



ABATTIS BIOCEUTICALS CORP.

NOTICE OF ANNUAL GENERAL MEETING  
AND MANAGEMENT INFORMATION CIRCULAR

Date and Time: May 29, 2017 at 10:00 AM PST

Place: Suite 900 - 885 West Georgia Street  
Vancouver, BC V6C 3H1

**April 28, 2017**

*This document requires immediate attention. If you are in doubt as to how to deal with the documents or matters referred to in this notice and information circular, you should immediately contact your advisor.*

**ABATTIS BIOCEUTICALS CORP.**

**NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS  
TO BE HELD ON MONDAY, MAY 29, 2017**

TO: The shareholders of Abattis Bioceuticals Corp.

NOTICE IS HEREBY GIVEN that the annual general meeting of the shareholders of Abattis Bioceuticals Corp. (the “**Corporation**”) will be held at Suite 900 - 885 West Georgia Street, Vancouver, BC, on Monday, May 29, 2017, at 10:00 a.m. (Vancouver time) (the “**Meeting**”), for the following purposes:

1. to receive the audited consolidated financial statements of the Corporation for the financial years ended September 30, 2016 and September 30, 2015, together with the reports of the auditors thereon;
2. to set the number of directors to six (6) and to elect directors of the Corporation for the ensuing year;
3. to appoint the auditors of the Corporation for the ensuing year and to authorize the directors to fix the remuneration to be paid to the auditors for the ensuing year; and
4. to transact such other business as may properly come before the Meeting or any adjournment(s) or postponement(s) thereof.

Accompanying this Notice of Meeting is the Management Information Circular, a form of proxy and a financial statement request form.

Registered shareholders who are unable to attend the Meeting are requested to complete, sign, date and return the enclosed form of proxy in accordance with the instructions set out therein and in the Management Information Circular accompanying this Notice of Meeting. A proxy will not be valid unless it is received by Computershare Investor Services Inc., 9th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1 not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time fixed for the Meeting or any adjournment(s) or postponement(s) thereof. The chairman of the Meeting has the discretion to accept proxies received after that time.

DATED at Vancouver, British Columbia, this 28<sup>th</sup> day of April, 2017.

BY ORDER OF THE BOARD OF DIRECTORS

*“Robert Abenante”*

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Robert Abenante  
President and Chief Executive Officer

***If you are a non-registered shareholder of the Corporation and receive these materials through your broker or through another intermediary, please complete and return the materials in accordance with the instructions provided to you by your broker or by the other intermediary. Failure to do so may result in your common shares not being eligible to be voted by proxy at the Meeting.***

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## MANAGEMENT INFORMATION CIRCULAR

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### INFORMATION CONTAINED IN THIS CIRCULAR

This management information circular (the “**Circular**”) is being furnished to holders (the “**Shareholders**”) of common shares (“**Common Shares**”) in the capital of Abattis Bioceuticals Corp. (the “**Corporation**”) in connection with the solicitation of proxies by management of the Corporation for use at the annual general meeting of Shareholders to be held at 10:00 a.m. (Vancouver time) on Monday, May 29, 2017 at Suite 900 - 885 West Georgia Street, Vancouver, BC V6C 3H1, and any adjournment(s) or postponement(s) thereof (the “**Meeting**”) for the purposes set forth in the notice of meeting dated April 28, 2017 (the “**Notice of Meeting**”).

It is expected that the solicitation will be primarily by mail. Proxies may also be solicited personally by officers of the Corporation at nominal cost. The cost of this solicitation will be borne by the Corporation. The Notice of Meeting, this Circular and a form of proxy (the “**Proxy**”), which includes a financial statement request form, will be mailed to beneficial owners of Common Shares commencing on or about May 2, 2017. In this Circular, except where otherwise indicated, all dollar amounts are expressed in Canadian currency.

The information contained in this Circular is given as at April 28, 2017, unless otherwise noted.

### RECORD DATE

The board of directors of the Corporation (the “**Board**”) has set the close of business on April 24, 2017 as the record date (the “**Record Date**”) for determining which Shareholders shall be entitled to receive notice of and to attend and vote at the Meeting. Only Shareholders of record as of the Record Date are entitled to receive notice of and to attend and vote at the Meeting. Persons who acquire Common Shares after the Record Date will not be entitled to vote such Common Shares at the Meeting.

### APPOINTMENT OF PROXYHOLDERS

The persons named in the accompanying Proxy as proxyholders are management’s representatives. A Shareholder has the right to appoint a person or company who need not be a Shareholder, other than the persons designated in the enclosed Proxy, to attend and act on behalf of the Shareholder at the Meeting. A Shareholder wishing to exercise this right may do so either by striking out the printed names and inserting the desired person or company’s name in the blank space provided in the Proxy or by completing another proper Proxy. To be valid, the Proxy must be signed by the Shareholder or the Shareholder’s attorney authorized in writing or, if the Shareholder is a corporation, by a duly authorized officer or attorney. The Proxy, to be acted upon, must be deposited with the Corporation, c/o its agent, Computershare Investor Services Inc., by delivery to: Proxy Department, 100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1 or by telephone or over the internet as specified in the form or proxy, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time fixed for the Meeting or any adjournment(s) or postponement(s). The chairman of the Meeting has the discretion to accept proxies received after that time. Failure to properly complete or deposit a Proxy may result in its invalidation.

## VOTING OF PROXIES

If the Proxy is completed, signed and delivered to the Corporation, the persons named as proxyholders therein shall vote or withhold from voting the Common Shares in respect of which they are appointed as proxyholders at the Meeting in accordance with the instructions of the Shareholder appointing them, on any show of hands and/or on any ballot that may be called for and, if the Shareholder specifies a choice with respect to any matter to be acted upon at the Meeting, the persons appointed as proxyholders shall vote accordingly. The Proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to the matters identified in the Notice of Meeting and with respect to all amendments, variations and other matters, which may properly come before the Meeting or any adjournment(s) or postponement(s) thereof. As of the date of this Circular, 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 or persons voting the Proxy.

**If no choice is specified by a Shareholder with respect to any matter identified in the Proxy or any amendment or variation to such matter, it is intended that the persons designated by management in the Proxy will vote the Common Shares represented thereby IN FAVOUR of such matter.**

## NON-REGISTERED HOLDERS

**Only registered Shareholders or duly appointed proxyholders are permitted to attend and vote at the Meeting. Most Shareholders are “non-registered shareholders” because the shares they own are not registered in their name but are instead registered in the name of the brokerage firm, bank or trust corporation through which they purchased their Common Shares.** More particularly, a person is not a registered Shareholder in respect of Common Shares which are held on behalf of that person (the “**Non-Registered Holder**”) but which are registered either: (a) in the name of an intermediary (an “**Intermediary**”) that the Non-Registered Holder deals with in respect of the Common Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (b) in the name of a depository (such as CDS Clearing and Depository Services Inc.) of which the Intermediary is a participant. In accordance with the requirements of applicable securities laws, the Corporation has distributed copies of the Notice of Meeting, this Circular and the Proxy, which contains a financial statement request form (collectively, the “**Meeting Materials**”), to the depositories and Intermediaries for onward distribution to Non-Registered Holders.

Management of the Corporation does not intend to pay for Intermediaries to forward the Meeting Materials or any other proxy-related materials for the Meeting to Non-Registered Holders who are objecting beneficial owners under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*. Non-Registered Holders who are objecting beneficial owners will not receive the Meeting Materials or any other proxy-related materials unless the objecting beneficial owner’s Intermediary assumes the cost of delivery.

Intermediaries are required to forward the Meeting Materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Typically, Intermediaries will use service companies to forward the Meeting Materials to Non-Registered Holders. Non-Registered Holders who have not waived the right to receive Meeting Materials will either:

- (a) receive a Proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature), which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Holder but which is otherwise not completed.

Because the Intermediary has already signed the Proxy, this Proxy is not required to be signed by the Non-Registered Holder when submitting the Proxy. In this case, the Non-Registered Holder who wishes to submit a Proxy should otherwise properly complete and deliver the Proxy; or

- (b) more typically, receive a voting instruction form which is not signed by the Intermediary, and which, when properly completed and signed by the Non-Registered Holder and returned to the Intermediary or its service company, will constitute voting instructions (often called a “**proxy authorization form**”) which the Intermediary must follow.

The purpose of these procedures is to permit Non-Registered Holders to direct the voting of the Common Shares, which they beneficially own. Should a Non-Registered Holder who receives one of the above forms wish to attend and vote at the Meeting in person, the Non-Registered Holder should strike out the names of the management proxyholders and insert the Non-Registered Holder’s name in the blank space provided, or in the case of a proxy authorization form, follow the corresponding instructions on the form. **In either case, Non-Registered Holders should carefully follow the instructions of their Intermediary, including those regarding when and where the Proxy or proxy authorization form is to be delivered.**

#### REVOCABILITY OF PROXY

Any Shareholder returning the enclosed Proxy may revoke the same at any time insofar as it has not been exercised. In addition to revocation in any other manner permitted by law, a Proxy may be revoked by instrument in writing executed by the Shareholder or by his or her attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized, and deposited at the registered office of the Corporation, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment(s) or postponement(s) thereof, or with the chairperson of the Meeting prior to the commencement of the Meeting. A revocation of a Proxy will not affect a matter on which a vote is taken before the revocation.

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

The Corporation’s authorized capital consists of an unlimited number of Common Shares without par value. The Common Shares are the only issued and outstanding voting securities of the Corporation and, the holders thereof being entitled to one vote for each Common Share held. As at the close of business on April 24, 2017, being the Record Date, there were a total of 154,115,809 Common Shares issued and outstanding.

To the knowledge of the directors and executive officers of the Corporation, no person beneficially owns, or controls or directs, directly or indirectly, Common Shares carrying 10% or more of the votes attached to the issued and outstanding Common Shares.

#### ELECTION OF DIRECTORS

The Board is recommending six persons (the “**Nominees**”) for election at the Meeting. Each of the six persons whose name appears below is proposed by the Board to be nominated for election as a director of the Corporation to serve until the next annual general meeting of the Shareholders or until the director sooner ceases to hold office.

It is the intention of the persons named in the enclosed form of proxy to vote **FOR** the resolution electing the Nominees as directors of the Corporation for the ensuing year, at a remuneration to be fixed by the Board, unless the Shareholder has specified in the Shareholder’s proxy that the Shareholder’s Common Shares are to be withheld from voting on the election of such directors.

The number of directors may be fixed or changed from time to time by ordinary resolution. The Corporation currently has six directors, four of whom are standing for election at the Meeting. It is the intention of the persons named in the enclosed form of proxy to **vote FOR** the resolution setting the number of directors at six.

The following table (and notes thereto) states the name and province and country of residence of each Nominee, all offices of the Corporation now held by him, the period of time for which he has been a director of the Corporation and the number of Common Shares of the Corporation beneficially owned by him, directly or indirectly, or over which he exercises control or direction, as at the date hereof:

<b>Name, Province and Country of Residence</b>	<b>Present Principal Occupation</b>	<b>Current Position(s) with the Corporation</b>	<b>Director Since</b>	<b>Number of Common Shares<sup>(1)</sup></b>
Dr. William Panenka, MD, MSc, FRCPC (Neurology and Psychiatry) British Columbia, Canada	Assistant Professor, University of British Columbia, Canada Member British Columbia Provincial Neuropsychiatry Program Medical Lead Neuropsychiatry Concussion Clinic and Fraser Health Acquired Brain Injury Concussion Clinic	Director	November 2, 2016	1,036,500
James Irving British Columbia, Canada	Head of Business Development for Able BC (Alliance of Beverage Licences BC). Director of Fundraising & Sponsorship for the BC Hospitality Foundation.	Director	September 1, 2015	1,348,280 <sup>(3)</sup>
Dr. Shuang Xie British Columbia, Canada	Graduated from Zhejiang University in 1987 and Queen's University in 1993. Currently appointed as overseas talent for the Chinese government/ Expert consultant for Zhejiang University Innovation Research Institute.	Director and Chief Technology Advisor	November 14, 2016	1,070,000
Rene David British Columbia, Canada	Mr. David has held the offices of Chief Operating Officer and Chief Financial Officer of the Corporation since October, 2013.	CFO, COO, Director	March 2017	8,748,637 <sup>(4)</sup>

Name, Province and Country of Residence	Present Principal Occupation	Current Position(s) with the Corporation	Director Since	Number of Common Shares <sup>(1)</sup>
	<p>Mr. David has extensive experience in banking having started his career at VanCity Savings and Credit Union.</p> <p>Mr. David has extensive experience in real estate development, resource, and water rights internationally.</p>			
<p>Peter Gordon British Columbia Canada</p>	<p>Mr. Gordon is a consultant with over 40 years of experience in real-estate development, construction, government relations and business strategy.</p> <p>He owns a licensed pharmacy in Vancouver. He has sat on many boards, including the Giuseppe Garibaldi Foundation and most recently on the Board of the Squamish Hospital Foundation.</p>	<p>Proposed Director</p>	<p>To be Nominated</p>	<p>93,176<sup>(5)</sup></p>
<p>Robert Abenante British Columbia Canada</p>	<p>Mr. Abenante holds a Bachelors of Business Administration and a Masters in Professional Accounting.</p> <p>Mr. Abenante is a Chartered Accountant and a Chartered Professional Accountant.</p> <p>Mr. Abenante has extensive experience as a senior executive in both private and public companies globally.</p> <p>Mr. Abenante has held the office of Chief Executive Officer of the Corporation since April 7, 2017.</p>	<p>Proposed Director</p>	<p>To be Nominated</p>	<p>339,362<sup>(6)</sup></p>

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Notes

- (1) This information has been furnished by the respective directors.  
(2) Denotes Member of Audit Committee  
(3) Does not include options to purchase 250,000 Common Shares held by Mr. Irving.
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- (4) Crimson Opportunities Ltd., a company owned by Mr. David owns 7,552,293 Common Shares of the Corporation, Mr. David owns 1,196,344 Common Shares of the Corporation. Does not include 4,435,000 options to purchase Common shares held by Crimson Opportunities Ltd.
  - (5) PV Gordon Holdings, a company owned by Mr. Gordon, owns 93,176 Common Shares of the Corporation.
  - (6) 1053345 B.C. Ltd., a company owned by Mr. Abenante, owns 339,362 Common Shares of the Corporation.
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### **Orders**

To the best of management's knowledge, no proposed director of the Corporation is, or within the ten (10) years before the date of this Information Circular has been, a director, chief executive officer or chief financial officer of any company that:

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

### **Bankruptcies**

To the best of management's knowledge, no proposed director of the Corporation is, or within ten (10) years before the date of this Information Circular, has been, a director or an executive officer of any company that, while the person was acting in that capacity, or within a year of that person ceasing to act in the capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets or made a proposal under any legislation relating to bankruptcies or insolvency.

To the best of management's knowledge, no proposed director of the Corporation has, within the ten (10) years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

### **Penalties and Sanctions**

To the best of management's knowledge, no proposed director of the Corporation has been subject to: (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.



## STATEMENT OF EXECUTIVE COMPENSATION

Based on the requirements of Form 51-102F6V-*Statement of Executive Compensation – Venture Issuers*, all direct and indirect compensation provided to certain executive officers, and directors for, or in connection with, services they have provided to the Corporation or a subsidiary of the Corporation must be disclosed in this form. Based on new legislation the Corporation is required to disclose annual and long-term compensation for services in all capacities to the Corporation and its subsidiaries for two most recently completed financial years in respect of the individuals comprised of the Chief Executive Officer (“CEO”), the Chief Financial Officer (“CFO”) and one most highly compensated executive officers of the Corporation whose individual total compensation for the most recently completed financial year exceeds \$150,000, and any individual who would have satisfied these criteria but for the fact that the individual was not serving as an officer at the end of the most recently completed financial year (the “**Named Executive Officers**” or “**NEOs**”).

Directors and named executive officer compensations have been disclosed based on requirement of new form 51-102F6V under below tables as follows:

1. Table of compensation excluding compensation securities;
2. Stock options and other compensation securities; and
3. Exercise of Compensation Securities by directors and NEO’s.

### **Named Executive Officers of the Corporation for the Year Ended September 30, 2016**

During the fiscal year ended September 30, 2016, the Corporation had three NEOs: William (Bill) Fleming (CEO), Michael Yung (CEO) and Rene David (CEO, CFO and COO).

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

The following disclosure of all direct and indirect compensation provided to certain executive officers and directors for, or in connection with, services they have provided to the Corporation or a subsidiary of the Corporation is being made in accordance with Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers*.

The purpose of this disclosure is to provide the Shareholders with information about the Corporation’s executive compensation objectives and processes and to discuss compensation decisions relating to its Named Executive Officers as listed in the Compensation Tables below.

The Corporation is a specialty biotechnology company that aggregates, incubates, integrates and invests in the botanical drug development industry. The Corporation develops and licenses natural health products, medicines, extractions and ingredients for the biologics, nutraceutical, biocetical and cosmetic markets – some of which will contain cannabinoid compounds. The Corporation also has an extensive pipeline of high-quality products and intellectual property for the rapidly expanding botanical drug market, and a dealer’s license from Health Canada, with plans to launch a lab to perform testing for medicinal cannabis producers. The Corporation follows strict standard operating protocols, and adhere to the applicable laws of Canada and foreign jurisdictions.

The Corporation has not yet generated any significant revenues from operations and often operates with limited financial resources to ensure that funds are available to complete strategic acquisitions and to develop its products. As a result, the directors of the Corporation have to consider not only the financial situation of the Corporation at the time of the determination of executive compensation, but also the

estimated financial situation of the Corporation in the medium and long term. An important element of executive compensation is that of stock options and incentive and performance share bonuses, which do not require cash disbursements by the Corporation. Additional information about the Corporation and its operations is available in the audited consolidated financial statements and management discussion and analysis (“MD&A”) for the year ended September 30, 2016, which are incorporated by reference herein and available for viewing under the Corporation’s profile on SEDAR at [www.sedar.com](http://www.sedar.com).

Remuneration plays an important role in attracting, motivating, rewarding and retaining knowledgeable and skilled individuals to the Corporation’s management team. The main objectives the Corporation hopes to achieve through its compensation arrangements are:

- to attract and retain executives critical to the Corporation’s success, who will be key in helping the Corporation achieve its corporate objectives and increase shareholder value;
- to motivate the Corporation’s management team to meet or exceed targets;
- to recognize the contribution of the Corporation’s executive officers to the overall success and strategic growth of the Corporation; and
- to align the interests of management and the Corporation’s shareholders by providing performance-based compensation in addition to consulting fees or salary.

The key elements of executive compensation awarded by the Corporation are: (i) base consulting fees/salary; (ii) potential annual and other incentive awards; (iii) potential performance based incentive awards; and (iv) incentive stock options. The goal of the Corporation’s executive compensation system is to attract, motivate and retain the best talent possible while at the same time being fair to its Shareholders. As the Corporation continues to establish itself as a viable business, the Board has created and expects to continue to create a comprehensive set of business performance metrics or industry standard benchmarks to determine executive compensation. Variables that factor into establishing its executive compensation system include, but are not limited to, the following, which are set out in no particular order:

- available working capital;
- pre-determined annual and monthly budgets;
- comparable base salary for positions in similar size corporations;
- weighted criteria relative to the Corporation’s development and growth stage;
- education and experience relative to the industry and position;
- balance between short-term and long-term goals and be relative to achievements within those time periods; and
- paying performance based incentive bonuses for achieving or exceeding pre-determined short and long term goals (i.e., such as: acquisitions/grants of MMPR licenses or controlled substance licenses; financing targets; revenue growth; profit margins; etc.), which may include any or a combination of the following:
  - stock options;
  - cash bonus;
  - stock bonus;
  - benefits;
  - retirement package; and
  - other allowances.

Pursuant to the Corporation's Stock Option Plan (defined below), the Board grants options to directors, executive officers, other employees and consultants as incentives. It is anticipated that during the following year the level of stock options awarded to a Named Executive Officer, if and when granted, will be determined by such NEO's position and his potential future contributions to the Corporation.

Given the Corporation's size and stage of operations, it has not appointed a compensation committee or formalized any guidelines with respect to compensation at this time. The amounts paid to the Named Executive Officers are determined by the independent Board members. The Board determines the appropriate level of compensation reflecting the need to provide incentive and compensation for the time and effort expended by the executives, while taking into account the financial and other resources of the Corporation.

### Director and Named Executive Officer Compensation

The following table (and notes thereto) states the names of each NEO and director, his annual compensation, consisting of salary, consulting fee, bonus and other annual compensation, excluding compensation securities, for each of the Corporation's two most recently completed financial years.

Table of compensation excluding compensation securities							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of perquisites (\$)	Value of other compensations (\$)	Total compensation (\$)
Rene David CEO, CFO, COO <sup>(1)</sup>	2016	\$165,000 <sup>(14)</sup>	Nil <sup>(12)</sup>	Nil	Nil	Nil	\$165,000
	2015	\$165,000 <sup>(15)</sup>	Nil	Nil	Nil	Nil	\$165,000
Michael Yung <sup>(2)</sup> Former CEO	2016	\$58,125 <sup>(16)</sup>	Nil	Nil	Nil	Nil	\$58,125
	2015	Nil	Nil	Nil	Nil	Nil	Nil
William (Bill) Fleming <sup>(3)</sup> Former CEO and Director	2016	\$103,125	Nil	Nil	\$3,500 <sup>(13)</sup>	Nil	\$106,625
	2015	\$110,000	Nil	Nil	\$4,500 <sup>(13)</sup>	Nil	\$114,500
Terence Fealey <sup>(4)</sup> Director	2016	Nil	Nil	Nil	Nil	Nil	Nil
	2015	Nil	Nil	Nil	Nil	Nil	Nil
Guy Dancosse <sup>(5)</sup> Director	2016	\$14,000 <sup>(18)</sup>	Nil	Nil	Nil	Nil	\$14,500
	2015	Nil	Nil	Nil	Nil	Nil	Nil
Jim Irving <sup>(6)</sup> Director	2016	\$14,000 <sup>(18)</sup>	Nil	Nil	Nil	Nil	\$14,000
	2015	Nil	Nil	Nil	Nil	Nil	Nil
Douglas Sorocco <sup>(7)</sup> Director	2016	Nil	Nil	Nil	Nil	Nil	Nil
	2015	Nil	Nil	Nil	Nil	Nil	Nil
Dr. William Panenka <sup>(8)</sup> Director	2016	Nil	Nil	Nil	Nil	Nil	Nil
	2015	Nil	Nil	Nil	Nil	Nil	Nil

Table of compensation excluding compensation securities							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of perquisites (\$)	Value of other compensations (\$)	Total compensation (\$)
Dr. Shuang Xie <sup>(9)</sup> Chief Technology Advisor and Director	2016	\$7,500 <sup>(18)</sup>	Nil	Nil	Nil	Nil	\$7,500
	2015	Nil	Nil	Nil	Nil	Nil	Nil
Maryam Amin Shanjani <sup>(10)</sup> Former Director and Controller	2016	\$38,198 <sup>(18)</sup>	Nil	Nil	Nil	Nil	\$38,198
	2015	Nil	Nil	Nil	Nil	Nil	Nil
Brazos Minshew <sup>(11)</sup> Former Director	2016	Nil	Nil	Nil	Nil	Nil	Nil
	2015	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) Mr. Rene David has been appointed as CEO on August 11, 2016, CFO and COO on November 18, 2013. Mr. David resigned as CEO on April 7 2017. The Corporation paid above compensation for 2015 and 2016 to Crimson Opportunities Ltd. a company controlled by Mr. Rene David.
- (2) Mr. Michael Yung was appointed as CEO effective April 18, 2016 and resigned on August 10, 2016; Mr. Yung was paid through his corporation 1072915 BC Ltd.
- (3) Mr. William "Bill" Fleming was appointed as CEO effective February 1, 2015 and resigned as an officer and director of the Corporation on April 18, 2016.
- (4) Mr. Terence Fealey passed away in August of 2016.
- (5) Guy Dancosse has been a director since September 16, 2014.
- (6) Jim Irving has been a director since September 1, 2015.
- (7) Douglas Sorocco has been a director since April 30, 2011. A law firm of which Mr. Sorocco is a one-third (1/3) partner provides legal services to the Corporation from time to time. During the fiscal year ended September 30, 2016 and September 30, 2015, the Corporation paid this law firm \$11,023.38 USD and \$20,584.68 USD, respectively.
- (8) Dr. William Panenka has been a director since November 2, 2016.
- (9) Dr. Shuang Xie has been the Chief Technology Advisor and director since November 14, 2016.
- (10) Mrs. Maryam Amin Shanjani resigned as a director on July 31, 2016.
- (11) Mr. Brazos Minshew resigned on September 27, 2016.
- (12) Mr. Rene David achieved several milestones pursuant to his consulting agreement and, on October 21, 2016, was issued 950,000 shares at \$0.135 per share that were issued on Oct 21, 2016 worth \$128,250.
- (13) Vehicle allowance for Mr. Fleming of \$500 per month.
- (14) The Corporation paid \$14,750 of such amount via common shares for services.
- (15) The Corporation paid \$14,750 of such amount via common shares for services.
- (16) The Corporation paid \$32,829.35 of such amount via common shares for services.
- (17) The Corporation paid \$108,923.07 of such amount via common shares for services.
- (18) The Corporation paid such amounts amount via common shares for services.

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

### *Consulting Agreement – Crimson Opportunities Ltd. (Rene David – CFO & COO)*

On November 18, 2013, Rene David was appointed as the CFO and Chief Operations Officer (“COO”) of the Corporation. Pursuant to an executive consulting agreement with Crimson Opportunities Ltd. (“Crimson”) dated October 1, 2013, as amended January 1, 2014 (the “Crimson Agreement”), Crimson was engaged to provide management consulting services, including the services of Rene David to act as the CFO and COO of the Corporation.

Pursuant to the terms of the Crimson Agreement, Crimson receives \$125,000 per annum plus applicable GST, Crimson is entitled to receive an incentive bonus of 400,000 Common Shares upon each MMPR license and/or a controlled substance license being granted by Health Canada to the Corporation or a subsidiary of the Corporation, or upon the Corporation or a subsidiary otherwise acquiring an MMPR license and/or controlled substance license, which number of Common Shares may be pro-rated in certain circumstances where the Corporation or a subsidiary does not own a 100% interest in the entity holding such license. Pursuant to the Crimson Agreement, Crimson is also entitled to receive 1,000,000 incentive stock options, as follows: (i) 250,000 options upon execution of the Crimson Agreement (which options have been granted); (ii) 250,000 options upon the completion of a \$400,000 financing (which options have been granted); (iii) 250,000 options upon the completion of a \$1,000,000 financing (which options have been granted); and (iv) 250,000 options upon the announcement by Health Canada that the Corporation or one of its subsidiaries is a licensed producer under MMPR. Crimson is also entitled to additional variable performance bonuses, incentive shares and/or stock options, at the sole discretion of the Board. All reasonable documented expenses incurred by Crimson in connection with providing services under the Crimson Agreement are also reimbursed by the Corporation.

Crimson may terminate the Crimson Agreement at any time by providing the Corporation with three months’ written notice until September 30, 2014 and thereafter by providing six months’ notice. The Corporation may, at any time, terminate the Crimson Agreement for cause or upon the death or disability of Rene David, without notice and without liability for any claim, action or demand.

In February 2015, the terms of the Crimson Agreement were amended to increase Crimson’s per annum salary to \$165,000 in addition to a monthly share issuance of 25,000 Common Shares at market price in compliance with the Canadian National Stock Exchange regulations at the time of issuance. Crimson is entitled to receive an incentive bonus of 150,000 Common Shares upon identification and appointment of a new Chief Executive Officer. Pursuant to the amended Crimson Agreement, Crimson is also entitled to receive 3,800,000 Common Shares, as follows: (1) 250,000 Common Shares are to be issued at each of the six stages of the Flash Freeze Extraction Equipment: refurbishing, testing, website development, partnership, solventless extraction development and the filing of the provisional patent; (2) 250,000 Common Shares are to be issued at each of PhytoLab’s main milestones: expansion to Eastern Washington, expansion to another State, expansion into new markets, expansion of instrumentation, additions of new personnel and approval for Patient Focused Certification (PFC); (3) 100,000 Common Shares are to be issued at the successful completion of each stage of the Corporation’s MMPR License under Biocell Labs: Screening, Security clearance checks, reviewing, ready to build, pre-license inspections and issuance; (4) 400,000 Common Shares for the approval of a controlled substance license (CSL) under Northern Vine as well as 100,000 Common Shares for the acquisition of contracts for testing cannabis, once the CSL is granted; (5) 250,000 Common Shares for the submission of a licensed producer application under the Corporation’s wholly-owned subsidiary, iJuana Cannabis Inc., Crimson is also eligible under the amended Crimson Agreement for an incentive bonus of up to 100% of annual salary, with a sales objective of \$1,500,000. All reasonable documented expenses incurred by Crimson in connection with providing services under the Crimson Agreement are also reimbursed by the Corporation.

On October 21, 2016, the terms of the Crimson Agreement were amended to provide Mr. David with a monthly share payment of \$5,000 worth of Common Shares as opposed to a fixed number of Common Shares. The amendment also provided for change in control provisions which include:

- (a) the payment of 12 months of consulting fees;
- (b) a bonus payment of 150% of the greater of: (x) Mr. David's target bonus as in effect for the fiscal year in which the change of control occurs or (y) Consultant's target bonus as in effect for the fiscal year in which the Crimson Agreement was terminated;
- (c) subject to the requirements or restrictions of the Canadian Securities Exchange and the receipt of necessary regulatory approvals, one hundred percent (100%) of Mr. David's then-outstanding and unvested equity awards will become vested in full; and
- (d) subject to the requirements or restrictions of the Canadian Securities Exchange and the receipt of necessary regulatory approvals and notwithstanding any other provision in any applicable equity compensation plan and/or stock option agreement, Mr. David's outstanding and vested stock options and/or stock appreciation rights as of the date of the termination of the Crimson Agreement will remain exercisable until the eighteen (18) month anniversary of the termination of such agreement; provided, however, that the post-termination exercise period for any individual stock option and/or stock appreciation right will not extend beyond the earlier of its original maximum term or the fifth (5<sup>th</sup>) anniversary of the original date of grant.

Moreover, the amendment provided that old milestones that were no longer applicable were removed.

*Consulting Agreement – 1072915 BC Ltd. (Michael Yung – Former CEO)*

On April 18, 2016, Mr. Michael Yung was appointed as the CEO of the Corporation. Pursuant to a consulting agreement with 1072915 BC Ltd. ("**Yung Co.**") and the Corporation (the "**Yung Agreement**"), Yung Co. was engaged to provide management consulting services, including the services of Michael Yung to act as the CEO of the Corporation.

Pursuant to the terms of the Yung Agreement, Yung Co. received \$155,000 per annum plus applicable GST and was entitled to receive an incentive bonus of 250,000 Common Shares as a signing bonus. Mr. Yung was entitled to the reimbursement of reasonable expenses. The Corporation was entitled to terminate the Yung Agreement for cause (immediately), on death/disability or with notice and proving three months of salary plus one additional month for each year of service. Yung Co. may terminate the Yung Agreement at any time by providing the Corporation with 60 days' written notice.

Furthermore, the Yung Agreement also permitted the issuance of Common Shares based on the achievement of specific milestones as follows:

Description of Milestone	Amount of Milestone Bonus
Receipt of Controlled Substance License for Northern Vine Canada Limited	50,000 Common Shares
Procurement of external RTB company	150,000 Common Shares
Securing Abattis Financing \$1 Million to \$3 Million	150,000 Common Shares

Securing Abattis Financing \$3 Million to \$5 Million	250,000 Common Shares
Securing Abattis Financing of \$5 Million +	350,000 Common Shares
Revenue Bonus: RESULTS REQUIRED FOR INCENTIVE BONUSSES EQUAL TO 100% OF ANNUAL SALARY Maximum Bonus Payable to CEO of \$155,000 Sales Objective - Sales of \$1,500,000	If the sales objective is not reached in a given year, the bonus should be calculated as follows:  Bonus = 2% of gross sales per annum up to maximum payable of \$155,000

The Yung Agreement also contained a change of control provisions under which Yung Co. would be entitled to the following:

- (a) the Corporation would pay to Mr. Yung any sums owed to Mr. Yung for accrued but unpaid base consulting fee and bonuses (if any) owing to Mr. Yung at the time of termination;
- (b) the Corporation would pay to Mr. Yung any expenses owing to Mr. Yung at the time of termination;
- (c) all stock options previously granted to Mr. Yung that are unvested at the date of termination shall immediately become vested as of the date of termination and shall remain valid and exercisable for the period of time after the date of termination as is permitted pursuant to the terms of the stock option plan governing such stock option; and
- (d) to the extent it is able to do so, the Corporation shall maintain for a period of twelve months after the date of termination by reason of change in control all group medical and insurance benefits that Mr. Yung was entitled to receive immediately prior to the date of such termination

None of the milestones above were achieved while Mr. Yung was engaged as the CEO.

Mr. Yung terminated the Yung Agreement effective August 5, 2016.

*Consulting Agreement – William Fleming (Former CEO)*

On February 1, 2015, Mr. William (Bill) Fleming (“**Fleming**”) was appointed as the CEO of the Corporation. Pursuant to a consulting agreement (the “**Fleming Agreement**”), Fleming was engaged to provide management consulting services and the services of acting as the CEO of the Corporation.

Pursuant to the terms of the Fleming Agreement, Fleming received \$165,000 per annum plus applicable GST was entitled to receive an incentive bonus of 250,000 Common Shares as a signing bonus. Mr. Fleming was also entitled to a car allowance of \$500 per month. Mr. Fleming was entitled to the reimbursement of reasonable expenses. The Corporation was entitled to terminate the Fleming Agreement for cause (immediately), on death/disability or with notice and proving three months of salary plus one additional month for each year of service. Fleming may terminate the Fleming Agreement at any time by providing the Corporation with 60 days’ written notice.

Furthermore, the Fleming Agreement also permitted the issuance of common shares based on the achievement of specific milestones as follows:

Description of Milestone	Amount of Milestone Bonus
RTB Letter or Permit to Import for Abattis subsidiary	100,000 Common Shares
Procurement of external RTB company	150,000 Common Shares
Securing Abattis Financing \$1 Million to \$3 Million	150,000 Common Shares
Securing Abattis Financing \$3 Million to \$5 Million	250,000 Common Shares
Securing Abattis Financing of \$5 Million +	350,000 Common Shares
Revenue Bonus: RESULTS REQUIRED FOR INCENTIVE BONUSSES EQUAL TO 100% OF ANNUAL SALARY  Maximum Bonus Payable to CEO \$165,000  Sales Objective – Sales of \$1,500,000  If the sales objective is not reached in a given year, the bonus should be calculated as follows:  $\frac{\text{Bonus} = \text{Actual Sales in given year} \quad \times \quad \$165,000}{\text{Sales Objective in given year}}$	Maximum bonus of up to \$165,000

The Fleming Agreement also contained a change of control provisions under which Fleming would be entitled to the following:

- (a) the Corporation would pay to Fleming any sums owed to Fleming for accrued but unpaid base consulting fee and bonuses (if any) owing to Fleming at the time of termination;
- (b) the Corporation would pay to Fleming any expenses owing to Fleming at the time of termination;
- (c) all stock options previously granted to Fleming that are unvested at the date of termination shall immediately become vested as of the date of termination and shall remain valid and exercisable for the period of time after the date of termination as is permitted pursuant to the terms of the stock option plan governing such stock option; and
- (d) to the extent it is able to do so, the Corporation shall maintain for a period of twelve months after the date of termination by reason of change in control all group medical and insurance benefits that Fleming was entitled to receive immediately prior to the date of such termination

None of the milestones above were achieved while Mr. Fleming was engaged as the CEO.

The Fleming Agreement was terminated effective April 18, 2016.



## Stock Option Plans and Other Incentive Plans

The following table sets out for each director and NEO incentive stock options to purchase Common Shares of the Corporation (option-based awards) outstanding during the year ended September 30, 2016 and 2015, including date of issue, exercise price, closing price on grant day and fiscal year end, and expiry date.

Compensation Securities							
Name and Position	Year ended <sup>(2)</sup>	Number of stock options	Date of issue or grant	Issue conversion or exercise Price (\$)	Closing price of stock option on date of grant (\$)	Closing price of stock option at year end (\$)	Expiry date
Rene David <sup>(1)</sup> CEO, CFO and COO	2016	N/A	N/A	N/A	N/A	0.065	N/A
	2015	700,000	20-Aug-15	\$0.06	\$0.06	0.05	20-Aug-20
Michael Yung Former CEO	2016	N/A	N/A	N/A	N/A	0.065	N/A
	2015	N/A	N/A	N/A	N/A	0.05	N/A
William Fleming Former Director	2016	N/A	N/A	N/A	N/A	0.065	N/A
	2015	700,000	20-Aug-15	\$0.06	\$0.06	0.05	20-Aug-20
Terence Fealey Former Director	2016	N/A	N/A	N/A	N/A	0.065	N/A
	2015	125,000	06-Mar-15	\$0.16	\$0.16	0.05	06-Mar-20
		200,000	20-Aug-15	\$0.06	\$0.06	0.05	20-Aug-20
Guy Dancosse Director	2016	N/A	N/A	N/A	N/A	0.065	N/A
	2015	300,000	20-Aug-15	\$0.06	\$0.06	0.05	20-Aug-20
Jim Irving Director	2016	N/A	N/A	N/A	N/A	0.065	N/A
	2015	N/A	N/A	N/A	N/A	0.05	N/A
Douglas Sorocco Director	2016	N/A	N/A	N/A	N/A	0.065	N/A
	2015	300,000	20-Aug-15	\$0.06	\$0.06	0.05	20-Aug-20
Dr. William Panenka Director	2016	N/A	N/A	N/A	N/A	0.065	N/A
	2015	N/A	N/A	N/A	N/A	0.05	N/A
Dr. Shuang Xie Director	2016	N/A	N/A	N/A	N/A	0.065	N/A
	2015	N/A	N/A	N/A	N/A	0.05	N/A
Maryam Amin Shanjani Former Director and Controller	2016	N/A	N/A	N/A	N/A	0.065	N/A
	2015	150,000	20-Aug-15	\$0.06	\$0.06	0.05	20-Aug-20
Brazos Minshe Former Director	2016	N/A	N/A	N/A	N/A	0.065	N/A
	2015	500,000	20-Aug-15	\$0.06	\$0.06	0.05	20-Aug-20

### Notes

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- (1) Issued to Crimson Opportunities Ltd., a company controlled by Mr. Rene David.
- (2) The Corporation did not issue any stock options to directors or NEOs during fiscal year ended September 30, 2016, but did issue 2,500,000 stock options to certain directors and NEOs on October 14, 2016.
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The Corporation did not have a long-term incentive plan pursuant to which cash or non-cash compensation intended to serve as an incentive for performance (whereby performance is measured by

reference to financial performance or the price of the Corporation's securities) was paid or distributed to the Named Executive Officers during the most recently completed financial year.

The significant terms of the Stock Option Plan, pursuant to which all current option-based awards have been granted to NEOs, are set out below under the heading "*Securities Authorized for Issuance Under Equity Compensation Plans*" below.

The Corporation is unable to re-price options under the Canadian National Stock Exchange policies; therefore, there was no re-pricing of stock options under the Stock Option Plan or otherwise during the Corporation's most recently completed financial period ended September 30, 2016.

### **Pension Plan Benefits for NEOs**

As at the year ended September 30, 2016, the Corporation did not maintain any defined benefit plans, defined contribution plans or deferred compensation plans.

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

The Corporation maintains a stock option plan dated for reference June 18, 2012 (the "**Stock Option Plan**") for its directors, officers, employees and consultants. The purpose of the Stock Option Plan is to advance the interests of the Corporation by encouraging the directors, officers, employees and consultants of the Corporation to acquire Common Shares thereby increasing their proprietary interest in the Corporation, encouraging them to remain associated with the Corporation and furnishing them with additional incentive in their efforts on behalf of the Corporation in the conduct of its affairs.

Under the Stock Option Plan, the aggregate number of optioned shares that may be issued may not exceed 10% of the number of issued and outstanding Common Shares of the Corporation at the time of granting of options.

The Board has the discretion to grant options pursuant to the terms of the Stock Option Plan. Options may be granted to eligible persons, being: directors, executive officers, employees or consultants. Limitations on issue include:

- (a) no more than 5% of the issued Common Shares of the Corporation, calculated at the date of the grant of options, may be granted to any one optionee in any 12 month period (unless disinterested shareholder approval is obtained where permitted by applicable regulators);
- (b) no more than an aggregate of 1% of the issued Common Shares of the Corporation, calculated at the date of the grant of options, may be granted to all employees conducting investor relations activities within any 12 month period (which percentage interest may be increased from an aggregate of 1% to an aggregate of 2% if permitted by applicable regulators); and
- (c) if required by applicable regulators, no more than 2% of the issued Common Shares of the Corporation, calculated at the date of the grant of options, may be granted to any one consultant in any 12 month period.

Pursuant to the Stock Option Plan, the exercise price of options is set by the Board and cannot be less than the closing market price of the Common Shares on the trading day immediately prior to the date of grant less any allowable discounts if permitted under applicable exchange policies. Options may be granted for a maximum of 10 years from the date of grant.

All options granted under the Stock Option Plan are non-transferable and non-assignable.

Where permitted by applicable regulators, vesting provisions are at the sole discretion of the Board except that options granted to consultants conducting investor relations activities will vest, at a minimum, over a period of not less than 12 months as to 25% on the date that is three months from the date of grant and a further 25% on each successive date that is three months from the date of the previous vesting.

Any reduction in exercise price of an option previously granted to an insider requires disinterested shareholder approval. Any other amendments to the Stock Option Plan or to any options granted under the Stock Option Plan will be required to comply with applicable Exchange policies.

Options will expire immediately upon the optionee leaving his or her employment/office except that:

- (a) in the case of death of an optionee, any vested options held by the deceased at the date of death will become exercisable by the optionee's estate until the earlier of one year after the date of death and the date of expiration of the term otherwise applicable to such option;
- (b) options granted to an optionee may be exercised in whole or in part by the optionee for a period of 30 days after the optionee ceases to be employed/provide services but only to the extent that such optionee was vested in the option at the date the optionee ceased to be employed/provide services; and
- (c) in the case of an optionee dismissed from employment/service for cause, such options, whether vested or not, will immediately terminate without right to exercise same.

### **Long-Term Incentive Plan**

On June 18, 2014, the Shareholders approved a new Long-Term Incentive Plan (the "LTIP"). The purpose of the LTIP is to align the interests of Eligible Persons (as defined herein) with those of the Corporation and its Shareholders and to assist in attracting, retaining and motivating key employees of the Corporation by making a significant portion of the incentive compensation of participating employees directly dependent upon the achievement of key strategic, financial and operational objectives that are critical to ongoing growth and increasing the long-term value of the Corporation.

## **Description of the LTIP**

The LTIP is available to directors and certain officers and employees, as determined by the Board (the "**Eligible Employees**"). The aggregate number of Common Shares issuable under the LTIP, together with shares reserved for issuance under all of the Corporation's other security-based compensation arrangements, shall not exceed ten percent of the Corporation's issued and outstanding Common Shares. The total number of Common Shares issuable to any participant under the LTIP, at any time, together with any other security-based compensation arrangements of the Corporation, shall not exceed 5% of the issued and outstanding Common Shares. The total number of Common Shares issuable to insiders within any one-year period and at any given time under the LTIP, together with any other security-based compensation arrangement of the Corporation, shall not exceed 10% of the issued and outstanding Common Shares. The total number of Common Shares issuable to non-executive directors under the LTIP shall not exceed 1% of the issued and outstanding Common Shares. Except as otherwise determined by the Board, neither awards nor any rights under any such awards shall be assignable or transferable.

The Board may at any time, in its sole discretion and without the approval of Shareholders, amend, suspend, terminate or discontinue the LTIP and may amend the terms and conditions of any grants thereunder, subject to (a) any required approval of any applicable regulatory authority or stock exchange, and (b) approval of Shareholders, provided that shareholder approval shall not be required for the following amendments and the Board may make changes which may include but are not limited to: (i) amendments of a 'housekeeping nature'; (ii) any amendment for the purpose of curing any ambiguity, error or omission in the LTIP or to correct or supplement any provision of the LTIP that is inconsistent with any other provision of the LTIP; (iii) an amendment which is necessary to comply with applicable law or stock exchange requirements; (iv) amendments respecting administration and eligibility for participation under the LTIP; (v) changes to terms and conditions on which awards may be or have been granted pursuant to the LTIP including changes to the vesting provisions and terms of any awards; (vi) amendments which alter, extend or accelerate the terms of vesting applicable to any award; and (vii) changes to the termination provisions of an award or the LTIP which do not entail an extension beyond the original fixed term. If the LTIP is terminated, prior awards shall remain outstanding and in effect in accordance with their applicable terms and conditions. The Board may waive any conditions or rights under, or amend any terms of, any awards, provided that no such amendment or alteration shall be made which would impair the rights of any participant, without such participant's consent, unless the Board determines that such amendment or alteration either: (i) is required or advisable in order to conform to any law, regulation or accounting standard; or (ii) is not reasonably likely to diminish the benefits provided under such award.

## **Restricted Share Units**

The LTIP provides that the Board may, from time to time, at its sole discretion, grant awards of restricted share units ("**RSUs**") to participants. Each RSU shall represent one Common Share. RSUs shall be subject to such restrictions as the Board may establish in the applicable award agreement. All RSUs will vest and become payable by the issuance of Common Shares on the third anniversary of their grant date at the end of the restriction period if all applicable restrictions have lapsed, unless otherwise provided in the award agreement.

Restrictions on any RSUs shall lapse immediately and become fully vested in the participant upon a change of control or death of a participant. If a participant's employment is terminated with or without cause, any RSUs granted to the participant will immediately terminate without payment and be cancelled as of the termination date. If a participant's employment terminates due to retirement or disability, or, in the case of directors, if a participant ceases to be a director for any reason, RSUs granted to such participant will continue to vest in accordance with the terms of such RSUs and shall become payable as of the vesting date.

## **Performance Share Units**

The LTIP provides that the Board may, from time to time, at its sole discretion, grant awards of performance share units (“PSUs”) to certain officers and employees. Each PSU shall, contingent upon the attainment of the performance criteria within the three-year performance cycle, represent one Common Share. The performance criteria will be established by the Board which, without limitation, may include criteria based on the participant’s individual performance and/or financial performance of the Corporation, which will determine vesting of the PSUs. The Board may, in its sole discretion, revise the performance criteria during a performance cycle or after it has ended, if unforeseen events occur, including, without limitation, changes in capitalization, equity restructuring, acquisitions or divestitures, if such events have a substantial effect on the financial results of the Corporation and make the application of the performance criteria unfair absent a revision.

All PSUs will vest and become payable to the extent that the performance criteria are satisfied in the sole determination of the Board. PSUs granted to a participant shall become fully vested and payable to such participant within 95 days after the last day of the performance cycle, upon a change of control or death of a participant. If a participant’s employment is terminated with or without cause, any PSUs granted to the participant will immediately terminate without payment and be cancelled as of the termination date. If a participant’s employment terminates due to retirement or disability, the board of directors shall determine, in its sole discretion, the number of such participant’s PSUs that will vest based on the extent to which the applicable performance criteria have been satisfied.

## **Deferred Share Units**

The LTIP provides that the Board may, from time to time, at its sole discretion, grant awards of deferred share units (“DSUs”) to directors in lieu of director fees. Directors become participants effective as of the date he or she is first appointed or elected as a director and cease to be participants at the time they cease to be a director for any reason. The number of DSUs to be granted to a participant shall be calculated by dividing the amount of fees selected by the director by the market price on the grant date. The market price is defined in the LTIP as the volume weighted average trading price of a Common Share for the five trading days prior to the grant date.

Each participant shall be entitled to receive, subsequent to the effective date the participant ceases to be a director for any reason, either (a) that number of Common Shares equal to the number of DSUs granted to such participant, or (b) a cash payment in an amount equal to the market price of the DSUs granted to such participant on the trading day following the day the participant ceases to be a director, net of applicable withholdings, and subject to adjustments if the value of a DSU is determined during applicable black-out periods. Upon death of a participant, such participant’s estate shall be entitled to receive a cash payment or Common Shares that would otherwise have been payable upon such participant ceasing to be a director.

## **Equity Compensation Plan Information**

The following table sets out securities authorized for issuance under equity compensation plans as of September 30, 2016, the end of the Corporation’s most recently completed financial year. The Stock Option Plan was approved by the Shareholders at its annual general meeting held on July 23, 2012. The LTIP was approved by the Shareholders on June 18, 2014 but no securities have been issued thereunder.

<b>Stock Option Plan category</b>	<b>Number of securities to be issued upon exercise of outstanding options, and rights</b>	<b>Weighted---average exercise price of outstanding options, warrants and rights</b>	<b>Number of securities remaining available for future issuance under equity compensation plans</b>
Equity compensation plans approved by Shareholders (Stock Option Plan) <sup>(1)</sup>	9,060,000	\$0.21	2,116,000
Equity compensation plans approved by Shareholders (LTIP)	Nil	N/A	N/A
Equity compensation plans not approved by Shareholders (Long Term Incentive Plan)	Nil	N/A	N/A

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Notes

(1) The aggregate number of Common Shares issuable upon the exercise of all options granted under the Stock Option Plan shall not exceed 10% of the issued and outstanding Common Shares from time to time.

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A copy of the Stock Option Plan and LTIP is available for review by contacting the Corporation at 224 - 241 - 970 Burrard Street, Vancouver, British Columbia, V6Z 2R4 during normal business hours up to and including the date of the Meeting.

**INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

As at the date of this Circular, no individual who is or was a director, executive officer or employee of the Corporation or any of its subsidiaries, any proposed nominee for election as a director of the Corporation or any associate of such director or officer, is or was, at the end of the most recently completed financial year, indebted to the Corporation or any of its subsidiaries since the beginning of the most recently completed financial year of the Corporation, or is or has been indebted to another entity that is or has been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries during that period.

**MANAGEMENT CONTRACTS**

Except as otherwise disclosed herein, to the best of the knowledge of the directors and officers of the Corporation, management functions of the Corporation are not, to any substantial degree, performed by a person other than the directors and executive officers of the Corporation.

## AUDIT COMMITTEE

The Corporation has an Audit Committee whose primary function is to assist the Board in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Corporation to regulatory authorities and Shareholders, the Corporation's systems of internal controls regarding finance and accounting, and the Corporation's auditing, accounting and financial reporting processes.

### Audit Committee Charter

The Audit Committee operates under a written charter that sets out its responsibilities and composition requirements. The text of the Audit Committee's charter is set forth at Schedule "A" attached hereto.

The Corporation's Audit Committee is comprised of three directors consisting of James (Jim) Irving, Guy Dancosse and Douglas Sorocco. The following table sets out the names of the members of the Audit Committee and whether they are 'independent' and 'financially literate' for the purposes of National Instrument 52-110 - *Audit Committee* ("NI 52-110").

Name of Member	Independent <sup>(1)</sup>	Financially Literate <sup>(2)</sup>
James Irving	Yes	Yes
Guy Dancosse	Yes	Yes
Douglas Sorocco	No	Yes

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#### Notes:

- (1) To be independent, a member of the Audit Committee must not have any direct or indirect 'material relationship' with the Corporation. A material relationship is a relationship, which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment. Accordingly, an executive officer of the Corporation is not independent, nor is a director that is paid consulting fees for non-director services provided to the Corporation.
- (2) To be considered financially literate, a member of the Audit Committee must have 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 reasonably be expected to be raised by the Corporation's financial statements.
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### Relevant Education and Experience

The education and experience of each Audit Committee member which is relevant to the performance of his responsibilities as an Audit Committee member, including education or experience that would provide the member with an understanding of accounting principles used by the Corporation to prepare its financial statements, experience preparing, auditing, analyzing or evaluating financial statements and an understanding of internal controls and procedures for financial reporting is set forth below.

**Jim Irving** - Mr. Irving is the Director of Fundraising & Sponsorship at the BC Hospitality Foundation. The Foundation provides financial support for individuals within the hospitality industry coping with financial crisis arising from a medical condition or injury. The BCHF also awards scholarships in hospitality, culinary, sommelier and beverage programmes. Mr. Irving's background includes nearly 30 successful years of experience in the Canadian alcohol beverage industry. He has been a sales and marketing manager for wine and spirit agencies and breweries as well as the Canadian president of a luxury vodka brand. Mr. Irving's past experience includes the general manager Canada for Precept

Wine, the largest privately owned wine company in the US Pacific Northwest based in Seattle. Mr. Irving specializes in brand marketing, retail sales and packaged goods. He has excellent business skills and extensive industry contacts.

**Guy P. Dancosse, Q.C., icd.D. CIRC** – Mr. Dancosse has extensive experience in arbitration, negotiation and mediation, nationally and internationally, in many areas of business, including the public sector. He has completed the Directors Education Program jointly developed by the Institute of Corporate Directors (ICD) and the Rotman School of Management to help board directors clarify their mission and fully exercise their leadership potential as a board member, at Rotman School of Management in Toronto.

**Douglas Sorocco** – Mr. Sorocco practices law in the areas of intellectual property, technology, licensing, life sciences and patents and is involved in counseling and transactional work involving all aspects of intellectual property. He is ranked among Oklahoma’s top intellectual property practitioners by the highly regarded Chambers USA: America’s Leading Lawyers for Business. Mr. Sorocco was recently selected by attorney peers for inclusion in Oklahoma Super Lawyers--Rising Stars Edition (2010). Mr. Sorocco’s scientific background has focused on all areas of biotechnology and life sciences (including molecular biology, cell biology, glycobiology, biochemistry, developmental biology, immunology, microbiology, virology, and genetics; pharmaceutical compositions; molecular diagnostics and techniques; medical devices and equipment) as well as chemistry and chemical engineering. Mr. Sorocco has significant experience in providing strategic and tactical intellectual property counsel to individual clients, universities, large pharmaceutical and manufacturing companies, and start-up biotechnology companies. He is an adjunct faculty member at the Oklahoma City University School of Law and the Physiology Department at Oklahoma University Health Sciences Center.

#### **Audit Committee Oversight**

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

#### **Reliance on Certain Exemptions**

Since the commencement of the Corporation’s most recently completed financial year, the Corporation has not relied on the exemptions in Sections 2.4, 6.1.1(4), 6.1.1(5), or 6.1.1(6) or Part 8 of NI 52-110. Section 2.4 (*De Minimis Non-audit Services*) provides an exemption from the requirement that the Audit Committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the financial year in which the non-audit services were provided. Sections 6.1.1(4) (*Circumstance Affecting the Business or Operations of the Venture Issuer*), 6.1.1(5) (*Events Outside Control of Member*) and 6.1.1(6) (*Death, Incapacity or Resignation*) provide exemptions from the requirement that a majority of the members of the Corporation’s Audit Committee must not be executive officers, employees or control persons of the Corporation or of an affiliate of the Corporation. Part 8 (*Exemptions*) permits a company to apply to a securities regulatory authority or regulator for an exemption from the requirements of National Instrument 52-110 in whole or in part.

#### **Pre-approval Policies and Procedures**

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services by its external auditors. The Audit Committee’s charter provides that the Audit Committee shall pre-approve all non-audit-related services and the fees and other compensation for such non-audit services provided by the Corporation’s external auditors.



## External Auditor Service Fees (by category)

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

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

Financial Year Ending September 30	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
2016	\$52,500	Nil	\$1,600	Nil
2015	\$76,874	\$12,106.10	\$4,280	Nil

## CORPORATE GOVERNANCE

Corporate governance relates to activities of the Board, the members of which are elected by and are accountable to the Shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day-to-day management of the Corporation. The Board is committed to sound corporate governance practices, which are both in the interest of its Shareholders and contribute to effective and efficient decision making.

National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“NI 58-101”) requires that each reporting company disclose its corporate governance practices on an annual basis. The Corporation’s general approach to corporate governance is summarized below.

### Board of Directors

#### *Independence*

As at the Record Date the Corporation’s Board is comprised of six (6) directors: Douglas Sorocco, Guy Dancosse, James (Jim) Irving, Dr. William Panenka, Dr. Shuang Xie and Rene David.

Section 1.4 of NI 52-110 sets out the standard for director independence. Under NI 52-110, a director is independent if such director has no direct or indirect material relationship with the Corporation. A material relationship is a relationship, which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director’s independent judgment. NI 52-110 also sets out certain situations where a director will automatically be considered to have a material relationship to the Corporation.

Applying the definition set out in section 1.4 of NI 52-110, three members of the Board are independent, Guy Dancosse, James Irving, and Dr. William Panenka. Dr. Shuang Xie is not independent as she is a paid consultant of the Corporation (see “Director Compensation Table – Narrative Discussion” above for details). Mr. Sorocco is not independent as a law firm, of which he is a 1/3 partner, provides legal services to the Corporation from time to time. Mr. David is not independent as he is the CFO and COO of the Corporation.

As the Corporation is now in an expansion phase, it will be looking to add independent directors to the Board, to assist in providing independent judgment in carrying out the responsibilities of the Board.

The directors are responsible for managing and supervising the management of the business and affairs of the Corporation. Each year, the Board must review the relationship that each director has with the Corporation in order to satisfy themselves that the relevant independence criteria have been met.

### ***Directorships***

The following table sets out information regarding other directorships presently held by directors of the Corporation with other reporting issuers (or the equivalent) in Canada or any foreign jurisdiction:

<b>Name of Director</b>	<b>Names of Other Reporting Issuers</b>	<b>Exchange</b>
Dr. William Panenka	None	N/A
Douglas Sorocco	None	N/A
Guy Dancosse	Royal Canadian Mint, FRONSAC REIT	TSX
James Irving	None	N/A
Dr. Shuang Xie	None	N/A
Rene David	None	N/A

### ***Orientation and Continuing Education***

The Corporation has not adopted a formalized process of orientation for new Board members. Orientation of new directors has been and will be conducted on an ad hoc basis through discussions and meetings with other directors, officers and employees where a thorough description of the Corporation's business, assets, operations and strategic plans and objectives are discussed. Orientation activities have been and will be tailored to the particular needs and experiences of each director and the overall needs of the Board.

The Board does not take any formal measures to provide continuing education for the directors. Directors are kept informed as to matters impacting, or which may impact, the Corporation's operations through reports and presentations at the Board meetings. Directors are also provided the opportunity to meet with senior management, advisors and other directors who can answer any questions that may arise.

At this stage in the Corporation's development, and having regard to the background and experience of its directors, the Board does not feel it necessary to have such policies or programs in place.

### ***Ethical Business Conduct***

Each director, officer and employee in the exercise of their duties and responsibilities must act in honesty and good faith in the best interest of the Corporation and in compliance with applicable laws, rules and regulations.

In addition, the Board must comply with conflict of interest provisions in applicable corporate law and relevant securities regulatory instruments in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer

has a material interest. To ensure directors of the Corporation exercise independent judgement in considering transactions, agreements or decisions in respect to which a director or executive officer has declared a material personal interest (in accordance with relevant corporate law requirements), the Board follows a practice whereby any such Board member must be absent during any Board discussion pertaining thereto and not cast a vote on any such matter.

### *Nomination of Directors*

The Board does not have a nominations committee or a formal procedure with respect to the nomination of directors. Nominees have historically been recruited by the efforts of existing Board members, and the recruitment process has involved both formal and informal discussions among Board members. New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Corporation, the ability to devote the required time, show support for the Corporation's mission and strategic objectives and have a willingness to serve.

The Board monitors, but does not formally assess, the performance of individual Board members and their contributions. The Board does not, at present, have a formal process in place for assessing the effectiveness of the Board as a whole, its committees or individual directors, but will consider implementing one in the future should circumstances warrant. Based on the Corporation's size, its stage of development and the limited number of individuals on the Board, the Board considers a formal assessment process to be inappropriate at this time.

### *Compensation*

The Board does not currently have a compensation committee or a formal procedure with respect to determining compensation for the directors and the CEO. All employment, consulting or other compensation arrangements between the Corporation, or its subsidiary, and the directors or executive officers are considered and approved by disinterested members of the Board.

The Board annually reviews and approves corporate goals and objectives relevant to the compensation of the CEO, evaluates the CEO's performance in light of those goals and objectives and sets the CEO's compensation level based on this evaluation. The Board meets without the presence of other executive officers when approving the CEO's compensation but may invite the CEO to be present during approval of other executive officer compensation.

### **Assessments**

The Board is responsible for keeping management informed of its evaluation of the performance of the Corporation and its senior officers in achieving and carrying out the Board established goals and policies, and is also responsible for advising management of any remedial action or changes which it may consider necessary. Additionally, directors are expected to devote the time and attention to the Corporation's business and affairs as necessary to discharge their duties as directors effectively. The Board does not have a formal process to monitor the effectiveness of the Board, its committees and individual members, but rather relies on an informal review process. In order to gauge performance, the Board considers the following:

- (i) input from directors, when appropriate;
- (ii) attendance of directors at meetings of the Board and any committee; and
- (iii) the competencies and skills each individual director is expected to bring to the Board and each committee.

## APPOINTMENT OF AUDITORS

Management of the Corporation will recommend at the Meeting that Shareholders appoint Dale Matheson Carr-Hilton Labonte LLP, Chartered Accountants, as auditors of the Corporation until the next annual meeting of Shareholders and to authorize the directors to fix their remuneration.

Effective December 5, 2016, Deloitte LLP, Chartered Accountants, resigned as auditors of the Corporation. Deloitte LLP had been auditors of the Corporation since August 10, 2015. In replacement thereof, and in accordance with the provisions of National Instrument 51-102 - *Continuous Disclosure Obligations* ("NI 51-102"), the Board appointed Dale Matheson Carr-Hilton Labonte LLP as auditors of the Corporation effective December 5, 2016.

In accordance with the requirements of NI 51-102, attached hereto as Schedule "B" is a copy of the reporting package related to the resignation of Deloitte LLP as former auditors and the appoint of Dale Matheson Carr-Hilton Labonte LLP as successor auditors of the Corporation.

At the Meeting, Shareholders will be asked to appoint Dale Matheson Carr-Hilton Labonte LLP, Chartered Accountants, as auditor of the Corporation, to hold office until the next annual meeting of the Corporation at such remuneration as may be fixed by the Board.

To be effective, the resolution must be passed by at least a majority of the votes cast at the Meeting. The persons designated in the enclosed form of proxy, unless instructed otherwise, **INTEND TO VOTE FOR** the appointment of Dale Matheson Carr-Hilton Labonte LLP, Chartered Accountants, as auditors of the Corporation.

## PARTICULARS OF OTHER MATTERS TO BE ACTED UPON

Other than the above, management of the Company know of no other matters to come before the Meeting other than those referred to in the Notice. If any other matters that are not currently known to management should properly come before the Meeting, the accompanying form of proxy confers discretionary authority upon the Designated Persons named therein to vote on such matters in accordance with their best judgment.

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

Except as otherwise disclosed herein, no director, executive officer or proposed nominee for election as a director of the Corporation, or any associate or affiliate of such director, officer or proposed nominee has any material interest, direct or indirect, by way of beneficial ownership of securities of the Corporation or otherwise, in any matter to be acted on at the Meeting, other than the election of directors of the Corporation.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as otherwise disclosed herein, no informed person of the Corporation, proposed director of the Corporation or any associate or affiliate of an informed person or proposed director, has any material interest, direct or indirect, in any transaction since the commencement of the Corporation's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Corporation of any of its subsidiaries.

For the purposes of this Circular, an "informed person" means (i) a director or officer of the Corporation, (ii) a director or officer of a person or company that is itself an informed person, or (iii) any person or

company who beneficially owns, directly or indirectly, and/or exercises control or direction over voting securities of the Corporation carrying more than 10% of the voting rights attaching to all outstanding voting securities of the Corporation.

#### **REGISTRAR AND TRANSFER AGENT**

The registrar and transfer agent for the Corporation is Computershare Investor Services Inc. through its office located in Vancouver, British Columbia.

#### **OTHER BUSINESS**

Management of the Corporation knows of no other matters to come before the Meeting other than as referred to in the Notice of Meeting. However, if any other matters which are not known to management of the Corporation shall properly come before the Meeting, the Proxy given pursuant to the solicitation by management of the Corporation will be voted on such matters in accordance with the best judgment of the persons voting the Proxy.

#### **ADDITIONAL INFORMATION**

Additional information relating to the Corporation is available on SEDAR at [www.sedar.com](http://www.sedar.com). Shareholders may contact the Corporation to request copies of the Corporation's financial statements and management's discussion and analysis ("**MD&A**") by sending a written request to 224 - 970 Burrard Street, Vancouver, British Columbia, V6Z 2R4. Financial information is provided in the Corporation's comparative financial statements and MD&A for its most recently completed financial year, which are also available on SEDAR.

#### **APPROVAL OF INFORMATION CIRCULAR**

The undersigned hereby certifies that the contents and the sending of this Circular have been approved by the directors of the Corporation.

DATED at Vancouver, British Columbia, this 28<sup>th</sup> day of April, 2017.

BY ORDER OF THE BOARD OF DIRECTORS

*"Robert Abenante"*

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Robert Abenante  
President and Chief Executive Officer

**SCHEDULE "A"**  
**TO INFORMATION CIRCULAR OF**  
**ABATTIS BIOCEUTICALS CORP.**  
**(APRIL 28, 2017)**

**AUDIT COMMITTEE CHARTER**

**1. Mandate**

The Audit Committee (the "**Committee**") of the board of directors (the "**Board**") of Abattis Bioceuticals Corp. (the "**Corporation**") is a standing committee of the Board whose primary function is to assist the Board in fulfilling its oversight responsibilities by reviewing (1) the financial statements, reports and other financially-based information provided to shareholders, regulators and others; (2) the internal controls that management and the Board have established; and (3) the audit, accounting and financial reporting processes generally.

In meeting these responsibilities, the Committee will:

- (a) monitor the financial reporting process and internal control system;
- (b) review and appraise the work of the external auditors; and
- (c) provide an open avenue of communication between the external auditors, senior management and the Board.

The external auditors are accountable to the shareholders through the Committee. The Committee is responsible for ensuring that the external auditors comply with the requirements stipulated in this Charter and satisfying itself of the external auditors' independence.

**2. Composition**

The Committee shall be composed of a minimum of three directors of the Corporation, a majority of whom are independent. An independent director, as defined in National Instrument 52-110 - *Audit Committees* ("**NI 52-110**") is a director who has no direct or indirect material relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a members independent judgment or as otherwise determined to be independent in accordance with NI 52-110.

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 the Committee's 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.

The members of the Committee shall be elected by the Board at its first meeting following the annual shareholders' meeting. Members shall serve one-year terms and may serve consecutive terms, which are encouraged to ensure continuity of experience. The chairperson of the Committee (the "**Chairperson**") shall be appointed by the Board for a one-year term, and may serve any number of consecutive terms.

### **3. Meetings**

The Committee shall try to meet at least four times per year and may call special meetings as required. A quorum at meetings of the Committee shall be its Chairperson and one of its other members or the Chairman of the Board. The Committee may hold its meetings, and members of the Committee may attend meetings, by telephone conference if this is deemed appropriate.

The Chairperson shall, in consultation with management and the external auditor and internal auditor (if any), establish the agenda for the meetings and ensure that properly prepared agenda materials are circulated to the members with sufficient time for study prior to the meeting. The external auditor will also receive notice of all meetings of the Committee. The Committee may employ a list of prepared questions and considerations as a portion of its review and assessment process.

The minutes of the Committee meetings shall accurately record the decisions reached and shall be distributed to Committee members with copies to the Board, the Chief Executive Officer, the Chief Financial Officer and the external auditor.

### **4. Responsibilities and Duties**

#### Audit Committee

To fulfill its responsibilities and duties, the Committee shall:

- (a) Review this Charter annually, and update if necessary.
- (b) Review annually, the performance of the external auditors who shall be ultimately accountable to the Board and the Committee as representatives of the shareholders of the Corporation.
- (c) Where the Committee deems it necessary, obtain a formal written statement of the external auditors setting forth all relationships between the external auditors and the Corporation.
- (d) Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors.
- (e) Take, or recommend that the full Board, take appropriate action to oversee the independence of the external auditors.
- (f) Recommend to the Board the selection and compensation and, where applicable, the replacement of the external auditors nominated annually for shareholder approval.
- (g) At each meeting, consult with the external auditors, without the presence of management, about the quality of the Corporation's accounting principles, internal controls and the completeness and accuracy of the Corporation's financial statements.
- (h) Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.
- (i) Review and pre-approve 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. The pre-approval requirement is waived with respect to the provision of non-audit services if:

- (i) the aggregate amount of all such non-audit services provided to the Corporation constitutes not more than five percent (5%) of the total amount of fees paid by the Corporation to its external auditors during the fiscal year in which the non-audit services are provided;
- (ii) such services were not recognized by the Corporation at the time of the engagement to be non-audit services; and
- (iii) such services are promptly brought to the attention of the Committee by the Corporation and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board to whom authority to grant such approvals has been delegated by the Committee. Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval, such authority may be delegated by the Committee to one or more independent members of the Committee.

#### Chairperson

The fundamental responsibility of the Chairperson is to be responsible for the management and effective performance of the Committee and provide leadership to the Committee in fulfilling its mandate and any other matters delegated to it by the Board. To that end, the Chairperson's responsibilities shall include:

- (a) working with the Chairman of the Board, the Chief Executive Officer and the Secretary to establish the frequency of Committee meetings and the agendas for meetings;
- (b) providing leadership to the Committee and presiding over Committee meetings;
- (c) facilitating the flow of information to and from the Committee and fostering an environment in which Committee members may ask questions and express their viewpoints;
- (d) reporting to the Board with respect to the significant activities of the Committee and any recommendations of the Committee;
- (e) leading the Committee in annually reviewing and assessing the adequacy of its mandate and evaluating its effectiveness in fulfilling its mandate; and
- (f) taking such other steps as are reasonably required to ensure that the Committee carries out its mandate.

#### **5. Financial Reporting Processes**

- (a) Review, discuss and recommend to the Board for approval, the annual audited financial statements and related "management's discussion and analysis" prior to delivery to shareholders, and where applicable, filing with securities regulatory authorities.
- (b) Review and discuss with the external auditors the results of their reviews and audit, any issues arising and management's response, including any restrictions on the scope of the



external auditors' activities or requested information and any significant disagreements with management, and resolving any disputes.

- (c) Review, discuss, approve, or recommend to the Board for approval, the quarterly financial statements and quarterly "management's discussion and analysis" prior to delivery to shareholders, and where applicable, filing with securities regulatory authorities.
- (d) Review and discuss with management and the external auditors the Corporation's critical accounting policies and practices, material alternative accounting treatments, significant accounting and reporting judgments, material written communications between the external auditor and management (including management representation letters and any schedule of unadjusted differences) and significant adjustments resulting from the audit or review.
- (e) Where applicable, review and discuss with management the Corporation's earnings press releases, and such other relevant public disclosures containing financial information as the Committee may consider necessary or appropriate.
- (f) Where applicable, review and discuss with management the disclosure controls relating to the Corporation's public disclosure of financial information, including information extracted or derived from the financial statements, and periodically assess the adequacy of such procedures.
- (g) In consultation with the external auditors, review with management the integrity of the Corporation's financial reporting process, both internal and external.
- (h) Consider the external auditors' judgments about the quality and appropriateness of the Corporation's accounting principles as applied in its financial reporting.
- (i) (bb) Consider and approve, if appropriate, changes to the Corporation's auditing and accounting principles and practices as suggested by the external auditors and management.
- (j) Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments.
- (k) Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
- (l) Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.
- (m) Review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters.
- (n) Review the certification process.
- (o) Establish a procedure for the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

**6. Other:**

Review any related-party transactions.

**SCHEDULE "B"**  
**TO INFORMATION CIRCULAR OF**  
**ABATTIS BIOCEUTICALS CORP.**  
**(APRIL 28, 2017)**

**CHANGE OF AUDITOR PACKAGE**

**ABATTIS BIOCEUTICALS CORP.**  
**NOTICE OF CHANGE OF AUDITOR**

(National Instrument 51-102)

TO: Deloitte LLP  
Dale Matheson Carr-Hilton Labonte LLP  
British Columbia Securities Commission  
Alberta Securities Commission  
Ontario Securities Commission  
Canadian Securities Exchange

Abattis Bioceuticals Corp. (the “**Company**”) gives the following notice (the “**Notice**”) in accordance with Section 4.11 of National Instrument 51-102 - *Continuous Disclosure Obligations* (“**NI 51-102**”) that;

- (a) at the request of the Company, Deloitte LLP, Chartered Professional Accountants (“**Deloitte**”), of 2800 – 1055 Dunsmuir Street, Vancouver, British Columbia, V7X 1P4, Canada, the predecessor auditor, tendered its resignation effective December 5, 2016;
- (b) the Company appointed Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants (“**DMCL**”), of 1500 - 1140 West Pender St., Vancouver, BC V6E 4G1, as the successor auditor of the Company effective December 5, 2016;
- (c) Deloitte has not expressed any reservation or modified opinions in its report for the most recently completed fiscal year of the Company, nor for the period from the most recently completed period for which Deloitte issued an audit report in respect of the Company and the date of this Notice;
- (d) the resignation of Deloitte and the appointment of DMCL as auditor of the Company were considered and approved by the board of directors of the Company;
- (e) there was no “reportable event” cited by Deloitte in connection with the audit of the most recently completed fiscal year of the Company, nor for the period from the most recently completed period for which Deloitte issued an audit report in respect of the Company and the date of this Notice as defined in section 4.11(1) of NI 51-102; and
- (f) the content of this Notice has been reviewed by the board of directors of the Company.

**[Remainder left blank intentionally]**

Dated: December 5, 2016

**ABATTIS BIOCEUTICALS CORP.**

By: "Rene David"

Name: Rene David

Title: CFO



DALE MATHESON CARR-HILTON LABONTE LLP  
CHARTERED PROFESSIONAL ACCOUNTANTS

VANCOUVER  
1500 – 1140 W. Pender Street  
Vancouver, BC V6E 4G1  
TEL 604.687.4747 | FAX 604.689.2778

TRI-CITIES  
700 – 2755 Lougheed Hwy.  
Port Coquitlam, BC V3B 5Y9  
TEL 604.941.8266 | FAX 604.941.0971

WHITE ROCK  
301 – 1656 Martin Drive  
White Rock, BC V4A 6E7  
TEL 604.531.1154 | FAX 604.538.2613

WWW.DMCL.CA

December 5, 2016

**British Columbia Securities Commission**

P.O. Box 10142, Pacific Centre  
9<sup>TH</sup> Floor – 701 West Georgia Street  
Vancouver, B.C. V7Y 1L2

**Canadian Securities Exchange**

220 Bay Street, 9<sup>th</sup> Floor  
Toronto, Ontario  
M5J 2W4

**Alberta Securities Commission**

Suite 600, 250 – 5<sup>th</sup> Street S.W.  
Calgary, Alberta T2P 0R4

**Ontario Securities Commission**

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

Dear Sirs:

**Re: Abattis Bioceutical Corp. (the “Company”)**  
**Notice Pursuant to National Instrument 51-102 - Change of Auditor**

As required by the National Instrument 51-102 and in connection with our proposed engagement as auditor of the Company, we have reviewed the information contained in the Company's Notice of Change of Auditor, dated December 5, 2016 and agree with the information contained therein, based upon our knowledge of the information relating to the said notice and of the Company at this time.

Yours very truly,

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

**PARTNERSHIP OF:**

**VANCOUVER** Robert J. Burkart, Inc. Kenneth P. Chong Inc. Alvin F. Dale Ltd. Donald L. Furney, Ltd. David J. Goertz, Inc. Matthew G. Gosden, Inc. Barry S. Hartley, Inc. Reginald J. LaBonte Ltd. Robert J. Matheson, Inc. Rakesh I. Patel Inc. Lorraine W. Rinfret, Inc. Brad A. Robin Inc. **WHITE ROCK** Michael K. Braun Inc. Peter J. Donaldson, Inc. Harjit S. Sandhu, Inc. **TRI-CITIES** Fraser G. Ross, Ltd. Brian A. Shaw Inc.

# Deloitte.

Deloitte Private  
2800 - 1055 Dunsmuir Street  
4 Bentall Centre  
P.O. Box 49279  
Vancouver BC V7X 1P4  
Canada

Tel: 604-669-4466  
Fax: 778-374-0496  
www.deloitte.ca

December 5, 2016

To: British Columbia Securities Commission  
Alberta Securities Commission  
Ontario Securities Commission  
Canadian Securities Exchange

Dear Sirs/Mesdames:

As required by subparagraph (5)(a)(ii) of section 4.11 of National Instrument 51-102, we have reviewed the change of auditor notice of Abattis Bioceuticals Corp. dated December 5, 2016 (the "Notice") and, based on our knowledge of such information at this time, we confirm that we agree with the statements contained in the Notice in as far as they relate to us. We have no basis to agree or disagree with the statements made in paragraph (d) and (f) of the Notice.

Yours very truly,

*Deloitte LLP*

Chartered Professional Accountants