

GREEN RISE FOODS INC.

**NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS
TO BE HELD ON JUNE 29, 2022**

AND

MANAGEMENT INFORMATION CIRCULAR

May 31, 2022

GREEN RISE FOODS INC.

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS TO BE HELD ON JUNE 29, 2022

NOTICE IS HEREBY GIVEN that an annual general meeting (the “**Meeting**”) of the holders (the “**Shareholders**”) of common shares (“**Common Shares**”) in the capital of Green Rise Foods Inc. (“**Green Rise**” or the “**Company**”) will be held on June 29, 2022 at 8:30 a.m. (Toronto time) at the registered office of the Company located at 47 Colborne Street, Suite 301, Toronto, Ontario, M5E 1P8, Canada.

The Meeting will be held for the following purposes:

1. to receive the annual audited financial statements of the Company for the fiscal year ended December 31, 2021, together with the report of the auditors thereon;
2. to fix the number of directors of the Corporation to be elected at the Meeting at five;
3. to elect the directors of the Company for the ensuing year;
4. to appoint RSM Canada LLP, as the auditors of the Company for the ensuing year and to authorize the Board of Directors of the Company to fix their remuneration;
5. to ratify and approve the stock option plan of the Company, as more particularly described in the management information circular dated May 31, 2022, (the “**Circular**”);
6. to consider and, if thought advisable, to pass, with or without variation, an ordinary resolution of the disinterested Shareholders approving the purchase price, in an amount equal to approximately \$15,000,000, subject to customary adjustments, to be paid by Bull Market Farms Inc. (the “**Purchaser**”), a wholly-owned subsidiary of the Company, in connection with the asset purchase agreement dated April 1, 2022, as amended, among the Purchaser, 2073834 Ontario Limited (the “**Vendor**”), a corporation principally owned and controlled by Adam Suder, the Chief Executive Officer of the Company, and Mr. Suder, pursuant to which, the Purchaser has agreed to purchase from the Vendor, and the Vendor has agreed to sell to the Purchaser, all the property and assets used in or otherwise related to (a) the 16-acre greenhouse range situated on the 34-acre farm property located at 795 Road 4 East, Kingsville, Ontario (the “**Property**”), and (b) the operation of the business of growing and selling greenhouse produce carried on by the Vendor on the Property as a going concern, excluding certain identified assets agreed to by the Purchaser (collectively, the “**Purchased Assets**”), as supported by the independent third-party appraisal, by Fuerland Realty Ltd., a well-known, reputable, independent and professional appraiser in southwestern Ontario, of the current market value of the Property and the Purchased Assets (the “**Acquisition**”);
7. to consider and, if thought advisable, to pass, with or without variation, an ordinary resolution of the disinterested Shareholders approving the Acquisition and the Purchase Agreement; and
8. to transact such other business as may properly be brought before the Meeting or any adjournment(s) thereof.

Shareholders should refer to the Circular for more information with respect to the matters to be considered at the Meeting.

In the event the Company decides to change the date, time and/or location of the Meeting as part of its efforts to reduce the spread of COVID-19, the Company will issue a press release announcing the change and take all reasonable steps necessary to inform all the parties involved in the proxy infrastructure, including intermediaries and the Company’s transfer agent, of the change. The Company strongly encourages each Shareholder to submit a form of proxy or voting instruction form in advance of the Meeting. The Company also encourages all Shareholders to monitor the Company’s website for any changes to Meeting arrangements at <https://www.greenrisefoods.ca/capital-structure>.

Only Shareholders at the close of business on May 16, 2022 (the “**Record Date**”) are entitled to notice of and to vote at the Meeting or any adjournments or postponements thereof.

Shareholders may vote in person at the Meeting or any adjournments or postponements thereof, or they may appoint another person (who needs not be a Shareholder) as their proxy to attend and vote in their place.

To be valid, proxy forms must be dated, completed, signed and forwarded to TSX Trust Company, 301 - 100 Adelaide Street West, Toronto, Ontario, M5H 4H1 no later than 8:30 a.m. (Toronto time) on June 27, 2022, or if the Meeting is adjourned or postponed, by 8:30 p.m. (Toronto time) on the second business day prior to the date on which the Meeting is reconvened.

Toronto, Ontario
May 31, 2022

BY ORDER OF THE BOARD OF DIRECTORS

(signed) "*Vincent Narang*"

Vincent Narang

Chief Executive Officer and Director

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GREEN RISE FOODS INC.
MANAGEMENT INFORMATION CIRCULAR
FOR THE ANNUAL GENERAL MEETING OF SHAREHOLDERS
TO BE HELD ON JUNE 29, 2022

GENERAL INFORMATION RESPECTING THE MEETING

The information contained in this management information circular (the “**Circular**”) is given as at May 31, 2022, unless otherwise noted.

No person has been authorized to give any information or to make any representation in connection with the other matters described herein other than those contained in this Circular and, if given or made, any such representation should be considered not to have been authorized by the Company.

This Circular is furnished in connection with the solicitation of proxies by or on behalf of the management of Green Rise Foods Inc. (“Green Rise” or the “Company”) for use at the annual general meeting of the holders (the “Shareholders”) of the common shares (the “Common Shares”) in the capital of the Company to be held at the registered office of the Company located at Suite 301 47 Colborne Street Toronto, Ontario M5E 1P8, Canada, on June 29, 2022 at 8:30 a.m. (Toronto time), and any adjournment or adjournments thereof (the “Meeting”) for the purposes set forth in the notice of meeting of Shareholders (the “Notice of Meeting”) accompanying this Circular.

This Circular does not constitute the solicitation of an offer to purchase any securities or the solicitation of a proxy by any person in any jurisdiction in which such solicitation is not authorized or in which the person making such solicitation is not qualified to do so or to any person to whom it is unlawful to make such solicitation.

Information contained in this Circular should not be construed as legal, tax or financial advice and Shareholders are urged to consult their own professional advisers in connection therewith.

The Company will not be using the notice-and-access mechanism under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”) for distribution of the Notice of Meeting, the Circular and accompany meeting materials to the Shareholders.

Time, Date and Location of Meeting

The Meeting will be held on June 29, 2022, at 8:30 a.m. (Toronto time) at the Company’s registered office located at Suite 301 47 Colborne Street Toronto, Ontario M5E1P8, Canada. In the event the Company decides to change the date, time and/or location of the Meeting as part of its efforts to reduce the spread of COVID-19, the Company will issue a press release announcing the change and take all reasonable steps necessary to inform all the parties involved in the proxy infrastructure, including intermediaries and the Company’s transfer agent, of the change. The Company encourages all Shareholders to monitor the Company’s website for any changes to Meeting arrangements.

Currency

In this Circular, unless otherwise specified herein, all references to dollar amounts are to Canadian dollars.

Record Date

The Board of Directors of the Company (the “**Board**”) has fixed May 16, 2022, as the record date (the “**Record Date**”) for determination of persons entitled to receive notice of and to vote at the Meeting. Only Shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of proxy in the manner and subject to the provisions described herein will be entitled to vote or to have their common shares of the Company (the “**Common Shares**”) voted at the Meeting.

Appointment of Proxyholders

The purpose of a proxy is to designate persons who will vote the proxy on behalf of a Shareholder of the Company in accordance with the instructions given by the shareholder in the proxy. The persons whose names are printed in the enclosed form of proxy are officers or directors of the Company.

The individual(s) named in the accompanying form of proxy are management's representatives. If you are a Shareholder entitled to vote at the Meeting, you have the right to appoint a person or company other than the person(s) designated in the proxy, who need not be a Shareholder of the Company, 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 proper proxy and, in either case, delivering the completed proxy to the office of TSX Trust Company, at 301-100 Adelaide Street West, Toronto Ontario, M5H 4H1, or vote via telephone or internet (online) as specified in the proxy form, no later than 8:30 p.m. (Toronto time) on June 27, 2022, unless the chairman elects to exercise his discretion to accept proxies received subsequently.

Voting by Proxyholder

The person(s) 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 person(s) 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.

As at the date hereof, the Board knows of no such amendments, variations or other matters to come before the Meeting, other than the matters referred to in the Notice of Meeting. **However, if other matters should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgment of the person(s) voting the proxy.**

Only registered Shareholders or duly appointed proxyholders are permitted to vote at the Meeting.

If a Shareholder does not specify a choice and the Shareholder has appointed one of the management proxyholders as proxyholder, the management proxyholder will vote in favour of the matters specified in the Notice of Meeting and in favour of all other matters proposed by management at the Meeting.

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

Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally or by telephone, facsimile or other means of communication by the directors, officers and employees of the Company, none of whom will be specifically remunerated therefor. The cost of any such solicitation will be borne by the Company.

Registered Shareholders

Registered Shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered Shareholders electing to submit a proxy may do so by completing, dating and signing the enclosed form and returning it to the Company's transfer agent, TSX Trust Company, either: (a) by mail or hand delivery to TSX Trust Company at 301-100 Adelaide Street West, Toronto Ontario, M5H 4H1; (b) by facsimile at (416) 595-9593; or (c) using the internet through the website of the Company's transfer agent at www.voteproxyonline.com and entering the 12 digit control number provided. Registered Shareholders must follow the instructions that appear on the screen and refer to the proxy form for the holder's Control Number. In order to be valid and acted upon at the Meeting, proxies and votes must be 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. Proxies received after that time may not be accepted by the Chairman of the Meeting in the Chairman's discretion, and the Chairman is under no obligation to accept late proxies.

Beneficial Shareholders

The following information is important 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). Most shareholders are “non-registered” shareholders because the shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the shares. Shares beneficially owned by a non-registered shareholder are registered either:

- (a) in the name of an intermediary (an “**Intermediary**”) that the non-registered shareholder deals with in respect of their shares (Intermediaries include, among others, banks, trust companies, securities dealers, or brokers and trustees or administrators of self-administered RRSP, RRIFs, RESPs and similar plans); or
- (b) in the name of a clearing agency (such as the Canadian Depository for Securities Limited or the Depository Trust & Clearing Corporation) of which the Intermediary is a participant.

If Common Shares are listed in an account statement provided to a shareholder by a broker, then in almost all such 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. In the United States, the vast majority of such Common Shares are registered under the name of CDS & 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 shareholders' meetings. Every intermediary has its own mailing procedures and provides its own return instructions to clients.

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

The Company is taking advantage of the provisions of NI 54-101, which permits it to deliver proxy-related materials directly to NOBOs. As a result, NOBOs can expect to receive a scannable voting instruction form (“**VIF**”). These VIFs are to be completed and returned to TSX Trust Company in the envelope provided or by facsimile to the number provided in the VIF.

This Circular, with related material, is being sent to both registered and beneficial Shareholders. If you are a beneficial Shareholder and the Company or its agent has sent these materials directly to you, your name and address and information about your Common Shares have been obtained in accordance with applicable securities regulatory requirements from the Intermediary who holds your Common Shares on your behalf. Please return your VIF as specified in your request for voting instructions that you receive.

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

The form of proxy that will be supplied to beneficial Shareholders by the Intermediaries will be similar to the Proxy provided to registered Shareholders by the Company. However, its purpose is limited to instructing the Intermediary on how to vote on behalf of the beneficial Shareholder. Most Intermediaries now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. in the United States and Broadridge Financial Solutions, Inc. Canada, in Canada (collectively, “**Broadridge**”). Broadridge mails a VIF in lieu of a proxy provided by the Company. The VIF will name the same person(s) as the proxy to represent beneficial Shareholders at the

Meeting. Beneficial Shareholders have the right to appoint a person (who need not be a beneficial Shareholder of the Company), other than the person(s) designated in the VIF, to represent them at the Meeting. To exercise this right, beneficial Shareholders should insert the name of the desired representative in the blank space provided in the VIF. The completed VIF must then be returned to Broadridge in the manner specified and 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. **If you receive a VIF from Broadridge, you cannot use it to vote Common Shares directly at the Meeting. The VIF must be completed and returned to Broadridge in accordance with its instructions, well in advance of the Meeting in order to have the Common Shares voted.**

Although as a beneficial Shareholder you may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of your Intermediary, you, or a person designated by you, may attend the Meeting as proxyholder for your Intermediary and vote your Common Shares in that capacity. If you wish to attend the Meeting and indirectly vote your Common Shares as proxyholder for your Intermediary, or have a person designated by you to do so, you should enter your own name, or the name of the person you wish to designate, in the blank space on the VIF provided to you and return the same to your Intermediary in accordance with the instructions provided by such Intermediary, well in advance of the Meeting.

Alternatively, you can request in writing that your broker send you a legal proxy which would enable you, or a person designated by you, to attend the Meeting and vote your Common Shares.

In accordance with NI 54-101, arrangements have been made with Intermediaries or their nominees to distribute copies of the Notice of Meeting, this Circular, the form of proxy and the supplemental mailing list (collectively, the "**Meeting Materials**") to OBOs whose Common Shares are held by or in custody of such Intermediaries. Such Intermediaries are required to forward the Meeting Materials to OBOs unless an OBO has waived the right to receive them. The Company has elected to pay for the delivery of the Meeting Materials to OBOs by the Intermediaries. The Company is sending the Meeting Materials directly to NOBOs through the services of TSX Trust Company.

Beneficial Shareholders should carefully follow the instructions of their Intermediary, including those regarding when and where the proxy or voting instruction form is to be delivered.

Revocation of Proxies

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

- (a) executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the registered Shareholder or the registered Shareholder's authorized attorney in writing, or if the registered 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 TSX Trust Company at 301-100 Adelaide Street West, Toronto Ontario, M5H 4H1, at any time up to and including the last business day that precedes the date of the Meeting or, if the Meeting is adjourned or postponed, 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.

BUSINESS OF MEETING

To the knowledge of the Board and management of the Company, the only matters to be brought before the Meeting are those set out in the accompanying Notice of Meeting and more particularly detailed below. **However, if other matters should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgment of the person(s) voting the proxy.**

Presentation of Financial Statements

The annual audited consolidated financial statements of the Company for the fiscal year ended December 31, 2021, together with the report of the auditors thereon (the “**Fiscal 2021 Financial Statements**”), will be placed before the Meeting. The Fiscal 2021 Financial Statements and the related management’s discussion and analysis were mailed to the Shareholders who requested it and are additionally available by contacting the Company’s registered office at Suite 301 47 Colborne Street Toronto, Ontario M5E 1P8, Canada or under the Company’s profile on SEDAR at www.sedar.com.

No vote is required nor will be taken on the Fiscal 2021 Financial Statements and receipt of thereof will not constitute approval or disapproval of any matters referred to therein.

Election of Directors

The Company’s Articles of Incorporation provide that the Board consists of a minimum of one (1) and a maximum of ten (10) directors. There are currently five (5) directors on the Board and the Board has set the number of directors to be elected at the Meeting to five (5). The persons named hereunder will be proposed for election as directors of the Company. Each director elected will hold office until the close of the next annual meeting of Shareholders of the Company, or until his successor is duly elected unless prior thereto he resigns or his office becomes vacant by reason of death or other cause.

Common Shares represented by proxies in favour of management will be voted in favour of each of the individuals nominated for election as a director and named herein (each, a “Nominee”) unless a Shareholder has specified in the proxy that the Shareholder’s Common Shares are to be withheld from voting in respect of any particular Nominee or Nominees. Management does not contemplate that any of such Nominees will be unable to serve as directors; however, if for any reason any of the Nominees do not stand for election or are unable to serve as such, proxies in favour of management’s Nominees will be voted for another Nominee in their discretion unless a Shareholder has specified in the proxy that the Shareholder’s Common Shares are to be withheld from voting in respect of any particular Nominee or Nominees.

The following table sets forth the name, province or state and country of residence and principal occupation during the prior five-year period of each Nominee and the number of voting securities of the Company beneficially owned, or over which control or direction is exercised, directly or indirectly, by each Nominee. At the Meeting, Shareholders will be entitled to cast their votes for, or withhold their votes from, the election of each Nominee.

Name, Province and Country of Residence	Principal Occupation, Business or Employment ⁽¹⁾	Director of the Company Since	Common Shares Beneficially Owned or Over Which Control or Direction, Directly or Indirectly is Exercised		Options Beneficially Owned or Over Which Control or Direction, Directly or Indirectly is Exercised ⁽⁴⁾
			Number ⁽²⁾	Percentage (%) ⁽³⁾	
Vincent Narang <i>Ontario, Canada</i>	Chief Executive Officer, Corporate Secretary and Director of the Company	2017	6,884,375	15.2%	100,000
Enrico Paolone ⁽⁵⁾⁽⁶⁾ <i>Ontario, Canada</i>	Chair of the Board and Director of the Company	2020	7,555,000	16.7%	0
Jerry Mancini ⁽⁵⁾ <i>Ontario, Canada</i>	President, VP and General Manager of Dole Packaged Foods, LLC	2020	250,000	0.6%	200,000
Thomas McKee ⁽⁵⁾⁽⁷⁾ <i>Ontario, Canada</i>	President, Thomas A. McKee Professional Corporation	2020	1,600,000	3.5%	150,000
Stanley Thomas ⁽⁵⁾⁽⁸⁾ <i>Ontario, Canada</i>	President, SAKK Adventures Inc.	2020	1,545,000	3.4%	100,000

Notes:

- (1) The information as to principal occupations, not being within the direct knowledge of the Company, has been furnished by the respective Nominee.
- (2) The information as to the number of Common Shares beneficially owned, or over which control or direction is exercised, directly or indirectly, not being within the direct knowledge of the Company, has been furnished by the respective Nominees or obtained from the System for Electronic Disclosure by Insiders (“SEDI”) and may include Common Shares owned or controlled by their spouses and/or children and/or companies controlled by them or their spouses and/or children.
- (3) Percentage of total Common Shares is based on Common Shares issued as of the date hereof, being May 31, 2022.

- (4) Stock options to purchase Common Shares ("Options") were issued pursuant to the terms of the Stock Option Plan.
- (5) As of the date hereof, the Audit Committee is composed of four members, Messrs. Mancini, McKee, Thomas and Paolone.
- (6) Mr. Paolone was appointed the Chair of the Board of the Company on August 23, 2021.
- (7) Prior to 2020, Mr. McKee was a partner in the law firm of Blake, Cassels & Graydon LLP having joined the firm in 1980. For the year ended December 31, 2021 ("Fiscal 2021"), the Company incurred fees of approximately \$171,400, excluding HST, for legal services rendered by Blake, Cassels & Graydon LLP.
- (8) During the fourth quarter of 2021, Mr. Thomas exercised 50,000 fully vested options at an exercise price of \$0.24 per common share.

As at the date of this Circular, to the Company's knowledge, the Nominees, as a group, beneficially own, directly, or indirectly, or exercise control or direction over 17,834,375 Common Shares, representing approximately 39.3% of the issued and outstanding Common Shares (on a non-diluted basis).

Director Biographies

Vincent Narang

Mr. Narang is Chief Executive Officer, Corporate Secretary and a director of Green Rise. He is also a director of Capri Capital Corp. and Capital Leasing Investment Corp., privately owned companies with investments in multi-tenant residential real estate, commercial lands and retail centres. Mr. Narang was previously President and Chief Executive Officer of National Manganese Corp., a company involved in the exploration of Manganese assets. Prior to this he served as Director of Global Business Development, International Tax at Arthur Andersen LLP, a U.S. based international accounting firm. Mr. Narang also previously held the position of Vice-President of Business Development at KPMG, LLP, an international accounting firm.

Enrico Paolone

For more than 32 years, Enrico ("Rick") Paolone has consulted and advised some of North America's leading portfolio managers and hedge funds. He specialized in identifying and financing high-growth emerging public companies. Mr. Paolone most recently was the Executive Vice-President and founding partner of Haywood Capital Markets Division and is the former Branch Manager of the Toronto Office. Mr. Paolone holds a Chartered Financial Analyst designation as well as degrees in Economics and Finance.

Jerry Mancini

Mr. Mancini currently acts as the Canadian President, VP and General Manager of Dole Packaged Foods, LLC, one of the largest agricultural multinational corporations in the world. Mr. Mancini has over 30 years experience working alongside managing directors to facilitate operations in North America, as well as global expansion initiatives into Europe, the Middle East and Africa.

Thomas McKee

In 2020, Mr. McKee retired from the law partnership of Blake, Cassels & Graydon LLP, having joined the firm in 1980. He is currently the President of Thomas A. McKee Professional Corporation, a legal and consulting firm. Mr. McKee's practice has consisted of advising on business law and securities matters, with a focus on mergers and acquisitions, financings, reorganizations, joint ventures and foreign direct investments. He has expertise in advising issuers and investors across a number of industries, including mining, pharmaceutical and health-care services and private equity. Mr. McKee has degrees in economics and law and is also a member of the Law Society of Ontario, the Canadian Bar Association, the American Bar Association and the International Bar Association. Blake, Cassels & Graydon LLP provided legal services to the Company during the fiscal year ended December 31, 2021 and has been providing, and is expected to continue to provide, legal services to the Company in the fiscal year ending December 31, 2022.

Stanley Thomas

Mr. Thomas is a former President and COO of Shoppers Drug Mart Inc. with over five decades of experience in Canadian retail, management consulting, consumer goods, private equity, and real estate investments. Mr. Thomas has a proven track record of building shareholder value and delivering sustainable top and bottom-line performance.

Corporate Cease Trade Orders or Bankruptcies

To the knowledge of the Company, none of the Nominees are, or within 10 years prior to the date of this Circular have been, a director or executive officer of any company that, while such person was acting in that capacity, was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant issuer access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days (an “**Order**”).

To the knowledge of the Company, none of the Nominees was the subject of an Order that was issued after the Nominee ceased to be a director or executive officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

To the knowledge of the Company, none of the Nominees are, or within 10 years prior to the date of this Circular have been, a director or executive officer of any company that, while 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.

Personal Bankruptcies

To the knowledge of the Company, none of the Nominees have, within 10 years prior to the date of this Circular, become bankrupt, made a proposal under any bankruptcy or insolvency legislation, been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold their assets.

Penalties or Sanctions

To the knowledge of the Company, none of the Nominees have been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority, or have entered into a settlement agreement with a securities regulatory authority, or 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.

Appointment of Auditors

The Shareholders will be asked to pass an ordinary resolution at the Meeting to appoint RSM Canada LLP (“**RSM**”) as auditors of the Company, to hold office until the next annual meeting of the Shareholders, at such remuneration to be determined by the Board. RSM was first appointed auditors of the Company effective November 25, 2019.

Common Shares represented by proxies in favour of management will be voted in favour of the resolution authorizing the appointment of RSM as auditor of the Company, to hold office for the ensuing year or until a successor is appointed at a remuneration to be fixed by the Board, unless a Shareholder has specified in the proxy that the Shareholder’s common shares are to be withheld from voting in respect thereof.

Approval of Stock Option Plan

At the Meeting, Shareholders will be asked to approve an ordinary resolution (the “**Stock Option Plan Resolution**”) to ratify and approve the Company’s stock option plan (the “**Stock Option Plan**”), attached as Appendix “B” to this Circular, for the ensuing year, and that was originally adopted by the Company on October 31, 2017. In order to be effective, the Stock Option Plan Resolution must be passed by not less than a majority of the votes cast by the holders of Common Shares present in person, or represented by proxy, at the Meeting. If the Stock Option Plan Resolution is not approved by the Shareholders at the Meeting, then all Options which have already been granted will not be affected; however, the Company will not be permitted to make further grants under the Stock Option Plan until Shareholder approval is obtained. In addition, Options that are redeemed, or which terminate or expire shall not be available for re-grant until the requisite Shareholder approval is obtained. A summary of the terms of the Stock Option Plan is included under the heading “*Securities Authorized for Issuance under Equity Compensation Plans – Stock Option Plan*” in this Circular.

The Stock Option Plan provides that the Board may from time to time, in its discretion, grant to directors, officers, employees and consultants of the Company, or any subsidiary of the Company, the option to purchase Common Shares. The Stock Option Plan provides for a floating maximum limit of 10% of the outstanding Common Shares as permitted by the policies of the TSX Venture Exchange (the “**TSXV**”). As at the date hereof, this represents 4,535,573 Common Shares available for issuance under the Stock Option Plan. As at the date hereof, outstanding options to purchase a total of 2,016,667 Common Shares have been issued to directors, officers, employees and consultants of the Company and remain outstanding. The TSXV requires all listed companies with a 10% rolling stock option plan to obtain annual shareholder approval of such a plan.

The foregoing summary of the Stock Option Plan is qualified in its entirety with reference to the full text of the Stock Option Plan, a copy of which is attached hereto as Appendix “B”.

The Board recommends that Shareholders vote FOR the Stock Option Plan Resolution. Unless the Shareholder has specifically instructed in the form of proxy or voting instruction form that the Common Shares represented by such proxy or voting instruction form are to be voted against the Stock Option Plan Resolution, the persons named in the proxy or voting instruction form will vote FOR the Stock Option Plan Resolution.

The text of the resolution to be passed is set out below

“BE IT RESOLVED THAT:

1. the stock option plan (the “Stock Option Plan”), substantially in the form attached as Appendix “B” to this Circular, be and is hereby ratified and approved as the stock option plan of the Company;
2. the form of Stock Option Plan may be amended in order to satisfy the requirements or requests of any regulatory authorities without requiring further approval of the shareholders of the Company; and
3. any one director or officer of the Company be and the same is hereby authorized and directed for and in the name of and on behalf of the Company to execute or cause to be executed, whether under corporate seal of the Company or otherwise, and to deliver or cause to be delivered all such documents, and to do or cause to be done all such acts and things, as in the opinion of such director or officer may be necessary or desirable in order to carry out the terms of this resolution, such determination to be conclusively evidenced by the execution and delivery of such documents or the doing of any such act or thing.”

For additional information and a detailed description of the Stock Option Plan, please see “*Securities Authorized for Issuance under Equity Compensation Plans – Stock Option Plan*”.

Approval of the Fair Value of the Acquisition and the Acquisition

Bull Market Farms Inc., a wholly-owned subsidiary of the Company (the “**Purchaser**”), entered into a definitive asset purchase agreement dated as of April 1, 2022, as amended (the “**Purchase Agreement**”) with 2073834 Ontario Limited (the “**Vendor**”), a corporation principally owned and controlled by Adam Suder, the Chief Growth Officer of the Company, pursuant to which the Purchaser has agreed to purchase from the Vendor, and the Vendor has agreed to sell to the Purchaser, all the property and assets used in or otherwise related to (a) the 16-acre greenhouse range (“**Green Rise 3**” or “**GR3**”) situated on the 34-acre farm property located at 795 Road 4 East, Kingsville, Ontario (the “**Property**”), and (b) the operation of the business of growing and selling greenhouse produce carried on by the Vendor on the Property as a going concern, excluding certain identified assets agreed to by the Purchaser (collectively, the “**Purchased Assets**”) (the “**Acquisition**”).

The Company announced the Acquisition by way of press release dated April 6, 2022 and provided updates on the Acquisition by way of press releases dated May 11, 2022 and May 30, 2022. On April 11, 2022, the TSXV conditionally approved the Acquisition, subject to the Company fulfilling all of the customary requirements of the TSXV.

As the Vendor is principally owned and controlled by an officer of the Company, the Acquisition will be considered a “related party transaction” under MI 61-101 (as defined herein). Accordingly, in accordance with MI 61-101 and

the policies of the TSXV, at the Meeting, Disinterested Shareholders (as defined herein) will be asked to consider and, if thought advisable, to pass, with or without variation, an ordinary resolution of the Disinterested Shareholders approving the Valuation Resolution and the Acquisition Resolution (as such terms are defined herein). See “- *Required Approvals and Excluded Shareholders*”.

Background to, and Rationale for, the Transaction

As announced on November 23, 2021, the Company made strategic decisions with its partners relating to its 2022 crop selection. The decisions made resulted in planting 27 acres of the medley tomato variety and 9 acres of the piccolo variety at the Company’s Green Rise 1 greenhouse range, and in the Company continuing to grow beef steak tomatoes at the Company’s 22-acre Green Rise 2 range. These strategic decisions resulted in the Company having 62% of its planned 2022 crop at fixed contract pricing, as compared to 31% for the 2021 harvesting season. The increase in fixed contract pricing coupled with the plan to concentrate each range upon a single product versus multiple products, allows for labor optimization and greater certainty of revenue to the Company.

The Company is continuously seeking and evaluating acquisition opportunities that allow it to expand its fresh produce capability offerings to its customers. The evaluation process of such acquisitions is led by the Company’s Chief Executive Officer with support from the Chief Growth Officer, the Chief Financial Officer and the Company’s legal counsel, with Board oversight where appropriate. The acquisition of the Property and the Purchased Assets was one of many acquisition and expansion targets considered in 2021 by the Company. Given the Company’s strategic decisions relating to its 2022 crop selection and the alignment of GR3 with these decisions (i.e., diversification of product skus, fixed contract pricing, focused on single vs multiple produce skus at each greenhouse) matched with GR3’s historical track record of producing high quality product with consistent yields, placed the Acquisition as a top prospect among the Company’s potential acquisition targets.

In connection with the negotiation of the Purchase Agreement, the Purchase Price (as defined herein) and the Acquisition, the Company retained Fuerland Realty Ltd., a well-known, reputable, independent, and professional appraiser in southwestern Ontario (the “**Appraiser**”), to provide an independent third-party appraisal of the current market value of the Property and Purchased Assets (the “**Appraisal Report**”). See “- *Formal Valuation Exemption, Prior Valuations and Independent Appraisals*”.

Management estimates that the Acquisition will raise Green Rise’s total fixed contract pricing to approximately 70% of its total 2022 production, an approximate 125% increase over fiscal 2021. The Acquisition is expected to allow the Company to support its customers by offering high quality, multi-sku produce in beef steak, medley, piccolo and mini peppers. Certain of these speciality mini peppers are expected to have greater certainty of yields which will allow for better forecasting of production and delivery volume to the Company’s customers. Management also believes it can leverage its operational and financial experience and expertise by bringing GR3 under its control, allowing Mr. Suder to apply greater focus to acquisition growth and the expansion of the Company. Mr. Suder is one of the most experienced growers of fresh produce in the industry and he has successfully managed in the past over 200 acres with a variety of crops, from tomatoes to peppers to cucumbers. He is a critical member of the senior management team and executive leadership.

The Board authorized the Acquisition to be pursued on February 10, 2022, subject to conditions including satisfactory definitive documentation, after consideration by them of, among other things, the Purchase Price, the Appraisal Report, income and cash flow projections, and other financial, market and detailed information relating to the Purchased Assets deemed appropriate and sufficient for such purposes. See “- *Review and Approval Process*” and “- *Formal Valuation Exemption, Prior Valuations and Independent Appraisals*”.

Acquisition Agreement

Pursuant to the Purchase Agreement, which was signed as of April 1, 2022, and amended as of May 24, 2022, on the closing of the Acquisition (the “**Closing**”), the (i) Purchaser will pay to the Vendor cash consideration equal to approximately \$15,000,000 (the “**Purchase Price**”), subject to customary adjustments, and (ii) Vendor will sell, assign and transfer to the Purchaser all of the Purchased Assets. The Purchase Price and any amounts payable in respect of the closing date adjustments will be financed through a Working Capital Facility and Mortgage (as such terms are defined herein) secured against the Property. See “- *Sources of Funding for the Acquisition*”.

The Purchase Agreement contains certain adjustments to the Purchase Price, including with respect to, among other things, the 2022 crop season. The Purchase Agreement contains customary representations, warranties, covenants, indemnities and conditions typical for transactions of this size, nature and complexity. The covenants, to the extent they have not been fully performed, and representations and warranties of the Vendor and Mr. Suder will survive for a period of two years following the Closing Date (as defined herein), subject to certain customary carve-outs.

The Acquisition is expected to close on or about July 4, 2022 (the “**Closing Date**”), subject to customary closing conditions including, but not limited to, further Board approval and the approval of Disinterested Shareholders of the Valuation Resolution and the Acquisition Resolution. There can be no assurances that the Acquisition will be consummated in accordance with the terms of the Purchase Agreement, or at all.

Pursuant to the terms of the Purchase Agreement, the Purchaser will only assume liabilities relating to the Purchased Assets after, and not before, the Closing Date, pursuant to contracts which the Purchaser has agreed to assume and excluding all liabilities occurring from a breach of contract which occurred prior to the Closing Date. The Purchase Agreement can be terminated (i) by the Purchaser, in writing, if certain conditions for the benefit of the Purchaser are not fulfilled, complied with or waived by the Purchaser prior to the time provided for, and (ii) by the Vendor, in writing, if certain conditions for the benefit of the Vendor are not fulfilled, complied with or waived by the Purchaser prior to the time provided for.

The description of the Purchase Agreement and the Acquisition and other transactions contemplated thereby is a summary only of the material terms and conditions thereof and does not purport to be complete and is subject to, and qualified in its entirety by reference to, the terms of the Purchase Agreement, which is available under the Company’s profile on SEDAR at www.sedar.com. Shareholders should refer to the terms of the Purchase Agreement for a complete description of the covenants, representations, warranties, and indemnities being provided in favour of, and by, the Company, and the related limitations under the Purchase Agreement.

Sources of Funding for the Acquisition

The Purchase Price and any amounts payable in respect of the closing date adjustments will be financed through a (i) demand, non-margined working capital facility with an aggregate principal amount of \$1,600,000, carrying interest at a rate equal to the Royal Bank of Canada prime plus 100 basis points per annum, payable in monthly instalments (the “**Working Capital Facility**”); and (ii) first charge mortgage with an aggregate principal amount of approximately \$15,000,000, with collateral in the amount of \$20,000,000 secured against the Property (the “**Mortgage**”). The Mortgage has an open variable interest rate at the Prime Interest Rate plus 1.0% per annum. The Company is exploring the utilization of interest rate swaps and expects to reach a final decision, on the term and amount of the interest rate swap, on or before the Closing Date. In addition, the Company expects that it will postpone 50% of the prepaid costs related to the 2022 crop input costs incurred by the Vendor. The postponement is expected to be repaid in May 2023.

Expenses of the Acquisition

The Purchaser, the Vendor and Mr. Suder are responsible for their respective expenses incurred by them in connection with the Acquisition (including all applicable fees and expenses of their respective legal advisers, accountants and other professional advisers). The Company expects to incur transaction costs of approximately \$350,000 in connection with the Acquisition, including, but not limited to, land transfer taxes, financial advisory fees, financing-related costs, and accounting and legal fees.

Review and Approval Process

On February 10, 2022, at a meeting of the Board, management of the Company presented the opportunity to acquire the Property and the Purchased Assets to the Board. At the meeting, the Board unanimously authorized the pursuit of the Acquisition, subject to conditions, including satisfactory definitive documentation, and the negotiation, settlement and execution, by management of the Company, of the Purchase Agreement and the Purchase Price, subject to such conditions. At the meeting, management discussed with the Board the background to, and rationale

for, the Acquisition, including a discussion of the Appraisal Report. At the meeting, the Board, including all independent directors thereof, unanimously authorized the pursuit of the Acquisition and the negotiation, settlement and execution, by management of the Company, of the Purchase Agreement and the Purchase Price, as aforesaid, considering it advisable and in the best interests of the Company and the Shareholders, after consideration by the Board of, among other things, the Appraisal Report, income and cash flow projections, and other financial, market and detailed information relating to the Property and the Purchased Assets, as deemed appropriate and sufficient for such purposes. As noted above, the Purchase Agreement was signed as at April 1, 2022, and amended as at May 24, 2022.

On April 28, 2022, at a meeting of the Board, management of the Company, provided an update on the negotiation process for the Acquisition, as well as any material findings from the Company's due diligence review process.

While evaluating the Acquisition and in making its decision to authorize the Acquisition, the Board gave careful consideration to the current and expected future position of the business of the Company and the terms and conditions relating to the Acquisition. In making its decision, the Board made reference to the Appraisal Report which indicated that the aggregate value of the Property and the Purchased Assets was in excess of the Purchase Price. The completion of the Acquisition would be subject to a number of conditions, including the receipt of all required approvals, the Company's completion of a satisfactory due diligence review of the Property and Purchased Assets, and further authorization and approval of the definition purchase agreement by the Board.

The Board determined not to establish a special committee or subcommittee of the Board for the purposes of the Acquisition, due to the size of the Board (including the number of independent directors) and the circumstances of the Acquisition, including the fact that no directors had a personal interest or conflict of interest in the Acquisition, that an independent appraisal had been obtained, and that all independent directors were supportive of the Acquisition. In addition to the Appraisal Report, the Company, as part of its due diligence, had Dr. M. Sanaullah Sadar, PhD. Plant Physiology, and an outside independent consultant of the Company, visit the Property on April 27, 2022, to evaluate the status of the crop and the expected revenues from greenhouse produce for fiscal 2022.

On May 30, 2022, the Board, including all independent directors thereof, unanimously approved, ratified and confirmed the Purchase Price and the Purchase Agreement.

Mr. Suder did not participate in management of the Company's internal discussions in respect of, or the Board's approval process with respect to, the Acquisition

The foregoing discussion of the information and factors reviewed by the Board is not, and is not intended to be, exhaustive. In view of the wide variety of factors considered, the Board did not find it practicable to, and therefore did not, quantify or otherwise assign relative weight to specific factors in making its determination. The conclusions and recommendations of the Board were made after consideration of all of the above-noted factors in light of the collective knowledge of the members thereof of the operations, financial condition and prospects of the Company. In addition, individual members of the Board may have assigned different weights to different factors.

Formal Valuation Exemption, Prior Valuations and Independent Appraisals

Since the Acquisition constitutes a "related party transaction" for the purposes of MI 61-101, the Company is required to obtain a formal valuation in respect of the Acquisition and the Purchased Assets unless an exemption to this requirement is available under MI 61-101. Accordingly, as the Common Shares are listed on the TSXV only and not on the Toronto Stock Exchange or another market specified by MI 61-101, the Company is permitted to, and is relying upon, the exemption set forth in Section 5.5(b) of MI 61-101, which exempts issuers not listed on certain specified markets (the TSXV not being included in the list of specified markets) from the formal valuation requirement.

There are no "prior valuations" (as defined in MI 61-101) in respect of the Property and Purchased Assets that have been made in the 24 months before the date hereof and the existence of which is known, after reasonable inquiry, to the Company or to any director or senior officer of the Company.

Notwithstanding that the Company is exempt from the formal valuation requirements of Section 5.4 of MI 61-101, as noted above, the Company retained the Appraiser to prepare the Appraisal Report. The Appraiser provided the Appraisal Report to the Company and the Board with an effective date of January 18, 2022. The following is a summary of the Appraisal Report, the summary does not purport to be complete and is subject to, and qualified in its entirety by reference to, the terms of the Appraisal Report. The Appraisal Report will be available for inspection at the Meeting.

The Appraisal Report was prepared in accordance with the Canadian *Uniform Standards of Professional Appraisal Practice* and the *Code of Professional Ethics* of the Appraisal Institute of Canada (the “**Appraisal Institute**”).

The Appraiser used, and the Appraisal Report sets out, three valuation approaches in estimating the “market value” of the Property and the Purchased Assets, being the “cost approach”, the “direct comparison approach” and the “income approach”. The Appraisal Institute defines “market value” as the “probable price, which a property should bring in a competitive market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus.” According to the Appraisal Institute, “implicit in this definition of market value is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (i) buyer and seller are typically motivated; (ii) both parties are well informed or well advised, and each is acting in what they consider their own best interests; (iii) a reasonable time is allowed for exposure in the open market; (iv) payment is made in Canadian Dollars or in comparable financial arrangements; and (v) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.”

The Appraisal Report summarises the three valuation approaches as follows:

- (a) The “cost approach” as being a method based on the cost of a property’s improvements, less all sources of depreciation. The resulting figure is added to the estimated land value, utilizing the direct comparison approach.
- (b) The “direct comparison approach” as being a method that considers that a property’s value is directly related to prices paid for other competitive and like properties. This approach to value directly compares sale prices per physical unit of measure (i.e. suites, rooms, square feet, front foot, acres, etc.).
- (c) The “income approach” as being a method that considers a property’s ability to provide an income stream over its economic life as a reflection of its present value.

Based on the Appraisal Report, the estimated market value, as at the date of the report, of the Property and Purchased Assets, is \$20,000,000. The estimated market value of the Property and Purchased Assets was mainly determined by placing emphasis on the direct comparison approach to value. The Appraiser considered that the information available for analyses was appropriate and produced supportable results, with 14 sales of greenhouse facilities in Essex Country being reviewed (with appropriate adjustments being made). These valuation methods are used widely by investors when acquiring properties of this nature and are further described and explained in the Appraisal Report.

The Appraisal Report is subject to a number of assumptions and limiting conditions. In particular, in appraising the Property and Purchased Assets, the Appraiser did not render any opinion as to title, which the Appraiser assumed to be good and marketable and free and clear of all encumbrances including leases, unless otherwise noted in the Appraisal Report. The Appraiser also assumed that the Property was under responsible ownership. Caution should be exercised in the evaluation and use of appraisal results. An appraisal is an estimate of market value. It is not a precise measure of value, but is based on a subjective comparison of, among other things, related activity taking place in the real estate market.

Required Approvals and Excluded Shareholders

As the Vendor is principally owned and controlled by an officer of the Company, Adam Suder, Chief Growth Officer of the Company, the Acquisition will be considered a “related party transaction” under Multilateral Instrument 61-

101 – *Protection of Minority Holders in Special Transaction* (“**MI 61-101**”). MI 61-101 was adopted by the Ontario Securities Commission and certain other securities regulatory authorities in Canada, and the provisions of MI 61-101 were adopted by the TSXV in TSXV Policy 5.9 – *Protection of Minority Holders*, to ensure the protection and fair treatment of minority securityholders in certain transactions.

As a “related party transaction”, MI 61-101 requires that the Acquisition be approved by a simple majority (50% + 1) of the Shareholders, excluding votes attached to the Common Shares beneficially owned or controlled by an “interested party” of the Company, a “related party” of an “interested party” or a “joint actor” with an “interested party” or “related party” of the Company (as such terms are defined in MI 61-101) (the “**Disinterested Shareholders**”). Accordingly, the Common Shares beneficially owned or controlled by Mr. Suder and any “related party” or “joint actor” of Mr. Suder will not be entitled to vote their respective Common Shares on the Acquisition Resolution and the Valuation Resolution. As at the Record Date, Mr. Suder beneficially owned or controlled 2,578,947 Common Shares, representing approximately 5.7% of the issued and outstanding Common Shares (on a non-diluted basis). To the knowledge of the Board and management of the Company, no other Common Shares will, or are required to, be excluded from voting in respect of the Acquisition Resolution and the Valuation Resolution.

In addition, the Acquisition is subject to the approval of the TSXV pursuant to TSXV Policy 5.3. The TSXV conditionally approved the Acquisition on April 11, 2022, as well as approving the evidence of value for the Acquisition submitted to them by the Company, subject to customary closing conditions.

Additional Disclosure Pursuant to MI 61-101

MI 61-101 mandates certain enhanced disclosure with respect to “related party transactions” be provided to Shareholders in certain circumstances, including information typically required in an “issuer bid” circular, to the extent applicable and with necessary modifications. While the Acquisition does not constitute an “issuer bid”, the Company is providing the following information in compliance with MI 61-101.

Commitments to Acquire Securities of the Company

Other than as disclosed elsewhere herein, there are no agreements, commitments or understandings made by the Company and, to the Company’s knowledge, by any director, officer or insider of the Company to acquire securities of the Company.

Benefits of the Acquisition

Other than Mr. Suder, who will benefit from the Acquisition through his ownership and control of the Vendor, no director, officer or insider of the Company will benefit directly or indirectly from the Acquisition, other than in the same manner as all Shareholders.

Material Change in the Affairs of the Company

The Company has no plans or proposals for any material changes in its affairs, other than as a result of the Acquisition.

Tax Consequences

There are no income tax consequences to Shareholders resulting from the approval or implementation of the Acquisition.

Valuation Resolution

At the Meeting, Disinterested Shareholders will be asked to consider and, if thought advisable, to pass, with or without variation, an ordinary resolution approving the Purchase Price payable in connection with the Acquisition, and that the Appraisal Report supports the Purchase Price payable in connection with the Acquisition (the “**Valuation Resolution**”).

In order to be effective, the Valuation Resolution must be passed by not less than a majority of the votes cast by the Disinterested Shareholders present in person, or represented by proxy, at the Meeting. The text of the resolution to be passed is set out below

“BE IT RESOLVED THAT:

1. the purchase price, in an amount equal to approximately \$15,000,000, subject to customary adjustments, to be paid by Bull Market Farms Inc. (the **“Purchaser”**), a wholly-owned subsidiary of Green Rise Foods Inc. (the **“Company”**), in connection with the asset purchase agreement dated as of April 1, 2022, as amended, among the Purchaser, 2073834 Ontario Limited (the **“Vendor”**), a corporation principally owned and controlled by Adam Suder, the Chief Executive Officer of the Company, and Mr. Suder, pursuant to which, the Purchaser has agreed to purchase from the Vendor, and the Vendor has agreed to sell to the Purchaser, all the property and assets used in or otherwise related to (a) the 16-acre greenhouse range situated on the 34-acre farm property located at 795 Road 4 East, Kingsville, Ontario (the **“Property”**), and (b) the operation of the business of growing and selling greenhouse produce carried on by the Vendor on the Property as a going concern, excluding certain identified assets agreed to by the Purchaser (collectively, the **“Purchased Assets”**), as supported by the independent third-party appraisal, by Fuerland Realty Ltd., a well-known, reputable, independent and professional appraiser in southwestern Ontario, of the current market value of the Property and the Purchased Assets, all as more fully described in the Company’s management information circular dated May 31, 2022, is hereby agreed to and approved.”

The Board recommends that Disinterested Shareholders vote FOR the Valuation Resolution. Unless the Disinterested Shareholder has specifically instructed in the form of proxy or voting instruction form that the Common Shares represented by such proxy or voting instruction form are to be voted against the Valuation Resolution, the persons named in the proxy or voting instruction form will vote FOR the Valuation Resolution.

Disinterested Shareholders should consider the Acquisition, the Appraisal Report and the Purchase Agreement carefully and come to their own conclusion as to whether to vote in favour of the Valuation Resolution.

Acquisition Resolution

At the Meeting, Disinterested Shareholders will be asked to consider and, if thought advisable, to pass, with or without variation, an ordinary resolution approving the Acquisition (the **“Acquisition Resolution”**).

In order to be effective, the Acquisition Resolution must be passed by not less than a majority of the votes cast by the Disinterested Shareholders present in person, or represented by proxy, at the Meeting. The text of the resolution to be passed is set out below

“BE IT RESOLVED THAT:

1. the acquisition (the **“Acquisition”**) of (a) the 16-acre greenhouse range situated on the 34-acre farm property located at 795 Road 4 East, Kingsville, Ontario (the **“Property”**), and (b) the operation of the business of growing and selling greenhouse produce carried on by 2073834 Ontario Limited (the **“Vendor”**), a corporation principally owned and controlled by Adam Suder, the Chief Executive Officer of the Company, on the Property as a going concern, excluding certain identified assets agreed to by Bull Market Farms Inc. (the **“Purchaser”**), a wholly-owned subsidiary of Green Rise Foods Inc. (the **“Company”**), pursuant to an asset purchase agreement dated as of April 1, 2022, as amended (the **“Purchase Agreement”**), among the among the Purchaser, the Vendor and Mr. Suder, all as more fully described in the Company’s management information circular dated May 31, 2022, be and is hereby authorized, approved, ratified and confirmed;
2. the execution and delivery of the Purchase Agreement is, and the execution and deliver of all other agreements and documents ancillary to the Purchase Agreement and necessary to complete the Acquisition, are hereby ratified, authorized, confirmed and approved; and

3. any one director or officer (other than Adam Suder) of the Company be and the same is hereby authorized and directed for and in the name of and on behalf of the Company to execute or cause to be executed, whether under corporate seal of the Company or otherwise, and to deliver or cause to be delivered all such documents, and to do or cause to be done all such acts and things, as in the opinion of such director or officer may be necessary or desirable in order to carry out the terms of this resolution, such determination to be conclusively evidenced by the execution and delivery of such documents or the doing of any such act or thing.”

The Board recommends that Disinterested Shareholders vote FOR the Acquisition Resolution. Unless the Disinterested Shareholder has specifically instructed in the form of proxy or voting instruction form that the Common Shares represented by such proxy or voting instruction form are to be voted against the Acquisition Resolution, the persons named in the proxy or voting instruction form will vote FOR the Acquisition Resolution.

Disinterested Shareholders should consider the Acquisition and the Purchase Agreement carefully and come to their own conclusion as to whether to vote in favour of the Acquisition Resolution.

Other Business

The Board knows of no other matters to come before the Meeting other than as referred to in the Notice of Meeting. Should any other matters properly come before the Meeting, the Common Shares represented by proxy solicited hereby will be voted on such matters in accordance with the best judgement of the person voting such proxy.

STATEMENT OF EXECUTIVE COMPENSATION

Compensation of Named Executive Officers: Compensation Discussion & Analysis

The purpose of this compensation discussion and analysis is to describe and explain the Company’s executive compensation strategy, philosophy, objectives and processes and to discuss compensation decisions made by the Company in Fiscal 2021 (as defined below). In this Circular, a Named Executive Officer (“**NEO**”) means each of the following individuals for Fiscal 2021: (i) the Company’s President and Chief Executive Officer (the “**CEO**”); (ii) the Company’s Chief Financial Officer (the “**CFO**”); (iii) each of the Company’s three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, whose total compensation at the end of Fiscal 2021 was, individually more than \$181,000 for Fiscal 2021; and (iv) each individual who would be an NEO under (iii) above, but for the fact that such individual was neither an executive officer of the Company, nor serving in a similar capacity, at the end of Fiscal 2021.

Based on the foregoing definitions, the Company’s NEOs in respect of the year ended December 31, 2021 were: (i) Vincent Narang, CEO and Director (ii) George Hatzoglou, CFO; and (iii) Adam Suder, Chief Growth Officer.

The general objectives of the Board’s compensation decisions are:

- to encourage management to achieve a high level of performance and results with a view to increasing long-term shareholder value;
- to align management’s interests with the long-term interest of shareholders;
- to provide compensation commensurate with peer companies in order to attract and retain highly qualified executives; and
- to ensure that total compensation paid takes into account the Company’s overall financial position.

The Board’s compensation program, which is determined by the Board, is designed to provide competitive levels of compensation, a significant portion of which is dependent upon individual and corporate performance and contribution to increasing shareholder value. The Board recognizes the need to provide a total compensation package that will attract and retain qualified and experienced executives as well as align the compensation level of each executive to that executive’s level of responsibility. In general, NEO compensation is comprised of consulting fees or salary and Option grants.

The compensation paid to the NEOs was paid to an individual who is proficient, experienced, has sufficient skills and potential and is performing at a high level. The compensation was variable in nature and directly related to the actual amount of work performed. The variable rates were based on market related rates for professionals performing similar duties and possessing a similar skill set.

Option grants are designed to reward the NEOs for success on a similar basis as the shareholders of the Company, but these rewards are highly dependent upon the volatile stock market, much of which is beyond the control of the NEOs.

The Board has not formally considered the risks associated with the Company's compensation policies and practices. The Company's compensation policies and practices give greater weight toward long-term incentives to mitigate the risk of encouraging short term goals at the expense of long-term sustainability. The discretionary nature of Option grants are significant elements of the Company's compensation plans and provide the Board of Directors with the ability to reward historical performance and behaviour that the Board of Directors consider to be aligned with the Company's best interests. The Company has attempted to minimize those compensation practices and policies that expose the Company to inappropriate or excessive risks.

The Company has not established a policy on whether or not a NEO or director is permitted to purchase financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director. During the financial year ended December 31, 2021, the Company did not utilize any financial hedges.

Compensation of Named Executive Officers: Elements of Compensation

The Board relies on the knowledge and experience of its members to set appropriate levels of compensation for NEOs. When determining NEO compensation, the Board uses all data available to it to ensure that such compensation is set at a level that is both commensurate with the size of the Company, responsibilities of the particular NEO and retention of the NEOs, who are considered by the Board to be essential to the success of the Company. The Board reviews the various elements of the NEOs' compensation in the context of the total compensation package, including salary, incentive bonuses and awards of Options, and recommends the NEOs' compensation packages.

The executive compensation program consists of three components: (a) base compensation in the form of salary; (b) incentive bonuses in the form of cash payments; and (c) subject to Shareholder approval, long-term compensation in the form of Options issued under the Stock Option Plan.

Base Compensation

Base compensation for executive officers of the Company is set annually, having regard to the individual's job responsibilities, contribution, experience and proven or expected performance, as well as to market conditions. In setting base compensation levels, consideration is expected to be given to such factors as level of responsibility, experience and expertise in addition to the policies of the TSXV. At this time, the Company does not tie base compensation to any milestones or peer groups.

Incentive Bonuses

Incentive bonuses, in the form of cash payments, are designed to add a variable component of compensation based on corporate and individual performance for executive officers. The Company does not have a formal bonus plan but may award discretionary bonuses that are recommended by the CEO and approved by the Board.

Stock Options

To provide a long-term component to the executive compensation program, executive officers of the Company are eligible to receive Options. The maximization of shareholder value is encouraged by granting Options since such grants provide an incentive to eligible persons to further the development, growth and profitability of the Company. Consideration will be given to granting Options amongst the various organizational levels of management, including

directors, officers and certain consultants. The Chief Executive Officer will make recommendations to the Board for the Chief Financial Officer and other key employees. These recommendations are to take into account factors such as awards made in previous years, the number of Options outstanding per individual and the level of responsibility. The Board, as a whole, will determine the Options to be issued to the Chief Executive Officer. A summary of the terms of the Stock Option Plan is included under the heading “*Securities Authorized for Issuance under Equity Compensation Plans – Stock Option Plan*” below.

Compensation of Directors: Compensation Discussion & Analysis

The Board determines director compensation from time to time. Directors are not generally compensated in their capacities as such, but the Company may, from time to time, grant to its directors Options pursuant to the terms of the Stock Option Plan and in accordance with the policies of the TSXV.

Summary Compensation Table: Directors and Named Executive Officers, Excluding Compensation Securities

The following table sets forth the information required under Form 51-102F6V – *Statement of Executive Compensation-Venture Issuers* (“**Form 51-102F6V**”), regarding all compensation paid, payable, granted or otherwise provided during the most recently completed financial year of the Company, to all persons acting as directors or as NEOs for the two most recently completed financial years ended December 31, 2020 and 2021, respectively.

Name & Position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites (\$)	All other Compensation (\$) ⁽¹⁾	Total Compensation (\$)
Vincent Narang, CEO, Corporate Secretary and Director	2021	150,000	100,000	0	0	2,000	252,000
	2020	90,923	0	0	0	0	90,923
Enrico Paolone, Former CFO and Current Director ⁽²⁾	2021	0	0	0	0	0	0
	2020	0	0	0	0	0	0
George Hatzoglou, CFO	2021	150,000	0	0	0	31,300	181,300
	2020	46,154	0	0	0	13,182	59,336
Adam Suder, Chief Growth Officer	2021	150,000	100,000	0	0	36,517	286,517
	2020	60,595	0	0	0	15,378	75,973
Mark Benadiba, Director ⁽³⁾	2021	0	0	0	0	37,035	37,035
	2020	0	0	0	0	8,788	8,788
Jerry Mancini, Director	2021	0	0	0	0	20,867	20,867
	2020	0	0	0	0	8,788	8,788
Thomas McKee, Director	2021	0	0	0	0	15,650	15,650
	2020	0	0	0	0	6,591	6,591
Stanley Thomas, Director	2021	0	0	0	0	15,650	15,650
	2020	0	0	0	0	6,591	6,591
Richard Boutin, Director	2021	0	0	0	0	8,303	8,303
	2020	0	0	0	0	2,197	2,197

Ben Ghirmai, Director	2021	0	0	0	0	8,303	8,303
	2020	0	0	0	0	2,197	2,197
Lal Narang, Former CFO and Director ⁽⁴⁾	2021	N/A	N/A	N/A	N/A	N/A	N/A
	2020	0	0	0	0	0	0
Matt Tatomir, Former COO and Director ⁽⁵⁾	2021	N/A	N/A	N/A	N/A	N/A	N/A
	2020	88,615	0	0	0	0	88,615
Scott Linnell, Former CFO and Director ⁽⁴⁾	2021	N/A	N/A	N/A	N/A	N/A	N/A
	2020	24,923	0	0	0	0	24,923

Notes:

- (1) All other compensation relates to stock-based compensation and car allowances.
- (2) Mr. Paolone became the Chair of the Board on August 23, 2021. In 2020 Mr. Paolone held the position of interim CFO from July 8, 2020, to August 31, 2020.
- (3) Mr. Benadiba was a director since the Company's founding in 2017. He served his position in an exemplary manner until his passing on August 5, 2021.
- (4) Mr. Lal Narang retired from his positions on July 8, 2020.
- (5) Mr. Tatomir and Mr. Linnell no longer held their positions effective July 8, 2020 (as directors of the Company) and July 9, 2020 (as officers of the Company).

Summary Compensation Table: Stock Options and Other Compensation Securities

The following table discloses all compensation securities granted or issued to NEOs and directors by the Company during the financial year ended December 31, 2021.

Name & Position	Type of compensation security	Number of compensation securities	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
Vincent Narang, CEO, Corporate Secretary and Director ⁽¹⁾	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrico Paolone, Former CFO and Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A
George Hatzoglou, CFO ⁽²⁾	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Adam Suder, Chief Growth Officer ⁽³⁾	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mark Benadiba, Director ⁽⁴⁾	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Jerry Mancini, Director ⁽⁵⁾	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Thomas McKee, Director ⁽⁶⁾	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Stanley Thomas, Director ⁽⁷⁾	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Richard Boutin, Director ⁽⁸⁾	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ben Ghirmai, Director ⁽⁹⁾	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes:

- (1) As of December 31, 2021, Mr. Narang held a total of 100,000 Options.
- (2) As of December 31, 2021, Mr. Hatzoglou held a total of 200,000 Options.
- (3) As of December 31, 2021, Mr. Suder held a total of 350,000 Options.
- (4) As of December 31, 2021, the Estate of Mr. Benadiba held a total of 400,000 Options.
- (5) As of December 31, 2021, Mr. Mancini held a total of 200,000 Options.
- (6) As of December 31, 2021, Mr. McKee held a total of 150,000 Options.
- (7) As of December 31, 2021, Mr. Thomas held a total of 100,000 Options.
- (8) As of December 31, 2021, Mr. Boutin did not hold any options.
- (9) As of December 31, 2021, Mr. Ghirmai did not hold any options.

Exercise of Options During the Year

A total of 250,000 options were exercised pursuant to the Stock Option Plan by the NEOs or directors of Green Rise during the year ended December 31, 2021. Details are reported in the table below:

Exercise of Compensation Securities by Directors and NEOs							
Name and position	Type of compensation security	Number of underlying securities exercised	Exercise price per security (\$)	Date of exercise	Closing price per security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date (\$)
Ben Ghirmai and Director	Stock option	50,000	0.24	May 31, 2021	1.89	1.65	82,500
Richard Boutin and Director	Stock option	50,000	0.24	June 1, 2021	1.89	1.65	82,500
George Hatzoglou and CFO	Stock option	100,000	0.24	Dec 13, 2021	1.05	0.81	81,000
Stanley Thomas and Director	Stock option	50,000	0.24	Dec 14, 2021	1.05	0.81	40,500

Pension Plan Benefits

The Company does not currently have any retirement plans in place for the NEOs or any other employees.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Stock Option Plan

The Company adopted the Stock Option Plan on October 31, 2017, and the Stock Option Plan is the Company's only equity compensation plan. As of the date of this Circular, the Company has granted 2,550,000 Options to purchase Common Shares, with 2,016,667 issued and outstanding as at December 31, 2021. The Stock Option Plan was approved by Shareholders in 2021 and, as a rolling plan and pursuant to the rules of the TSXV, must be approved yearly.

The following table provides information regarding the number of Common Shares to be issued upon exercise of outstanding Options pursuant to the Stock Option Plan as of December 31, 2021:

Plan Category	Number of Common Shares to be issued upon exercise of outstanding grants and awards	Weighted average exercise price of outstanding Options	Number of Common Shares remaining available for future issuance under equity compensation plans ⁽¹⁾
Equity compensation plans approved by security holders	2,020,132	\$0.23	2,518,906
Equity compensation plans not approved by security holders	N/A	N/A	N/A
Total	2,020,132	\$0.23	2,518,906

Notes:

- (1) Based on a total of 2,020,133 Options issuable pursuant to the Stock Option Plan, representing approximately 4.5% of the issued and outstanding Common Shares as at December 31, 2021.

Eligibility

Directors, officers, employees and technical consultants of the Company are eligible to participate in the Stock Option Plan (each, a "Participant").

Exercise Price and Term of Options

The exercise price per Common Share under any incentive stock option granted by the Company may not be less than the Discounted Market Price (as defined under the policies of the TSXV).

No Option shall be exercisable for a period exceeding five years from the date the Option is granted unless otherwise specifically provided by the Board and authorized by the TSXV, if applicable, and in any event, no Option shall be exercisable for a period exceeding 10 years from the date the Option is granted.

Limits on Option Grants

The total number of Common Shares reserved under option for issuance pursuant to the Stock Option Plan may not exceed 10% of the Common Shares issued and outstanding at any given time. No Options shall be granted that would result in insiders of the Company receiving, within a 12-month period, Options exceeding 10% of the total number of issued and outstanding Common Shares.

In any 12-month period, the maximum number of Common Shares reserved under option for issuance to (a) any individual (other than consultants or persons employed in Investor Relations Activities (as defined in the Stock Option Plan)) may not exceed 5% of the issued and outstanding Common Shares; (b) any technical consultant may not exceed 2% of the issued and outstanding Common Shares; and (c) all persons employed in Investor Relations Activities, in the aggregate, shall not exceed 2% of the total number of issued and outstanding Common Shares.

Adjustments

The Stock Option Plan also provides for adjustments to outstanding Options in the event of a subdivision or consolidation of the outstanding Common Shares, a reorganization of the Company or a merger, consolidation or amalgamation of the Company with another corporation.

Expiry and Termination Provisions Applicable to Options.

If any Participant shall cease to be a director, officer, employee or consultant of the Company or any subsidiary of the Company for any reason other than death, permanent disability or normal retirement, his or her Option will terminate at 5:00 p.m. (Toronto time) on the earlier of the date of the expiration of the Option Period (as defined in the Stock Option Plan) and: (a) for Participants other than those employed in Investor Relations Activities, 90 days after the date such Participant ceases to be a director, officer, employee or consultant of the Company, or any subsidiary of the Company; and (b) for Participants employed in Investor Relations Activities, 30 days after the date such Participant ceases to be employed in Investor Relations Activities.

If such cessation or termination is by reason of substantial breach or cause on the part of the Participant, the Options shall be automatically terminated forthwith and shall be of no further force or effect.

In the event of the death, permanent disability or normal retirement of a Participant, any Option previously granted to such Participant shall be exercisable until the end of the Option Period or until the expiration of 12 months or a period determined by the Board, after the date of death, permanent disability or normal retirement of such Participant, whichever is earlier, and then, in the event of death or permanent disability, only: (a) by the Participant or person or persons to whom the Participant's rights under the Option shall pass by the Participant's will or by applicable law; and (b) to the extent that the Participant was entitled to exercise the Option as at the date of his death or permanent disability.

Options Granted, Exercised and Outstanding

During the period of October 31, 2017 (the date on which the Stock Option Plan was adopted) through to December 31, 2021, Options to purchase 2,550,000 Common Shares were granted under the Stock Option Plan, representing approximately 5.6% of the issued and outstanding Common Shares as of December 31, 2021 and 433,332 Common Shares were issued upon exercise of Options granted under the Stock Option Plan.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No person who is, or who was within the 30 days prior to the date of this Circular, a director, executive officer, employee or any former director, executive officer or employee of the Company or a subsidiary thereof, and

furthermore, no person who is a nominee for election as a director of the Company, and no associate of such persons is, or was as of the date of this Circular indebted to the Company or a subsidiary of the Company or indebted to any other entity where such indebtedness is subject to a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or a subsidiary of the Company.

CORPORATE GOVERNANCE PRACTICES

In accordance with National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) and National Policy 58-201 – *Corporate Governance Guidelines* (“**NP 58-201**”), issuers are to disclose the corporate governance practices that they have adopted. NP 58-201 provides guidance on corporate governance practices. The Company is also subject to National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”), which has been adopted in each of the Canadian provinces and territories and which prescribes certain requirements in relation to audit committees.

The Board is responsible for the governance of the Company. The Board and the Company’s management consider good corporate governance to be central to the effective and efficient operation of the Company. Below is a discussion of the Company’s approach to corporate governance.

Board of Directors

The Board and senior management consider good corporate governance to be central to the effective and efficient operation of the Company. The Board is committed to a high standard of corporate governance practices. The Board believes that this commitment is not only in the best interest of the Shareholders, but that it also promotes effective decision making at the Board level.

In accordance with NI 58-101, a director is deemed to be “independent” if he or she has no direct or indirect “material relationship” with the issuer. A “material relationship” is as a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a member’s independent judgment. The Board maintains the exercise of independent supervision over management by ensuring that the majority of its directors are independent.

The Board is currently comprised of five (5) directors being Vincent Narang, Thomas McKee, Stanley Thomas, Jerry Mancini, and Enrico Paolone. Messrs. McKee, Mancini, Paolone and Thomas are independent within the meaning of NI 58-101. Mr. Narang is not independent as he is an officer of the Company and thereby has a “material relationship” with the Company.

The Board believes that it functions independently of management and reviews its procedures on an ongoing basis to ensure that it is functioning independently of management.

Corporate Governance and Compensation Committee

Board Oversight

The Board exercises its independent supervision over the Company’s management through a combination of formal meetings of the Board as well as informal discussions amongst the Board members. The independent directors can also hold scheduled meetings at which non-independent directors and members of management are not in attendance. Where matters arise at Board meetings which require decision making and evaluation that is independent of management and interested directors, the meeting breaks into an in-camera session among the independent and disinterested directors.

Directorships in Other Reporting Issuers

None of the directors of the Company currently have directorships in other reporting issuers.

Orientation and Continuing Education

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

- (a) a copy of the policies and mandates of the Board and its committees and copies of the Company's corporate governance policies, which provides information respecting the functioning of the Board;
- (b) access to recent, publicly filed documents of the Company;
- (c) access to management; and
- (d) access to legal counsel in the event of any questions relating to the Company's compliance and other obligations.

Members of the Board are encouraged to communicate with management, legal counsel and, where applicable, auditors and technical consultants of the Company; to keep themselves current with industry trends and developments and changes in legislation with management's assistance; and to attend related industry seminars and visit the Company's operations. Board members have full access to the Company's records.

Ethical Business Conduct

In establishing its corporate governance practices, the Board has been guided by applicable Canadian securities legislation, including NP 58-201, and the guidelines of the TSXV for effective corporate governance. The Board is committed to a high standard of corporate governance practices. The Board believes that this commitment is not only in the best interests of its Shareholders, but that it also promotes effective decision making at the Board level.

The Board takes steps to ensure directors exercise independent judgment in considering transactions and agreements in respect of which a director or officer of the Company has a material interest, which include ensuring that directors and officers are familiar with the rules concerning reporting conflicts of interest and obtaining direction from the Company's CEO and/or the Company's legal counsel, as appropriate, regarding any potential conflicts of interest.

The Board encourages and promotes an overall culture of ethical business conduct by: (i) promoting compliance with applicable laws, rules and regulations; (ii) providing guidance to officers and directors to help them recognize and deal with ethical issues; (iii) promoting a culture of open communication, honesty and accountability; and (iv) ensuring awareness of disciplinary action for violations of ethical business conduct.

Additionally, in order to encourage and promote a culture of ethical business conduct, the Board has adopted a Code of Business Conduct and Ethics (the "**Code**") wherein directors, officers and employees of the Company and others are provided with a mechanism by which they can raise complaints regarding financial and regulatory reporting, internal accounting controls, auditing or health, safety and environmental matters or any other matters and raise concerns about any violations of the Code in a confidential and, if deemed necessary, anonymous process.

The Board has instructed its management and employees to abide by the Code and to bring any breaches of the Code to the attention of the Chair of the Audit Committee. Compliance with the Code is monitored primarily through the reporting process within the Company's organizational structure.

It is a requirement of applicable corporate law that directors who have an interest in a transaction or agreement with the Company promptly disclose that interest at any meeting of the Board at which the transaction or agreement will be discussed and abstain from discussions and voting in respect to same if the interest is material. The Code imposes a similar disclosure requirement on all non-director representatives of the Company and requires such persons to report such conflict to the executive officer to whom that person reports in the course of his employment responsibilities, or, in the case of a senior executive officer, to the Audit Committee and fully inform such person or the committee, as applicable, of the facts and circumstances related to the conflict or potential conflict. The representative is prohibited from taking any further action in respect of the matter or transaction giving rise to such conflict or potential conflict unless and until he is authorized to do so by his reporting officer or the Audit Committee.

Nomination of Directors

The Board has not appointed a nominating committee. As a result of the Company's size, its stage of development and the size of the Board, the Board considers that a nominating committee is not required at this time.

Other Board Committees

The Board has no standing committees other than the Audit Committee, the Governance Committee and the Compensation Committee.

Assessments

The Board does not consider formal assessments useful given the stage of the Company's business and operations. However, the Chief Executive Officer of the Company meets annually with each director individually, which facilitates a discussion of his contribution and that of other directors. When needed, time is set aside at a meeting of the Board for a discussion regarding the effectiveness of the Board and its committees. If appropriate, the Board then considers procedural or substantive changes to increase the effectiveness of the Board and its committees. On an informal basis, the Chief Executive Officer is also responsible for reporting to the Board on areas where improvements can be made. Any agreed upon improvements required to be made are implemented and overseen by Board. A more formal assessment process will be instituted as, if, and when the Board considers it to be necessary.

AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITORS

The Audit Committee is a committee of the Board to which the Board delegates its responsibility for oversight of the financial reporting process. The Audit Committee is also responsible for managing, on behalf of the Shareholders, the relationship between the Company and the external auditor. NI 52-110 requires the Company, as a Venture Issuer (as defined in NI 52-110), to disclose annually in its information circular certain information relating to the Company's audit committee and its relationship with the Company's independent auditors.

Audit Committee Charter

The directors of the Company have adopted a Charter for the Audit Committee, which sets out the Audit Committee's mandate, organization, powers and responsibilities. The full text of the Audit Committee Charter is attached hereto as Appendix "A" to this Circular.

The mandate of the Audit Committee is to oversee and provide assistance in financial reporting, financial policies and internal controls as well as to work with the external auditors to ensure the accuracy of the Company's financial disclosures. The Audit Committee must pre-approve all non-audit services to be provided by an external auditor.

Composition of the Audit Committee

As of the date hereof, the Audit Committee is composed of four members, Messrs. Mancini, McKee, Paolone and Thomas. Each of Messrs. Mancini, McKee, Paolone and Thomas are independent as such term is defined NI 52-110. All current and proposed members of the Audit Committee are "financially literate", as such term is as defined in NI 52-110.

Relevant Education and Experience

Collectively, the Audit Committee has the education and experience to fulfill the responsibilities outlined in the Audit Committee Charter.

For the relevant education and experience of each of the current and proposed members of the Company's Audit Committee, please see the full biographical summaries under the heading "*Business of the Meeting – Director Biographies*".

Each current and proposed member of the Audit Committee has:

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

Audit Committee Oversight

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

Reliance on Certain Exemptions

Since the Company is a "Venture Issuer" pursuant to NI 52-110 (its securities are not listed or quoted on any of the Toronto Stock Exchange, a market in the United States of America, or a market outside of Canada and the United States of America), it is exempt from the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee charter provides for the Audit Committee to establish the auditors' fees. Such fees have been based upon the complexity of the matters in question and the time incurred by the auditors. Management of the Company believes that the fees negotiated in the past with the auditors of the Company were reasonable in the circumstances and would be comparable to fees charged by other auditors providing similar services.

Audit Fees

The following chart summarizes the aggregate fees billed by the external auditors of the Company for professional services rendered to the Company for audit and non-audit related services for Fiscal 2021 and fiscal year 2020. The amounts indicated below are exclusive of disbursements and HST.

Type of Work	Fiscal 2021	Fiscal 2020
Audit fees	\$110,000	\$90,000
Audit-related fees	\$20,000	\$20,000
Tax fee	\$15,750	\$8,500
All other fees⁽¹⁾	\$23,650	\$5,000
Total	169,400	\$103,500

Notes:

- (1) Other fees in 2021 relates to valuation work completed to support the opening balances on the GR2 acquisition. For 2020, other fees relates to tax advisory services completed prior to the close of the GR2 acquisition.

RISK FACTORS

In addition to other information contained in this Circular and risks outlined in the Company's other public filings, including the annual management's discussion and analysis of financial results for the year ended December 31, 2021, the risk factors described below in connection with the Acquisition should be considered carefully. The events arising from these risks could materially adversely affect the Company's business, financial condition, revenues,

profitability, or prospectus. Additional risks not currently known to the Company or which are deemed to be immaterial may also impair the business operations, financial condition or prospects of the Company.

Uncertainties Relating to Closing of the Acquisition

There is no certainty, nor can the Company provide any assurance that the Acquisition will be completed, or if completed, will be on terms that are exactly the same as discussed in the Circular. There can be no assurances that the Acquisition will be consummated in accordance with the terms of the Purchase Agreement, or at all. If the closing of the Acquisition does not take place as contemplated, the Company will not benefit from the Acquisition, will have incurred significant management time and expenses and could suffer adverse consequences, including the loss of investor confidence.

Possible Failure to Realize Expected Returns on the Acquisition

The Acquisition involves risks that could materially and adversely affect the Company's business plan, including the failure of the Acquisition to realize the results the Company expects, including as a result of a loss in the value in, or the failure to execute on the Company's strategy for Property and the Purchased Assets. While management of the Company believes the Acquisition will be accretive to the Company's business and will improve its long-term financial position, such determination should not be regarded as a guarantee of future performance or results and includes certain estimates and assumptions, the actual result of which may be different. If the Acquisition fail to realize the results that the Company expects, the Acquisition could have a material adverse effect on the Company and its financial results.

VOTING OF COMMON SHARES AND PRINCIPAL HOLDERS THEREOF

The Company is authorized to issue an unlimited number of Common Shares, which as at the date hereof, there were 45,355,374 fully paid and non-assessable Common Shares issued and outstanding. The holders of the Common Shares are entitled to receive notice of all meetings of Shareholders and to attend and vote the Common Shares at all such meetings. Each Common Share carries with it the right to one vote and no other voting securities are issued and outstanding as of the Record Date.

To the best of the knowledge of the directors and executive officers of the Company, as at the date hereof, the following persons or companies beneficially owned, directly or indirectly, or exercised control or direction over, voting securities of the Company carrying more than 10% of the voting rights attached to the Common Shares:

Name	Number of Common Shares Held	Percentage of Total Issued and Outstanding Common Shares
Enrico Paolone	7,555,000	16.7%
Vincent Narang	6,884,375	15.2%

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as disclosed herein, since the commencement of the Company's most recently completed financial year, no informed person of the Company, or any associate or affiliate of any informed person or nominee, has or had any material interest, direct or indirect, in any transaction or any proposed transaction which has materially affected or will materially affect the Company or any of its subsidiaries.

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

Blake, Cassels & Graydon LLP, of which Thomas McKee was a partner, provided legal services to the Company during Fiscal 2021 and has been providing, and is expected to continue to provide, legal services to the Company in the fiscal year ending December 31, 2022. Mr. McKee retired from Blake, Cassels & Graydon LLP in 2020.

Other than as disclosed in this Circular, management of the Company is not aware of any material interest of any director or nominee for director or executive officer or anyone who has held office as such since the beginning of

the Company's last financial year or of any associate or affiliate of any of the foregoing in any matter to be acted on at the Meeting.

FORWARD-LOOKING STATEMENTS

Certain statements in this Circular are "forward-looking statements" concerning anticipated future events, results, circumstances, performance, or expectations with respect to the Company and its operations, including its strategy and financial performance and condition. Forward-looking statements include statements that are predictive in nature, depend upon future events or conditions, or include words such as "expects", "anticipates", "plans", "believes", "estimates", "intends", "targets", "projects", "forecasts", "schedule", "exploring" or negative versions thereof and other similar expressions, or future or conditional verbs such as "may", "will", "should", "would" and "could". The forward-looking statements contained in this Circular include, but are not limited to, the Acquisition, the structure of the financing for the Acquisition, and the Property and the Purchased Assets, including the expected benefits of the Acquisition. Forward-looking statements are based on underlying assumptions and management's beliefs, estimates and opinions, and are subject to inherent risks and uncertainties surrounding future expectations generally that may cause actual results to vary from plans, targets, and estimates. Some of the important risks and uncertainties that could affect forward-looking statements include, but are not limited to, operational, general economic, market and business conditions, regulatory developments and environmental regulations and risks. The Company cautions readers that actual results may vary significantly from those expected should certain risks or uncertainties materialize or should underlying assumptions prove incorrect. Forward-looking statements are provided for the purpose of providing information about management's current expectations and plans relating to the future. Readers are cautioned that such information may not be appropriate for other purposes. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise except as required by law.

ADDITIONAL INFORMATION

The Company has been a reporting issuer under the securities laws of the Provinces of Ontario, British Columbia and Alberta since November 1, 2017, and is therefore required to file its financial statements, management discussion and analysis and its management information circulars with the securities commissions of such provinces on or before the prescribed filing deadlines under applicable corporate and securities laws.

Financial information of the Company is provided in the Company's comparative annual financial statements and management's discussion and analysis for its most recently completed financial year. Copies of these documents, as well as additional information relating to the Company contained in documents filed by the Company with the Canadian securities regulatory authorities, may also be accessed through the SEDAR website at www.sedar.com.

APPROVAL OF BOARD OF DIRECTORS

The contents of this Circular and the sending thereof to the Shareholders have been approved by the Board.

Dated: May 31, 2022.

"Vincent Narang"

Vincent Narang
Chief Executive Officer and Director

APPENDIX “A”

Audit Committee Charter

Green Rise Foods Inc. (the “Corporation”)

1. PURPOSE

- 1.1 The board of directors of the Corporation (the “**Board**”) shall appoint an audit committee (the “**Committee**”) to assist the Board in fulfilling its responsibilities. The overall purpose of the Committee of the Corporation is to monitor the Corporation’s system of internal financial controls, to evaluate and report on the integrity of the financial statements of the Corporation, to enhance the independence of the Corporation’s external auditors and to oversee the financial reporting process of the Corporation.

2. PRIMARY DUTIES AND RESPONSIBILITIES

- 2.1 The Committee’s primary duties and responsibilities are to:
- (a) serve as an objective party to monitor the Corporation’s financial reporting and internal control system and review the Corporation’s financial statements;
 - (b) review the performance of the Corporation’s external auditors; and
 - (c) provide an open avenue of communication among the Corporation’s external auditors, the Board and senior management of the Corporation.

3. COMPOSITION, PROCEDURES AND ORGANIZATION

- 3.1 The Committee shall be comprised of at least three directors of the Corporation as determined by the Board, two of whom shall be free from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Committee.
- 3.2 At least one member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of this Audit Committee Charter, the definition of “financially literate” is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Corporation’s financial statements.
- 1.3 The Board shall appoint the members of the Committee. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee. Any member of the Committee ceasing to be a director of the Corporation shall cease to be a member of the Committee.
- 1.4 Unless a chair is elected by the Board, the members of the Committee shall elect a chair from among their number (the “**Chair**”). The Chair shall be responsible for leadership of the Committee, including preparing the agenda, presiding over the meetings and reporting to the Board.
- 1.5 The Committee, through its Chair, shall have access to such officers and employees of the Corporation and to the Corporation’s external auditors and its legal counsel, and to such information respecting the Corporation as it considers to be necessary or advisable in order to perform its duties.
- 1.6 Notice of every meeting shall be given to the external auditors, who shall, at the expense of the Corporation, be entitled to attend and to be heard thereat.
- 1.7 Meetings of the Committee shall be conducted as follows:

- (a) the Committee shall meet four times annually, or more frequently as circumstances dictate, at such times and at such locations as the Chair shall determine;
 - (b) the external auditors or any member of the Committee may call a meeting of the Committee;
 - (c) any director of the Corporation may request the Chair to call a meeting of the Committee and may attend such meeting to inform the Committee of a specific matter of concern to such director, and may participate in such meeting to the extent permitted by the Chair; and
 - (d) the external auditors shall, when required by the Committee, attend any meeting of the Committee
- 1.8 The external auditors shall be entitled to communicate directly with the Chair and may meet separately with the Committee. The Committee, through the Chair, may contact directly any employee of the Corporation as it deems necessary, and any employee may bring before the Committee any matter involving questionable, illegal or improper practices or transactions.
- 1.9 Compensation to members of the Committee shall be limited to directors' fees, either in the form of cash or equity, and members shall not accept consulting, advisory or other compensatory fees from the Corporation.
- 1.10 The Committee is granted the authority to investigate any matter brought to its attention, with full access to all books, records, facilities and personnel of the Corporation. The Committee has the power to engage and determine funding for outside and independent counsel or other experts or advisors as the Committee deems necessary for these purposes and as otherwise necessary or appropriate to carry out its duties and to set Committee members compensation. The Committee is further granted the authority to communicate directly with internal and external auditors.

4. DUTIES

- 4.1 The overall duties of the Committee shall be to:
- (a) assist the Board in the discharge of their duties relating to the Corporation's accounting policies and practices, reporting practices and internal controls and the Corporation's compliance with legal and regulatory requirements;
 - (b) establish and maintain a direct line of communication with the Corporation's external auditors and assess their performance and oversee the coordination of the activities of the external auditors; and
 - (c) be aware of the risks of the business and ensure the Corporation has adequate processes in place to assess, monitor, manage and mitigate these risks as they arise.
- 4.2 The Committee shall be directly responsible for overseeing the work of the external auditor, who shall report directly to the Committee, engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between the Corporation and the external auditors and the overall scope and plans for the audit, and in carrying out such oversight, the Committee's duties shall include:
- (a) recommending to the Board the selection and compensation and, where applicable, the replacement of the external auditor nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation;
 - (b) reviewing, where there is to be a change of external auditors, all issues related to the change, including the information to be included in the notice of

change of auditor called for under NI 51-102 or any successor legislation, and the planned steps for an orderly transition;

- (c) reviewing all reportable events, including disagreements, unresolved issues and consultations, as defined in NI 51-102 or any successor legislation, on a routine basis, whether or not there is to be a change of external auditor;
- (d) reviewing and pre-approving all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Corporation's external auditors to the Corporation or any subsidiary entities;
- (e) reviewing the engagement letters of the external auditors, both for audit and non-audit services;
- (f) consulting with the external auditor, without the presence of the Corporation's officers about the quality of the Corporation's accounting principles, internal controls and the completeness and accuracy of the Corporation's financial statements;
- (g) reviewing annually the performance of the external auditors, who shall be ultimately accountable to the Board and the Committee as representatives of the unitholders of the Corporation, including the fee, scope and timing of the audit and other related services and any non-audit services provided by the external auditors; and
- (h) reviewing and approving the nature of and fees for any non-audit services performed for the Corporation by the external auditors and consider whether the nature and extent of such services could detract from the firm's independence in carrying out the audit function.

4.3 The duties of the Committee as they relate to document and reports reviews shall be to:

- (a) review the Corporation's financial statements, management's discussion and analysis of financial results ("MD&A") and any financial press releases before the Corporation publicly discloses this information; and
- (b) review and periodically assess the adequacy of procedures in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, other than the Corporation's financial statements, MD&A and financial press releases.

4.3 The duties of the Committee as they relate to audits and financial reporting shall be to:

- (a) in consultation with the external auditor, review with the integrity of the Corporation's financial reporting process, both internal and external, and approve, if appropriate, changes to the Corporation's auditing and accounting practices;
- (b) review the audit plan with the external auditor;
- (c) review with the external auditor any proposed changes in accounting policies, the presentation of the impact of significant risks and uncertainties, and key estimates and judgments of the Corporation that may in any such case be material to financial reporting;
- (d) review the contents of the audit report;
- (e) question the external auditor regarding significant financial reporting issues discussed during the fiscal period and the method of resolution;
- (f) review the scope and quality of the audit work performed;

- (g) review the adequacy of the Corporation's financial and auditing personnel;
- (h) review the co-operation received by the external auditor from the Corporation's personnel during the audit, any problems encountered by the external auditors and any restrictions on the external auditor's work;
- (i) review the internal resources used;
- (j) review the evaluation of internal controls by the internal auditor (or persons performing the internal audit function) and the external auditors, together with the Corporation's response to the recommendations, including subsequent follow-up of any identified weaknesses;
- (k) review the appointments of the chief financial officer, internal auditor (or persons performing the internal audit function) of the Corporation and any key financial executives involved in the financial reporting process;
- (l) review and approve the Corporation's annual audited financial statements and those of any subsidiaries in conjunction with the report of the external auditors thereon, and obtain an explanation from the Corporation of all significant variances between comparative reporting periods before release to the public;
- (m) establish procedures for
 - (A) the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters; and
 - (B) the confidential, anonymous submission of concerns regarding questionable accounting or auditing matters; and
- (n) review the terms of reference for an internal auditor or internal audit function.

4.5 The duties of the Committee as they relate to accounting and disclosure policies and practices shall be to:

- (a) review changes to accounting principles of the Canadian Institute of Chartered Accountants which would have a significant impact on the Corporation's financial reporting as reported to the Committee by the Corporation and the external auditors;
- (b) review the appropriateness of the accounting policies used in the preparation of the Corporation's financial statements and consider recommendations for any material change to such policies;
- (c) review the status of material contingent liabilities as reported to the Committee by the Corporation or the external auditors;
- (d) review the status of income tax returns and potentially significant tax problems as reported to the Committee by the Corporation;
- (e) review any errors or omissions in the current or prior year's financial statements;
- (f) review, and approve before their release, all public disclosure documents containing audited or unaudited financial information including all earnings, press releases, MD&A, prospectuses, annual reports to unitholders and annual information forms, as applicable; and
- (g) oversee and review all financial information and earnings guidance provided to analysts and rating agencies.

4.6 The other duties of the Committee shall include:

- (a) reviewing any related-party transactions not in the ordinary course of business;
- (b) reviewing any inquires, investigations or audits of a financial nature by governmental, regulatory or taxing authorities;
- (c) formulating clear hiring policies for partners, employees or former partners and employees of the Corporation's external auditors;
- (d) reviewing annual operating and capital budgets;
- (e) reviewing and reporting to the Board on difficulties and problems with regulatory agencies which are likely to have a significant financial impact;
- (f) inquiring of the Corporation and the external auditors as to any activities that may be or may appear to be illegal or unethical;
- (g) ensuring procedures are in place for the receipt, retention and treatment of complaints and employee concerns received regarding accounting or auditing matters and the confidential, anonymous submission by employees of the Corporation of concerns regarding such; and
- (h) reviewing any other questions or matters referred to it by the Board.

APPENDIX “B”

**Incentive Stock Option Plan
(see attached)**

GREEN RISE FOODS INC.
(the “Corporation”)

STOCK OPTION PLAN

1. Defined Terms

Capitalized terms used herein but not defined in this Section have the respective meanings given to such terms below.

“Completion of Qualifying Transaction” has the meaning ascribed to it in Policy 2.4 of the TSX-V.

“Consultant” means an individual (or a company controlled by such individual) who:

- (a) provides ongoing consulting services to the Corporation or any subsidiary of the Corporation under a written contract;
- (b) possesses technical, business or management expertise of value to the Corporation or any subsidiary of the Corporation;
- (c) spends a significant amount of time and attention on the business and affairs of the Corporation or any subsidiary of the Corporation; and
- (d) has a relationship with the Corporation or any subsidiary of the Corporation that enables the individual to be knowledgeable about the business and affairs of the Corporation;

and includes,

- (e) for an individual Consultant, a corporation of which the individual Consultant is an employee or shareholder, and a partnership of which the individual Consultant is an employee or partner; and
- (f) for a Consultant that is not an individual, an employee, executive officer, or director of the Consultant, provided that the individual employee, executive officer, or director spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or a subsidiary of the Corporation.

“Discounted Market Price” has the meaning ascribed to it in Policy 1.1 of the TSX-V.

“Employee” means:

- (a) an individual who is considered an employee under the Income Tax Act (Canada) (i.e., for whom income tax, employment insurance and Canada Pension Plan deductions must be made at source);
- (b) an individual who works full-time for the Corporation or any subsidiary of the Corporation providing services normally provided by an employee and who is subject to the same control and direction by the Corporation or any subsidiary of the Corporation over the details and methods of work as an employee of the Corporation or any subsidiary of the Corporation, but for whom income tax deductions are not made at source; or
- (c) an individual who works for the Corporation or any subsidiary of the Corporation 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 of the Corporation or any subsidiary of the Corporation over the details and methods of work as an employee of the Corporation or any subsidiary of the Corporation, but for whom income tax deductions are not made at source.

“Final Exchange Bulletin” has the meaning ascribed to it in Policy 2.4 of the TSX-V.

“Initial Public Offering” has the meaning ascribed to it in Policy 1.1 of the TSX-V.

“Insider” means:

- (a) a director or officer of the Corporation;
- (b) a director or officer of a company that is an Insider or subsidiary of the Corporation;
- (c) a Person that beneficially owns or controls, directly or indirectly, voting shares carrying more than 10% of the voting rights attached to all outstanding voting shares of the Corporation; or
- (d) the Corporation itself if it holds any of its own securities.

“Investor Relations Activities” means activities or oral or written communications, by or on behalf of the Corporation or a shareholder of the Corporation, that promote or reasonably could be expected to promote the purchase or sale of securities of the Corporation, but does not include:

- (a) the dissemination of information provided, or records prepared, in the ordinary course of business of the Corporation:
 - (i) to promote the sale of products or services of the Corporation; or
 - (ii) to raise public awareness of the Corporation;

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

- (b) activities or communications necessary to comply with the requirements of:
 - (i) any and all securities laws applicable to the Corporation; or
 - (ii) requirements of the TSX-V or the by-laws, rules or other regulatory instruments of any other self regulatory body or exchange having jurisdiction over the Corporation;
- (c) 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:
 - (i) the communication is only through the newspaper, magazine or publication; and
 - (ii) the publisher or writer receives no commission or other consideration other than for acting in the capacity of publisher or writer; and
- (d) activities or communications that may be otherwise specified by the TSX- V.

“Participant” means any such person having been selected for participation in this Plan by the Board.

“Person” means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual, or an individual.

“Qualifying Transaction” has the meaning ascribed to it in Policy 2.4 of the TSX-V. **“Resulting Issuer”** has the meaning ascribed to it in Policy 1.1 of the TSX-V.

“Technical Consultants” means individuals whose particular industry expertise in relation to the business of the Vendors (as defined in Policy 2.4 of the TSX-V) or the Target Company (as defined in Policy 2.4 of the TSX-V), as the case may be, is required to evaluate the proposed Qualifying Transaction.

“TSX-V” means the TSX Venture Exchange.

2. The Plan

A stock option plan (the **“Plan”**) pursuant to which options (hereinafter, an **“Option”** or **“Options”**) to purchase common shares of the Corporation or such other shares or other securities as may be substituted therefor or may be acquired by a Participant upon the exercise of an Option the terms of which have been modified in accordance with Section 16 below (collectively, the **“Shares”**) in the capital of the **“Corporation”** may be granted to the Participants is hereby established on the terms and conditions set forth herein.

3. Purpose

The purpose of this Plan is to advance the interests of the Corporation by encouraging the directors, officers and key employees of the Corporation and consultants retained by the Corporation to acquire Shares, thereby:

- (a) increasing the proprietary interests of such persons in the Corporation;
- (b) aligning the interests of such persons with the interests of the Corporation’s shareholders generally;
- (c) encouraging such persons to remain associated with the Corporation; and
- (d) furnishing such persons with an additional incentive in their efforts on behalf of the Corporation.

4. Administration

- (a) This Plan shall be administered by the board of directors of the Corporation (the **“Board”**).
- (b) Subject to the terms and conditions set forth herein, the Board is authorized to provide for the granting, exercise and method of exercise of Options, all on such terms as it shall determine in its sole discretion. In addition, the Board shall have the authority to:
 - (i) construe and interpret this Plan and all option agreements entered into hereunder;
 - (ii) prescribe, amend and rescind rules and regulations relating to this Plan; and
 - (iii) make all other determinations necessary or advisable for the administration of this Plan. All determinations and interpretations made by the Board shall be binding on

all Participants (as hereinafter defined) and on their legal and personal representatives and beneficiaries.

- (c) Notwithstanding the foregoing or any other provision contained herein, the Board shall have the right to delegate the administration and operation of this Plan, in whole or in part, to a committee of the Board or to the Chief Executive Officer or any other officer of the Corporation. Whenever used herein, the term “Board” shall be deemed to include any committee or officer to which the Board has, fully or partially, delegated responsibilities and/or authority relating to the Plan or the administration and operation of the Plan pursuant to this Section 4.
- (d) Options to purchase the Shares granted hereunder shall be evidenced by an agreement, signed on behalf of the Corporation and by the person to whom an Option is granted, which agreement shall be in such form as the Board shall approve, as amended from time to time by the Board.

5. Shares Subject to Plan

- (a) Subject to Section 16 below, the securities that may be acquired by Participants under this Plan shall consist of authorized but unissued Shares.
- (b) The aggregate number of Shares reserved for issuance under this Plan, or any other plan or agreement of the Corporation, shall not exceed ten percent (10%) of the total number of issued and outstanding Shares (calculated on a non-diluted basis).
- (c) If any Option granted under this Plan shall expire or terminate for any reason without having been exercised in full, any unpurchased Shares to which such Option relates shall be available for the purposes of the granting of Options under this Plan.
- (d) Pursuant to the Plan, no Options shall be granted that would result in Insiders receiving, within a 12-month period, Options exceeding 10% of the total number of issued and outstanding Shares (calculated on a non-diluted basis).

6. Maintenance of Sufficient Capital

The Corporation shall at all times during the term of this Plan ensure that the number of Shares it is authorized to issue shall be sufficient to satisfy the requirements of this Plan.

7. Eligibility and Participation

- (a) The Board may from time to time, in its sole discretion, grant an Option to any Participant, upon such terms, conditions and limitations as the Board may determine, including the terms, conditions and limitations set forth herein and pursuant to the terms and conditions of an individual option agreement set forth as Schedule “A”, provided that Options granted to any Participant or a reduction in the exercise price of a previously granted Option shall be approved by the applicable shareholders of the Corporation if the rules of the TSX-V require such approval.
- (b) The Board may, in its discretion, select any of the following Persons to participate in this Plan, provided that any such Person, at the time of issuance, was:

- (i) a director of the Corporation or any subsidiary of the Corporation;
 - (ii) an officer of the Corporation or any subsidiary of the Corporation;
 - (iii) an Employee of the Corporation, or any subsidiary of the Corporation;
 - (iv) a Consultant retained by the Corporation or any subsidiary of the Corporation; or
 - (v) a Consultant retained to carry out Investor Relations Activities for the Corporation.
- (c) The granting of an Option to an Employee or Consultant constitutes a representation by the Corporation that such Participant is a *bona fide* Employee or Consultant, as the case may be.

8. Exercise Price

The Board shall, at the time an Option is granted under this Plan, fix the exercise price at which Shares may be acquired upon the exercise of such Option provided that the minimum exercise price shall not be less than the Discounted Market Price. The Discounted Market Price is the Market Price of the Shares, less a discount which shall not exceed 25% if the Market Price is \$0.50 or less, 20% if the Market Price is from \$0.51 to \$2.00 and 15% if the Market Price is above \$2.00. Where used herein “Market Price” means, subject to certain exceptions required by the rules of the Exchange, the last daily closing price of the Shares before the issuance of the news release required to fix the price at which the securities are issued or deemed to be issued.

Any reduction in the exercise price of an Option held by an Insider at the time of the proposed amendment shall be subject to disinterested shareholder approval.

9. Number of Optioned Shares

The number of Shares that may be acquired under an Option granted to a Participant shall be determined by the Board as at the time the Option is granted, provided that the aggregate number of Shares reserved for issuance to:

- (a) any one Participant (other than a Consultant or a person employed in Investor Relations Activities) together with such Participant’s participation in any other plan of the Corporation, shall not exceed five percent (5%) of the total number of issued and outstanding Shares in any 12-month period (calculated on a non-diluted basis); and
- (b) any one Consultant, shall not exceed two percent (2%) of the total number of issued and outstanding Shares in any 12-month period (calculated on a non-diluted basis); and
- (c) all persons employed in Investor Relations Activities, in the aggregate, shall not exceed two percent (2%) of the total number of issued and outstanding Shares in any 12-month period (calculated on a non-diluted basis).

10. Term

The period during which an Option may be exercised (the “Option Period”) shall be determined by the Board at the time the Option is granted, subject to any vesting limitations which may be imposed by the Board in its sole unfettered discretion at the time such Option is granted, provided that:

- (a) no Option shall be exercisable for a period exceeding five years from the date the Option is granted unless otherwise specifically provided by the Board and authorized by the Exchange, if applicable, and in any event, no Option shall be exercisable for a period exceeding 10 years from the date the Option is granted;
- (b) each Option granted shall become exercisable in respect of one-third (1/3) of the Shares subject to such Option after each anniversary of the granting of such Option (i.e. 1/3 of such Shares after the first anniversary, 2/3 of such Shares after the second anniversary, etc.);
- (c) for a Participant employed in Investor Relations Activities, Options must vest over a period of twelve (12) months from the date the Option is granted, with no more than one-fourth (1/4) of the Options vesting in any three (3) month period;
- (d) the Option Period shall be automatically reduced in accordance with Sections 12 and 13 below upon the occurrence of any of the events referred to therein; and
- (e) no Option in respect of which shareholder approval is required under the rules of any Exchange shall be exercisable until such time as the Option has been approved by the shareholders of the Corporation.

11. Method of Exercise of Option

- (a) Except as set forth in Sections 12 and 13 below or as otherwise determined by the Board, no Option may be exercised unless the holder of such Option is, at the time the Option is exercised, a Participant.
- (b) Options may be exercised in whole or in part and may be exercised on a cumulative basis where a vesting limitation has been imposed at the time of grant.
- (c) Any Participant (or his legal, personal representative) wishing to exercise an Option shall deliver to the Corporation, at its principal office in the City of Toronto, Ontario:
 - (i) a written notice expressing the intention of such Participant (or his or her legal, personal representative) to exercise his or her Option and specifying the number of Shares in respect of which the Option is exercised; and
 - (ii) a cash payment, cheque or bank draft, representing the full purchase price of the Shares in respect of which the Option is exercised.
- (d) Upon the exercise of an Option as aforesaid, the Corporation shall use its reasonable efforts to forthwith deliver, or cause the registrar and transfer agent of the Shares to deliver, to the relevant Participant (or his or her legal, personal representative) or to the order thereof, a certificate representing the aggregate number of fully paid and non-assessable Shares as the Participant (or his or her legal, personal representative) shall have then paid for.

12. Ceasing to be a Director, Officer, Employee or Consultant

If any Participant shall cease to be a director, officer, Employee or Consultant of the Corporation or any subsidiary of the Corporation for any reason other than death, permanent disability or normal

retirement, his or her Option will terminate at 5:00 p.m. (Toronto time) on the earlier of the date of the expiration of the Option Period and:

- (a) for Participants other than those employed in Investor Relations Activities, 90 days after the date such Participant ceases to be a director, officer, Employee or Consultant of the Corporation, or any subsidiary of the Corporation; and
- (b) for Participants employed in Investor Relations Activities, 30 days after the date such Participant ceases to be employed in Investor Relations Activities.

If such cessation or termination is by reason of substantial breach or cause on the part of the Participant, the Options shall be automatically terminated forthwith and shall be of no further force or effect.

Neither the selection of any person as a Participant nor the granting of an Option to any Participant under this Plan shall:

- (a) confer upon such Participant any right to continue as a director, officer, Employee or Consultant of the Corporation, or any subsidiary of the Corporation as the case may be; or
- (b) be construed as a guarantee that the Participant will continue as a director, officer, Employee or Consultant of the Corporation, or any subsidiary of the Corporation as the case may be.

13. Death, Permanent Disability or Normal Retirement of a Participant

In the event of the death, permanent disability or normal retirement of a Participant, any Option previously granted to such Participant shall be exercisable until the end of the Option Period or until the expiration of 12 months or a period determined by the Board, after the date of death, permanent disability or normal retirement of such Participant, whichever is earlier, and then, in the event of death or permanent disability, only:

- (a) by the Participant or person or persons to whom the Participant's rights under the Option shall pass by the Participant's will or by applicable law; and
- (b) to the extent that the Participant was entitled to exercise the Option as at the date of his death or permanent disability.

14. Rights of Participants

No person entitled to exercise any Option granted under this Plan shall have any of the rights or privileges of a shareholder of the Corporation in respect of any Shares issuable upon exercise of such Option until such Shares have been paid for in full and issued to such person.

15. Proceeds from Exercise of Options

The proceeds from any sale of Shares issued upon the exercise of Options shall be added to the general funds of the Corporation and shall thereafter be used from time to time for such corporate purposes as the Board may determine and direct.

16. Adjustments

- (a) The number of shares subject to the Plan shall be increased or decreased proportionately in the event of the subdivision or consolidation of the outstanding Shares of the Corporation, and in any such event, a corresponding adjustment shall be made changing the number of Shares deliverable upon the exercise of any Option granted prior to such event without any change in the total price applicable to the unexercised portion of the Option, but with a corresponding adjustment in the price for each Share covered by the Option. In case the Corporation is reorganized or merged or consolidated or amalgamated with another corporation, appropriate provisions shall be made for the continuance of the Options outstanding under this Plan and to prevent their dilution or enlargement.
- (b) Adjustments under this Section 16 shall be made by the Board, whose determination as to what adjustments shall be made, and the extent thereof, shall be final, binding and conclusive. No fractional Shares shall be issued under this Plan on any such adjustment.

17. Transferability

All benefits, rights and Options accruing to any Participant in accordance with the terms and conditions of this Plan shall not be transferable or assignable except, where qualified, to a registered retirement or similar plan where the Participant is the annuitant thereof. During the lifetime of a Participant, any Options granted hereunder may only be exercised at the direction of the Participant and in the event of the death or permanent disability of a Participant, by the person or persons to whom the Participant's rights under the Option pass by the Participant's will or by applicable law. Any transfer of Options by a Participant is subject to the approval of the TSX-V.

18. Amendment and Termination of Plan

- (a) The Board may amend the Plan at any time, provided however, that no such amendment may materially and adversely affect any Option previously granted to a Participant without the consent of the Participant, except to the extent required by law. Any such amendment shall, if required, be subjected to the prior approval of, or acceptance by, the TSX-V.
- (b) Notwithstanding anything contained to the contrary in this Plan or in any resolution of the Board in implementation thereof:
 - (i) in the event that the Corporation is reorganized or merged or consolidated or amalgamated with another corporation, appropriate provisions shall be made for the continuance of all Options and to prevent dilution or enlargement of outstanding Options. Adjustments under this Section 18 shall be made by the Board (or by such committee or persons as may be delegated such authority by the Board), whose determination as to what adjustments shall be made, and the extent thereof, shall be final, binding and conclusive. No fractional Shares shall be issued on any such adjustment;
 - (ii) in the event of the sale by the Corporation of all or substantially all of the assets of the Corporation as an entirety or substantially as an entirety so that the Corporation shall cease to operate as an active business, any outstanding Option may be exercised as to all or any part of the optioned Shares in respect of which the Participant would have been entitled to exercise the Option in accordance with the provisions of the Plan at the date of the Plan of any such sale at any time up

to and including, but not after the earlier of: (A) the close of business on that date which is thirty (30) days following the date of completion of such sale; and (B) the close of business on the expiration date of the Option; but the Participant shall not be entitled to exercise the Option with respect to any other optioned Shares;

- (c) Notwithstanding the provisions of this Section 18, should changes be required to the Plan by any securities commission, stock exchange or other government or regulatory body of any jurisdiction to which the Plan or the Corporation now is or hereafter becomes subject, such changes shall be made to the Plan as are necessary to conform with such requirements and, if such changes are approved by the Board, the Plan, as amended, shall be filed with the records of the Corporation and shall remain in full force and effect in its amended form as of and from the date of its adoption by the Board.
- (d) Notwithstanding any other provisions of this Plan, the Board may at any time by resolution terminate this Plan. In such event, all Options then outstanding and granted to a Participant may be exercised by the Participant for a period of thirty (30) days after the date on which the Corporation shall have notified all Participants of the termination of this Plan, but only to the same extent as the Participants could have exercised such Options immediately prior to the date of such notification.

19. Provisions prior to Qualifying Transaction

Notwithstanding anything to the contrary in this Plan, until the Corporation completes its Qualifying Transaction the following provisions shall be applicable:

- (a) Options may only be granted to:
 - (i) directors of the Corporation;
 - (ii) officers of the Corporation; and
 - (iii) Technical Consultants of the Corporation;
- (b) The aggregate number of Shares reserved for issuance under this Plan, or any other plan of the Corporation, shall not exceed ten percent of the total number of Shares (calculated on a non diluted basis) issued and outstanding following the closing of the Corporation's Initial Public Offering.
- (c) The aggregate number of Shares reserved for issuance to any individual director or officer of the Corporation under this Plan shall not exceed five percent of the total number of Shares (calculated on a non-diluted basis) issued and outstanding following the closing of the Corporation's Initial Public Offering.
- (d) The aggregate number of Shares reserved for issuance to any individual Technical Consultant of the Corporation under this Plan shall not exceed two percent of the total number of Shares (calculated on a non diluted basis) issued and outstanding following the closing of the Corporation's Initial Public Offering.
- (e) No Options may be granted to any persons providing Investor Relations Activities, promotional or market-making services.

- (f) The exercise price of any Options cannot be less than the greater of the offering price of the Shares pursuant to the Corporation's IPO and the Discounted Market Price.
- (g) No Option may be exercised before the closing of the Corporation's Initial Public Offering, unless the Participant agrees in writing to deposit the shares acquired into escrow until the issuance of the Final Exchange Bulletin.
- (h) Unless otherwise permitted by the TSX-V, Options granted to any Participant that does not continue as a director, officer or Technical Consultant or an Employee of the Corporation or the Resulting Issuer, have a maximum term of the later of 12 months after the Completion of the Qualifying Transaction and 90 days after the Participant ceases to be a director, officer, Technical Consultant or Employee of the Resulting Issuer.

20. Necessary Approvals

The obligation of the Corporation to issue and deliver Shares in accordance with this Plan is subject to applicable securities legislation and to the receipt of any approvals that may be required from any regulatory authority or stock exchange having jurisdiction over the securities of the Corporation. If Shares cannot be issued to a Participant upon the exercise of an Option (for any reason whatsoever) the obligation of the Corporation to issue such Shares shall terminate and any funds paid to the Corporation in connection with the exercise of such Option will be returned to the relevant Participant as soon as practicable.

21. Stock Exchange Rules

This Plan and any option agreements entered into hereunder shall comply with the requirements from time to time of the TSX-V.

22. Right to Issue Other Shares

The Corporation shall not by virtue of this Plan be in any way restricted from declaring and paying stock dividends, issuing further shares of any class of the Corporation, including, without limitation, common shares of the Corporation, varying or amending its share capital or corporate structure or conducting its business in any way whatsoever.

23. Notice

Any notice required to be given by this Plan shall be in writing and shall be given by registered mail, postage prepaid or delivered by courier or by facsimile transmission addressed, if to the Corporation, at its principal address at 199 Bay Street, Suite 4000, Commerce Court West, Toronto, Ontario, M5L 1A9, Attention: Vincent Narang; or if to a Participant, to such Participant at his or her address as it appears on the books of the Corporation or in the event of the address of any such Participant not so appearing then to the last known address of such Participant; or if to any other person, to the last known address of such person.

24. Gender

Whenever used herein words importing the masculine gender shall include the feminine and neuter genders and vice versa.

25. Interpretation

This Plan will be governed by and construed in accordance with the laws of the Province of Ontario.