



INFORMATION CIRCULAR

for the

ANNUAL GENERAL AND SPECIAL MEETING

of

VODIS PHARMACEUTICALS INC.

to be held on

May 25, 2017

Dated April 13, 2017

INFORMATION CIRCULAR

(all information as at April 13, 2017, unless otherwise noted)

PERSONS MAKING THE SOLICITATION

This Information Circular is furnished in connection with the solicitation of proxies being made by the management of Vodis Pharmaceuticals Inc. (the “Company”) for use at the Annual General and Special Meeting of the Company’s shareholders (the “Meeting”) to be held on May 25, 2017, at the time and place and for the purposes set forth in the accompanying 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 the Company's directors, officers and employees at nominal cost. All costs of this solicitation will be borne by the Company.

APPOINTMENT OF PROXIES

The individuals named in the accompanying form of proxy (the “Proxy”) are directors or officers of the Company. **A SHAREHOLDER WISHING TO APPOINT SOME OTHER PERSON OR COMPANY (WHO NEED NOT BE A SHAREHOLDER) TO ATTEND AND ACT FOR THE SHAREHOLDER AND ON THE SHAREHOLDER’S BEHALF AT THE MEETING HAS THE RIGHT TO DO SO, EITHER BY INSERTING SUCH PERSON’S NAME IN THE BLANK SPACE PROVIDED IN THE PROXY AND STRIKING OUT THE TWO PRINTED NAMES, OR BY COMPLETING ANOTHER PROXY.** A Proxy will not be valid unless it is completed, dated and signed and mailed, hand delivered or sent by facsimile to TMX Equity Transfer Services (the “Transfer Agent”) 200 University Avenue, Suite 300, Toronto, Ontario M5H 4H1, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the Meeting:

- (a) By Mail or Hand Delivery or Fax: If you have requested a paper copy of the proxy materials, please date and sign the Proxy and return it promptly in the accompanying envelope or send it by facsimile to the Transfer Agent at (416) 595-9593.
- (b) By Internet: If you received a Notice of Internet Availability of Proxy Materials, you can access our proxy materials and vote online at www.voteproxyonline.com.
- (c) In Person: You may attend the Meeting and vote in person. If your stock is held in the name of your broker, bank or another nominee (a “Nominee”), then you must present a proxy from that Nominee in order to verify that the Nominee has not already voted your shares on your behalf.

NON-REGISTERED HOLDERS

Only registered shareholders (“Registered Shareholders”) or duly appointed proxyholders are permitted to vote at the Meeting. Most 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 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 Meeting in person. 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 Company’s records. Such common shares will more likely be registered under the name of the shareholder’s broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for CDS 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 shares for the brokers’ clients.

This Information Circular and accompanying materials are being sent to both Registered Shareholders and Beneficial Shareholders. Beneficial Shareholders fall into two categories – those who object to their identity being known to the issuers of securities which they own (“**Objecting Beneficial Owners**”, or “**OBOs**”) and those who do not object to their identity being made known to the issuers of the securities they own (“**Non-Objecting Beneficial Owners**”, or “**NOBOs**”). Subject to the provision of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of Reporting Issuers* (“**NI 54-101**”), issuers may request and obtain a list of their NOBOs from intermediaries via their transfer agents and use this NOBO list for distribution of proxy-related materials directly to NOBOs.

The Company is taking advantage of those provisions of NI 54-101 that permit the Company to deliver proxy-related materials directly to the Company’s NOBOs who have not waived the right to receive them (and is not sending proxy-related materials using notice-and-access). As a result, NOBOs can expect to receive a Voting Instruction Form (“**VIF**”) together with the Notice of Meeting, this Information Circular and related documents from the Transfer Agent. These VIFs are to be completed and returned in accordance with the instructions provided. **NOBOs should carefully follow the instructions provided, including those regarding when and where to return the completed VIFs.**

NOBOs that wish to change their vote must contact the Transfer Agent to arrange to change their vote in sufficient time in advance of the Meeting.

Should a NOBO wish to attend and vote at the Meeting in person, the NOBO must insert the NOBO’s name (or such other person as the NOBO wishes to attend and vote on the NOBO’s behalf) in the blank space provided for that purpose on the VIF and return the completed VIF in line with the instructions provided or the NOBO must submit to the Company any other document in writing that requests that the NOBO or a nominee of the NOBO be appointed as proxyholder. In such circumstances with respect to proxies held by management in respect of securities owned by the NOBO so requesting, the Company must arrange, without expense to the NOBO, to appoint the NOBO or a nominee of the NOBO as a proxyholder in respect of those securities. Under NI 54-101, if the Company appoints a NOBO or a nominee of the NOBO as a

proxyholder as aforesaid, the NOBO or nominee of the NOBO, as applicable, must be given the authority to attend, vote and otherwise act for and on behalf of management in respect of all matters that may come before the Meeting and any adjournment of the Meeting, unless corporate law does not permit the giving of that authority. Pursuant to NI 54-101, if the Company appoints a NOBO or its nominee as proxyholder as aforesaid, the Company must deposit the proxy within the timeframe specified above for the deposit of proxies if the Company obtains the instructions at least one (1) business day before the termination of that time. **If a NOBO or a nominee of the NOBO is approved as a proxyholder pursuant to such request, the appointed proxyholder will need to attend the Meeting in person in order for their votes to be counted.**

In accordance with the requirements of NI 54-101, the Company has distributed copies of the Notice of Meeting, this Information Circular and related documents (collectively, the “**Meeting Materials**”) to the clearing agencies and intermediaries for onward distribution to OBOs. Intermediaries are required to forward the Meeting Materials to OBOs unless in the case of certain proxy-related materials the OBO has waived the right to receive them. Very often, intermediaries will use service companies such as Broadridge to forward the Meeting Materials to OBOs. Together with the Meeting Materials, intermediaries or their service companies should provide OBOs with a “request for voting instruction form” which, when properly completed and signed by such OBO and returned to the intermediary or its service company, will constitute voting instructions which the intermediary must follow. The purpose of this procedure is to permit OBOs to direct the voting of the common shares that they beneficially own. The Company does not intend to pay for an intermediary to deliver the Meeting Materials to OBOs and OBOs will not receive the Meeting Materials and voting instruction form unless their intermediary assumes the costs of delivery.

OBOs should carefully follow the instructions of their intermediary, including those regarding when and where the completed request for voting instructions is to be delivered.

OBOs 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 an OBO wish to vote at the Meeting in person, the OBO must insert the OBO’s name (or such other person as the OBO wishes to attend and vote on the OBO’s behalf) in the blank space provided for that purpose on the request for voting instruction form and return the completed request for voting instruction form to the intermediary or its service provider or the OBO must submit, to their intermediary, any other document in writing that requests that the OBO or a nominee of the OBO 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 an OBO is required under NI 54-101 to arrange, without expense to the OBO, to appoint the OBO or a nominee of the OBO as a proxyholder in respect of those securities. Under NI 54-101, if an intermediary appoints an OBO or the nominee of the OBO as a proxyholder as aforesaid, the OBO or nominee of the OBO, 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 of the Meeting, unless corporate law does not permit the giving of that authority. Pursuant to NI 54-101 an intermediary who appoints an OBO 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 OBO or a nominee of the OBO is appointed a proxyholder pursuant to**

such request, the appointed proxyholder will need to attend the Meeting in person in order for their votes to be counted.

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

By choosing to send these materials to you directly, the Company (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

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

REVOCATION OF PROXIES

A shareholder who has given a Proxy may revoke it by an instrument in writing executed by the shareholder or by the shareholder's attorney authorized in writing or, if the shareholder is a corporation, by a duly authorized officer or attorney of the corporation, and delivered to the Company's representative office at Suite 610, 700 West Pender Street, Vancouver, British Columbia V6C 1G8, at any time up to and including the last business day preceding the day of the Meeting or any adjournment of the Meeting. **Only Registered Shareholders have the right to revoke a Proxy. Non-Registered Holders who wish to change their vote must, at least seven 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 SHARES AND PROXIES AND EXERCISE OF DISCRETION

Voting By Show of Hands

Voting at the Meeting generally will be by a show of hands, where every person who is a shareholder or proxy holder and entitled to vote on the matter has one vote.

Voting By Poll

Voting at the Meeting will be by poll only if a poll is requested by a shareholder present at the Meeting in person or by proxy, directed by the Chair or required by law because the number of shares represented by proxy that are to be voted against the motion is greater than 5% of the Company's issued and outstanding shares.

On a poll, every shareholder entitled to vote on the matter has one vote in respect of each share entitled to be voted on the matter and held by that shareholder and may exercise that vote either in person or by proxy.

Approval of Resolutions

To approve a motion for an ordinary resolution, a simple majority of the votes cast in person or by proxy will be required; to approve a motion for a special resolution, a majority of not less than two-thirds of the votes cast on the resolution will be required.

Voting of Proxies and Exercise of Discretion by Proxyholders

A shareholder may indicate the manner in which the persons named in the accompanying Proxy are to vote with respect to a matter to be acted upon at the Meeting by marking the appropriate space. **If the instructions as to voting indicated in the Proxy are certain, the shares represented by the Proxy will be voted or withheld from voting in accordance with the instructions given in the Proxy on any ballot that may be called for.**

If the shareholder specifies a choice in the Proxy with respect to a matter to be acted upon, then the shares represented will be voted or withheld from the vote on that matter accordingly. If no choice is specified in the Proxy with respect to a matter to be acted upon, the Proxy confers discretionary authority with respect to that matter upon the proxyholder named in the accompanying the Proxy. It is intended that the proxyholder named by management in the accompanying Proxy will vote the shares represented by the Proxy in favour of each matter identified in the Proxy and for the nominees of the Company's board of directors (the "Board of Directors" or "Board") for directors and auditor.

The accompanying Proxy also confers discretionary authority upon the named proxyholder with respect to amendments or variations to the matters identified in the accompanying Notice of Meeting and with respect to any other matters which may properly come before the Meeting. As of the date of this Information Circular, management of the Company is not aware of any such amendments or variations, or any other matters that will be presented for action at the Meeting other than those referred to in the accompanying Notice of Meeting. If, however, other matters that are not now known to management properly come before the Meeting, then the persons named in the accompanying Proxy intend to vote on them in accordance with their best judgment.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Company is authorized to issue an unlimited number of common shares without par value and an unlimited number of preferred shares. As at the date of this Information Circular, the Company has issued and outstanding 28,558,637 fully paid and non-assessable common shares without par value, each share carrying the right to one vote. The Company has no other classes of voting securities and does not have any classes of restricted securities.

Any shareholder of record at the close of business on April 13, 2017, who either personally attends the Meeting or who has completed and delivered a Proxy in the manner specified, subject to the provisions described above, will be entitled to vote or to have such shareholder's shares voted at the Meeting.

To the best of the knowledge of the Company's directors and senior officers, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, common shares carrying more than 10% of the voting rights attached to the outstanding shares of the Company, other than as set forth below:

Name of Shareholder	Number of Common Shares Owned	Percentage of Outstanding Common Shares
Estate of Pencho Batanov	3,000,000	10.50%
Ivan Miliovski ⁽¹⁾	5,543,046	19.41%
Derek Good ⁽²⁾	5,543,046	19.41%

(1) Mr. Ivan Miliovski is a director and officer of the Company.

(2) Mr. Derek Good is a director of the Company.

STATEMENT OF EXECUTIVE COMPENSATION

The Company is a venture issuer and is disclosing the compensation of its director and named executive officers in accordance with Form 51-102F6V - *Statement of Executive Compensation – Venture Issuers*.

The following individuals are considered the "Named Executive Officers" or "NEOs" for the purposes of the disclosure:

- (a) the Company's Chief Executive Officer or CEO, including an individual performing functions similar to a CEO;
- (b) the Company's Chief Financial Officer or CFO, including an individual performing functions similar to a CFO;
- (c) the most highly compensated executive officer of the Company and its subsidiaries, other than the CEO and CFO, for the March 31, 2016, financial year end, whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5) of Form 51-102F6V - *Statement of Executive Compensation – Venture Issuers*; and
- (d) each individual who would be a Named Executive Officer under paragraph (c) but for the fact the individual was not an executive officer of the Company and was not acting in a similar capacity as of March 31, 2016.

For the purposes of the disclosure under 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;

"executive officer" of the Company means an individual who is the Chairman or Vice-Chairman of the Board of Directors, the President, a Vice-President in charge of a principal business unit, division or function including sales, finance or production, or any other individual who is performing a policy-making function in respect of the Company;

"incentive plan" means any plan providing compensation that depends on achieving certain performance goals or similar conditions within a specified period;

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

“**underlying securities**” means any securities issuable on conversion, exchange or exercise of compensation securities.

At the end of the Company’s financial year ended March 31, 2016, the Company had two Named Executive Officers, Otto Folprecht, the CEO and Tammy Gillis, the CFO. At the end of the Company’s completed financial year end March 31, 2015, the Company had two Named Executive Officers, Otto Folprecht, the CEO, and Brian Gusko, the CFO. There were no other executive officers of the Company, or other individuals acting in a similar capacity, whose total compensation was, individually, more than \$150,000 during the financial years ended March 31, 2016, and March 31, 2015.

Named Executive Officer and Director Compensation, excluding Compensation Securities

The following table is a summary of compensation (excluding compensation securities) paid to the Named Executive Officers and any director who is not a NEO for the financial years ending March 31, 2016, and March 31, 2015.

Name and Position	Year⁽¹⁾	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total Compensation (\$)
Otto Folprecht CEO and Director ⁽²⁾	2016	120,981	Nil	Nil	Nil	Nil	120,981
	2015	40,959 ⁽³⁾	Nil	Nil	Nil	Nil	40,959
Tammy Gillis CFO ⁽⁴⁾	2016	35,750	Nil	Nil	Nil	Nil	35,750
	2015	Nil	Nil	Nil	Nil	Nil	Nil
Martin Cotter Former CEO and Director ⁽⁵⁾	2016	N/A	N/A	N/A	N/A	N/A	N/A
	2015	Nil	Nil	Nil	Nil	Nil	Nil
Brian Gusko Former CFO and Director ⁽⁶⁾	2016	Nil	Nil	Nil	Nil	Nil	Nil
	2015	24,000 ⁽⁷⁾	Nil	Nil	Nil	Nil	24,000
Donald Willoughby Former CFO ⁽⁸⁾	2016	N/A	N/A	N/A	N/A	N/A	N/A
	2015	Nil	Nil	Nil	Nil	Nil	Nil
Ivan Miliovski Director	2016	123,003	Nil	Nil	Nil	Nil	123,003
	2015	40,334 ⁽⁹⁾	Nil	Nil	Nil	Nil	40,334
Clive Boulton Director ⁽¹⁰⁾	2016	Nil	Nil	Nil	Nil	Nil	Nil
	2015	Nil	Nil	Nil	Nil	Nil	Nil
Paul Pelosi Jr. Former Director ⁽¹¹⁾	2016	Nil	Nil	Nil	Nil	Nil	Nil
	2015	Nil	Nil	Nil	Nil	Nil	Nil

(1) Financial year ended March 31st

(2) Mr. Folprecht served as a director and CEO of the Company from July 29, 2014, until May 9, 2016.

(3) Paid as salary. The Company had an employment agreement with Mr. Folprecht, the details of which are described under "Management Contracts" in this Information Circular.

- (4) Ms. Gillis served as CFO from September 1, 2015, until October 11, 2016.
- (5) Mr. Cotter resigned as a director and CEO on July 29, 2014.
- (6) Mr. Gusko was appointed as a director and CFO on July 29, 2014. He resigned as a director on September 15, 2014, and as CFO on September 1, 2015.
- (7) Includes amounts paid or accrued of \$3,000 per month for consulting services rendered.
- (8) Mr. Willoughby served as CFO of the Company from March 5, 2012, until July 29, 2014.
- (9) Paid as salary. The Company has an employment agreement with Mr. Miliovski the details of which are described under "Management Contracts" in this Information Circular.
- (10) Mr. Boulton served as a director from September 15, 2014, until June 7, 2016.
- (11) Mr. Pelosi served as a director from September 15, 2014, until June 21, 2015.

Stock Options and Other Compensation Securities

The following table discloses all compensation securities granted or issued to NEOs or directors during the financial year ended March 31, 2016, 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	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
Otto Folprecht CEO and Director	Stock Options	62,500	January 6, 2016	0.76	0.76	0.36	January 6, 2021
Tammy Gillis CFO	Stock Options	50,000	September 1, 2015	0.40	0.40	0.36	September 1, 2020
Brian Gusko Former CFO and Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ivan Miliovski Director	Stock Options	62,500	January 6, 2016	0.76	0.76	0.36	January 6, 2021
Clive Boulton Director	Stock Options	62,500	January 6, 2016	0.76	0.76	0.36	January 6, 2021
Paul Pelosi Jr. Former Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A

The number of options and prices disclosed in the above table are shown on a post-consolidation basis reflecting the consolidation of the Company's securities effected December 21, 2016.

During the financial year ended March 31, 2016, none of the Named Executive Officers or directors exercised any stock options.

Stock Option Plan

The Company has had a stock option plan, subject to the policies of the Canadian Securities Exchange (the "**Exchange**"), in place since a "fixed" stock option plan (the "**2014 Plan**") was adopted by the Board on August 7, 2014. The 2014 Plan was subsequently approved by the shareholders of the Company on January 26, 2015. The purpose of the 2014 Plan is to advance the interests of the Company and its stockholders by attracting, retaining and motivating selected directors, officers, employees, consultants and management company employees of the Company of high caliber and potential and to encourage and enable such persons to acquire an ownership interest in the Company. The granting of incentive stock options allows the Company to reward efforts to increase value for shareholders without requiring the Company to use cash from its treasury.

Under the 2014 Plan, 2,425,000 common shares (on a post-consolidation basis) are reserved for issuance upon the exercise of options under the 2014 Plan. As at the date of this Information Circular, the number of common shares available for future grants of stock options under the 2014 Plan is 1,407,500. 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 exercise price of each option will not be less than the prevailing price permitted by the Exchange's policies as calculated on the date of grant. The options can be exercisable for a maximum of 10 years from the date of grant. Any stock options granted under the 2014 Plan may be subject to vesting provisions as determined by the Board, except for options granted to persons providing investor relations activities that must vest in stages over twelve months with no more than one quarter vesting in any three-month period.

Under the 2014 Plan, the total number of common shares that may be reserved for issuance under stock options granted to any one individual must not exceed 5% of the total issued shares of the Company in any 12-month period, unless the Company has received disinterested shareholder approval. The number of options granted to any one consultant, or a person employed to provide investor relations activities, in any 12-month period must not exceed 2% of the total issued common shares of the Company. Any new stock options granted under the 2014 Plan may be subject to such vesting provisions as determined by the Board. The Board is responsible for the general administration of the Plan and may grant stock options at their discretion.

On April 13, 2017, the Board considered making changes to the 2014 Plan and approved the adoption of a new 10% rolling stock option plan (the "**New Stock Option Plan**"), to replace the fixed 2014 Plan. Therefore, at the Meeting, the Company will be seeking shareholder ratification, confirmation and approval of the New Stock Option Plan, whereby 10% of the number of issued and outstanding common shares of the Company at any given time may be reserved for issuance pursuant to the exercise of options. See "*Particulars of Matters to be Acted Upon – 5. New Stock Option Plan*" for a summary of the terms of the Company's proposed new stock option plan. The full text of the New Stock Option Plan is attached hereto as Schedule "C".

Employment, Consulting and Management Agreements

The Company had an employment agreement with Otto Folprecht effective August 1, 2014, which provided cash compensation, a bonus to be paid if the Company or subsidiary receives a license to grow or sell cannabis products in BC or Washington state, and participation in any profit share bonus plan and the grant of stock options under the Plan. The Company has no profit share bonus plan.

Under the terms of Mr. Folprecht's employment agreement, Mr. Folprecht receives a base salary of \$1,500 per month. If the Company is awarded a cannabis license he will receive a bonus of \$10,000 per month from September 18, 2014, to the date such license is awarded, and an increase in his compensation to \$140,000 annually. However, he is only being paid \$1,400 per month until the Company receives a final inspection of its facility in Delta, British Columbia. Mr. Folprecht was granted stock options during the financial year ending March 31, 2016 – please refer to the section titled **Stock Options and Other Compensation Securities**. He was not granted any stock options during the financial year ended March 31, 2015.

The Company has an employment agreement with Ivan Miliovski, Chief Operating Officer of the Company, effective August 1, 2014, which provides for cash compensation, a bonus to be paid if the Company or subsidiary receives a license to grow or sell cannabis products in BC or Washington state, and participation in any profit share bonus plan and the grant of stock options under the Plan. The Company has no profit share bonus plan.

Under the terms of Mr. Miliovski's employment agreement, Mr. Miliovski receives a base salary of \$1,500 per month. If the Company is awarded a cannabis license he will receive a bonus of \$10,000 per month from September 18, 2014, to the date such license is awarded, and an increase in his compensation to \$140,000 annually. However, he is only being paid \$1,400 per month until the Company receives a final inspection. Mr. Miliovski was granted stock options during the financial year ending March 31, 2016 – please refer to the section titled **Stock Options and Other Compensation Securities**. He was not granted any stock options during the financial year ended March 31, 2015.

The employment agreements with Messrs. Folprecht and Miliovski do not contain any provisions related to change of control, severance, termination or constructive dismissal.

Except as described above, management functions of the Company are substantially performed by the Company's directors or Named Executive Officers and not, to any substantial degree, by any other person with whom the Company has contracted.

Oversight and Description of Director and Named Executive Officer Compensation

Director 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 policies of 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: 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; the potential dilution to shareholders and the cost to the Company; general industry standards; and the limits imposed by the terms of the 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 Plan, which are described under "Incentive Plan Awards" above. The directors may be reimbursed for actual expenses reasonably incurred in connection with the performance of their duties as directors.

Named Executive Officer Compensation

The Board as a whole determines executive compensation from time to time. The Company does not have a formal compensation policy. The main objectives the Company hopes to achieve through its compensation are to attract and retain executives critical to the Company's success, who will be key in helping the Company achieve its corporate objectives and increase shareholder value. The Company looks at industry standards when compensating its executive officers. The Company does not have a formal compensation program. However, the Board meets annually subsequent to the annual general meeting or more frequently as determined by the Board to discuss and determine management compensation, without reference to formal objectives, criteria or analysis. 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 that the Company is under by virtue of the fact that it is research and development company without a history of earnings.

The Board generally considers three elements of compensation – a base compensation 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 compensation is used to provide the Named Executive Officer with a set amount of money during the year with the expectation that he will perform his responsibilities to the best of his ability and in the best interests of the Company. The Board determines what the Named Executive Officer's base compensation for the upcoming year will be based on the overall performance of the Company, the performance of the Named 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: the number and terms of outstanding incentive stock options held by the Named Executive Officer; the value in securities of the Company that the Board intends to award as compensation; the potential dilution to shareholders and the cost to the Company; general industry standards; and the limits imposed by the terms of the Company's stock option plan and 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 Named 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.

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 Named 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.

Other than as described above there are no other perquisites provided to the Named Executive Officers. The Company does not use specific benchmark groups in determining compensation or any element of compensation.

See "Statement of Executive Compensation – Employment, Consulting and Management Agreements" for a description of the employment agreements of Otto Folprecht, CEO and a director, and Ivan Miliovski, Chief Operating Officer and a director of the Company for the financial years ended March 31, 2015, and March 31, 2016.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth details of all the Company's equity compensation plans as of March 31, 2016. The Company's equity compensation plan consists of the Plan.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by security holders	875,000	\$0.47	1,550,000
Equity compensation plans not approved by security holders	N/A	N/A	N/A
Total	875,000	\$0.47	1,550,000

The above Equity Compensation Plan data disclosed in the above table are shown on a post-consolidation basis reflecting the consolidation of the Company's securities effected December 21, 2016.

For further information on the company's stock option plan, see the section titled "**Stock Option Plan**".

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Applicable securities legislation defines “informed person” to mean any of the following: (a) a director or executive officer of a reporting issuer; (b) a director or executive officer of a person or company that is itself an informed person or subsidiary of a reporting issuer; (c) any person or company who beneficially owns, directly or indirectly, voting securities of a reporting issuer or who exercises control or direction over voting securities of a reporting issuer or a combination of both carrying more than 10% of the voting rights attached to all outstanding voting securities of the reporting issuer other than voting securities held by the person or company as underwriter in the course of a distribution; and (d) a reporting issuer that has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

None of the informed persons of the Company, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, in any transactions since the commencement of the Company’s most recently completed financial year, or in any proposed transaction which, in either case, has or will materially affect the Company or any of its subsidiaries.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except as disclosed herein, no Person 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 other than the election of directors or the appointment of the auditor. For the purpose of this paragraph, “**Person**” shall include each person or company: (a) who has been a director or executive officer of the Company at any time since the commencement of the Company’s last financial year; (b) who is a proposed nominee for election as a director of the Company; and (c) who is an associate or affiliate of a person or company included in subparagraphs (a) or (b).

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

During the Company’s last completed financial year, no current or former executive officer, director or employee of the Company or any of its subsidiaries, proposed nominee for election as a director of the Company or associate of any director or executive officer of the Company or proposed nominee is or has been indebted to the Company or any of its subsidiaries or is or has been indebted to another entity where such indebtedness is or has been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries, other than routine indebtedness.

CORPORATE GOVERNANCE DISCLOSURE

National Instrument 58-101 - *Disclosure of Corporate Governance Practices* requires each reporting issuer to disclose its corporate governance practices on an annual basis. The Company’s approach to corporate governance is set forth below.

Board of Directors

Section 1.4 of National Instrument 52-110 - *Audit Committees* (“**NI 52-110**”) sets out the standard for director independence for the purposes of National Instrument 58-101 - *Disclosure of Corporate*

Governance Practices. Under section 1.4 of NI 52-110, a director is independent if he or she has no direct or indirect material relationship with the Company. A material relationship is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director's independent judgment. NI 52-110 also sets out certain situations where a director will automatically be considered to have a material relationship with the Company.

Applying the definition set out in section 1.4 of NI 52-110, two of the three members of the Board are independent, namely, Plamen Ovagemov and Derek Good. Ivan Miliovski is not considered to be independent due to his position as executive officer of the Company.

Directorships

Other than their position on the Board, the directors do not serve on any other reporting issuers or reporting issuer equivalent(s).

Orientation and Continuing Education

Board turnover is relatively rare. As a result, the Board provides ad hoc orientation for new directors. On occasions where it is considered advisable, the Board will provide directors with information regarding topics of general interest, such as fiduciary duties and continuous disclosure obligations. The Board also ensures that each director is up-to-date with current information regarding the Company's business, the role the director is expected to fulfil and basic procedures and operations of the Board. Board members are also given access to management and other employees and advisors, who can answer any questions that may arise.

Ethical Business Conduct

The Board expects management to operate the Company's business in a manner that enhances shareholder value and is consistent with the highest level of integrity. The Board monitors the ethical conduct of the Company and ensures that it complies with applicable legal and regulatory requirements, such as those of relevant securities commissions and stock exchanges but, to date, has not adopted a formal written Code of Business Conduct and Ethics.

The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company. Further, the Company's auditor has full and unrestricted access to the audit committee at all times to discuss the audit of the Company's financial statements and any related findings as to the integrity of the financial reporting process. The current limited size of the Company's operations and the small number of officers and consultants allow the independent members of the Board to monitor on an ongoing basis the activities of management and to ensure that the highest standard of ethical conduct is maintained. As the Company grows in size and scope, the Board anticipates that it will formulate and implement a formal Code of Business Conduct and Ethics.

Nomination of Directors

The Board has responsibility for identifying and assessing potential Board candidates and recommending new director nominees for the next annual meeting of shareholders. Recruitment of new directors has generally resulted from recommendations made by directors, management and shareholders. The Board assesses potential Board candidates to fill perceived needs on the Board for required skills, expertise, independence and other factors. The Company nominates Board members it considers to be ethical.

Generally, the Board of Directors seeks nominees that have the following characteristics: a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the required time, support for the Company's mission and strategic objectives, and a willingness to serve.

Compensation

The Board reviews the compensation of the directors and the Chief Executive Officer once a year. To make its recommendations on such compensation, the Board takes into account the types of compensation and the amounts paid to directors and officers of comparable publicly traded Canadian companies, as well as the success of the directors and officers in helping the Company to achieve its objectives and the Company's financial resources.

Other Board Committees

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

Assessments

The Board does not consider that formal assessments would be useful at this stage of the Company's development. The Board conducts informal periodic assessments of the effectiveness of the Board, its committees and the individual directors to satisfy itself that they are performing effectively. The assessment of the Board relates to the ongoing governance and operation of the Board and its effectiveness in discharging its responsibilities. The assessment of individual directors is comprised of an examination of each individual director's ability to contribute to the effective decision-making of the Board.

AUDIT COMMITTEE

Composition of the Audit Committee

The Company's Audit Committee is currently comprised of three directors consisting of Ivan Miliovski, Plamen Ovagemov and Derek Good. As defined in NI 52-110, Messrs. Ovagemov and Good are independent. Since the Company's common shares are not listed on the Toronto Stock Exchange or any other market specified in NI 52-110, the Company is exempt from the Audit Committee composition requirements in NI 52-110 which require all Audit Committee members to be independent. All of the Company's 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.

Audit Committee Charter

The Audit Committee operates under a written charter that sets out its responsibilities and composition requirements. The text of the Audit Committee's Charter is attached as Schedule "A" to this Information Circular.

The Audit Committee is responsible for 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 of the Company's books and financial records and any subsidiaries and to discuss with management and the Company's external auditor any accounts, records and matters relating to the Company's financial statements. The audit committee members meet periodically with management and annually with the external auditor.

Relevant Education and Experience

The education and experience of each Audit Committee member that is relevant to the performance of his responsibilities as an Audit Committee member is as follows:

Mr. Miliovski's experience and knowledge about the growth and production of medical grade marijuana provides him with an understanding of the accounting principles used by the Company to prepare its financial statements, the ability to assess the general application of such accounting principles and analyze or evaluate financial statements, and an understanding of internal controls and procedures for financial reports. He was the Chief Operation Officer at Canadian Cannabis Research and Technologies and the Chief Executive Officer and co-founder at Vancouver Independent Producers (now Vodis Innovative Pharmaceuticals). He has introduced improved methods and processes that are now standards within the industry.

Mr. Ovagemov has Bachelor in Economics and Marketing and has extensive experience as an operations executive serving as CEO and Executive Director of multiple national and international European companies. Most notably Mr. Ovagemov served eight years as CEO and Chairman of the Board of Ponsstroy Engineering EAD, an international full service commercial development company. During his eight years as CEO with Ponsstroy Engineering EAD, Mr. Ovagemov grew the company's revenue over 1,000% with revenues exceeding \$100,000,000 annually. Additionally, he brokered national and international European deals, worked with local government and agencies on European Union funded projects and has received multiple European awards of excellence in business.

Mr. Good is a co-founder of the Company and has been a successful entrepreneur and venture capitalist. Mr. Good also co-founded and was an owner/operator of a multi-faceted private label food production company. He has more than a decade of extensive experience in food production, food safety and development and implementation of Standard Operating Procedures for production facilities that are very similar to the marijuana business. Mr. Good took the company from concept to sales exceeding \$1,500,000 before successfully exiting by selling the business to multiple companies as well as divesting the real estate.

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 of Directors.

Reliance on Certain Exemptions

Since the commencement of the Company's most recently completed financial year, the Company has not relied on the exemptions contained in Section 2.4 or Part 8 of NI 52-110. Section 2.4 provides an exemption from the requirement that the Audit Committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the fiscal year in which the non-audit services were provided. Part 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110 in whole or in part.

Pre-approval Policies and Procedures

The Audit Committee is authorized by the Board to review the performance of the Company's external auditor and approve in advance the provision of services other than auditing and to consider the independence of the external auditor, including reviewing the range of services provided in the context of all consulting services bought by the Company. The Audit Committee is authorized to approve any nonaudit services or additional work, which the Chairman of the Audit Committee deems as necessary who will notify the other members of the Audit Committee of such non-audit or additional work.

External Auditor Service Fees

In the following table, "audit fees" are fees billed by the Company's external auditor for services provided in auditing the Company's annual financial statements for the subject year. "Audit-related fees" are fees not included in audit fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit review of the Company's financial statements. "Tax fees" are fees billed by the auditor for professional services rendered for tax compliance, tax advice and tax planning. "All other fees" are fees billed by the auditor for products and services not included in the foregoing categories.

The aggregate fees billed by the Company's external auditor in the financial years ended March 31, 2016, and March 31, 2015, with respect to the Company, by category, are as follows:

Financial Year Ended	Audit Fees	Audit Related Fees ⁽¹⁾	Tax Fees ⁽²⁾	All Other Fees ⁽³⁾
March 31, 2016	\$22,491	\$Nil	US\$1,313	\$Nil
March 31, 2015	\$27,994	\$Nil	\$16,853	\$Nil

(1) Audit Related Fees are aggregate fees for assurance and related services relating to the performance of the audit or review of the Company's financial statements, which are not included in audit fees.

(2) Tax Fees are aggregate fees for professional services rendered in connection with tax compliance, tax advice and tax planning. These fees were for assistance provided to the Company in the preparation and filing of its annual tax returns.

- (3) All Other Fees means the aggregate fees billed for products or services, other than as disclosed above. The Company's external auditor has not billed the Company for any products or services during the last two financial years.

PARTICULARS OF MATTERS TO BE ACTED UPON

1. Presentation of Financial Statements

The audited financial statements of the Company for the financial year ended March 31, 2016 (the "**Financial Statements**") and the auditor's report thereon (the "**Auditor's Report**"), will be presented to shareholders of the Company at the Meeting.

The Financial Statements, Auditor's Report, and management's discussion and analysis ("**MD&A**") for the financial year ended March 31, 2016, are available under the Company's profile on SEDAR at www.sedar.com.

Management will review the Company's financial results at the Meeting and shareholders and proxyholders will be given an opportunity to discuss these results with management. **No approval or other action needs to be taken at the Meeting in respect of these documents.**

2. Appointment and Remuneration of Auditor

Dale Matheson Carr-Hilton LaBonte LLP, Chartered Accountants ("**DMCL**"), is the independent registered certified auditor of the Company.

Meyers Norris Penny LLP, Chartered Accountants ("**MNP LLP**"), the former auditor of the Company, was asked to resign as the auditor of the Company and did so effective July 7, 2016. DMCL was appointed by the directors of the Company as auditor of the Company commencing July 7, 2016. The resignation of MNP LLP and the appointment of DMCL were approved by the Board of Directors of the Company.

Attached to this Information Circular as Schedule "B" is the reporting package consisting of a change of auditor notice, a letter from MNP LLP, and a letter from DMCL, all as filed with the requisite securities regulatory authorities with respect to the Company's change of auditor.

Shareholders will be asked to approve the appointment of Dale Matheson Carr-Hilton LaBonte LLP, Chartered Accountants, as the auditor of the Company to hold office until the next Annual General Meeting of the Shareholders, or until a successor is appointed, at a remuneration to be fixed by the Board of Directors.

Management recommends the appointment of Dale Matheson Carr-Hilton LaBonte LLP as auditor of the Company, and the persons named in the enclosed form of Proxy intend to vote IN FAVOUR of such appointment at a remuneration to fixed by the Board of Directors of the Company.

3. Fixing the Number of Directors

There are currently three directors on the Company's board of directors. At the Meeting, it is proposed that the number of directors to be elected to hold office until the next annual meeting of Shareholders or until their successors are elected or appointed be set at three (3).

Unless otherwise directed, it is the intention of management to vote proxies IN FAVOUR of setting the number of directors to be elected at three (3).

4. 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 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 or her successor is elected or appointed, unless his or her office is earlier vacated in accordance with the Company's Articles or the provisions of the *Business Corporations Act* (British Columbia).

The following table sets out the names of the nominees for election as directors, the province or state and country in which each is ordinarily resident, the period or periods during which each has served as a director, the first and last positions held in the Company, their present principal occupations and the number of common shares of the Company or any of its subsidiaries beneficially owned, or controlled or directed by each, directly or indirectly, as at the date of this Information Circular.

Name, Position with the Company ⁽¹⁾ and Place of Residence ⁽²⁾	Principal Occupation ⁽²⁾⁽³⁾	Date(s) Served as a Director Since	Ownership or Control Over Voting Shares Held ⁽³⁾
Ivan Miliovski ⁽⁴⁾ President, Chief Executive Officer, and Director BC, Canada	Chief Executive Officer of the Company since June 2016; President, Chief Operating Officer and Director of the Company since 2014; COO of Vodis Innovative Pharmaceuticals Ltd. since 2013; President of Vancouver Independent Producers (of medical marijuana) since 2010.	July 29, 2014	5,543,046 common shares
Plamen Ovagemov ⁽⁴⁾ Director Washington, USA	Owner/Director of Plamen Yanchev LLC, December 2013 – current; Director of Pons-Arema Consortium, December 2012 – September 2013; Chief Executive Officer of Ponsstroi Engineering EAD, September 2005 – December 2012	June 9, 2016	461,500 common shares
Derek Good ⁽⁴⁾ Director BC, Canada	Entrepreneur and investor, 2003 - current	November 15, 2016	5,543,046 common shares

(1) For the purposes of disclosing positions held in the Company, "Company" includes the Company and any subsidiary.

(2) The information as to province or state and country of residence, principal occupation and number of shares beneficially owned by the nominees (directly or indirectly or over which control or direction is exercised) is not within the knowledge of the Company's management and has been furnished by the respective nominees.

(3) Unless otherwise stated above, any nominees named above not elected at the last annual general meeting have held the principal occupation or employment indicated for at least five years.

- (4) Member of the Company's Audit Committee.

Cease Trade Orders, Corporate and Personal Bankruptcies, Penalties and Sanctions

For purposes of the disclosure in this section, an "order" means a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days; and for purposes of item (a)(i) below, specifically includes a management cease trade order which applies to directors or executive officers of a relevant company that was in effect for a period of more than 30 consecutive days whether or not the proposed director was named in the order.

None of the proposed directors, including any personal holding company of a proposed director:

- (a) is, as at the date of this Circular, or has been, within the 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 an order that was issued while the proposed director was acting in the capacity as a director, chief executive officer or chief financial officer of the company; or
 - (ii) was subject to an order 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 a director, chief executive officer or chief financial officer of the company; or
- (b) is, as at the date of this Circular, or has been, within the 10 years before the date of this 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;
- (c) has, within the 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;
- (d) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority since December 31, 2000, or before December 31, 2000, if the disclosure of which would likely be important to a reasonable security holder in deciding whether to vote for a proposed director, or

- (e) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

5. New Stock Option Plan

The Company has had a stock option plan, subject to Exchange policies, in place since a “fixed” stock option plan (the “**2014 Plan**”) was adopted by the Board on August 7, 2014. The 2014 Plan was subsequently approved by the shareholders of the Company on January 26, 2015. The purpose of the 2014 Plan is to advance the interests of the Company and its stockholders by attracting, retaining and motivating selected directors, officers, employees, consultants and management company employees of the Company of high caliber and potential and to encourage and enable such persons to acquire an ownership interest in the Company. The granting of incentive stock options allows the Company to reward efforts to increase value for shareholders without requiring the Company to use cash from its treasury.

Under the 2014 Plan, 2,425,000 common shares (on a post-consolidation basis) are reserved for issuance upon the exercise of options. As at the date of this Information Circular, the number of common shares available for future grants of stock options under the 2014 Plan is 1,407,500. 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 exercise price of each option will not be less than the prevailing price permitted by the Exchange's policies as calculated on the date of grant. The options can be exercisable for a maximum of 10 years from the date of grant. Any stock options granted under the 2014 Plan may be subject to vesting provisions as determined by the Board, except for options granted to persons providing investor relations activities that must vest in stages over twelve months with no more than one quarter vesting in any three-month period.

Under the 2014 Plan, the total number of common shares that may be reserved for issuance under stock options granted to any one individual must not exceed 5% of the total issued shares of the Company in any 12-month period, unless the Company has received disinterested shareholder approval. The number of options granted to any one consultant, or a person employed to provide investor relations activities, in any 12-month period must not exceed 2% of the total issued common shares of the Company. Any new stock options granted under the 2014 Plan may be subject to such vesting provisions as determined by the Board. The Board is responsible for the general administration of the Plan and may grant stock options at their discretion.

On April 13, 2017, the Board considered making changes to the 2014 Plan and approved the adoption of a new 10% rolling stock option plan (the “**New Stock Option Plan**”), to replace the fixed 2014 Plan. Therefore, at the Meeting, the Company will be seeking shareholder ratification, confirmation and approval of the New Stock Option Plan, whereby 10% of the number of issued and outstanding common shares of the Company at any given time may be reserved for issuance pursuant to the exercise of options.

The following information is intended as a brief description of the New Stock Option Plan and is qualified in its entirety by the full text of the New Stock Option Plan, a copy of which is attached as Schedule “C” to this Information Circular dated April 13, 2017. A copy of the New Stock Option Plan will be presented to and available for inspection by shareholders at the Meeting.

The New Stock Option Plan was established to attract and retain directors, officers, employees and consultants and to motivate them to advance the interests of the Company by affording them with the opportunity to acquire an equity interest in the Company through options granted under the New Stock Option Plan to purchase common shares of the Company. The intention of management in proposing the New Stock Option Plan is to increase the proprietary interest of such persons in the Company and, thereby, aid the Company in attracting, retaining and encouraging the continued involvement of such persons with the Company.

The New Stock Option Plan provides for a floating maximum limit of 10% of the outstanding common shares, as permitted by the policies of the Exchange. Upon receipt of shareholder approval of the New Stock Option Plan, 10% of the Company's outstanding common shares or 2,855,864 (currently) shares will be reserved for issuance under the New Stock Option Plan. All options outstanding under the 2014 Plan will be rolled into and included within the New Stock Option Plan. As of the date hereof, there are 994,063 options outstanding under the 2014 Plan, which would result in a balance of 1,861,801 stock options remaining for issuance under the New Stock Option Plan. Incentive stock options to be issued in the future will be subject to the terms and conditions of the New Stock Option Plan.

The New Stock Option Plan contains provisions such that:

- (a) the term of an option cannot exceed ten (10) years from the date of grant;
- (b) no more than 5% of the issued and outstanding shares of the Company may be granted to any one individual in any 12-month period;
- (c) no more than 4% of the issued and outstanding shares of the Company may be granted to any one consultant in any 12-month period;
- (d) no more than 1% of the issued and outstanding shares of the Company may be granted to any one person conducting investor relations activities in any 12-month period;
- (e) options will vest at the discretion of the Company's directors;
- (f) options are non-assignable and non-transferable, except as provided for in the event of a death of an optionee;
- (g) the period in which an optionee's heirs or administrators can exercise any portion of outstanding options must not exceed 12 months from the optionee's death;
- (h) option grants are limited to bona fide directors, officers, employees or consultants, or corporations wholly owned by such directors, officers, employees or consultants, as the case may be;
- (i) vested options terminate 90 days subsequent to any director, officer, employee or consultant ceasing to be engaged by the Company for any reason other than death; and
- (j) vested options terminate 30 days subsequent to any optionee engaged in investor relations activities ceasing to be engaged by the Company.

The New Stock Option Plan is administered by the Company's Board of Directors, which, subject to the limitations of the New Stock Option Plan, has the authority to:

- (a) grant options to purchase common shares to eligible persons;
- (b) determine the terms, limitations, restrictions and conditions respecting such grants;
- (c) interpret the New Stock Option Plan and adopt, amend and rescind such administrative guidelines and other rules and regulations relating to the New Stock Option Plan as it shall from time to time deem advisable; and
- (d) make all other determinations and take all other actions in connection with the implementation and administration of the New Stock Option Plan including, without limitation, for the purpose of ensuring compliance with securities laws and Exchange policies, as it may deem necessary or advisable.

Pursuant to the New Stock Option Plan, the exercise price of an option is set by the Board of Directors and cannot be lower than the greater of the closing market price of the Company's common shares on the trading day prior to the date of grant of the stock options, and the date of grant of the stock options. In addition, the New Stock Option Plan contains provisions for changes in options pursuant to, among other corporate actions, any share consolidation or subdivision, stock dividend, take-over bid, or change of control.

Accordingly, shareholders of the Company will be asked at the Meeting to pass an ordinary resolution, in substantially the following form, to approve for the ensuing year, the Company's New Stock Option Plan:

"BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT the Company's New Stock Option Plan, as described in the Company's Information Circular dated April 13, 2017, be hereby approved, ratified and confirmed."

Management of the Company recommends that shareholders vote in favour of approving, ratifying and confirming the New Stock Option Plan, and the persons named in the enclosed form of proxy intend to vote FOR approval, ratification and confirmation of the New Stock Option Plan at the Meeting, unless otherwise directed by the shareholders appointing them.

6. Other Business

The Company will consider and transact such other business as may properly come before the Meeting or any adjournment or adjournments thereof. As of the date of the Circular, Management knows of no other matters to be acted upon at the Meeting other than those referred to in the Notice of Meeting. Should any other matters properly come before the Meeting the common shares represented by the proxy solicited hereby will be voted on such matter in accordance with the best judgement of the persons voting the common shares represented by the proxy.

ADDITIONAL INFORMATION

Additional information relating to the Company is on the SEDAR website at www.sedar.com under "Vodis Pharmaceuticals Inc.". Shareholders may request copies of the Company's financial statements and

Management's Discussion and Analysis ("**MD&A**") by contacting the Company at its representative office by mail at Suite 610, 700 West Pender Street, Vancouver, BC V6C 1G8. Financial information is provided in the Company's audited financial statements and MD&A for the year ended March 31, 2016.

Schedule “A”

Charter of the Audit Committee of the Board of Directors of Vodis Pharmaceuticals Inc. (the “Company”)

1. Overall Purpose / Objectives

1.1 The Audit Committee will assist the Board of Directors in fulfilling its responsibilities. The Audit Committee will review the financial reporting process, the system of internal control and management of financial risks and the audit process. In performing its duties, the committee will maintain effective working relationships with the Board of Directors, management, and the external auditors and monitor the independence of those auditors. To perform his or her role effectively, each committee member will obtain an understanding of the responsibilities of committee membership as well as the Company’s business, operations and risks.

2. Authority

2.1 The Board authorizes the audit committee, within the scope of its responsibilities, to seek any information it requires from any employee and from external parties, to obtain outside legal or professional advice, to set and pay the compensation for any advisors employed by the Audit Committee, to ensure the attendance of Company officers at meetings as appropriate and to communicate directly with the Company’s external auditors.

Organization

Membership

2.2 The Audit Committee will be comprised of at least three members, all of whom shall be Directors of the Company. Whenever reasonably feasible a majority of the members of the audit committee shall have no direct or indirect material relationship with the Company. If less than a majority of the Board of Directors are independent, then a majority of the members of the audit committee may be made up of members that are not independent of the Company, provided that there is an exemption in the applicable securities law, rule, regulation, policy or instrument (if any).

2.3 The chairman of the Audit Committee (if any) will, if feasible, be nominated by the Audit Committee from the members of the Audit Committee which are not officers or employees of the Company, or a company associated or affiliated with the Company, from time to time.

2.4 A quorum for any meeting is one or more persons, present in person or by proxy.

2.5 The secretary of the Audit Committee will be the Company secretary, or such person as nominated by the Chairman of the Audit Committee, if there is one, or by the members of the Audit Committee.

Attendance at Meetings

2.6 The Audit Committee may invite such other persons (e.g. the President or Chief Financial Officer) to its meetings, as it deems appropriate.

2.7 Meetings shall be held not less than four times a year. Special meetings shall be convened as required. External auditors may convene a meeting if they consider that it is necessary.

2.8 The proceedings of all meetings will be minuted.

3. Roles and Responsibilities

The Audit Committee will:

3.1 Gain an understanding of whether internal control recommendations made by external auditors have been implemented by management.

3.2 Gain an understanding of the current areas of greatest financial risk and whether management is managing these effectively.

3.3 Review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on the financial statements.

3.4 Review any legal matters which could significantly impact the financial statements as reported on by the general counsel and meet with outside counsel whenever deemed appropriate.

3.5 Review the annual and quarterly financial statements including Management's Discussion and Analysis and annual and interim earnings press releases prior to public dissemination, including any certification, report, opinion, or review rendered by the external auditors and determine whether they are complete and consistent with the information known to committee members; determine that the auditors are satisfied that the financial statements have been prepared in accordance with generally accepted accounting principles.

3.6 Pay particular attention to complex and/or unusual transactions such as those involving derivative instruments and consider the adequacy of disclosure thereof.

3.7 Focus on judgmental areas, for example those involving valuation of assets and liabilities and other commitments and contingencies.

3.8 Review audit issues related to the Company's material associated and affiliated companies that may have a significant impact on the Company's equity investment.

3.9 Meet with management and the external auditors to review the annual financial statements and the results of the audit.

3.10 Review the interim financial statements and disclosures, and obtain explanations from management on whether:

- (a) actual financial results for the interim period varied significantly from budgeted or projected results;
- (b) generally accepted accounting principles have been consistently applied;
- (c) there are any actual or proposed changes in accounting or financial reporting practices;

- (d) there are any significant or unusual events or transactions which require disclosure and, if so, consider the adequacy of that disclosure; and
- (e) review the external auditors' proposed audit scope and approach and ensure no unjustifiable restriction or limitations have been placed on the scope.

3.11 Review the performance of the external auditors and approve in advance provision of services other than auditing. Consider the independence of the external auditors, including reviewing the range of services provided in the context of all consulting services bought by the company. The Board authorizes the Chairman of the Audit Committee to pre-approve any non-audit or additional audit work which the Chairman deems as necessary and to notify the other members of the Audit Committee of such non-audit or additional work.

3.12 Make recommendations to the Board regarding the reappointment of the external auditors and the compensation to be paid to the external auditor.

3.13 Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.

3.14 Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.

3.15 Establish a procedure for:

- (a) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters; and
- (b) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters.

3.16 Meet separately with the external auditors to discuss any matters that the committee or auditors believe should be discussed privately.

3.17 Endeavour to cause the receipt and discussion on a timely basis of any significant findings and recommendations made by the external auditors.

3.18 Ensure that the Board is aware of matters which may significantly impact the financial condition or affairs of the business.

3.19 Perform other functions as requested by the full Board.

3.20 If necessary, institute special investigations and, if appropriate, hire special counsel or experts to assist, and set the compensation to be paid to such special counsel or other experts.

3.21 Review and recommend updates to the charter; receive approval of changes from the Board.

4. Reference Date.

4.1 This 2012 Charter of the Audit Committee was first adopted and approved by the directors of the Company on June 19, 2012.

Schedule “B”

**CHANGE OF AUDITOR
REPORTING PACKAGE**

Vodis Pharmaceuticals Inc.
8778 River Road
Delta, B.C. V4G 1B4
(The "Company")

NOTICE OF CHANGE OF AUDITOR
(The "Notice")

To: MNP LLP Chartered Accountants
And To: Dale Matheson Carr-Hilton LaBonte LLP Chartered Professional Accountants

1. The directors of the Company do not propose to re-appoint MNP LLP Chartered Accountants, as auditors for the Company; and
2. The directors of the Company propose to appoint Dale Matheson Carr-Hilton LaBonte LLP Chartered Professional Accountants, as auditors of the Company, effective July 7, 2016, to hold office until the next annual meeting of the Company.

In accordance with National Instrument 51-102 *Continuous Disclosure Obligations* ("NI 51-102"), the Company confirms that:

1. MNP LLP Chartered Accountants was asked to resign as auditor of the Company, effective July 7, 2106, to facilitate the appointment of Dale Matheson Carr-Hilton LaBonte LLP Chartered Professional Accountants of Suite 1500 – 1140 West Pender Street, Vancouver, B.C. V6E 4G1;
2. MNP LLP Chartered Accountants has not expressed any reservation in its reports for the two most recently completed fiscal years of the Company, nor for the period from the most recently completed period for which MNP LLP Chartered Accountants issued an audit report in respect of the Company and the date of this Notice;
3. In the opinion of the Board of Directors of the Company, no "reportable event" as defined in NI 51-102 has occurred in connection with the audits of the two most recently completed fiscal years of the Company nor any period from the most recently completed for which MNP LLP Chartered Accountants issued an audit report in respect of the Company and the date of this Notice; and
4. The Notice and Auditor's letters have been reviewed by the Audit Committee and the Board of Directors.

Dated as of the 7th day of June, 2016

Vodis Pharmaceuticals Inc.

"Ivan Miliovski"

Ivan Miliovski, CEO



July 14th, 2016

VIA SEDAR

TO: **Ontario Securities Commission**
20 Queen Street West, 22nd Floor
Toronto, ON M5H 3S8
British Columbia Securities Commission
P.O. Box 10142, Pacific Centre
9th Floor-701 West Georgia Street
Vancouver, B.C. V7Y 1L2
Canadian Securities Exchange
9th Floor-220 Bay Street
Toronto, ON M5J 2W4

Vodis Pharmaceuticals Inc. (the "Company")
Notice Pursuant to National Instrument 51-102 – Change of Auditor ("Notice")

As required by National Instrument 51-102, we have reviewed the information contained in the Notice dated July 7th, 2016 given by the Company to ourselves and Dale Matheson Carr-Hilton Labonte LLP.

Based on our knowledge of such information at this date, we agree with the statements set out in the Notice.

Yours very truly,

A handwritten signature in black ink that reads "MNP LLP".

MNP LLP
Chartered Professional Accountants



DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

VANCOUVER
1500 – 1140 W. Pender Street
Vancouver, BC V6E 4G1
TEL 604.683.4747 | FAX 604.683.2778

TRICITIES
700 – 2755 Lougheed Hwy.
Port Coquitlam, BC V3B 5V9
TEL 604.941.8266 | FAX 604.941.0971

WHITE ROCK
301 – 1656 Martin Drive
White Rock, BC V4A 0E7
TEL 604.531.1154 | FAX 604.638.2613
WWW.DMCL.CA

July 13, 2016

British Columbia Securities Commission
P.O. Box 10142, Pacific Centre
9TH Floor – 701 West Georgia Street
Vancouver, B.C. V7Y 1L3

Canadian Stock Exchange
9TH Floor – 220 Bay Street
Toronto, ON M5J 2W4

Ontario Securities Commission
20 Queen Street West, 22nd Floor
Toronto, ON M5H 3S8

Dear Sirs:

Re: Vodis Pharmaceuticals Inc. (the "Company")
Notice Pursuant to National Instrument 51-102 - Change of Auditor

As required by the National Instrument 51-102 and in connection with our proposed engagement as auditor of the Company, we have reviewed the information contained in the Company's Notice of Change of Auditor, dated July 7, 2016 and agree with the information contained therein, based upon our knowledge of the information relating to the said notice and of the Company at this time.

Yours very truly,

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS & BUSINESS ADVISORS

Schedule "C"

VODIS PHARMACEUTICALS INC.

INCENTIVE STOCK OPTION PLAN

Dated for Reference April 13, 2017

PART 1 INTERPRETATION

1.1 Definitions. In this Plan, the following words and phrases shall have the following meanings:

- (a) **"Affiliate"** means a company that is a parent or subsidiary of the Company, or that is controlled by the same person as the Company;
- (b) **"Board"** means the board of directors of the Company and includes any committee of directors appointed by the directors as contemplated by Section 3.1;
- (c) **"Change of Control"** means the acquisition by any person or by any person and a Joint Actor, whether directly or indirectly, of voting securities of the Company, which, when added to all other voting securities of the Company at the time held by such person or by such person and a Joint Actor, totals for the first time not less than 50% of the outstanding voting securities of the Company or the votes attached to those securities are sufficient, if exercised, to elect a majority of the Board;
- (d) **"Company"** means Vodis Pharmaceuticals Inc.;
- (e) **"Consultant"** means an individual or Consultant Company, other than an Employee, Director or Officer, that:
 - (i) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Company or to an Affiliate, other than services provided in relation to a distribution of securities;
 - (ii) provides such services under a written contract between the Company or an Affiliate;
 - (iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or an Affiliate; and
 - (iv) has a relationship with the Company or an Affiliate that enables the individual to be knowledgeable about the business and affairs of the Company;
- (f) **"Consultant Company"** means for an individual Consultant, a company or partnership of which the individual is an employee, shareholder or partner;
- (g) **"CSE"** means the Canadian Securities Exchange;

- (h) **“Director”** means a director of the Company or a Subsidiary;
- (i) **“Eligible Person”** means a bona fide Director, Officer, Employee or Consultant, or a corporation wholly owned by such Director, Officer, Employee or Consultant;
- (j) **“Employee”** means:
 - (i) an individual who is considered an employee of the Company or a Subsidiary under the Income Tax Act (and for whom income tax, employment insurance and CPP deductions must be made at source);
 - (ii) an individual who works full-time for the Company or a Subsidiary providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source; or
 - (i) an individual who works for the Company or a 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 Company over the details and methods of work as an employee of the Company, but for whom income tax deductions need not be made at source;
- (k) **“Exchange”** means the CSE or any other stock exchange on which the Shares are listed for trading;
- (l) **“Exchange Policies”** means the policies, bylaws, rules and regulations of the Exchange governing the granting of options by the Company, as amended from time to time;
- (m) **“Expiry Date”** means a date not later than ten (10) years from the date of grant of an option;
- (n) **“Income Tax Act”** means the Income Tax Act (Canada), as amended from time to time;
- (o) **“Insider”** has the meaning ascribed thereto in the Securities Act;
- (p) **“Investor Relations Activities”** means any activities, by or on behalf of the Company or a shareholder of the Company, that promote or reasonably could be expected to promote the purchase or sale of securities of the Company, but does not include:
 - (i) the dissemination of information provided, or records prepared, in the ordinary course of business of the Company
 - (A) to promote the sale of products or services of the Company, or
 - (B) to raise public awareness of the Company,
 that cannot reasonably be considered to promote the purchase or sale of securities of the Company;
 - (ii) activities or communications necessary to comply with the requirements of
 - (A) applicable Securities Laws,

- (B) the Exchange, or
 - (C) the bylaws, rules or other regulatory instruments of any self-regulatory body or exchange having jurisdiction over the Company;
- (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 such 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;
- (q) **“Joint Actor”** means a person acting jointly or in concert with another person;
- (r) **“Optionee”** means the recipient of an option under this Plan;
- (s) **“Officer”** means any senior officer of the Company or a Subsidiary;
- (t) **“Plan”** means this incentive stock option plan, as amended from time to time;
- (u) **“Securities Act”** means the Securities Act (British Columbia), as amended from time to time;
- (v) **“Securities Laws”** means the acts, policies, bylaws, rules and regulations of the securities commissions governing the granting of options by the Company, as amended from time to time;
- (w) **“Shares”** means the common shares of the Company without par value; and
- (x) **“Subsidiary”** has the meaning ascribed thereto in the Securities Act.
- 1.2 Governing Law. The validity and construction of this Plan shall be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.
- 1.3 Gender. Throughout this Plan, whenever the singular or masculine or neuter is used, the same shall be construed as meaning the plural or feminine or body politic or corporate, and vice-versa as the context or reference may require.

PART 2 PURPOSE

- 2.1 Purpose. The purpose of this Plan is to attract and retain Directors, Officers, Employees and Consultants and to motivate them to advance the interests of the Company by affording them with the opportunity to acquire an equity interest in the Company through options granted under this Plan to purchase Shares.

PART 3
GRANTING OF OPTIONS

- 3.1 Administration. This Plan shall be administered by the Board or, if the Board so elects, by a committee (which may consist of only one person) appointed by the Board from its members.
- 3.2 Committee's Recommendations. The Board may accept all or any part of any recommendations of any committee appointed under Section 3.1 or may refer all or any part thereof back to such committee for further consideration and recommendation.
- 3.3 Board Authority. Subject to the limitations of this Plan, the Board shall have the authority to:
- (a) grant options to purchase Shares to Eligible Persons;
 - (b) determine the terms, limitations, restrictions and conditions respecting such grants;
 - (c) interpret this Plan and adopt, amend and rescind such administrative guidelines and other rules and regulations relating to this Plan as it shall from time to time deem advisable; and
 - (d) make all other determinations and take all other actions in connection with the implementation and administration of this Plan including, without limitation, for the purpose of ensuring compliance with Section 7.1, as it may deem necessary or advisable.
- 3.4 Grant of Option. A resolution of the Board shall specify the number of Shares that shall be placed under option to each Eligible Person; the exercise price to be paid for such Shares upon the exercise of such option; any applicable hold period; and the period, including any applicable vesting periods required by Exchange Policies or by the Board, during which such option may be exercised.
- 3.5 Written Agreement. Every option granted under this Plan shall be evidenced by a written agreement between the Company and the Optionee substantially in the form attached hereto as Appendix "A", containing such terms and conditions as are required by Exchange Policies and applicable Securities Laws, and, where not expressly set out in the agreement, the provisions of such agreement shall conform to and be governed by this Plan. In the event of any inconsistency between the terms of the agreement and this Plan, the terms of this Plan shall govern.
- 3.6 Withholding Taxes. If the Company is required under the Income Tax Act or any other applicable law to make source deductions in respect of Employee stock option benefits and to remit to the applicable governmental authority an amount on account of tax on the value of the taxable benefit associated with the issuance of any Shares upon the exercise of options, then any Optionee who is deemed an Employee shall:
- (a) pay to the Company, in addition to the exercise price for such options, the amount necessary to satisfy the required tax remittance as is reasonably determined by the Company;
 - (b) authorize the Company, on behalf of the Optionee, to sell in the market on such terms and at such time or times as the Company determines a portion of the Shares issued upon

the exercise of such options to realize proceeds to be used to satisfy the required tax remittance; or,

- (c) make other arrangements acceptable to the Company to satisfy the required tax remittance.

PART 4

RESERVE OF SHARES

- 4.1 Sufficient Authorized Shares to be Reserved. A sufficient number of Shares shall be reserved by the Board to permit the exercise of any options granted under this Plan. Shares that were the subject of any option that has lapsed or terminated shall thereupon no longer be in reserve and may once again be subject to an option granted under this Plan.
- 4.2 Maximum Number of Shares Reserved. Unless authorized by the shareholders of the Company, this Plan, together with all of the Company's other previously established or proposed stock options, stock option plans, employee stock purchase plans or any other compensation or incentive mechanisms involving the issuance or potential issuance of Shares, shall not result, at any time, in the number of Shares reserved for issuance pursuant to options exceeding 10% of the issued and outstanding Shares as at the date of grant of any option under this Plan.
- 4.3 Limits with Respect to Individuals. The aggregate number of Shares subject to an option that may be granted to any one individual in any 12-month period under this Plan shall not exceed 5% of the issued and outstanding Shares determined at the time of such grant.
- 4.4 Limits with Respect to Consultants. The aggregate number of Shares subject to an option that may be granted to any one Consultant in any 12-month period under this Plan shall not exceed 4% of the issued and outstanding Shares determined at the time of such grant.
- 4.5 Limits with Respect to Investor Relations Activities. The aggregate number of Shares subject to an option that may be granted to any one person conducting Investor Relations Activities in any 12-month period under this Plan shall not exceed 1% of the issued and outstanding Shares determined at the time of such grant.

PART 5

CONDITIONS GOVERNING THE GRANTING AND EXERCISING OF OPTIONS

- 5.1 Exercise Price. Subject to Section 5.2, the exercise price of an option may not be lower than the greater of the closing market price of the Shares on the trading day immediately preceding the date of grant of the option, and the date of grant of the options, less any applicable discount allowed by the Exchange.
- 5.2 Exercise Price if Distribution. If any options are granted within 90 days of a public distribution by prospectus, then the minimum exercise price shall be the greater of that specified in Section 5.1 and the price per share paid by the investors for Shares acquired under the public distribution. The 90-day period shall commence on the date the Company is issued a final receipt for the prospectus.
- 5.3 Expiry Date. Each option shall, unless sooner terminated, expire on a date to be determined by the Board which shall not be later than the Expiry Date.

- 5.4 Different Exercise Periods, Prices and Number. The Board may, in its absolute discretion, upon granting an option under this Plan and subject to the provisions of Section 5.3, specify a particular time period or periods following the date of granting such option during which the Optionee may exercise the option and may designate the exercise price and the number of Shares in respect of which such Optionee may exercise the option during each such time period.
- 5.5 Termination of Employment. If a Director, Officer, Employee or Consultant ceases to be so engaged by the Company for any reason other than death, such Director, Officer, Employee or Consultant shall have the right to exercise any vested option granted to him under this Plan and not exercised prior to such termination within a period of 90 days after the date of termination, or such shorter period as may be set out in the Optionee's written agreement.
- 5.6 Termination of Investor Relations Activities. If an Optionee who is engaged in Investor Relations Activities ceases to be so engaged by the Company, such Optionee shall have the right to exercise any vested option granted to the Optionee under this Plan and not exercised prior to such termination within a period of 30 days after the date of termination, or such shorter period as may be set out in the Optionee's written agreement.
- 5.7 Death of Optionee. If an Optionee dies prior to the expiry of an option, his heirs or administrators may within 12 months from the date of the Optionee's death exercise that portion of an option granted to the Optionee under this Plan which remains vested and outstanding.
- 5.8 Assignment. No option granted under this Plan or any right thereunder or in respect thereof shall be transferable or assignable otherwise than as provided for in Section 5.7.
- 5.9 Notice. Options shall be exercised only in accordance with the terms and conditions of the written agreements under which they are granted and shall be exercisable only by notice in writing to the Company substantially in the form attached hereto as Appendix "B".
- 5.10 Payment. Options may be exercised in whole or in part at any time prior to their lapse or termination. Shares purchased by an Optionee upon the exercise of an option shall be paid for in full in cash at the time of their purchase.

PART 6

CHANGES IN OPTIONS

- 6.1 Share Consolidation or Subdivision. In the event that the Shares are at any time subdivided or consolidated, the number of Shares reserved for option and the price payable for any Shares that are then subject to option shall be adjusted accordingly.
- 6.2 Stock Dividend. In the event that the Shares are at any time changed as a result of the declaration of a stock dividend thereon, the number of Shares reserved for option and the price payable for any Shares that are then subject to option may be adjusted by the Board to such extent as it deems proper in its absolute discretion.
- 6.3 Effect of a Take-Over Bid. If a bona fide offer to purchase Shares (an "Offer") is made to an Optionee or to shareholders of the Company generally or to a class of shareholders which includes the Optionee, which Offer, if accepted in whole or in part, would result in the offeror becoming a

control person of the Company, within the meaning of Section 1(1) of the Securities Act, the Company shall, upon receipt of notice of the Offer, notify each Optionee of full particulars of the Offer, whereupon all Shares subject to option (the "Option Shares") shall become vested and such option may be exercised in whole or in part by such Optionee so as to permit the Optionee to tender the Option Shares received upon such exercise pursuant to the Offer. However, if:

- (a) the Offer is not completed within the time specified therein including any extensions thereof; or
- (b) all of the Option Shares tendered by the Optionee pursuant to the Offer are not taken up or paid for by the offeror in respect thereof,

then the Option Shares received upon such exercise, or in the case of clause (b) above, the Option Shares that are not taken up and paid for, may be returned by the Optionee to the Company and reinstated as authorized but unissued Shares and with respect to such returned Option Shares, the option shall be reinstated as if it had not been exercised and the terms upon which such Option Shares were to become vested pursuant to Section 3.4 shall be reinstated. If any Option Shares are returned to the Company under this Section 6.3, the Company shall immediately refund the exercise price to the Optionee for such Option Shares.

- 6.4 Acceleration of Expiry Date. If, at any time when an option granted under this Plan remains unexercised with respect to any unissued Option Shares, an Offer is made by an offeror, the Board may, upon notifying each Optionee of full particulars of the Offer, declare all Option Shares issuable upon the exercise of options granted under this Plan vested, and declare that the Expiry Date for the exercise of all unexercised options granted under this Plan is accelerated so that all options shall either be exercised or shall expire prior to the date upon which Shares must be tendered pursuant to the Offer.
- 6.5 Effect of a Change of Control. If a Change of Control occurs, all outstanding options shall become vested, whereupon such options may be exercised in whole or in part by the applicable Optionee.
- 6.6 Other Stock Exchange Listing. In the event that the Company applies or intends to apply for listing on a stock exchange other than the CSE and, based on the policies and requirements of the other stock exchange, the Company believes that any or all options granted hereunder will not be accepted or approved by the other stock exchange, then the Company may, in its sole discretion, immediately cancel any or all options that remain outstanding to meet the listing requirements of the other stock exchange. If the Company cancels any such options pursuant to this Section 6.6, then no compensation will be owed by the Company to the applicable Optionee.
- 6.7 Approval and Cancellation. In the event that approval from the CSE or other stock exchange, as applicable, is not received for the grant of any options hereunder, each Optionee agrees that the Company may immediately cancel any or all such options that remain outstanding. If the Company cancels any of such options pursuant to this Section 6.7, then no compensation shall be owed by the Company to the applicable Optionee.

PART 7

SECURITIES LAWS AND EXCHANGE POLICIES

- 7.1 Securities Laws and Exchange Policies Apply. This Plan and the granting and exercise of any options hereunder are also subject to such other terms and conditions as are set out from time to time in

applicable Securities Laws and Exchange Policies and such terms and conditions shall be deemed to be incorporated into and become a part of this Plan. In the event of an inconsistency between such terms and conditions and this Plan, such terms and conditions shall govern. In the event that the Shares are listed on a new stock exchange, in addition to the terms and conditions set out from time to time in applicable Securities Laws, the granting or cancellation of options shall be governed by the terms and conditions set out from time to time in the policies, bylaws, rules and regulations of the new stock exchange and unless inconsistent with the terms of this Plan, the Company shall be able to grant or cancel options pursuant to the policies, bylaws, rules and regulations of such new stock exchange without requiring shareholder approval.

PART 8 AMENDMENT

- 8.1 Board May Amend. The Board may, by resolution, amend or terminate this Plan, but no such amendment or termination shall, except with the written consent of the Optionees concerned, affect the terms and conditions of options previously granted under this Plan which have not then lapsed, terminated or been exercised.
- 8.2 Exchange Approval. Any amendment to this Plan or options granted pursuant to this Plan shall not become effective until such Exchange and shareholder approval as is required by Exchange Policies and applicable Securities Laws has been received.
- 8.3 Amendment to Insider's Options. Any amendment to options held by Insiders which results in a reduction in the exercise price of the options at the time of the amendment shall be conditional upon obtaining disinterested shareholder approval for that amendment.

PART 9 EFFECT OF PLAN ON OTHER COMPENSATION OPTIONS

- 9.1 Other Options Not Affected. This Plan is in addition to any other existing stock options granted prior to and outstanding as at the date of this Plan and shall not in any way affect the policies or decisions of the Board in relation to the remuneration of Directors, Officers, Employees and Consultants.

PART 10 OPTIONEE'S RIGHTS AS A SHAREHOLDER

- 10.1 No Rights Until Option Exercised. An Optionee shall be entitled to the rights pertaining to share ownership, such as to dividends, only with respect to Shares that have been fully paid for and issued to the Optionee upon the exercise of an option.

PART 11 EFFECTIVE DATE OF PLAN

- 11.1 Effective Date. This Plan shall become effective upon its approval by the Board.

APPENDIX "A"

INCENTIVE STOCK OPTION AGREEMENT

Vodis Pharmaceuticals Inc. (the "**Company**") hereby grants the undersigned (the "**Optionee**") options to purchase common shares of the Company (the "**Options**") in accordance with the Company's incentive stock option plan, as amended from time to time (the "**Plan**"), according to the following terms. The Optionee acknowledges that the grant of Options is subject to (a) the Plan; (b) the regulations and provisions of the British Columbia Securities Commission, the Ontario Securities Commission and any other applicable provincial securities commission; and (c) the approval of the Canadian Securities Exchange or other stock exchange, as applicable.

Name of Optionee: _____

Address: _____

Telephone Number: _____

Email Address: _____

Position with the Company: _____

Number of Options: _____

Exercise Price: _____

Date of Grant: _____

Expiry Date: _____

Vesting Schedule: All of the Options shall vest immediately unless otherwise described in the table below.

Period	% of Shares Vested

IN WITNESS WHEREOF, the Company and Optionee have caused this Agreement to be duly executed as of the date first written above.

VODIS PHARMACEUTICALS INC.

Per:

Authorized Signatory

OPTIONEE

APPENDIX "B"

VODIS PHARMACEUTICALS INC.

EXERCISE NOTICE

The undersigned hereby subscribes for _____ common shares of Vodis Pharmaceuticals Inc. (the "**Company**") at a price of \$_____ per share for a total amount of \$_____ (the "**Exercise Price**") pursuant to the provisions of the Incentive Stock Option Agreement entered into between the undersigned and the Company dated _____, 201____.

Date

Signature

Name

Address

Telephone Number

Email Address