corporate governance practices and National Policy 58-201 - Corporate Governance Guidelines ("NP 58-201") provides guidance on corporate governance practices. This section sets out the Company's approach to corporate governance and addresses the Company's compliance with NI 58-101.

Corporate governance refers to the policies and structure of the board of directors of a company, whose members are elected by and are accountable to the company's shareholders. Corporate governance encourages establishing a reasonable degree of independence of the board of directors from executive management and the adoption of policies to ensure the board of directors recognizes the principles of good

management. The Board is committed to sound corporate governance practices as such practices are both in the interests of shareholders and help to contribute to effective and efficient decision-making.

### **Board of Directors**

The Board has the responsibility for the stewardship of the Company including responsibility for strategic planning, identification of the principal risks of the Company’s business and implementation of appropriate systems to manage these risks, succession planning (including appointing, training and monitoring senior management), communications with investors and the financial community and the integrity of the Company’s internal control and management information systems.

The Board is responsible for setting long term goals and objectives for the Company, formulating the plans and strategies necessary to achieve those objectives and supervising senior management in their implementation. The Board delegates the responsibility for managing the day-to-day affairs of the Company to senior management but retains a supervisory role in respect of, and ultimate responsibility for, all matters relating to the Company and its business. The Board is responsible for protecting Shareholders’ interests and ensuring that the incentives of the Shareholders and of Management are aligned.

As part of its ongoing review of business operations, the Board reviews, as frequently as required, the principal risks inherent in the Company’s business including financial risks, through periodic reports from Management of such risks, and assesses the systems established to manage those risks. Directly and through the Audit Committee, the Board also assesses the integrity of internal control over financial reporting and management information systems.

In addition to those matters that must, by law, be approved by the Board, the Board is required to approve any material dispositions, acquisitions and investments outside the ordinary course of business, long-term strategy, and organizational development plans. Management is authorized to act without board approval, on all ordinary course matters relating to the Company’s business.

The Board monitors the Company’s compliance with timely disclosure obligations and reviews material disclosure documents prior to distribution.

The Board is responsible for selecting appointing senior management and for monitoring their performance.

Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A “material relationship” is a relationship which could, in the Board’s opinion, be reasonably expected to interfere with the exercise of a director’s independent judgment.

The independent members of the Board are: Sean Bromley, Desmond Balakrishnan and Dr. George Vrabec. Phil Floucault and Yana Popova are not independent as they are officers of the Company.

### **Directorships**

Certain directors of the Company are currently serving on the board of one or more reporting issuers (or equivalent) in a Canadian or foreign jurisdiction, as follows:

<b>Name of Director, Officer or Promoter</b>	<b>Name of Reporting Corporation</b>	<b>Market</b>
Desmond Balakrishnan	Axcap Ventures Inc.	CSE
	Basin Uranium Corp. (formerly Black Shield Metals Corp.	CSE
	Coloured Ties Capital Inc.	TSX-V

<b>Name of Director, Officer or Promoter</b>	<b>Name of Reporting Corporation</b>	<b>Market</b>
	Contagious Gaming Inc.	TSX-V
	Eat Well Investment Group Inc.	CSE
	First Uranium Resources Ltd.	CSE
	Hempfusion Wellness Inc.	TSX
	Northern Dynasty Minerals Ltd.	TSX, NYSE American
	Planet Ventures Inc.	TSX-V
	Savannah Minerals Corp. (formerly Upper Canyon Minerals Corp.)	NEX
	Solution Financial Inc.	NEX
	Strategem Capital Corp.	TSX-V
	Ynvisible Interactive Inc.	TSX-V
Sean Bromley	White Gold Corp.	TSXV
	Bolt Metals Corp.	CSE
	BMGB Capital Corp.	TSXV
	Element Nutritional Sciences Inc.	CSE
	Pure Extracts Technologies Corp. (formerly Big Sky Petroleum Corporation)	CSE
	Apollo Silver Corp.	TSXV
Yana Popova	Pure Extracts Technologies Corp. (formerly Big Sky Petroleum Corporation)	CSE

### **Orientation and Continuing Education**

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

### **Ethical Business Conduct**

To comply with its legal mandate, the Board seeks to foster a culture of ethical conduct by striving to ensure the Company carries out its business in line with high business and moral standards and applicable legal and financial requirements. In that regard, the Board:

- promotes honest and ethical conduct, avoids conflict of interest, protects confidential or proprietary information and complies with the applicable government laws and securities rules and regulations;

- encourages Management to consult with legal and financial advisors to ensure the Company is meeting those requirements;
- is cognizant of the Company's timely disclosure obligations and reviews material disclosure documents such as financial statements, MD&A and press releases prior to their distribution;
- relies on its Audit Committee to annually review the systems of internal financial control and discuss such matters with the Company's external auditor; and
- actively monitors the Company's compliance with the Board's directives and ensures that all material transactions are thoroughly reviewed and authorized by the board before being undertaken by Management.

The Board also complies with the conflict of interest provisions of the Business Corporations Act (British Columbia), as well as the relevant securities regulatory instruments, to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.

### **Nomination of Directors**

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

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

### **Compensation**

The Board has established a compensation committee (the "**Compensation Committee**"), consisting of 3 independent directors: Desmond Balakrishnan, Sean Bromley and Dr. Vrabec. The Compensation Committee is, among other things, responsible for reviewing and making recommendations to the Board regarding all forms of compensation to be granted to the Chief Executive Officer of the Company and other senior management and executive officers of the Company. The Compensation Committee also reviews the adequacy and form of compensation and benefits of the directors in their capacity as directors of the Company to ensure that such compensation realistically reflects the responsibilities and risks involved in being an effective director.

Desmond Balakrishnan, Sean Bromley and Dr. Vrabec have direct experience and adequate education relevant to the performance of their responsibilities in executive compensation. Please refer to director biographies above under the heading "Election of Directors".

### **Other Board Committees**

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

### **Assessments**

The Board regularly evaluates its effectiveness, its committees and individual directors.

## STATEMENT OF EXECUTIVE COMPENSATION

### General

The following compensation information is provided as required under Form 51-102F6V for Venture Issuers (the “**Form**”), as such term is defined in National Instrument 51-102 – Continuous Disclosure Obligations (“**NI 51-102**”).

For the purposes of this Statement of Executive Compensation:

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

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

- (a) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief executive officer (“**CEO**”), including an individual performing functions similar to a CEO;
- (b) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief financial officer (“**CFO**”), including an individual performing functions similar to a CFO;
- (c) in respect of the company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5) of the Form, for that financial year;
- (d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the company, requirements and was not acting in a similar capacity, at the end of that financial year.

During the financial year ended May 31, 2022, based on the definition above, the NEOs of the Company were Philip Floucault (Former CEO and a director), Yana Popova (CFO and a director), Matt Chatterton (Chief Scientific Officer and former Chief Operating Officer and Darryl Jones (Former President, CEO and a director). The directors of the Company who were not NEOs during the financial year ended May 31, 2022 were Dr. Irit Arbel, Sean Bromley, Desmond Balakrishnan, and Dr. George Vrabec.

During the financial year ended May 31, 2021, based on the definition above, the NEOs of the Company were Philip Floucault (CEO and a director), Yana Popova (CFO and a director), Matt Chatterton (Chief Scientific Officer and former Chief Operating Officer and Darryl Jones (Former President, CEO and a director). The directors of the Company who were not NEOs during the financial year ended May 31, 2021 were Dr. Irit Arbel, Sean Bromley, and Desmond Balakrishnan.

### Director and Named Executive Officer Compensation

The following compensation table, excluding options and compensation securities, provides a summary of the compensation paid by the Company to NEOs and members of the Board for the two most recently completed financial years ended May 31, 2022 and May 31, 2021. Options and compensation securities are disclosed under the heading “Stock Options and Other Compensation Securities” below.

Table of compensation excluding compensation securities							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Philip Floucault <sup>(1)</sup> Former Chief Executive Officer & Director	2022	\$97,500	N/A	N/A	N/A	N/A	\$97,500
	2021	\$Nil	N/A	N/A	N/A	N/A	\$Nil
Yana Popova <sup>(2)</sup> CFO, Corporate Secretary & Director	2022	\$150,000	N/A	N/A	N/A	N/A	\$150,000
	2021	\$150,000	N/A	N/A	N/A	N/A	\$150,000
Matt Chatterton <sup>(3)</sup> Chief Scientific Officer Former COO	2022	\$158,533	N/A	N/A	N/A	N/A	\$158,533
	2021	\$200,000	N/A	N/A	N/A	N/A	\$200,000
Darryl Jones <sup>(4)</sup> Former President, CEO & Director	2022	\$97,500	N/A	N/A	N/A	N/A	\$97,500
	2021	\$180,000	N/A	N/A	N/A	N/A	\$180,000
Dr. Irit Arbel <sup>(5)</sup> Former Director	2022	\$USD 12,000	N/A	N/A	N/A	N/A	\$USD 12,000
	2021	\$USD 12,000	N/A	N/A	N/A	N/A	\$USD 12,000
Sean Bromley <sup>(6)</sup> Director	2022	\$60,000	N/A	N/A	N/A	N/A	\$60,000
	2021	\$60,000	N/A	N/A	N/A	N/A	\$60,000
Desmond Balakrishnan <sup>(7)</sup> Director	2022	\$Nil	N/A	N/A	N/A	N/A	\$Nil
	2021	\$Nil	N/A	N/A	N/A	N/A	\$Nil
Dr. George Vrabec <sup>(8)</sup> Director	2022	\$Nil	N/A	N/A	N/A	N/A	\$Nil
	2021	\$Nil	N/A	N/A	N/A	N/A	\$Nil

Notes:

- (1) Philip Floucault was appointed to the Board of Directors and as Chief Executive Officer on October 15, 2021 and resigned on January 15, 2023.
- (2) Yana Popova was appointed as CFO and Director on November 15, 2017 and Corporate Secretary on July 5, 2019.
- (3) Matt Chatterton was appointed as Chief Scientific Officer on April 12, 2022. He served as Chief Operating Officer from May 25, 2020 to April 12, 2022.
- (4) Darryl Jones was appointed as President, CEO and Director on October 7, 2019 and resigned as President on October 15, 2021 and resigned from the Board of Directors on April 15, 2022.
- (5) Dr. Irit Arbel was appointed to the Board of Directors on October 7, 2019 and resigned on December 15, 2022
- (6) Sean Bromley was appointed to the Board of Directors on December 19, 2017.
- (7) Desmond Balakrishnan was appointed to the Board of Directors on July 5, 2019.
- (8) Dr. George Vrabec was appointed to the Board of Directors on April 15, 2022.

## Stock Options and Other Compensation Securities

### 10% Rolling Stock Option Plan (Option-Based Awards)

The Company adopted an incentive stock option plan (the “**Stock Option Plan**”) during the fiscal year ended May 31, 2011, as amended on August 7, 2019, which was last approved by Shareholders at the Company’s annual general meeting held on October 8, 2021.

The Stock Option Plan provides that the Board may from time to time, in its discretion, and in accordance with applicable stock exchange requirements, grant to directors, officers, employees and technical consultants to the Issuer, non-transferable Options, provided that the number of Common Shares reserved for issuance will not exceed 10% of the issued and outstanding Common Shares. Such Options will be exercisable for a period of up to 10 years from the date of grant.

The Plan is subject to the following restrictions:

- (a) The Issuer must not grant an Option to a consultant in any 12 month period that exceeds 2% of the outstanding Common Shares calculated at the date of grant of the Option;
- (b) The maximum number of Options which may be granted to any one holder under the Plan within any 12 month period shall be 5% of the number of issued and outstanding Common Shares calculated on a fully diluted basis (unless the Issuer has obtained disinterested shareholder approval if required by applicable laws);
- (c) If required by applicable laws, disinterested shareholder approval is required to the grant to related persons, within a 12 month period, of a number of Options which, when added to the number of outstanding Options granted to related persons within the previous 12 months, exceed 10% of the issued Common Shares calculated on a fully diluted basis; and
- (d) Options shall not be granted if the exercise thereof would result in the issuance of more than 2% of the issued Common Shares in any 12 month period to person employed to provide investor relation activities. Options granted to consultants performing investor relations activities will contain vesting provisions such that vesting occurs over at least 12 months with no more than a quarter of the Options vesting in any 3 month period.

In addition, the Plan is subject to the following restrictions under Canadian securities law, unless the Issuer has obtained disinterested shareholder approval:

- (a) The maximum number of Options, calculated on a fully diluted basis, which may be reserved to any related persons under the Plan may not exceed 10% of the outstanding securities of the Issuer; and
- (b) The maximum number of Options, calculated on a fully diluted basis, which may be reserved to a related person under the Plan may not exceed 5% of the outstanding securities of the Issuer.

The following is a summary of the material terms of the Plan:

- Options may be granted to directors, employees, management company employees and consultants;
- The exercise price of Options granted shall be determined by the Board in accordance with the policies of the applicable stock exchange;
- The Board may determine the term of the Options, but the term shall in no event be greater than five years from the date of issuance;
- generally, the Options expire 90 days from the date on which a participant ceases to be a director, officer, employee, management company employee or consultant of the Issuer; and
- terms of vesting of the Options, the eligibility of directors, officers, employees, management company employees and consultants to receive Options and the number of Options issued to each participant shall be determined at the discretion of the Board, subject to the policies of the applicable stock exchange.

A copy of the Stock Option Plan can be located on the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com) and will be available for inspection at the Meeting.

The following table provides a summary of all compensation securities granted or issued to each director and NEO by the Company during the financial year ended May 31, 2022 for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries:

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class <sup>(2)</sup>	Date of issue or grant Y/M/D	Issue, conversation or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end <sup>(1)</sup> (\$)	Expiry Date Y/M/D
Philip Floucalt Former Chief Executive Officer & Director	Options	1,000,000 12.8%	2021/10/15	\$0.20	\$0.085	\$0.07	2023/10/15
Yana Popova CFO, Corporate Secretary & Director	Options	300,000 3.8%	2021/10/15	\$0.20	\$0.085	\$0.07	2023/10/15
Dr. Irit Arbel Former Director	Options	150,000 1.9%	2021/10/15	\$0.20	\$0.085	\$0.07	2023/10/15
Sean Bromley Director	Options	300,000 3.8%	2021/10/15	\$0.20	\$0.085	\$0.07	2023/10/15
Desmond Balakrishnan Director	Options	150,000 1.9%	2021/10/15	\$0.20	\$0.085	\$0.07	2023/10/15
Dr. George Vrabec Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Matt Chatterton COO and Former V.P., Operations	Options	100,000 1.2%	2021/10/15	\$0.20	\$0.085	\$0.07	2023/10/15

Notes:

- (1) Closing price on May 31, 2022, being the last day of the financial year on which the Company's Common Shares traded.
- (2) Percentage of class calculated based on 7,758,334 Options outstanding as at May 31, 2022.

The following table provides a summary of all compensation securities granted or issued to each director and NEO by the Company during the financial year ended May 31, 2021 for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries:

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class <sup>(2)</sup>	Date of issue or grant Y/M/D	Issue, conversation or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end <sup>(1)</sup> (\$)	Expiry Date Y/M/D
Philip Floucalt Former Chief Executive Officer & Director	Options	Nil	N/A	N/A	N/A	N/A	N/A
Yana Popova CFO, Corporate Secretary & Director	Options	300,000 (2.8%)	2020/12/07	\$0.32	\$0.31	\$0.22	2023/12/07

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class <sup>(2)</sup>	Date of issue or grant Y/M/D	Issue, conversation or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end <sup>(1)</sup> (\$)	Expiry Date Y/M/D
Dr. Irit Arbel Former Director	Options	300,000 (2.8%)	2020/12/07	\$0.32	\$0.31	\$0.22	2023/12/07
Sean Bromley Director	Options	300,000 (2.8%)	2020/12/07	\$0.32	\$0.31	\$0.22	2023/12/07
Desmond Balakrishnan Director	Options	300,000 (2.8%)	2020/12/07	\$0.32	\$0.31	\$0.22	2023/12/07
Matt Chatterton COO and Former V.P., Operations	Options	300,000 (2.8%)	2020/12/07	\$0.32	\$0.31	\$0.22	2023/12/07

Notes:

(1) Closing price on May 31, 2021, being the last day of the financial year on which the Company's Common Shares traded.

(2) Percentage of class calculated based on 10,541,667 Options outstanding as at May 31, 2021.

### Exercise of Compensation Securities by NEOs and Directors

There were no compensation securities exercised by any of the NEOs or directors of the Company during the financial years ended May 31, 2022 and May 31, 2021.

### Employment, Consulting and Management Agreements

Except as disclosed below, the Company has no agreements or arrangements under which compensation was provided during the most recently completed financial year or is payable in respect of services provided to the Company that were performed by a director or NEO.

On October 15, 2021, the Company entered into a consulting agreement with a Company controlled by Phil Floucault, a CEO and director of the Company, to retain Mr. Floucault as the CEO of the Company. Pursuant to the consulting agreement, Mr. Floucault shall receive a base fee of \$13,000 per month (the "Base Fee"). The term of the consulting agreement is 6 months from October 15, 2021 and automatically continues on a monthly basis until terminated in accordance with the terms of the consulting agreement. In the event that Mr. Floucault's engagement is terminated by the Company for reasons other than Cause (as defined in Mr. Floucault's consulting agreement), the Company shall provide Mr. Floucault four weeks' notice or four weeks of Floucault's Base Fee in lieu of notice. Mr. Floucault resigned from the Company as both director and CEO on January 15, 2023.

On October 7, 2019, the Company entered into a consulting agreement with a company controlled by Darryl Jones, a former director and the CEO of the Company, to retain Mr. Jones as the CEO of the Company. Pursuant to the consulting agreement, Mr. Jones shall receive a base fee of \$15,000 per month (the "Jones Base Fee"). The term of the consulting agreement is one year from October 7, 2019 and automatically continues on a monthly basis until terminated in accordance with the terms of the consulting agreement. Pursuant to the consulting agreement, in the event of a Change of Control (as defined in Mr. Jones' consulting agreement) occurring and Mr. Jones' consulting agreement is terminated, then Mr. Jones is entitled to a lump sum cash payment of 12 months of the Jones Base Fee. In the event that Mr. Jones' engagement is terminated by the Company for reasons other than Cause (as defined in Mr. Jones' consulting agreement), the Company shall provide Mr. Jones three months' notice or three months of Jones Base Fee in lieu of notice (or any combination of the two) and one additional month of notice or one month of Jones

Base Fee in lieu of notice (or any combination of the two) for each additional completed year. Mr. Jones resigned from the Company as President on October 15, 2021 and resigned from the Board of Directors on April 15, 2022.

On October 7, 2019, the Company entered into a consulting agreement with a company controlled by Yana Popova, a director and the CFO of the Company, to retain Ms. Popova as the CFO of the Company. Pursuant to the consulting agreement, Ms. Popova shall receive a base fee of \$10,000 per month (the “Popova Base Fee”) for 80 hours of service each month. Any hours over 80 hours shall be incurred at a rate of \$125 per hour. The term of the consulting agreement is one year from October 7, 2019 and automatically continues on a monthly basis until terminated in accordance with the terms of the consulting agreement. Pursuant to the consulting agreement, in the event of a Change of Control (as defined in Ms. Popova’s consulting agreement) occurring and Ms. Popova’s consulting agreement is terminated, then Ms. Popova is entitled to a lump sum cash payment of 12 months of the Popova Base Fee. In the event that Ms. Popova’s engagement is terminated by the Company for reasons other than Cause (as defined in Ms. Popova’s consulting agreement), the Company shall provide Ms. Popova three months’ notice or three months of Popova Base Fee in lieu of notice (or any combination of the two) and one additional month of notice or one month of Popova Base Fee in lieu of notice (or any combination of the two) for each additional completed year.

On October 7, 2019, the Company entered into a consulting agreement with a company controlled by Sean Bromley, a director of the Company, for the services of providing capital markets advisory services. Pursuant to the consulting agreement, Mr. Bromley is entitled to receive a fee of \$5,000 per month for 40 hours of service each month. Any hours over 40 hours shall be incurred at a rate of \$125 per hour. The term of the consulting agreement is one year from October 7, 2019 and automatically continues on a monthly basis until terminated in accordance with the terms of the consulting agreement.

## **Oversight and Description of Director and Named Executive Officer Compensation**

The Company’s compensation program is intended to attract, motivate, reward and retain the management talent needed to achieve the Company’s business objectives of improving overall corporate performance and creating long-term value for the Company’s shareholders. The compensation program is intended to reward executive officers on the basis of individual performance and achievement of corporate objectives, including the advancement of the exploration and development goals of the Company. The Company’s current compensation program is comprised of base salary or fees, short term incentives such as discretionary bonuses and long term incentives such as stock options.

### *Philosophy*

The philosophy of the Company in determining compensation is that the compensation should (i) reflect the Company’s current state of development, (ii) reflect the Company’s performance, (iii) reflect individual performance, (iv) align the interests of executives with those of the Shareholders, (v) assist the Company in retaining key individuals, and (vi) reflect the Company’s overall financial status.

### *Compensation Components for NEOs*

The compensation of the NEOs comprises primarily (i) base salary or fee; and (ii) long-term incentive in the form of stock options granted in accordance with the share option plan. In establishing levels of compensation, the Compensation Committee relies on the experience of its members as officers and directors of other reporting issuers in assessing compensation levels, taking into account the stage of development of the Company, the Company's asset levels, available capital, revenues, as well as the particular officer's level of responsibility, duties, amount of time dedicated to the affairs of the Company, and contribution to the Company's long term success. The purpose of this process is to:

- understand the competitiveness of current pay levels for each executive position relative to other reporting issuers;
- identify and understand any gaps between actual compensation levels and market compensation levels; and
- establish a basis for developing salary adjustments and short-term and long-term incentive awards for the Compensation Committee's approval.

To-date, no formulas have been developed to assign a specific weighting to each of these components. Instead, the independent directors consider the Company's performance and determine compensation based on this assessment and the recommendations of the Compensation Committee. The Board of Directors has not conducted a formal evaluation of the implications of the risks associated with the Company's compensation policies. Risk management is a consideration of the Board of Directors and the Compensation Committee when implementing its compensation policies and the Board of Directors does not believe that the Company's compensation policies result in unnecessary or inappropriate risk taking including risks that are likely to have a material adverse effect on the Company.

#### *Base Salary*

The Compensation Committee and the independent directors approve the salary or fees ranges for the NEOs. The base salary or fees review for each NEO is based on assessment of factors such as current competitive market conditions and particular skills, such as leadership ability and management effectiveness, experience, responsibility and proven or expected performance of the particular individual. The Compensation Committee, using this information, together with budgetary guidelines and other internally generated planning and forecasting tools, performs an annual assessment of the compensation of all executive and employee compensation levels.

#### *Director Compensation*

On April 1, 2020, the Company agreed to compensate Dr. Irit Arbel USD\$1,000 per month for services in the capacity as independent director. Dr. Irit Arbel resigned from the Board on December 15, 2022

Directors are also entitled to reimbursement for reasonable travel and other out-of-pocket expenses incurred in connection with attendance at meetings of the Board.

#### *Use of Financial Instruments*

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

## **Actions, Decisions, Policies made after the Company’s May 31, 2023 Financial Year End**

On October 24, 2022, Dr. George Vrabc received 3,459,735 common shares pursuant to the terms of a share exchange agreement with Praesidio Health Inc. at a deemed price of \$0.0416 per common share.

On December 15, 2022, Dr. Irit Arbel resigned as a director of the Company. On January 15, 2023, Phil Floucault resigned as CEO and director of the Company. On January 20, 2023 Ajay Singh Kala was appointed interim Chief Executive Officer of the Company.

### **Pension Plan Benefits**

The Company has no pension plan arrangements or benefits with respect to any of its NEOs, directors or employees.

## **SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

See disclosure under “Stock Options and Other Compensation Securities” under “Statement of Executive Compensation” above for disclosure on the Company’s equity compensation regime.

The following table sets out the Company’s equity compensation plan information as at the end of the financial year ended May 31, 2022:

### **Equity Compensation Plan Information**

	<b>Number of securities to be issued upon exercise of outstanding options</b>	<b>Weighted-average exercise price of outstanding options</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))</b>
<b>Plan Category</b>	<b>(a)</b>	<b>(b)</b>	<b>(c)</b>
Equity compensation plans approved by securityholders - the Stock Option Plan	7,758,334	\$0.29	8,070,677
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
<b>Total</b>	<b>7,758,334</b>	<b>\$0.29</b>	<b>8,070,677</b>

## **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

No directors, proposed nominees for election as directors, executive officers or their respective associates or affiliates, or other management of the Company were indebted to the Company as at the Company’s most recently completed financial years ended May 31, 2022 and May 31, 2021 or as at the date hereof.

## **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

To the knowledge of management of the Company, no informed person (a director, officer or holder of 10% or more of the Common Shares) or nominee for election as a director of the Company or any associate or affiliate of any informed person or proposed director had any interest in any transaction which has

materially affected or would materially affect the Company or any of its subsidiaries since the Company's most recently completed financial year or during the financial years ended May 31, 2022 and May 31, 2021, or has any interest in any material transaction in either year other than as set out herein and as are disclosed in Note 13 - *Related Party Transactions* in the annual financial statements for the financial years ended May 31, 2022 and May 31, 2021

## MANAGEMENT CONTRACTS

Except as otherwise disclosed in this Information Circular, management functions of the Company are generally performed by directors and senior officers of the Company and not, to any substantial degree, by any other person to whom the Company has contracted.

## PARTICULARS OF MATTERS TO BE ACTED UPON

- A. **Set Number of Directors** - see "*Election of Directors*" above (page 5).
- B. **Election of Directors** – see "*Election of Directors*" above (page 5).
- C. **Appointment of Auditor** – see "*Appointment of Auditor*" above (page 8).
- D. **Approval and Continuation of Stock Option Plan** – see "*Stock Option Plan*" below.

### Stock Option Plan

The Board is of the view that the Company's 10% rolling stock option plan provides the Company with the flexibility to attract and maintain the services of executives, employees and other service providers in compensation with other companies in the industry.

### Shareholder Resolution

At the Meeting, Shareholders will be asked to vote on the following ordinary resolution, with or without variation:

**“RESOLVED** as an ordinary resolution of the Shareholders of the Company, that the Company's amended and restated 10% rolling stock option plan dated for reference August 7, 2019 be and is hereby ratified and approved.”

An ordinary resolution is a resolution passed by the shareholders of the Company at a general meeting by a simple majority of the votes cast in person or by proxy.

**The Board unanimously recommends shareholders vote FOR the above resolution approving the approval of the Company's amended and restated 10% rolling stock option plan (the “Stock Option Plan Resolution”).**

**Proxies received in favour of management will be voted in favour of the Option Plan Resolution unless the shareholder has specified in the Proxy that his or her Common Shares are to be voted against such resolution.**

## ADDITIONAL INFORMATION

Additional information regarding the Company and its business activities is available on the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com). The Company's financial information is provided in the Company's audited financial statements and related management discussion and analysis for the financial years ended May 31, 2022 and May 31, 2021. The Company will provide to any person or company, upon request to

the Chief Financial Officer of the Company at their office located at: Suite 1600, 595 Burrard St. Vancouver, BC V7X 1L3, Telephone (604) 788-9533; email ypopova@isracann.com, one copy of either or all of the financial statements of the Company filed with the applicable securities regulatory authorities for the Company, together with the report of the auditor, related management's discussion and analysis and any interim financial statements of the Company filed with the applicable securities regulatory authorities subsequent to the filing of the annual financial statements.

Copies of the above documents will be provided free of charge to security holders of the Company. The Company may require payment of a reasonable charge from any person or company who is not a security holder of the Company, who requests a copy of any such document. These documents are also available under the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com).

#### **OTHER MATTERS**

The Board is not aware of any other matters which it anticipates will come before the Meeting as of the date of mailing of this Information Circular.

The contents of this Information Circular and its distribution to shareholders have been approved by the Board.

**DATED** at Vancouver, British Columbia this 1<sup>st</sup> day of March, 2023.

**BY ORDER OF THE BOARD**

*“Ajay Singh Kaila”*

**Ajay Singh Kaila**  
**Interim Chief Executive Officer**