



**NOTICE OF ANNUAL GENERAL MEETING  
MANAGEMENT PROXY CIRCULAR**

FOR THE

**ANNUAL GENERAL MEETING OF SHAREHOLDERS**

TO BE HELD

**TUESDAY, SEPTEMBER 29, 2020  
10:00 A.M. (PACIFIC)  
SUITE 1305, 1090 WEST GEORGIA STREET  
VANCOUVER, BRITISH COLUMBIA, CANADA**

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**COVID-19**

In light of ongoing concerns related to the spread of COVID-19, and in order to mitigate the potential risks to the health and safety associated with COVID-19, shareholders are strongly encouraged to vote on the matters before the Meeting by proxy rather than attend the meeting in person. **Shareholders wishing to attend the Meeting in person must call the Company at 1.604.685.9316 at least 48 hours prior to the date of the Meeting for further instructions.**

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**ROCKSHIELD CAPITAL CORP.**

#1305 - 1090 West Georgia Street  
Vancouver, BC, V6E 3V7

**NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS**

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of the Shareholders (the “**Meeting**”) of Rockshield Capital Corp. (the “**Company**”) will be held at Suite 1305, 1090 West Georgia Street, Vancouver, British Columbia on Tuesday, September 29, 2020 at 10:00 a.m. (Pacific time), for the following purposes:

1. To receive the audited consolidated financial statements of the Company for the fiscal year ended November 30, 2019, together with the report of the auditors thereon, and related management discussion and analysis;
2. To set the number of directors of the Company for the ensuing year at five (5);
3. To elect directors of the Company for the ensuing year; and
4. To appoint Davidson & Company LLP, Chartered Professional Accountants, as the auditor of the Company at a remuneration to be set by the directors.

Accompanying this Notice of Meeting is a Management Information Circular, together with a Form of Proxy and a Request Form for Annual and Interim Financial Statements. The accompanying Management Information Circular provides information relating to the matters to be addressed at the meeting and is incorporated into this Notice of Meeting.

To be valid, the accompanying form of Proxy, duly completed, dated and signed, must arrive at the office of the Registrar and Transfer Agent of the Company, Computershare Investor Services Inc., not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the Meeting or delivered to the Chairman of the Meeting on the day of but prior to the commencement of the Meeting.

If you are a non-registered shareholder of the Company and received this Notice of Meeting and accompanying materials through a broker, a financial institution, a participant, a trustee or administrator of a self-administered retirement savings plan, retirement income fund, education savings plan or other similar self-administered savings or investment plan registered under the *Income Tax Act* (Canada), or a nominee of any of the foregoing that holds your security on your behalf (the “**Intermediary**”), please complete and return the materials in accordance with the instructions provided to you by your Intermediary.

**COVID-19 GUIDANCE: In light of ongoing concerns related to the spread of COVID-19, and in order to mitigate the potential risks to the health and safety associated with COVID-19, shareholders are strongly encouraged to vote on the matters before the Meeting by proxy rather than attend the meeting in person.**

DATED at Vancouver, British Columbia, this 20<sup>th</sup> day of August, 2020.

BY ORDER OF THE BOARD

*"David Doherty"*

David Doherty,  
President & CEO

## ROCKSHIELD CAPITAL CORP.

#1305 - 1090 West Georgia Street  
Vancouver, British Columbia V6E 3V7

### MANAGEMENT INFORMATION CIRCULAR

(Containing information as at August 20, 2020, unless otherwise stated)

#### SOLICITATION OF PROXIES

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

In this Management Information Circular (“**Information Circular**”), references to the “**Company**”, “**Rockshield**” “**we**” and “**our**” refer to Rockshield Capital Corp. “**Common Shares**” means common shares without par value in the capital of the Company. “**Beneficial Shareholders**” means shareholders who do not hold shares in their own name and “**intermediaries**” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders.

#### COVID-19

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In view of the current COVID-19 outbreak, the Company asks that, in considering whether to attend the Meeting in person, shareholders follow the instructions of the Public Health Agency of Canada at <https://www.canada.ca/en/public-health/services/diseases/2019-novel-coronavirus-infection/guidance-documents.html>. Shareholders are encouraged not to attend the Meeting in person if experiencing any of the described COVID-19 symptoms of fever, cough or difficulty breathing. The Company may take additional precautionary measures in relation to the Meeting in response to further developments in the COVID-19 outbreak. As always, the Company encourages shareholders to vote prior to the Meeting. Shareholders are encouraged to vote on the matters before the meeting by proxy. **Shareholders wishing to attend the Meeting in person must call the Company at 1.604.685.9316 at least 48 hours prior to the date of the Meeting for further instructions.**

#### APPOINTMENT OF PROXYHOLDERS

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

#### VOTING BY PROXYHOLDER

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

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

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

## **REGISTERED SHAREHOLDERS**

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Registered Shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered shareholders may choose one of the following options to submit their proxy and returning it to the Company's transfer agent, **Computershare Investor Services Inc. (the "Transfer Agent"), Proxy Department, 9<sup>th</sup> Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1**, ensuring that the proxy is received at least 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or the adjournment thereof at which the proxy is to be used.

## **BENEFICIAL SHAREHOLDERS**

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

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

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

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

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

By choosing to send these materials to you directly, the Company (and not the intermediary holding securities 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 your request for voting instructions.

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

The form of proxy supplied to you by your broker will be similar to the proxy provided to registered shareholders by the Company. However, its purpose is limited to instructing the intermediary on how to vote your Common Shares on your behalf. Most brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**") in the United States and in Canada. Broadridge mails a voting instruction form ("**VIF**") in lieu of a proxy provided by the Company. The VIF will name the same persons as the Company's Proxy to represent your Common Shares at the Meeting. You have the right to appoint a person (who need not be a Beneficial Shareholder of the Company), other than any of the persons designated in the VIF, to represent your Common Shares at the Meeting, and that person may be you. To exercise this right, you should insert the name of the desired representative (which may be yourself) in the blank space provided in the VIF. The completed VIF must then be returned to Broadridge by mail or facsimile or given to Broadridge by phone or over the internet, in accordance with Broadridge's instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the

voting of Common Shares to be represented at the Meeting, and the appointment of any shareholder's representative. **If you receive a VIF from Broadridge, the VIF must be completed and returned to Broadridge, in accordance with its instructions, well in advance of the Meeting in order to have your Common Shares voted at the Meeting and to vote your Common Shares at the Meeting.**

## **REVOCATION OF PROXIES**

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

- (a) executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the registered shareholder or the registered shareholder's authorized attorney in writing, or, if the shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the proxy bearing a later date to delivered to the head office of the Company located at Suite 1305, 1090 West Georgia Street, Vancouver, British Columbia V6E 3V7 (Attention: Corporate Secretary), at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law; or
- (b) personally attending the Meeting and voting the registered shareholder's Common Shares.

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

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

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Except as disclosed herein, no person who has been a director or executive officer of the Company at any time since the beginning of the last financial year, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of any of the foregoing, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon other than the election of directors or the appointment of auditors. Directors and senior officers may, however, be interested in the general authorization granted to the directors with respect to stock options to insiders as detailed herein.

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

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The authorized capital of the Company consists of an unlimited number of Common Shares without par value. As at August 20, 2020 (the "**Record Date**"), the Company had 45,595,354 Common Shares issued and outstanding.

Only shareholders of record at the close of business on the Record Date who either personally attend the Meeting or who have completed and delivered a form of proxy in the manner and subject to the provisions described above shall be entitled to vote or to have their shares voted at the Meeting.

On a show of hands, every individual who is present and is entitled to vote as a shareholder or as a representative of one or more corporate shareholders will have one vote, and on a poll every shareholder present in person or represented by a proxy and every person who is a representative of one or more corporate shareholders, will have one vote for each Common Share registered in that shareholder's name on the list of shareholders as at the Record Date, which is available for inspection during normal business hours at the Transfer Agent and will be available at the Meeting. **Shareholders represented by proxy holders are not entitled to vote on a show of hands.**

To the knowledge of the directors and senior officers of the Company, no persons or companies beneficially own, directly or indirectly, or exercise control or direction over, shares carrying more than 10% of the voting rights attached to all outstanding shares of the Company as of the close of business on August 20, 2020.

## 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 and the persons named by management as proxyholders in the accompanying form of proxy intend to vote for the election of these nominees. Management does not contemplate that any of these nominees will be unable to serve as a director. Each director elected will hold office until the next annual general meeting of the Company or until his successor is elected or appointed, unless his office is earlier vacated in accordance with the Articles of the Company or the provisions of the *Business Corporations Act* (British Columbia) (the "BCBCA").

The following table and notes thereto set out the name of each of management's five (5) nominees for election as a director, the province and country in which he is ordinarily resident, all offices of the Company now held by him, his principal occupation, the period of time he has been a director of the Company, and the number of shares of the Company beneficially owned by him, directly or indirectly, or over which he exercises control or direction, as at the date of this Information Circular.

Name, Position and Province and Country of Residence <sup>(1)</sup>	Principal Occupation and, if not at present an elected Director, Occupation during the past five years <sup>(1)</sup>	Director Since	No. of Shares beneficially held <sup>(2)</sup>
<b>David J. Doherty</b> President, Chief Executive Officer and Director Nassau, Bahamas	President and Chief Executive Officer of the Company since June 2016; a director of the Company since June 2010. Director of Hempfusion Wellness Inc. Mr. Doherty is the founder and President of DD Mercantile Corp, offering merchant banking and corporate advisory services to a number of companies across many sectors.	June 14, 2010	988,000
<b>Nick DeMare<sup>(3)</sup></b> Chief Financial Officer, Corporate Secretary and Director British Columbia, Canada	Chartered Professional Accountant; principal of Chase Management Ltd. since 1991 and is a director and/or officer of several publicly listed companies since 1986.	June 14, 2010	295,750
<b>Marc Cernovitch<sup>(3)</sup></b> Director British Columbia, Canada	Independent Consultant. A director of public companies including Rochester Resources Ltd. and Tembo Gold Corp.	June 20, 2013	86,000
<b>Nick Grafton</b> Nominee Ontario, Canada	Director of Hempfusion Wellness Inc. Mr. Grafton has over 14 years of investment, finance, and public markets experience. Mr. Grafton was previously a Portfolio Manager, managing both cannabis and energy portfolios, for a Canadian based hedge fund. Prior to asset management, he worked as an Investment Banker at Canaccord Genuity Corp., where he helped finance and advise small to mid-cap companies. He is a CFA charter holder and has a degree from Michigan State University, with a major in Finance.	N/A	Nil

Name, Position and Province and Country of Residence <sup>(1)</sup>	Principal Occupation and, if not at present an elected Director, Occupation during the past five years <sup>(1)</sup>	Director Since	No. of Shares beneficially held <sup>(2)</sup>
<b>Daniel Brody</b> Nominee Ontario, Canada	Mr. Brody brings 14 years of investment industry experience to Rockshield Capital. Mr. Brody is currently the CEO of TGOD Acquisitions Corp., an investment holding company and the Chief Corporate Officer of HempFusion, a leading US hemp-based CBD company. Mr. Brody is a co-founder and former Vice President of The Green Organic Dutchman, where he and his team raised over \$460 million. Daniel has been instrumental in capitalizing and publicly listing world-class companies, including Emblem Corp. (TSX-V:EMC), TGOD (TSX:TGOD), and PLUS Products Inc. (CSE:PLUS). Prior to entering the cannabis industry in 2014, Mr. Brody was licensed as an investment advisor in 2008 and spent six years at two leading independent Canadian brokerage firms. He holds a Chartered Investment Manager designation from the Canadian Securities Institute.	N/A	Nil

NOTES:

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

**Corporate Cease Trade Orders or Bankruptcies**

Other than as disclosed below, none of the proposed directors of the Company or any of their personal holding companies:

- (a) is, as at the date of this Information Circular, or has been, within ten years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any Company, including the Company, that:
  - (i) was subject to a cease trade order or similar order or an order that denied the relevant Company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days while that person was acting in the capacity as director, chief executive officer or chief financial officer; or
  - (ii) was subject to a cease trade or similar order or an order that denied the company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the person ceased to be a director, chief executive officer or chief financial officer of the Company and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) is as at the date of this Information Circular or has been within the 10 years before the date of this Information Circular, a director or executive officer of any Company, including the Company, that while that person was acting in that capacity, or within a year of that person ceasing to act in that

capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

- (c) has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangements or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that person.

None of the proposed directors or any of their personal holding companies has been subject to:

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

Mr. DeMare is a director of Salazar Resources Limited (“**Salazar**”). On September 10, 2010, Salazar was issued a cease trade order by the British Columbia Securities Commission for deficiencies in Salazar’s continuous disclosure material related to its resource properties for deficiencies in a previously filed National Instrument 43-101 technical report. On October 14, 2010, Salazar filed an amended technical report and issued a clarifying release. The cease trade order was lifted and the shares resumed trading on October 18, 2010.

Marc Cernovitch is the Chairman and a director of Sendero Mining Corp. (“**Sendero**”). On May 11, 2015, Sendero was issued a cease trade order by the British Columbia Securities Commission for failing to file its comparative financial statements for its financial year ended December 31, 2014 and Form 51-102F1 Management’s Discussion and Analysis for the period ended December 31, 2014. As of the date of this Information Circular, trading in the shares of Sendero remains suspended.

## **STATEMENT OF EXECUTIVE COMPENSATION**

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The following disclosure regarding executive compensation is provided pursuant to National Instrument 51-102 Continuous Disclosure and in accordance with Form 51-102F6V for venture issuers.

### **General**

For the purposes of this Information Circular:

“**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;

“**external management company**” includes a subsidiary, affiliate or associate of the external management company;

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

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



- (c) in respect of the company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000, for that financial year;
- (d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the company, and was not acting in a similar capacity, at the end of that financial year.

“**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;

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

During the financial year ended November 30, 2019, the NEOs of the Company were: David Doherty, President, CEO and director and Nick DeMare, CFO, Corporate Secretary and director. The directors of the Company who were not NEOs during financial year ended November 30, 2019 were Marc Cernovitch, Luke Norman and Daniel Sorger. Mr. Norman ceased to be a director on July 17, 2019.

During the financial year ended November 30, 2018, the NEOs of the Company were: David Doherty, President, CEO and director and Nick DeMare, CFO, Corporate Secretary and director. The directors of the Company who were not NEOs during financial year ended November 30, 2018 were Marc Cernovitch, Luke Norman and Daniel Sorger.

## **DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION**

### **Director and NEO Compensation, Excluding Options and Compensation Securities**

The following table of compensation, excluding options and compensation securities, provides a summary of the compensation paid by the Company to each NEO and director of the Company for the completed financial years ended November 30, 2019 and November 30, 2018. Options and compensation securities are disclosed under the heading “**Stock Options and Other Compensation Securities**” below.

**Table of Compensation, Excluding Compensation Securities in Financial Years Ended November 30, 2019 and November 30, 2018**

<b>Table of Compensation, Excluding Compensation Securities</b>							
<b>Name and position</b>	<b>Year<sup>(1)</sup></b>	<b>Salary, consulting fee, retainer or commission (\$)<sup>(2)</sup></b>	<b>Bonus (\$)<sup>(2)</sup></b>	<b>Committee or meeting fees (\$)<sup>(2)</sup></b>	<b>Value of perquisites (\$)<sup>(2)</sup></b>	<b>Value of all other compensation (\$)<sup>(2)</sup></b>	<b>Total compensation (\$)<sup>(2)</sup></b>
David Doherty President, CEO and Director	2019	55,750	Nil	Nil	Nil	Nil	55,750
	2018	54,652	Nil	Nil	Nil	Nil	54,652
Nick DeMare CFO, Corporate Secretary and Director	2019	30,000	Nil	Nil	Nil	44,850 <sup>(3)</sup>	74,850
	2018	30,000	Nil	Nil	Nil	47,700 <sup>(3)</sup>	77,700
Marc Cernovitch Director	2019	Nil	Nil	Nil	Nil	Nil	Nil
	2018	Nil	Nil	Nil	Nil	Nil	Nil
Daniel Sorger Director	2019	Nil	Nil	Nil	Nil	69,589 <sup>(4)</sup>	69,589
	2018	24,000	Nil	Nil	Nil	Nil	24,000
Luke Norman <sup>(5)</sup> Director	2019	Nil	Nil	Nil	Nil	Nil	Nil
	2018	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) Financial years ended November 30.
- (2) All amounts shown were paid in Canadian currency, the reporting currency of the Company.
- (3) Incurred or paid to Chase Management Ltd. ("**Chase**"), a private company owned by Mr. DeMare, for accounting, secretarial and management services performed by Chase staff, other than Mr. DeMare.
- (4) Paid to Sorger & Co LLC, an entity owned by Mr. Sorger, for professional services rendered.
- (5) Mr. Norman ceased to be a director on July 17, 2019.

### **Stock Options and Other Compensation Securities**

#### **Compensation Securities of NEOs and Directors**

The following table discloses all compensation securities outstanding on the last day of or granted by the Company to the NEOs and directors of the Company during the financial year ended November 30, 2019:

<b>Compensation Securities</b>							
Name	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
David Doherty	DSU Options	500,000 <sup>(1)</sup> / 33.3%	Jan.5/18	N/A	0.455	0.045	N/A <sup>(2)</sup>
		Nil	N/A	N/A	N/A	N/A	N/A
Nick DeMare	DSU Options	300,000 <sup>(3)</sup> / 20.0%	Jan.5/18	N/A	0.455	0.045	N/A <sup>(2)</sup>
		Nil	N/A	N/A	N/A	N/A	N/A
Marc Cernovitch	DSU Options	250,000 / 16.7%	Jan.5/18	N/A	0.455	0.045	N/A <sup>(2)</sup>
		Nil	N/A	N/A	N/A	N/A	N/A
Daniel Sorger	DSU Options	300,000 <sup>(4)</sup> / 20.0%	Jan.5/18	N/A	0.455	0.045	N/A <sup>(2)</sup>
		Nil	N/A	N/A	N/A	N/A	N/A
Luke Norman	DSU Options	150,000 / 10.0%	Jan.5/18	N/A	0.455	0.045	N/A <sup>(2)</sup>
		Nil	N/A	N/A	N/A	N/A	N/A

Notes:

- (1) Granted to DD Mercantile Corp., a private corporation owned by David Doherty.
- (2) DSUs granted vest over three years on the following basis: one-third on the first anniversary of the grant date; one-third on the second anniversary of the grant date; and one-third on the third anniversary of the grant date. As at November 30, 2019, 500,000 DSUs vested and are issuable to the grantee upon departure from the Company and 100,000 DSUs were cancelled.
- (3) Includes 250,000 DSUs granted to Chase.
- (4) Granted to Sorger LLC, a private corporation owned by Daniel Sorger.

#### **Exercise of Compensation Securities by NEOs and Directors**

No DSUs were redeemed or options exercised by the NEOs and directors of the Company during the financial year ended November 30, 2019.

## **Stock Option Plans and Other Incentive Plans**

### A. *Deferred Share Unit Plan*

#### **Share-Based Awards**

The Company has in place a Directors' and Officers' Deferred Share Unit Plan (the "**DSU Plan**"). The DSU Plan described below, was adopted by the Board of Directors (the "**Board**") on October 24, 2016 and approved by the shareholders on November 23, 2016.

The DSU Plan was put in place to assist the Company in the recruitment and retention of qualified persons to serve on the Board or as senior management of the Company and, through the issuance by the Company of Common Shares under the DSU Plan, to better align the interests of directors and officers with the long-term interests of Shareholders.

The Board, or a committee of the Board appointed for the express purpose of administering remuneration of the directors and senior officers of the Company, intends to use deferred share units ("**DSUs**") issued under the DSU Plan, as well as stock options issued under the Company's Option Plan (see "*Fixed Share Option Plan*" below), as part of the Company's overall director compensation. Since the value of DSUs increase or decrease with the price of the Company's Common Shares, DSUs reflect a philosophy of aligning the interests of directors with those of the Shareholders by tying compensation to share price performance.

The Board designates which of the Company's directors and officers are eligible to participate in the DSU Plan ("**Participants**"), and the Board, or a committee of the Board, shall administer the DSU Plan.

#### *Payment of DSUs*

The DSU Plan provides that the annual compensation amount (the "**Annual Base Compensation**") payable to Participants under the DSU Plan, as determined from time to time by the Board, will be reported annually in the Company's management information circular. The Annual Base Compensation is payable quarterly, such payments to be pro-rated if Board service commences or terminates during the fiscal quarter.

Participants may elect to receive DSUs up to 100% of his or her Annual Base Compensation. All DSUs granted with respect to Annual Base Compensation will be credited to the individual Director's or Officer's DSU Account when such Annual Base Compensation is payable (the "**Grant Date**"). The Director's or Officer's DSU Account will be credited with the number of DSUs calculated to the nearest thousandth of a DSU, determined by dividing the dollar amount of compensation payable in DSUs on the Grant Date by the Share Price. The Share Price is the average of the five (5) closing trade prices of the Common Shares on the Canadian Securities Exchange ("**CSE**") over the five (5) consecutive trading days immediately preceding (a) in the case of a Grant, the date when all DSUs granted with respect to Annual Base Compensation to be credited to the Director's or Officer's Account when such Annual Base Compensation is payable, or (b) in the case of a redemption, the Redemption Date, as applicable, or in the event such Common Shares are not traded on the CSE, the fair market value of such Common Shares as determined by the Board acting in good faith. Fractional Common Shares will not be issued and any fractional entitlements will be rounded down to the nearest whole number.

In addition, the Board may award such additional number of DSUs to a Participant as the Board deems advisable to provide the Participant with appropriate equity-based compensation for the services he or she renders to the Company, and the date of granting of such additional DSUs and of crediting same to an account for the Participant (the "**Participant's Account**") shall be determined by the Board.

#### *Redemption*

Each Participant shall be entitled to redeem his or her DSUs during the period commencing on the business day immediately following the Termination Date, being the date upon which the Participant ceases to hold any position as a director of the Company and its subsidiaries, including in the event of death, or retirement, or loss of office of the Participant; and ending on the 90<sup>th</sup> day following the Termination Date by providing a written notice of redemption to the Company. In the case of a U.S. Eligible Participant the redemption will be deemed to be made on the earlier of: (i) "separation from service" within the meaning of Section 409A of U.S. Internal Revenue Codes, or (ii) within 90 days of the U.S. Eligible Participant's death.

All redemptions under the DSU Plan shall require the Company to provide to the Participant: (i) subject to shareholder approval of the DSU Plan and the maximum Common Share limits of the DSU Plan, a number of Common Shares issued from treasury equal to the number of DSUs in the Participant's Account, net of any applicable deductions and withholdings; (ii) subject to and in accordance with any applicable governing statutes and regulatory requirements, a number of Common Shares purchased by an independent administrator of the DSU Plan in the open market for the purposes of providing Common Shares to Participants equal in number to the DSUs in the Participant's Account, net of any applicable deductions and withholdings; (iii) payment of a cash amount to a Participant equal to the number of DSUs multiplied by the Share Price, net of any applicable deductions and withholdings; and (iv) any combination of the above, as determined by the Company, in its sole discretion. All amounts payable to, or in respect of a Participant under the DSU Plan shall be paid on or before October 31 of the calendar year commencing immediately after the Participant's Termination Date.

#### *Maximum Number of Common Shares Issued*

The maximum number of DSUs that may be granted and outstanding pursuant to the DSU Plan is 4,552,785 DSUs being 10% of the issued and outstanding Common Shares of the Company as of the effective date of the DSU Plan, such that the maximum number of Common Shares issuable pursuant to all security based compensation arrangements, including to Insiders, shall not exceed 20% of the total number of Common Shares issued and outstanding from time to time. The maximum number of Common Shares issued to Insiders pursuant to the DSU Plan, together with any Common Shares issued pursuant to any other security based compensation arrangement, within any one year period, shall not exceed 4,552,785 Common Shares.

#### *Alterations to the Number of Shares Subject to the DSU Plan*

In the case of any substitution, change or adjustments contemplated under the DSU Plan, such as a subdivision, a consolidation, or a distribution of Common Shares or changes to the number of Common Shares resulting from a reorganization of the Company, the variation shall generally require that the number of DSUs then recorded in the Participant's Account prior to such substitution, change or adjustment will be proportionately and appropriately varied.

#### *Amendments to the DSU Plan*

Until shareholder approval of the DSU Plan, and any issuances from treasury as contemplated under the DSU Plan is obtained, the DSU Plan may be amended, suspended or terminated at any time by the Board in whole or in part. No amendment of the DSU Plan shall, without the consent of the Participants affected by the amendment, or unless required by Applicable Law, adversely affect the rights accrued to such Participants with respect to DSUs granted prior to the date of the amendment.

Following disinterested shareholder approval of the DSU Plan, and of any issuances from treasury as contemplated in the DSU Plan, the Board may at any time, and from time to time, and without shareholder approval, amend any provision of the DSU Plan, subject to any regulatory or stock exchange requirement at the time of such amendment, including, without limitation:

- (a) for the purposes of making formal minor or technical modifications to any of the provisions of the DSU Plan including amendments of a "clerical" or "housekeeping" nature;
- (b) to correct any ambiguity, defective provision, error or omission in the provisions of the DSU Plan including amendments of a "clerical" or "housekeeping" nature;
- (c) amendments to the termination provisions of the DSU Plan;
- (d) amendments necessary or advisable because of any change in Application Laws;
- (e) amendments to the transferability of DSUs provided for in the DSU Plan;
- (f) amendments relating to the administration of the DSU Plan;
- (g) any other amendment, fundamental or otherwise, not requiring shareholder approval under Applicable Laws;

provided, however, that:

- (h) no such amendment of the DSU Plan may be made without the consent of each affected Participant in the DSU Plan if such amendment would adversely affect the rights of such affected Participant(s) under the DSU Plan; and
- (i) shareholder approval shall be obtained in accordance with the requirements of the CSE for any amendment:
  - (i) in order to increase the maximum number of DSUs which may be issued under the DSU Plan (other than pursuant to the adjustment provisions of the DSU Plan);
  - (ii) to the amendment provisions set out in the DSU Plan; or
  - (iii) to the definition of “Participant”.

#### *DSU Plan Termination*

The Board may at any time decide to discontinue granting awards under the DSU Plan, in which case no further DSUs shall be awarded or credited under the DSU Plan. Any remaining outstanding DSUs in a Participant’s Account at that time shall continue to be dealt with according to the terms of the DSU Plan. The DSU Plan shall terminate when all payments owing pursuant to the DSU Plan have been made and all DSUs have been cancelled in all Participants’ Accounts.

#### *Withholding*

The Company shall not have any responsibility concerning tax consequences arising from a grant to, or receipt of, or a payout in respect of DSUs by a Participant under the DSU Plan. However the Company may withhold from any amount payable to a Participant such amount as may be determined by the Company, in its sole discretion to ensure that the Company will be able to comply with any applicable federal, provincial, state or local laws relating to the withholding or remittance of tax or other required deductions or amounts if any, which are included in the income of a Participant. The Company also reserves the right to satisfy any such withholding tax liabilities on behalf of a Participant, by retaining, acquiring or selling Common Shares due to the Participant.

#### *Transfer and Assignment*

No right to receive payment of DSUs and other benefits under the DSU Plan shall be transferable or assignable by any Participant except by will or laws of descent and distribution.

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

#### *No Shareholder Rights*

DSUs shall not be considered Common Shares nor will DSUs entitle any Participant to exercise voting rights or any other rights attaching to the ownership of Common Shares nor shall any Participant be considered the owner of Common Shares by virtue of the award of DSUs.

#### *Section 409A and Forfeiture Provisions Apply to U.S. Eligible Participants*

It is intended that the DSU Plan comply with U.S. Section 409A with respect to all U.S. Eligible Participants accepting grants or awards of DSUs under the DSU Plan. All provisions of the DSU Plan shall be construed and interpreted in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A and under the *Income Tax Act* (Canada), as detailed in the DSU Plan.

B. Fixed Share Option Plan

**Option-Based Awards**

The Company has in place a fixed share option plan (the “**Option Plan**”). The Option Plan described below, was adopted by the Board of Directors (the “**Board**”) on October 24, 2016 and approved by the shareholders on November 23, 2016.

Under the Option Plan, Common Shares of the Company are reserved for incentive share options (“**Options**”) to be granted at the discretion of the Board to the Company’s Directors, Officers, Employees, Management Company Employees, Consultants or Company Consultants (described as Service Provider below).

The objective of the Option Plan is to provide for and encourage ownership of Common Shares of the Company by its directors, officers, key employees and consultants. The Option Plan is designed to provide certain directors, officers and other key employees of the Company incentive stock options. The Company is of the view that the Option Plan will assist the Company in attracting and maintaining the services of senior executives and other employees and will be competitive with option plans of other companies in the Company’s industry. The Board (or such other committee the Board may appoint) is responsible for the general administration of the Option Plan.

The following is a summary of the Option Plan and is subject to the specific provisions of the Option Plan.

- (a) Service Provider - means a Person who is a bona fide Director, Officer, Employee, Management Company Employee, Consultant or Company Consultant, and also includes a company, 100% of the share capital of which is beneficially owned by one or more Service Providers;
- (b) Maximum Plan Shares - The aggregate number of Plan Shares (as defined in the Plan) that may be reserved for issuance under the Option Plan at any point in time is 4,552,785 Plan Shares, unless this Option Plan is amended pursuant to any regulatory requirements including any required approval of the disinterested shareholders of the Company.
- (c) Limitations on Issue - the following restrictions on issuances of Options are applicable under the Option Plan:
  - (i) no Service Provider can be granted an Option if that Option would result in the total number of Options, together with all other Share Compensation Arrangements granted to such Service Provider in the previous 12 months, exceeding 5% of the Outstanding Shares, unless the Company has obtained Disinterested Shareholder Approval to do so;
  - (ii) the aggregate number of Options granted to all Service Providers conducting Investor Relations Activities in any 12-month period cannot exceed 2% of the Outstanding Shares, calculated at the time of grant, without prior required regulatory approval, if any; and
  - (iii) the aggregate number of Options granted to any one Consultant in any 12-month period cannot exceed 2% of the Outstanding Shares, calculated at the time of grant, without prior required regulatory approval, if any.
- (d) Maximum Percentage to Insiders - The aggregate number of Common Shares reserved for issuance to Insiders of the Company under the Option Plan, together with any other Share Compensation Arrangements, including the Deferred Share Unit Plan, will not exceed 20% of the Company’s outstanding share capital as of the date hereof.
- (e) Maximum Percentage to Insiders within any one year period - The number of Common Shares issued to Insiders of the Company within any one year period, under the Option Plan, together with any other Share Compensation Arrangements, including the Deferred Share Unit Plan, will not exceed 20% of the Company’s outstanding share capital.
- (f) Exercise Price - The Exercise Price of an Option will be set by the Board at the time such Option is allocated under the Option Plan, and cannot be less than the Discounted Market Price. Discounted Market Price has the meaning assigned by Policy 6.5.2 of the CSE Policies;

- (g) Vesting of Options - Vesting of Options shall be at the discretion of the Board and, with respect to any particular Options granted under the Option Plan, in the absence of a vesting schedule being specified at the time of grant, all such Options shall vest immediately. Where applicable, vesting of Options will generally be subject to:
- (i) the Service Provider remaining employed by or continuing to provide services to the Company or any of its Affiliates as well as, at the discretion of the Board, achieving certain milestones which may be defined by the Board from time to time or receiving a satisfactory performance review by the Company or any of its Affiliates during the vesting period; or
  - (ii) the Service Provider remaining as a Director of the Company or any of its Affiliates during the vesting period.
- (h) Vesting of Options Granted to Consultants Conducting Investor Relations Activities - Options granted to Consultants conducting Investor Relations Activities will vest:
- (i) over a period of not less than 12 months as to 25% on the date that is three months from the date of grant, and a further 25% on each successive date that is three months from the date of the previous vesting; or
  - (ii) such longer vesting period as the Board may determine;
- (i) Term of Option - An Option can be exercisable for a maximum of 10 years from the Effective Date.
- (j) Expiry Date - Options may be exercised after the Service Provider has left his/her employ/office or has been advised by the Company that his/her services are no longer required or his/her service contract has expired, until the term applicable to such Options expires, except as follows:
- (i) in the case of the death of an Optionee, any vested Option held by him at the date of death will become exercisable by the Optionee's lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such Optionee and the date of expiration of the term otherwise applicable to such Option;
  - (ii) an Option granted to any Service Provider will expire 90 days (or such other time, not to exceed one year, as shall be determined by the Board as at the date of grant or agreed to by the Board and the Optionee at any time prior to expiry of the Option) after the date the Optionee ceases to be employed by or provide services to the Company, and only to the extent that such Option was vested at the date the Optionee ceased to be so employed by or to provide services to the Company; and
  - (iii) in the case of an Optionee being dismissed from employment or service for cause, such Optionee's Options, whether or not vested at the date of dismissal will immediately terminate without right to exercise same.
- (k) Assignability of Options - all Options will be exercisable only by the Optionee to whom they are granted and will not be assignable or transferable.
- (l) Amendment of the Plan by the Board - Subject to the prior receipt of any necessary Regulatory Approval, the Board may in its absolute discretion, amend or modify the Option Plan as follows:
- (i) it may make amendments which are of a typographical, grammatical or clerical nature only;
  - (ii) it may make amendments necessary as a result in changes in securities laws applicable to the Company;
  - (iii) if the Company becomes listed or quoted on a stock exchange or stock market senior to the CSE, it may make such amendments as may be required by the policies of such senior stock exchange or stock market; and

- (iv) it may make such amendments as reduce, and do not increase, the benefits of this Option Plan to Service Providers.
- (m) Amendments Requiring Disinterested Shareholder Approval - The Company will be required to obtain disinterested shareholder approval prior to any of the following actions becoming effective :

The Option Plan, together with all of the Company's other previous Share Compensation Arrangements, could result at any time in:

- (i) the aggregate number of Common Shares reserved for issuance under Options granted to Insiders exceeding 10% of the Outstanding Shares in the event that this Option Plan is amended to reserve for issuance more than 10% of the Outstanding Shares;
  - (ii) the number of Optioned Shares issued to Insiders within a one-year period exceeding 10% of the Outstanding Shares in the event that this Option Plan is amended to reserve for issuance more than 10% of the Outstanding Shares; or,
  - (iii) the issuance to any one Optionee, within a 12-month period, of a number of Common Shares exceeding 5% of the Outstanding Shares.
- (n) Take Over Bid - If a Take Over Bid is made to the shareholders generally then the Company shall immediately upon receipt of notice of the Take Over Bid, notify each Optionee currently holding an Option of the Take Over Bid, with full particulars thereof whereupon such Option may, notwithstanding any vesting requirements set out in the Option Commitment, be immediately exercised in whole or in part by the Optionee, subject to any necessary regulatory approval.
  - (o) Black-Out Period - The Option Plan also contains a "black-out" provision. Should the Expiry Date for an Option fall within a Blackout Period, or within nine (9) Business Days following the expiration of a Blackout Period, such Expiry Date shall, subject to any necessary regulatory approval, be automatically extended without any further act or formality to that day which is the tenth (10th) Business Day after the end of the Blackout Period, such tenth Business Day to be considered the Expiry Date for such Option for all purposes under the Plan. Notwithstanding provisions in the Option Plan, the tenth Business Day period referred to in this Option Plan may not be extended by the Board.

### **External Management Companies**

Other than as disclosed herein, management functions of the Company are substantially performed by directors or senior officers (or private companies controlled by them, either directly or indirectly) of the Company and not, to any substantial degree, by any other person with whom the Company has contracted.

### **Employment, Consulting and Management Agreements**

Except as otherwise disclosed in this Form, the Company does not have any employment, consulting or management agreements or arrangements with any of the Company's current NEOs or directors.

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

#### *Compensation, Philosophy and Objectives*

The Board meets 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; and (c) 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 an investment company without a history of earnings.



The Board, as a whole, ensures that total compensation paid to all NEOs is fair and reasonable. The Board as a whole recommends levels of executive compensation that are competitive, motivating and commensurate with the time spent by executive officers in meeting their obligations. While the Board does not have direct experience related to executive compensation, the Board relies on their experience as officers and directors with other public companies in assessing compensation levels.

#### *Analysis of Elements*

Base salary is used to provide the Named Executive Officers a set amount of money during the year with the expectation that each Named Executive Officer will perform his responsibilities to the best of his ability and in the best interests of the Company.

The Company considers the granting of DSUs and Options to be a significant component of executive compensation as it allows the Company to reward each NEO's efforts to increase value for shareholders without requiring the Company to use cash from its treasury. DSUs and Options can be awarded to executive officers at the commencement of employment and periodically thereafter. The terms and conditions of the Company's DSU and Option grants, including vesting provisions and exercise prices, are governed by the terms of the Company's DSU Plan and Option Plan. Descriptions of the significant terms of the DSU Plan and Option Plan are found under the heading "***Stock Option Plans and Other Incentive Plans***".

The Company does not determine executive compensation based on the share price performance. Overall the salaries or consulting fees payable to the NEOs, in particular to the Company's CEO, have been determined in order to provide competitive levels of compensation necessary to attract and maintain executive talent.

The Board has considered the implications of the risks associated with the Company's compensation practices. Salary compensation to the Named Executive Officers is provided for under verbal understandings or written consulting agreements with the Named Executive Officers or management companies under their control.

#### *Risks Associated with the Company's Compensation Practices*

The Board has assessed the Company's compensation plans and programs for its executive officers to ensure alignment with the Company's business plan and to evaluate the potential risks associated with those plans and programs. The Board has concluded that the compensation policies and practices do not create any risks that are reasonably likely to have a material adverse effect on the Company. The Board considers the risks associated with executive compensation and corporate incentive plans when designing and reviewing such plans and programs.

The Company has not adopted a policy restricting its executive officers or directors from purchasing financial instruments that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by its executive officers or directors. To the knowledge of the Company, none of the executive officers or directors have purchased such financial instruments.

#### *Base Salary or Consulting Fees*

The Company commenced operations in a new industry in 2014 and, at this time, given the Company's current status, has established low base level compensation. There are no agreements in place at this time. The Company has determined to review compensation arrangements over the coming year.

#### Financial Years ended November 30, 2019 and November 30, 2018

(i) During financial years ended November 30, 2019 and November 30, 2018, the following compensation amounts were incurred with key management personnel for management and/or consulting fees:

Dave Doherty	\$55,750	(2018: \$54,652)
Nick DeMare	\$30,000	(2018: \$30,000)
Marc Cernovitch	\$Nil	(2018: \$Nil)
Daniel Sorger	\$74,850	(2018: \$24,000)
Luke Norman	\$Nil	(2018: \$Nil)

- (ii) As at November 30, 2019, the Company incurred a total of \$44,850 (2018: \$47,700) by Chase Management Ltd. (“Chase”), a private corporation owned by Mr. DeMare, for accounting and administration services provided by Chase personnel, excluding Mr. DeMare. As at November 30, 2019, \$5,900 (2018: \$1,200) remained unpaid and has been included in accounts payable and accrued liabilities.

*Benefits and Perquisites*

The Company does not, as of the date of this Form, offer any benefits or perquisites to its NEOs other than potential grants of DSUs and incentive stock options as otherwise disclosed and discussed herein.

*Hedging by Named Executive Officers or Directors*

The Company has not, to date, adopted a policy restricting its executive officers and directors from purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, which are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by executive officers or directors. As of the date of this Form, entitlement to grants of DSUs and Options are the only equity security elements awarded by the Company to its executive officers and directors as detailed under heading “*Stock Option Plans and Other Incentive Plans*” above.

**Termination and Change of Control Benefits**

The Company does not have in place any compensatory plan, severance pay provisions or other arrangement with any NEO as of the financial year ended November 30, 2018 that would be triggered by the resignation, retirement or other termination of employment of such officer, resulting from a change of control of the Company or change in the executive’s responsibilities following any such change in control.

**Pension Plan Benefits**

The Company does not have any form of pension plan that provides for payments or benefits to the NEOs at, following, or in connection with retirement. The Company does not have any form of deferred compensation plan.

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

The following table provides information regarding compensation plans under which securities of the Company are authorized for issuance to directors, officers, employees and consultants in effect as of the end of the Company’s most recently completed fiscal year end:

<b>Plan Category</b>	<b>Column (a) Number of Securities to be Issued Upon Exercise of Outstanding Options</b>	<b>Column (b) Weighted-Average Exercise Price of Outstanding Options</b>	<b>Column (c) Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) <sup>(1)</sup></b>
Equity Compensation Plans Approved By Securityholders (the Fixed Share Option Plan)	Nil	N/A	4,552,785
Equity Compensation Plans Not Approved By Securityholders	N/A	N/A	N/A
Total	Nil	N/A	4,552,785

NOTE:

- (1) The Company has in place a fixed share option plan, whereby a total of 4,552,785 Common Shares of the Company are reserved for incentive share options to be granted at the discretion of the Board to the Company’s Directors, Officers, Employees, Management Company Employees, Consultants or Company Consultants. As at November 30, 2018 no share

options have been granted under the fixed share option plan. See under “*Stock Option Plan and Other Incentive Plans - Fixed Share Option Plan*” for a description of the plan.

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

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As of the date of this Information Circular, no director, executive officer, employee, proposed management nominee for election as a director of the Company, nor any associate of any such director, executive officer, or proposed management nominee of the Company, or any former director, executive officer or employee of the Company or any of its subsidiaries, was indebted to the Company or any of its subsidiaries, or indebted to another entity where such indebtedness was 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.

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

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None of the proposed directors, directors or executive officers of the Company, a director or executive officer of a person or company that is itself an informed person (as defined in National Instrument 51-102 *Continuous Disclosure Obligations*) or subsidiary of the Company, nor any person or company who beneficially owns, or controls or directs, directly or indirectly, Common Shares or a combination of both, carrying more than 10% of the voting rights attached to the outstanding Common Shares nor an associate or affiliate of any of the foregoing persons has since December 1, 2016 (being the commencement of the Company’s last completed financial year) any material interest, direct or indirect, in any transactions which materially affected or would materially affect the Company or any of its subsidiaries.

## **APPOINTMENT OF AUDITOR**

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Davidson & Company LLP, Chartered Professional Accountants, Suite 1200 – 609 Granville Street, Vancouver, British Columbia Canada V7Y 1G6 , will be nominated at the Meeting for appointment as auditor of the Company at a remuneration to be set by the directors. Davidson & Company LLP were first appointed on July 22, 2010.

## **MANAGEMENT CONTRACTS**

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The Company has no management or consulting contracts in place.

## **AUDIT COMMITTEE**

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

### **Audit Committee**

The overall purpose of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities with respect to: the financial reporting process and the quality, transparency and integrity of the financial statements and other related public disclosures; internal controls over financial reporting; compliance with legal and regulatory requirements relevant to the financial statements and financial reporting; ensuring that there is an appropriate standard of corporate conduct for senior financial personnel and employees including, if necessary, adopting a corporate code of ethics; the external auditors’ qualifications and independence; and the performance of the internal audit function and the external auditor.

### **Audit Committee Charter**

The Company has adopted a Charter of the Audit Committee of the Board of Directors, a copy of which is attached as Schedule “A” to the Management Proxy Circular prepared for the 2015 Annual General Meeting of the Company, which was SEDAR filed on October 7, 2015.

## Composition of the Audit Committee

The following are the members of the Audit Committee:

	Independent <sup>(1)</sup>	Financially Literate
Nick DeMare	N	Y
Marc Cernovitch	Y	Y
Daniel Sorger	Y	Y

(1) As defined in National Instrument 52-110 – *Audit Committees* ("NI 52-110").

The Company is relying on the exemption provided under Section 6.1 of NI 52-110.

## Relevant Education and Experience

Set out below is a general description of the education and experience of each current Audit Committee member which is relevant to the performance of his responsibilities as an Audit Committee member, as set out in National Instrument Form 52-110F2:

Nick DeMare is a Chartered Professional Accountant and has been the President of Chase Management Ltd. since 1991. Chase is a private company which provides accounting, management, securities regulatory compliance and corporate secretarial services to companies listed on the Toronto and Venture Exchanges and their predecessors. He also serves as an officer and/or director of a number of public companies listed on the Toronto and Venture Exchanges. He holds a Bachelor of Commerce degree from the University of British Columbia and is a member in good standing with the Institute of Chartered Accountants of British Columbia.

Marc Cernovitch is a business executive with extensive experience in the industry. He serves as a director and/or officer of, and as an advisor to, a number of public and private companies. Mr. Cernovitch has focused on corporate development, funding and building companies primarily in the resource and energy technology fields. Mr. Cernovitch studied Economics at McGill University in Montreal, Quebec, and has a strong background in corporate governance and finance.

Daniel Sorger is a capital markets and advisory professional with experience financing and consulting to small, mid, and large-cap companies across a number of industries. Mr. Sorger was most recently Vice President Institutional Equities Sales at Macquarie in London, UK and prior had worked for a number large and boutique investment banks in Toronto with experience covering accounts across Canada, United States and Europe. Prior to becoming an Institutional Equity Salesperson in 2007, Daniel was an Associate Consultant with the international strategy management consulting firm Bain & Company. Daniel holds an Honours Business Administration degree from the Richard Ivey School of Business at the University of Western Ontario.

## Audit Committee Oversight

At no time since the commencement of the Company's year ended November 30, 2019 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

During its most recently completed financial year, the Company has not relied on any exemptions under NI 52-110. The Board of Directors has adopted the recommendation of the Audit Committee on the compensation of the external auditor. However, the Company is not required to comply with Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110 given that it is a venture issuer as defined in NI 52-110.

## Pre-Approval Policies and Procedures

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

### External Auditor Service Fees (By Category)

The aggregate fees billed by the Company’s external auditors in the last two fiscal years for audit fees are as follows:

Fees	Year Ended November 30, 2019 (\$)	Year Ended November 30, 2018 (\$)
Audit Fees <sup>(1)</sup>	27,500	28,050
Audit Related Fees <sup>(2)</sup>	Nil	Nil
Tax Fees <sup>(3)</sup>	Nil	Nil
All other fees <sup>(4)</sup>	Nil	Nil
Total fees	27,500	28,050

NOTES:

- (1) Audit Fees consist of fees paid or accrued for the annual audit of the Company’s financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements.
- (2) The aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Issuer’s financial statements that are not included under the heading “Audit Fees”
- (3) The aggregate fees billed for professional services rendered for tax compliance, tax advice and tax planning.
- (4) The aggregate fees billed for products and services other than as set out under the headings “Audit Fees”, “Audit Related Fees” and “Tax Fees”. These fees related to work done in conjunction with the Company’s qualifying transaction.

### Exemption

The Company is currently a “Venture Issuer”, as defined in Section 1.1 of NI 52-110. Accordingly, in providing the disclosure contained herein, the Company is relying upon the exemption in Section 6.1 of NI 52-110 (which is available to all Venture Issuers).

### CORPORATE GOVERNANCE PRACTICE

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National Instrument 58-101, *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) requires issuers to disclose their governance practices in accordance with that instrument. The Company is a “venture issuer” within the meaning of NI 58-101.

The Board has adopted certain corporate governance policies to reflect the Company’s commitment to good corporate governance, and to comply with NI 58-101, Form 58-101F2 - *Corporate Governance Disclosure (Venture Issuers)* and National Policy 58-201 - *Corporate Governance Guidelines*. The Board periodically reviews these policies and proposes modifications to the Board for consideration as appropriate. The Company considers good corporate governance to be central to the effective and efficient management and operation of the Company, and the Board is directly responsible for developing the Company’s approach to corporate governance issues. A discussion of the Company’s governance practices within the context of NI 58-101 is set out below:

#### Statement of Corporate Governance Practices

Corporate governance relates to the activities of the board of directors of the Company (the “**Board**”), the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day-to-day management of the Company. The Board is committed to sound corporate governance practices which are both in the interest of its shareholders and contribute to effective and efficient decision making. National Policy 58-201 *Corporate Governance Guidelines* establishes corporate governance guidelines which apply to all public companies. The Company has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Company’s practices comply with the guidelines, however, the Board considers that some of the guidelines are not suitable for the Company at its current stage of development and therefore these guidelines have not been adopted. National Instrument 58-101 *Disclosure of Corporate Governance Practices* mandates disclosure of corporate governance practices for Venture Issuers in Form 58-101F2, which disclosure is set out below.

## **Board of Directors**

The Board is of the view that maintaining effective corporate governance practices is an important factor which contributes to the general success of the Company. The Board is responsible for the supervision of the Company's business and affairs.

As of the date hereof, the Board is composed of four (4) directors, Messrs. Dave Doherty, Nick DeMare, Marc Cernovitch and Daniel Sorger. The independent members of the Board are Messrs. Cernovitch and Sorger, within the meaning of National Instrument 58-101 – Disclosure of Corporate Governance Practices (“**NI 58-101**”) adopted by the Canadian Securities Administrators. The non-independent members of the Board are Mr. Doherty (CEO and President) and Mr. DeMare (CFO). Messrs. Doherty and DeMare have been determined to be non-independent within the meaning of NI 58-101 by virtue of their positions with the Company.

The Board is of the opinion that its proposed size is adequate, given the purpose of the Company, and will further the efficiency of its deliberations, while ensuring a diversity of opinion and experience. The Company believes that each and every current and proposed director is eager to fulfil his obligations and assume his responsibilities in the best interests of the Company and of all the shareholders and not in the best interests of himself or a particular group of shareholders.

The Board facilitates its independent supervision over management by conducting a quarterly review of the Company's financial statements and management discussion and analysis as well as requiring material transactions to be approved by the Board prior to the transaction taking place.

The independent directors did not hold any regularly scheduled meetings during the year ended November 30, 2019, at which non-independent directors and members of management were not in attendance. To facilitate open and candid discussion among its independent directors, at Board meetings, as applicable, non-independent directors have been asked to leave the meeting. In addition, any item which could involve a potential conflict of interest among one or more directors is voted on by those directors that are not related to the conflict in question. It is anticipated that independent directors' meetings will be held as deemed appropriate during the current financial year.

## **Directorships**

The following summarizes current directorships of other reporting issuers for the current directors of the Company:

David Doherty:	Hempfusion Wellness Inc.
Nick DeMare:	Aguila American Resources Ltd., American Helium Inc., Cliffmont Resources Ltd., East West Petroleum Corp., Hannan Metals Ltd., Hansa Resources Limited, Kingsmen Resources Ltd., Mawson Gold Limited, Mirasol Resources Ltd., Rochester Resources Ltd., Salazar Resources Ltd., TGO Acquisition Corporation and Tinka Resources Limited
Marc Cernovitch:	Rochester Resources Ltd. and Tembo Gold Corp.
Daniel Sorger:	N/A

## **Orientation and Continuing Education**

While the Company does not have a formal orientation and training program, new Board members are provided with:

- (a) information respecting the functioning of the Board and its committees;
- (b) information respecting the nature and operation of the business of the Company;
- (c) access to recent, publicly filed documents of the Company, technical reports and the Company's internal financial information;

- (d) access to management and technical experts and consultants; and
- (e) a summary of significant corporate and securities responsibilities.

New directors of the Company are provided with insight from other Board members and management regarding the contribution which they are expected to make to the Board in terms of both time and resource commitments. Board members are also encouraged to communicate with management, auditors, technical experts and consultants to keep themselves current with industry trends and developments and changes in legislation; and to attend related industry seminars and visit the Company's operations, to ensure that each member of the Board maintains the skill and knowledge necessary to meet their obligations as directors.

### **Ethical Business Conduct**

The Board has adopted a written Code of Business Ethics and Conduct (the "**Code**") intended to document the principles of conduct and ethics to be followed by the employees, officers, directors and consultants of the Company and its subsidiaries. The Code provides guidance to employees, officers, directors and consultants of the Company and its subsidiaries on how to conduct the Company's business and to identify critical issues requiring ethical and legal consideration. The Code is designed to help prevent and detect unethical behaviour and/or potential conflicts of interest. Specifically, it deals with fostering a non-discriminatory work environment, dealing with third party relationships, legal compliance, confidential information and records, use of the Company's property and assets, reporting violations of the Code and the review process for the Code.

The Company also has adopted a written Whistleblower Policy (the "**Whistleblower Policy**") which establishes procedures for dealing with submissions related to complaints and violations of, among other things, the Code. The Code has been filed under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

### **Nomination of Directors**

The Corporate Governance and Nominating Committee has the responsibility for identifying potential Board candidates. It monitors and assesses the mix of skills and competencies required in order for the Board to fulfil its role effectively. Representatives of the mining industry are also consulted for possible candidates. In addition, the Corporate Governance and Nominating Committee discusses with each individual Board member his intention to continue to serve as a Board member in order to plan and prepare for succession at the Board level in a seamless manner.

### **Compensation**

While the Company does not have a compensation committee, the independent directors of the Board will review the compensation that may be payable to the executive officers and other key employees from time to time. Currently, no compensation, other than the grant of options, is paid to the directors of the Company in their capacity as directors. The allocation of options is made by the Board as a whole. The Board approves levels of executive compensation that are competitive and motivating in order to attract, hold and inspire the executive officers and other key employees. The Board reviews all compensation arrangements for the executive officers of the Company including salaries and equity based compensation plans. The Board ensures that the compensation paid to the Company's directors, executive officers and other key employees is comparable to compensation paid by other reporting issuers having operations of a similar nature and size, to ensure that such compensation is fair and reasonable from an objective standpoint.

### **Other Board Committees**

The Board has no standing committees other than the audit committee. The Board is satisfied that in view of the size and composition of the Board, it is more efficient and cost effective for the full board to perform the duties that would be required by standing committees, other than the audit committee.

### **Assessments**

The Corporate Governance and Nominating Committee is responsible for assessing the effectiveness and contributions of the Board as a whole, its committees and individual directors.

**ANY OTHER MATTERS**

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Management of the Company knows of no matters to come before the Meeting other than those referred to in the Notice of Annual and Special Meeting accompanying this Information Circular. However, if any other matters properly come before the Meeting, it is the intention of the persons named in the form of proxy accompanying this Information Circular to vote the same in accordance with their best judgment of such matters.

**ADDITIONAL INFORMATION**

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Additional information regarding the Company and its business activities is available on the Company's profile on SEDAR website located at [www.sedar.com](http://www.sedar.com). The Company's financial information is provided in the Company's audited comparative financial statements and related management discussion and analysis for its most recently completed financial year and may be viewed on the SEDAR website at the website noted above. Shareholders of the Company may request copies of the Company's financial statements and related management discussion and analysis by contacting the Company at Rockshield Capital Corp., #1305 – 1090 W. Georgia Street, Vancouver, BC, V6E 3V7, Tel: (604) 685-9316 | Fax: (604) 683-1585.

**DATED** at Vancouver, British Columbia, this 20<sup>th</sup> day of August, 2020.

**BY ORDER OF THE BOARD**

*"David Doherty"*

President and CEO