



SQI DIAGNOSTICS INC.

**NOTICE OF ANNUAL AND SPECIAL MEETING OF
SHAREHOLDERS**

TO BE HELD ON JUNE 30, 2023

- AND -

MANAGEMENT INFORMATION CIRCULAR

MAY 30, 2023

SQI DIAGNOSTICS INC.

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON JUNE 30, 2023

NOTICE IS HEREBY GIVEN that the annual and special meeting (the “**Meeting**”) of the holders (“**Shareholders**”) of common shares (“**Common Shares**”) of SQI Diagnostics Inc. (the “**Company**”) will be held at the offices of Aird & Berlis LLP, located at Suite 1800, 181 Bay Street, Toronto, Ontario, on Friday, June 30, 2023 at 1:00 p.m. (Toronto time) for the following purposes:

1. To receive the audited financial statements of the Company for the year ended September 30, 2022 together with the report of the auditors thereon;
2. To elect directors of the Company for the ensuing year;
3. To appoint RSM Canada LLP, Chartered Professional Accountants, as auditor of the Company to hold office until the next annual meeting of shareholders at remuneration to be fixed by the directors;
4. To consider and, if thought advisable, approve, with or without variation, a special resolution authorizing an amendment to the articles of the Company to consolidate the issued and outstanding Common Shares at a ratio of between five and ten pre-consolidation Common Shares for every one post-consolidation Common Share, as and when determined by the board of directors of the Company;
5. To consider, and if thought advisable, approve, with or without amendment, an ordinary resolution of disinterested Shareholders to ratify, confirm and approve amendments to 16,705,767 existing stock options (the “**Executive Options**”) held by certain insiders of the Company to: (i) reduce the current exercise price of the Executive Options from their current respective exercise prices to \$0.05 per Common Share; and (ii) amend the expiry date of the Executive Options from their current respective expiry dates to March 9, 2028 (the “**Option Amendments**”);
6. To consider, and if thoughts advisable, approve, with or without amendment, an ordinary resolution of disinterested Shareholders to ratify, confirm and approve an amendment to the definition of “Eligible Person” set out in the amended and restated stock option plan of the Company and to address the adoption of certain amendments to TSX Venture Exchange Policy 4.4 – Security Based Compensation, as previously approved by the board of directors of the Company, and as more fully described in the accompanying Information Circular; and
7. To transact such other business as may properly come before the Meeting or any adjournment thereof.

This notice is accompanied by a form of proxy and a management information circular dated May 30, 2023 (the “**Information Circular**”).

The board of directors of the Company has fixed the close of business on May 29, 2023 (the “**Record Date**”) as the record date for the determination of holders of Common Shares entitled to notice of the Meeting and any adjournments thereof.

Shareholders who are unable to attend the Meeting are requested to complete, date, sign and return the enclosed form of proxy or voting instruction form, or to vote online or by telephone in accordance with the instructions on the enclosed form of proxy or voting instruction form, so that as large a representation as possible may be had at the Meeting. To be effective, the proxy or voting instruction form must be deposited:

- **in person** at the office of the Company’s registrar and transfer agent, Computershare Investor Services Inc. at 100 University Ave, Suite 800, Toronto, Ontario, M5J 2Y1;
- **by fax** to 1-866-249-7775, attention: Proxy Department;
- **online** at www.investorvote.com; or
- **by phone** at 1-866-732-VOTE (8683) Toll Free

by not later than 1:00 p.m. (Toronto time) on June 28, 2023 or, if the Meeting is adjourned, not later than 48 hours, excluding Saturdays, Sundays and holidays, prior to the time of such adjourned Meeting, unless the Chairman of the Meeting elects to exercise his discretion to accept proxies received subsequently.

DATED at Toronto, Ontario, this 30th day of May, 2023.

BY ORDER OF THE BOARD OF DIRECTORS

/s/ “*Andrew Morris*”

Andrew Morris
Chief Executive Officer

SQI DIAGNOSTICS INC.

ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

MANAGEMENT INFORMATION CIRCULAR

The information presented in this management information circular (the “**Information Circular**”) is given as of May 30, 2023 unless otherwise indicated.

I. GENERAL PROXY INFORMATION

SOLICITATION OF PROXIES

This Information Circular is furnished in connection with the **solicitation by and on behalf of the management of the Company of proxies** to be used at the annual and special meeting of the Company (the “**Meeting**”) to be held at the offices of Aird & Berlis LLP, located at Suite 1800, 181 Bay Street, Toronto, Ontario, on Friday, June 30, 2023, at 1:00 p.m. (Toronto time) for the purposes set forth in the accompanying notice of annual and special meeting of Shareholders (“**Notice of Meeting**”), and at any adjournment or adjournments thereof. In addition to solicitation by mail, certain officers, directors, employees and service providers of the Company may solicit proxies by telephone, electronic mail, facsimile or personally. These persons will receive no compensation for such solicitation other than their regular fees or salaries. The head office of the Company is located at 36 Meteor Drive, Toronto, Ontario, M9W 1A4. The Company will bear the costs of the proxy solicitation..

No person is authorized to give any information or to make any representation not contained in this Information Circular, and if given or made, such information or representation should not be relied upon as having been authorized. This Information Circular does not constitute an offer to sell, or a solicitation of an offer to purchase, any securities, or the solicitation of a proxy, by any person in any jurisdiction in which such an offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such an offer or solicitation of any offer or proxy solicitation. Neither delivery of this Information Circular nor any distribution of the securities referred to in this Information Circular shall, under any circumstances, create an implication that there has been no change in the information set forth herein since the date of this Information Circular.

APPOINTMENT OF PROXYHOLDER

The persons named in the enclosed form of proxy are officers or directors of the Company (the “**Management Proxyholders**”).

A SHAREHOLDER DESIRING TO APPOINT SOME OTHER PERSON, WHO NEED NOT BE A SHAREHOLDER OF THE COMPANY, TO REPRESENT THEM AT THE MEETING MAY DO SO by inserting such other person’s name in the blank space provided in the form of proxy and depositing the completed proxy with the Company’s registrar and transfer agent, Computershare Investor Services Inc., as instructed below. A proxy can be executed by the Shareholder or his attorney duly authorized in writing, or, if the Shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized.

In addition to any other manner permitted by law, a proxy may be revoked before it is exercised by instrument in writing executed and delivered in person or by fax, as described below, any time up to and including the last business day preceding the day of the Meeting or any adjournment.

VOTING BY PROXY

Common shares of the Company (“**Common Shares**”) represented by a properly executed proxy will be voted for, against or be withheld from voting, as the case may be, on each matter referred to in the Notice of Meeting in accordance with the instructions of the Shareholder on any ballot that may be called for and if the Shareholder specifies a choice with respect to any matter to be acted upon, the shares will be voted accordingly.

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

The enclosed form of proxy also gives discretionary authority to the person named therein as proxyholder with respect to amendments or variations to matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting. At the date of this Information Circular, management of the Company knows of no such amendments, variations or other matters to come before the Meeting.

DEPOSIT OF PROXY

Proxies must be deposited:

- **in person** at the office of the Company’s registrar and transfer agent, Computershare Investor Services Inc. at 100 University Ave, Suite 800, Toronto, Ontario, M5J 2Y1;
- **by fax** to 1-866-249-7775, attention: Proxy Department; or
- **online** at www.investorvote.com
- **by phone** at 1-866-732-VOTE (8683) Toll Free

by not later than 1:00 p.m. (Toronto time) on June 28, 2023 or, if the Meeting is adjourned, not later than 48 hours, excluding Saturdays, Sundays and holidays, prior to the time of such adjourned Meeting, unless the Chairman of the Meeting elects to exercise his discretion to accept proxies received subsequently.

DISTRIBUTION TO NOBOS

In accordance with the requirements of National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”), the Company will have distributed copies of the Notice of Meeting, this Information Circular and the form of proxy (collectively, the “**Meeting Materials**”) directly to persons beneficially holding Common Shares (each a “**Non-Registered Holder**”) who have provided instructions to an intermediary (an “**Intermediary**”) that such Non-Registered Holder does not object to the Intermediary disclosing

ownership information about the Non-Registered Holder (“**Non-Objecting Beneficial Owner**” or “**NOBO**”).

These security holder materials are being sent to both registered and non-registered holders of Common Shares. If you are a Non-Registered Holder, and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of Common Shares have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf.

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

The meeting materials distributed by the Company’s agent to NOBOs include a Voting Instruction Form. Please carefully review the instructions on the Voting Instruction Form for completion and deposit.

DISTRIBUTION TO OBOS

In addition, the Company will cause its agent to deliver copies of the meeting materials to the clearing agencies and Intermediaries for onward distribution to those Non-Registered Holders who have provided instructions to an Intermediary that the Non-Registered Holder objects to the Intermediary disclosing ownership information about the Non-Registered Holder (“**Objecting Beneficial Owner**” or “**OBO**”).

Intermediaries are required to forward the meeting materials to OBOs unless an OBO has waived his or her right to receive them. Intermediaries often use third-party service companies to forward the meeting materials to OBOs. Generally, those OBOs who have not waived the right to receive meeting materials will either:

- (i) be given a form of 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 OBO, but which is otherwise uncompleted. This form of proxy need not be signed by the OBO. In this case, the OBO who wishes to submit a proxy should properly complete the form of proxy and deposit it with Computershare Investor Services in the manner set out above in this Information Circular with respect to the Common Shares beneficially owned by such OBO; or
- (ii) more typically, be given a voting registration form which is not signed by the Intermediary and which, when properly completed and signed by the OBO and returned to the Intermediary or its service company, will constitute authority and instructions (often called a “**Voting Instruction Form**”) which the Intermediary must follow. Typically, the Voting Instruction Form will consist of a one page pre-printed form. The purpose of this procedure is to permit the OBO to direct the voting of the Common Shares he or she beneficially owns.

Should a Non-Registered Holder who receives one of the above forms wish to vote at the Meeting in person, the Non-Registered Holder should strike out the names of the persons

named in the form and insert the Non-Registered Holder or such other person's name in the blank space provided. In either case, Non-Registered Holders should carefully follow the instructions, including those regarding when and where the proxy or Voting Instruction Form is to be delivered.

An OBO may revoke a Voting Instruction Form or a waiver of the right to receive meeting materials and to vote which has been given to an Intermediary at any time by written notice to the Intermediary, except that an Intermediary is not required to act on a revocation of a Voting Instruction Form or of a waiver of the right to receive meeting materials and to vote which is not received by the Intermediary at least seven days prior to the Meeting. See

REVOCABILITY OF PROXY

Any registered Shareholder or NOBO who has returned a proxy may revoke it at any time before it has been exercised. In addition to revocation in any other manner permitted by law, a registered Shareholder or NOBO, his or her attorney authorized in writing or, if the registered Shareholder or NOBO is a corporation, a corporation under its corporate seal or by an officer or attorney thereof duly authorized, may revoke a proxy by instrument in writing, including a proxy bearing a later date. The instrument revoking the proxy must be deposited in person or by fax at the registered office of the Company, at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof, or with the Chairman of the Meeting on the day of the Meeting. Only registered holders of Common Shares or NOBOs have the right to revoke a proxy. OBOs who wish to change their vote must, at least 7 days before the Meeting, arrange for their nominees to revoke the proxy on their behalf.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The authorized capital of the Company consists of an unlimited number of Common Shares. As at the date of this Information Circular, 407,170,550 Common Shares are issued and outstanding as fully paid and non-assessable.

Each Common Share entitles the holder thereof to one vote. A list of registered holders of Common Shares will be available for inspection at the Meeting. The board of directors of the Company (the "**Board**") has fixed May 29, 2023, as the record date for the Meeting. Shareholders of record as at that date are entitled to receive notice of the Meeting. Shareholders of record will be entitled to vote those Common Shares included in the list of Shareholders entitled to vote at the Meeting prepared as at the record date.

To the knowledge of the directors and executive officers of the Company, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, more than 10% of the issued and outstanding Common Shares other than (i) Cumberland Private Wealth Management Inc. who, together with Cumberland Investment Counsel Inc. and Gerald R. Connor, according to information provided by them, beneficially owns, directly or indirectly, and/or exercises control or direction over an aggregate of 102,859,327 Common Shares representing approximately 25.26% of the issued and outstanding Common Shares, of which Mr. Connor beneficially owns, directly or indirectly, and/or exercises control or direction over 100,178,683 Common Shares, representing approximately 24.61% of the issued and outstanding Common Shares (ii) Clive J. Beddoe who, according to information provided by him, beneficially owns, directly or indirectly, 97,948,547 Common Shares representing approximately 24.06% of the

issued and outstanding Common Shares and (iii) Wilmot L. Matthews who, according to information provided by him, beneficially owns, directly or indirectly, 104,814,107 Common Shares representing approximately 25.74% of the issued and outstanding Common Shares. Each of Messrs. Connor, Beddoe and Matthews is a director of the Company and a “control person” of the Company pursuant to the policies of the TSX Venture Exchange. Shareholders of the Company approved the creation of Messrs. Connor, Beddoe and Matthews as control persons of the issuer at an annual and special meeting of shareholders held on December 18, 2017.

II. PARTICULARS OF MATTERS TO BE ACTED UPON

1. Financial Statements and Auditor’s Report

The annual report of the Company for the fiscal year ended September 30, 2022, including the financial statements for the fiscal year ended September 30, 2022, together with the report of the auditors thereon will be submitted at the Meeting. Receipt of the auditors’ report and the Company’s financial statements for its last completed fiscal year at the Meeting will not constitute approval or disapproval of any matters referred to therein.

Under NI 54-101, a person or company who wishes to receive interim financial statements from the Company must deliver a written request for such material to the Company, together with a signed statement that the person or company is the owner of securities (other than debt instruments) of the Company. Shareholders who wish to receive interim financial statements are encouraged to send the enclosed return card, together with the completed form of proxy, in the addressed envelope provided, to the Company’s registrar and transfer agent, Computershare Investor Services Inc. at 100 University Ave, Suite 800, Toronto, Ontario, M5J 2Y1. The Company will maintain a supplemental mailing list of persons and companies wishing to receive interim financial statements. Additional information relating to the Company is available on SEDAR at www.sedar.com. Shareholders may contact the Company at 36 Meteor Drive, Toronto, Ontario M9W 1A4 to request copies of the Company’s financial statements and management discussion and analysis (“MD&A”).

Financial information is provided in the Company’s comparative annual financial statements and MD&A for its most recently completed financial year, which are available on the Company’s issuer profile on SEDAR at www.sedar.com.

2. Election of Directors

The articles of the Company provide that Board of Directors of the Company shall consist of a minimum of 1 director and a maximum of 11 directors. At the Meeting, Management will propose that the Board be comprised of 5 directors. The directors of the Company are elected at each annual meeting and hold office until the next annual meeting or until their successors are appointed. In the absence of instructions to the contrary, the enclosed proxy will be voted for the nominees herein listed. At the Meeting, the nominees will be voted on individually.

Unless the Shareholder specifies in the enclosed form of proxy that the Common Shares represented by the proxy are to be withheld from voting in the election of directors, the Management Proxyholder named in the form of proxy shall vote the Common Shares represented by the proxy in favour of the election of the persons whose names are set forth below. Management does not contemplate that any of these persons will be unable to serve as a

director but, if that should occur for any reason prior to the Meeting, then the person named in the form of proxy may vote for the election of another person or persons in their discretion.

The following table sets out the name and place of residence of all persons proposed to be nominated for election as a director of the Company. In addition, the table sets forth the principal occupation or employment over the past 5 years, the year each person began to serve as a director of the Company and the number of Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised by each of them as of date of this Information Circular. Each director elected at the Meeting will hold office until the next annual meeting of Shareholders or until his or her successor is elected or appointed, unless his or her office is earlier vacated according to the provisions of the by-laws of the Company and the Canada Business Corporations Act (the “CBCA”). Information concerning such persons, as furnished by the individual nominees, is as follows:

Name, Place of Residence	Position(s) Presently Held	Principal Occupation	Director Since	Number of Common Shares Beneficially Owned, Directly or Indirectly, or Controlled or Directed	Percentage of Outstanding Common Shares
Gerald R. Connor ⁽¹⁾⁽²⁾⁽³⁾ Toronto, Ontario Canada	Chairman of Cumberland Private Wealth Management Inc.	Currently and for the past five years, Mr. Connor has acted as Chairman of Cumberland Private Wealth Management Inc. and a director of Cumberland Investment Counsel Inc. for the past five years. Prior to founding Cumberland Private Wealth Management Inc. in 1997, Mr. Connor was President of Connor, Clark & Company Ltd. (1977 to 1997) and Chairman of the board of directors of Connor, Clark & Lunn Investment Management. Mr. Connor is also a trustee of Allied Properties Real Estate Investment Trust and Chair of its audit committee.	April 2015	100,178,683 ⁽⁴⁾	24.61%
Wilmot L. Matthews ⁽¹⁾⁽²⁾⁽³⁾ Toronto, Ontario Canada	Retired	Mr. Matthews has been involved in all aspects of investment banking by serving in various positions with Nesbitt Burns Inc. and its predecessor companies from 1964 until his retirement in September 1996, when he was Vice Chairman and a Director. Mr. Matthews is President of Marjad Inc., a private investment company, a current member of the Investment Advisory Committee of Imperial Capital, a private equity fund manager.	April 2015	104,814,107	25.74%
Andrew Morris Toronto, Ontario Canada	Chief Executive Officer, SQI Diagnostics	Mr. Morris was the Chief Executive Officer of SQI Diagnostics Inc. from June 2013 to February 2020 and was its CFO from 2004 through 2013. He was re-appointed as Chief Executive Officer in September 2021.	September 2013	375,006	0.09%
Claude Ricks ⁽¹⁾⁽²⁾ Barrie, Ontario Canada	Partner of Level 5 Strategy Group	Currently and since December 2016, Mr. Ricks is a partner with Level 5 Strategy Group. Prior to that and since June 2014, Mr. Ricks was the Chief Operating Officer of gShift. Prior to that and since May 2007, Mr. Ricks was the President, Chief Executive Officer and a director of the Company. Prior to that, Mr. Ricks was the President of SQIDS.	May 2007	1,992,157	0.49%

Name, Place of Residence	Position(s) Presently Held	Principal Occupation	Director Since	Number of Common Shares Beneficially Owned, Directly or Indirectly, or Controlled or Directed	Percentage of Outstanding Common Shares
Eric Brouwer, Toronto, Ontario Canada	Chief Scientific Officer, SQI Diagnostics	Currently and since October 2017, Dr. Brouwer is the Chief Scientific Officer of the Company. Prior to that and since 2015, Dr. Brouwer was the Chief Scientific Officer at Trinity Biotech. Dr. Brouwer held various positions at Abbott Laboratories from 2000-2015	May 2020	20,000	0.00%

- (1) Member of the compensation committee (the “**Compensation Committee**”) (appointed annually).
- (2) Member of the audit committee (the “**Audit Committee**”) (appointed annually).
- (3) Each of Messrs. Connor and Matthews are “control person” of the Company pursuant to the policies of the TSX Venture Exchange. Shareholders of the Company approved the creation of Messrs. Connor and Matthews as new control persons of the Company at an annual and special meeting of shareholders held on December 18, 2017.
- (4) Includes 403,875 Common Shares held in managed accounts at Cumberland Private Wealth Management Inc. over which Mr. Connor exercises control or direction. Excludes Common Shares held in managed accounts at Cumberland Private Wealth Management Inc. and Cumberland Associates Investment Counsel Inc. that Mr. Connor does not beneficially own, directly or indirectly, or exercise control or direction over.

No proposed director is to be elected under any arrangement or understanding between the proposed director and any other person or company, except the directors and executive officers of the company acting solely in such capacity.

Corporate Cease Trade Orders

Other than as disclosed below, to the knowledge of the Company, no proposed director is as at the date of this Information Circular, or has been within the 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including the 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 applicable securities legislation, and which in all cases was in effect for a period of more than 30 consecutive days (an “**Order**”), which Order was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer of such company; or
- (b) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer of such company.

Bankruptcies, Penalties or Sanctions

Other than as disclosed below, to the knowledge of the Company, no proposed director:

- (a) is, as at the date of this Information Circular, or has been within the 10 years before the date of this Information Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or

compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;

- (b) has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold his assets;
- (c) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (d) has been subject to any penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in deciding whether to vote for a proposed director.

Conflicts of Interest

The directors are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interests that they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the Board, any director in a conflict will disclose his interest and abstain from voting on such matter.

To the Company's knowledge, and other than disclosed herein, there are no known existing or potential conflicts of interest among the Company, its promoters, directors and officers or other members of management of the Company or of any proposed promoter, director, officer or other member of management as a result of their outside business interests, except that certain of the directors and officers serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Company and their duties as a director or officer of such other companies.

Meeting Attendance

The following table summarizes the attendance record of each director for all Board meetings held for the fiscal year ended September 30, 2022.

<u>Name</u>	<u>Board Meetings Attended</u>
Gerald R. Connor	4 / 4
Wilmot Matthews	4 / 4
Andrew Morris	4 / 4
Claude Ricks	4 / 4
Eric Brouwer	4 / 4

Management recommends that Shareholders vote FOR the election of the directors.

3. **Appointment of Auditor**

Management proposes to nominate RSM Canada LLP, Chartered Professional Accountants, which firm has been the Company's auditor since 2005. An affirmative vote of the majority of the votes cast at the Meeting is sufficient for the appointment of an auditor. **Proxies in favour of management's nominees will be voted FOR the appointment of RSM Canada LLP, Chartered Professional Accountants, as the auditor of the Company to hold office until the close of the next annual meeting of Shareholders at remuneration to be fixed by the directors.**

The Board recommends that Shareholders vote FOR the appointment of the auditor of the Company at remuneration to be fixed by the directors.

4. **Approval of the Consolidation of Common Shares**

At the Meeting, Shareholders will be asked to consider and, if thought advisable, to approve the special resolution in the form set out below (the "**Consolidation Resolution**") to allow the Company to amend its articles in order to consolidate its issued and outstanding Common Shares (the "**Share Consolidation**") at a ratio of between five and ten pre-consolidation Common Shares for every one post-consolidation Common Share, as may be determined by the Board in its sole discretion (the "**Consolidation Ratio**").

In addition to the requirement that Shareholders approve the Consolidation Resolution, the ability of the Board to effect the Share Consolidation is subject to the approval of the TSX Venture Exchange. Subject to the approval of the TSX Venture Exchange, the approval of the Consolidation Resolution by Shareholders would give the Board the authority to implement the Share Consolidation and to determine the exact Consolidation Ratio, in its sole discretion, at any time within one year of the date of Shareholder approval of the Consolidation Resolution. Notwithstanding the foregoing, even if the Share Consolidation Resolution is approved by Shareholders at the Meeting, the Board may elect to revoke the Share Consolidation Resolution and abandon the Share Consolidation without prior approval of, or notice to, Shareholders.

Principal Reasons for Effecting the Share Consolidation

The Board believes that it is in the best interests of the Company to have the authority to implement the Share Consolidation for the following reasons:

- (i) *Increased investor interest.* A higher post-consolidation share price could help generate interest in the Company among new and existing investors. While decreasing the number of Common Shares outstanding may not, by itself, affect the marketability of the Common Shares, in practice many investors, including institutional investors and investment funds, consider low-priced shares as unduly speculative in nature and, as a matter of policy, avoid investments in such shares. As a result, a higher anticipated share price may meet investing guidelines for certain investors that are currently prevented under their investing guidelines from investing in the Common Shares at current price levels, and may allow such investors to leverage their investment by meeting margin eligibility requirements;
- (ii) *Reduction of Shareholder transaction costs.* Shareholders may benefit from relatively lower trading costs associated with a higher share price. In circumstances

where commissions are based on the number of shares traded, investors pay lower commissions to trade a fixed value of shares where the per share price is higher; and

- (iii) *Improved liquidity.* The aggregate potential effect of increased interest from investors and potentially lower transaction costs could ultimately improve the trading liquidity of the shares.

There can be no assurance that any increase in the market price per Common Share or improved liquidity would result from the proposed Share Consolidation.

Principal Effects of the Share Consolidation

The principal effects of the Share Consolidation would be:

- (i) *Reduction in the number of Common Shares outstanding.* The number of Common Shares issued and outstanding will be reduced from 407,134,322 Common Shares (as of the date of this Circular) to between approximately 81,426,864 and 40,713,432, depending on the Consolidation Ratio selected by the Board; and
- (ii) *Adjustments to the outstanding options and common share purchase warrants of the Company.* The exercise price and the number of Common Shares issuable under the Company's outstanding options and common share purchase warrants will be proportionately adjusted, based on the Consolidation Ratio selected by the Board, with any fraction rounded down to the nearest whole number.

The Board believes that Shareholder approval of a range of potential Consolidation Ratios (rather than a single Consolidation Ratio) would provide the Board with maximum flexibility to react to then-current market conditions and achieve the desired results of the Share Consolidation. If the Consolidation Resolution is approved, the Share Consolidation would be implemented, if at all, only upon a determination by the Board that it is in the best interests of the Company at that time. In connection with any determination to implement the Share Consolidation, the Board will set the timing for such Share Consolidation and select the specific Consolidation Ratio from within the range of ratios set forth in the Consolidation Resolution, subject to receipt of all necessary regulatory approvals, including the approval of the TSX Venture Exchange. The selection by the Board of the specific ratio would be based primarily on the price level of the Common Shares at that time and the expected stability of that price level. No further action on the part of Shareholders would be required in order for the Board to implement the Share Consolidation.

The Share Consolidation will not materially affect any Shareholder's proportionate voting rights. Each Common Share outstanding after the Share Consolidation will be fully paid and non-assessable and will entitle the holder to one vote per Common Share.

If approved and implemented, the Share Consolidation will occur simultaneously for all the Common Shares and the Consolidation Ratio will be the same for all the Common Shares. Except for any variances attributable to fractional shares, the change in the number of issued and outstanding Common Shares that will result from the Share Consolidation will cause no change in the capital attributable to the Common Shares and will not materially affect any Shareholder's percentage ownership in the Company, even though such ownership will be represented by a

smaller number of Common Shares. Any fractional Common Shares resulting from the Share Consolidation will be rounded down to the nearest whole number and any such fractional interest will be cancelled without consideration.

Certain Risks Associated with the Share Consolidation

The effect of the Share Consolidation upon the market price of the Common Shares cannot be predicted with certainty, and the history of share consolidations for corporations similar to the Company is varied. Certain risks associated with the Share Consolidation are as follows:

The Company's total market capitalization immediately after the proposed Share Consolidation may be lower than immediately before the proposed Share Consolidation

There are numerous factors and contingencies that could affect the Common Share price prior to or following the Share Consolidation, including the status of the market for the Common Shares at the time, the status of the Company's reported financial results in future periods, and general economic, geopolitical, stock market and industry conditions. Accordingly, the market price of the Common Shares may not be sustainable at the direct arithmetic result of the Share Consolidation and may be lower.

A decline in the market price of the Common Shares after the Share Consolidation may result in a greater percentage decline than would occur in the absence of a consolidation, and liquidity could be adversely affected following such consolidation

If the Share Consolidation is implemented and the market price of the Common Shares declines, the percentage decline may be greater than would occur in the absence of the Share Consolidation. The market price of the Common Shares will, however, also be based on the Company's performance and other factors, which are unrelated to the number of Common Shares outstanding.

While the Board believes that a higher share price may provide the benefits described above, the Share Consolidation may not result in a share price that will attract institutional investors or investment funds. As a result, the liquidity of the Common Shares may not improve after giving effect to the Consolidation.

Furthermore, the liquidity of the Common Shares could be adversely affected by the reduced number of Common Shares that would be outstanding after the Share Consolidation.

The Share Consolidation may result in some Shareholders owning "odd lots" of less than 100 Common Shares on a post-consolidation basis, which may be more difficult to sell, or require greater transaction costs per share to sell

The Share Consolidation may result in some Shareholders owning "odd lots" of less than 100 Common Shares on a post-consolidation basis. "Odd lots" may be more difficult to sell, or require greater transaction costs per Common Share to sell, than Common Shares held in "board lots" of even multiples of 100 Common Shares.

Procedure for Implementing the Share Consolidation

If the Share Consolidation Resolution is approved by Shareholders and the Board decides to implement the Share Consolidation, subject to TSX Venture Exchange approval, the Company

will file articles of amendment with the Director appointed under the CBCA in the form prescribed by the CBCA to amend the Company's articles. The Share Consolidation will become effective on the date shown in the certificate of amendment issued by the Director appointed under the CBCA or such other date indicated in the articles of amendment.

Effect on Share Certificates

If the proposed Share Consolidation is approved by Shareholders and implemented, registered Shareholders will be required to exchange their share certificates representing pre-consolidation Common Shares for new share certificates representing post-consolidation Common Shares. Following the announcement by the Company of the Consolidation Ratio selected by the Board the effective date of the Share Consolidation, registered Shareholders will be provided with a letter of transmittal by the Company's transfer agent, Computershare Investor Services Inc., to be used for the purpose of surrendering their certificates representing the then outstanding Common Shares to such transfer agent in exchange for new share certificates representing Common Shares after giving effect to the Share Consolidation. After the Share Consolidation, share certificates representing pre-consolidation Common Shares will: (i) not constitute good delivery for the purposes of trades of Common Shares post-consolidation; and (ii) be deemed for all purposes to represent the number of Common Shares to which the shareholder is entitled as a result of the Share Consolidation. No delivery of a new share certificate to a Shareholder will be made until the Shareholder surrenders its certificates representing the pre-consolidation Common Shares along with the letter of transmittal to the registrar and transfer agent of the Company in the manner detailed therein.

Effect on Non-Registered Holders

Non-Registered Beneficial Holders holding their Common Shares through a bank, broker or other nominee should note that such banks, brokers or other nominees may have specific procedures for processing the Share Consolidation. If you hold your Common Shares with such a bank, broker or other nominee and if you have any questions in this regard, you are encouraged to contact your nominee.

No Dissent Rights

Under the CBCA, Shareholders do not have dissent and appraisal rights with respect to the proposed Share Consolidation.

Shareholder Approval of Consolidation Resolution

In order to be adopted, the CBCA requires that the Consolidation Resolution be approved by a special resolution of the Shareholders, being a majority of not less than two-thirds of the votes cast by Shareholders present in person or by proxy at the Meeting. The text of the Consolidation Resolution to be submitted to shareholders at the Meeting is set forth below:

BE IT RESOLVED THAT:

1. SQI Diagnostics Inc. (the "**Company**") is hereby authorized to amend its articles to provide that:

- a) the authorized capital of the Company is altered by consolidating all of the issued and outstanding common shares of the Company without par value on the basis of a consolidation ratio to be selected by the Company's board of directors, in its sole discretion, provided that (i) the ratio may be no smaller than one post-consolidation common share for every five pre-consolidation common shares and no larger than one post-consolidation common share for every ten pre-consolidation common shares, and (ii) the number of pre-consolidation common shares in the ratio must be a whole number of common shares (the "**Consolidation Ratio**");
 - b) in the event that the consolidation would otherwise result in the issuance of a fractional share, no fractional share shall be issued and such fraction will be rounded down to the nearest whole number; and
 - c) the effective date of such consolidation shall be the date shown in the certificate of amendment issued by the Director appointed under the CBCA or such other date indicated in the articles of amendment provided that, in any event, such date shall be on any date prior to the date that is one year from the date of approval of this special resolution by shareholders;
2. the board of directors of the Company is hereby authorized to determine the Consolidation Ratio within the parameters prescribed in 1(a) above;
 3. any officer or director of the Company is hereby authorized for and on behalf of the Company to execute, deliver and file all such documents, whether under the corporate seal of the Company or otherwise, and to do and perform all such acts or things as may be necessary or desirable in order to give effect to the foregoing special resolution, including, without limitation, the determination of the effective date of the consolidation and the delivery of articles of amendment in the prescribed form to the Director appointed under the CBCA, the execution, delivery or filing of any such document or the doing of any such act or thing being conclusive evidence of such determination; and
 4. notwithstanding the foregoing, the directors of the Company are hereby authorized, without further approval of or notice to the shareholders of the Company, to revoke this special resolution at any time before a certificate of amendment is issued by the Director appointed under the CBCA.

Proxies in favour of management's nominees will be voted FOR the approval of the Consolidation Resolution in the absence of direction to the contrary from the Shareholders appointing them.

The Board recommends that Shareholders vote FOR the Consolidation Resolution.

5. Ratification of Amendments to Executive Options

On March 9, 2023, the Company entered into an amending agreement (the "**Amending Agreement**") with Pivot Financial ("**Pivot**"), an existing arm's length lender of the Company, in connection with the advance of an additional \$500,000 (the "**New Advance**") by Pivot to the Company to amend certain terms of its existing secured credit facility (the "**Credit Facility**") with Pivot dated February 11, 2022, as amended from time to time. As a condition of the funding of the New Advance under the Amending Agreement, the Company, along with certain Company

executives, being each of Andrew Morris (CEO), Morlan Reddock (CFO) and Eric Brouwer (CSO), agreed to amend the terms of an aggregate of 16,705,767 existing stock options (the “**Executive Options**”) collectively held by such executives by reducing: (i) reducing the current exercise price of the Executive Options from their current respective exercise prices to \$0.05 per Common Share; and (ii) amending the expiry date of the Executive Options from their current respective expiry dates to March 9, 2028 (the “**Option Amendments**”). The purpose of the Option Amendments is to incentivize the holders of Executive Options and more closely align their interests with those of Shareholders in light of the current price of the Common Shares.

The Option Amendments were approved by the Board and became effective on March 9, 2023, subject to receipt of applicable Shareholder and TSX Venture Exchange approvals. As at the date of this Information Circular, the Option Amendments have received conditional approval of the TSX Venture Exchange and must be approved by the “disinterested Shareholders” of the Company prior to receipt of final approval from the TSXV Venture Exchange. In connection with the Option Amendments, 1,195,500 stock options held by Andrew Morris were cancelled effective March 9, 2023. Prior to the implementation of the Option Amendments, the Executive Options had exercise prices ranging from \$0.105 to \$0.275 and expiration dates ranging from May 21, 2024 to August 26, 2030. The specific terms of the Option Amendments are set out in full in Schedule “B” to this Information Circular.

Pursuant to TSX Venture Exchange Policy 4.4, “disinterested Shareholder” approval for the Option Amendments requires the approval of a majority of votes cast at a meeting of Shareholders other than votes attaching to securities beneficially owned by insiders to whom Common Shares may be issued pursuant to the exercise of the Executive Options. The Executive Options may not be exercised prior to receipt of such Shareholder approval and the final approval of the TSX Venture Exchange. In the event that the requisite number of disinterested Shareholders do not approve the Option Amendments, the Executive Options will revert to their original terms.

Accordingly, disinterested Shareholders will be asked at the Meeting to consider and, if thought advisable, to approve an ordinary resolution in the form set out below (the “**Executive Option Amendment Resolution**”):

BE IT RESOLVED THAT:

1. the amendments to an aggregate 16,705,767 existing stock options of the SQI Diagnostics Inc. (the “**Company**”) collectively held by certain executive of the Company, being each of Andrew Morris (CEO), Morlan Reddock (CFO) and Eric Brouwer (CSO), pursuant to the terms set out in Schedule “B” hereto are hereby ratified, confirmed and approved; and
2. any officer or director of the Company be and is hereby authorized for and on behalf of the Company (under its corporate seal or otherwise) to execute and deliver all such instruments, agreements, documents, directions and writings, and to perform and do all such other acts and things as he or she, in his or her discretion, may consider to be necessary, desirable or useful for the purpose of giving effect to the foregoing resolutions, including, but not limited to, making any filings with applicable regulatory authorities, the execution and delivery thereof and the doing of all such acts and things being conclusive evidence of such determination.

Proxies in favour of management’s nominees from disinterested Shareholders will be voted FOR the approval of the Executive Option Amendment Resolution in the absence of direction to the contrary from such Shareholders appointing them.

The Board recommends that the disinterested Shareholders vote FOR the Executive Option Amendment Resolution.

6. Ratification of Amendments to Amended and Restated Stock Option Plan

On March 31, 2021, disinterested Shareholders ratified and approved Company’s amended and restated stock option plan (the “**Amended Stock Option Plan**”) dated March 1, 2021, which reserved for issuance the fixed number of 50,814.253 Common Shares for issuance upon the exercise of stock options granted pursuant to the terms and conditions of the Amended Stock Option Plan. On May 29, 2023, the Board approved certain amendments (the “**Option Plan Amendments**”) to the Amended Stock Option Plan, subject to receipt of applicable Shareholder and TSX Venture Exchange approvals, to, among other amendments: (i) amend the definition of “Eligible Person” under the Amended Stock Option Plan to remove the reference to each of Messrs. Beddoe, Connor and Matthews (the “**Controlling Directors**”) as being ineligible to receive grants of stock options under the Amended Stock Option Plan, as the Controlling Directors were previously ineligible to receive grants of stock options under the Amended Stock Option Plan notwithstanding being directors of the Company; (ii) address the adoption of certain amendments to TSX Venture Exchange Policy 4.4 – Security Based Compensation (“**Policy 4.4**”) in order to ensure that the Amended Stock Option Plan is compliant with Policy 4.4, including the introduction of provisions that limit, unless the Company has obtained disinterested Shareholder approval, the number of Common Shares issuable to any one Eligible Person pursuant to the exercise of stock options granted in any 12-month period to 5% of the issued and outstanding Common Shares and limit the number of Common Shares issuable to individuals that are Insiders (as defined in TSX Venture Exchange Policy 1.1) pursuant to the exercise of stock options granted at any point in time to 10% of the issued and outstanding Common Shares; and (iii) confirm that any extensions to stock options granted to individuals that are Insiders (as defined in TSX Venture Exchange Policy 1.1) of the Company must be approved by disinterested Shareholders.

The purpose of the Option Plan Amendment is to ensure that the Amended Stock Option Plan complies with Policy 4.4 and to incentivize the Controlling Directors and more closely align their interests with those of Shareholders. Please see “Compensation Discussion & Analysis – Amended Stock Option Plan” for a summary of the terms of the Amended Stock Option Plan. A copy of the Amended Stock Option Plan as amended pursuant to the Option Plan Amendments is attached hereto as Schedule.

As at the date of this Information Circular, the Option Plan Amendment has received conditional approval of the TSX Venture Exchange and must be approved by the “disinterested Shareholders” of the Company prior to receipt of final approval from the TSXV Venture Exchange. Pursuant to the policies of Policy 4.4, “disinterested Shareholder” approval for the Option Plan Amendment requires the approval of a majority of votes cast at a meeting of Shareholders other than votes attaching to securities beneficially owned by the Controlling Directors. Any grants of stock options to the Controlling Shareholders may not be exercised prior to receipt of such Shareholder approval and the final approval of the TSX Venture Exchange. In the event that the requisite number of disinterested Shareholders do not approve the Option Plan Amendment, the definition of “Eligible Person” under the Amended Stock Option Plan will revert to its previous wording and the

Controlling Directors will be ineligible to receive grants of stock options under the Amended Stock Option Plan.

Accordingly, disinterested Shareholders will be asked at the Meeting to consider and, if thought advisable, to approve an ordinary resolution in the form set out below (the “**Option Plan Amendment Resolution**”):

BE IT RESOLVED THAT:

1. the amendment to the definition of “Eligible Person” in the amended and restated stock option plan (the “**Amended Stock Option Plan**”) of SQI Diagnostics Inc. (the “**Company**”) dated March 1, 2021 to remove the reference to each of Clive Beddoe, Gerald Connor and Wilmot Matthews being ineligible to receive grants of stock options under the Amended Stock Option Plan as set out in such definition and certain other amendments required to ensure that the Amended Stock Option Plan is compliant with TSX Venture Exchange Policy 4.4 – Security Based Compensation Such are hereby ratified, confirmed and approved; and
2. any officer or director of the Company be and is hereby authorized for and on behalf of the Company (under its corporate seal or otherwise) to execute and deliver all such instruments, agreements, documents, directions and writings, and to perform and do all such other acts and things as he or she, in his or her discretion, may consider to be necessary, desirable or useful for the purpose of giving effect to the foregoing resolutions, including, but not limited to, making any filings with applicable regulatory authorities, the execution and delivery thereof and the doing of all such acts and things being conclusive evidence of such determination.

Proxies in favour of management’s nominees from disinterested Shareholders will be voted FOR the approval of the Option Plan Amendment Resolution in the absence of direction to the contrary from such Shareholders appointing them.

The Board recommends that the disinterested Shareholders vote FOR the Option Plan Amendment Resolution.

III. INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

No person or company who is, or at any time during the financial year ended September 30, 2022 was, a director or executive officer of the Company, a proposed management nominee for election as a director, or an associate or affiliate of any such director, executive officer or proposed nominee, has any material interest, direct or indirect, by way of beneficial ownership or otherwise, in matters to be acted upon at the Meeting except as otherwise disclosed herein.

IV. DIRECTOR AND EXECUTIVE COMPENSATION

Summary Compensation Table

The following table sets forth information concerning the compensation earned during the fiscal year ended September 30, 2021 and the preceding fiscal year by each Director and each individual who served as the Chief Executive Officer and the Chief Financial Officer of the Company during the fiscal year ended September 30, 2021 and the other most highly compensated executive officers of the Company at the end of the fiscal year ended September 30, 2021 (collectively, the “Named Executive Officers”).

Name and Position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Andrew Morris ⁽¹⁾ Director and Chief Executive Officer	2022	400,000	130,740	-	12,300	-	543,040
	2021	265,384	-	-	-	-	265,384
Dr Eric Brouwer ⁽²⁾ Chief Scientific Officer, Former Interim Chief Executive Officer	2022	350,000	-	-	-	-	350,000
	2021	320,808	56,880	-	-	-	377,688
Morlan Reddock Chief Financial Officer	2022	200,000	-	-	-	-	200,000
	2021	169,231	29,283	-	-	-	198,514
Clive Beddoe ⁽³⁾ Director, Executive Chairman of the Board, Former Interim Chief Executive Officer	2022	-	-	-	-	-	-
	2021	-	-	-	-	-	-
Gerald R. Connor Director	2022	-	-	-	-	-	-
	2021	-	-	-	-	-	-
Wilmot Matthews Director	2022	-	-	-	-	-	-
	2021	-	-	-	-	-	-
Claude Ricks ⁽⁴⁾ Director	2022	4,000	-	-	-	-	4,000
	2021	8,000	-	-	-	-	8,000
Eric Zwisler Director	2022	-	-	-	-	-	-
	2021	-	-	-	-	-	-

- (1) Mr. Morris resigned as Chief Executive Officer effective February 14, 2020 and as an advisor of the Company effective August 1, 2020, but continued to act as a director of the Company since such resignation. He was reappointed as Chief Executive Officer effective September 11, 2021.
- (2) Dr. Brouwer has served as Chief Scientific Officer since October 16, 2017 and from February 15, 2020 until August 17, 2020 he served as the Interim President and Chief Executive Officer.
- (3) Mr. Beddoe was appointed Interim Chief Executive Officer of the Company effective May 21, 2021 and held that position until the appointment of Mr. Andrew Morris as Chief Executive Officer effective September 11, 2021.
- (4) Mr. Ricks has been paid for Strategic Services.

Stock Options and other Compensation Securities

The Company granted the following option-based awards for Named Executive Officers and Directors during the fiscal year ended September 30, 2022.

Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class ⁽¹⁾	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry Date
Andrew Morris ⁽²⁾ Chief Executive Officer	Stock Option	- (50.52%, 0.09%)	-	-	-	-	-
Morlan Reddock ⁽³⁾ Chief Financial Officer	Stock Option	350,000 (0.05%, 0%)	August 31, 2022	0.14	0.14	0.12	August 31, 2027
Dr. Eric Brouwer ⁽⁴⁾ Chief Scientific Officer	Stock Option	350,000 (21.79%, 0%)	August 31, 2022	0.14	0.14	0.12	August 31, 2027
Clive Beddoe Director, Chairman of the Board	-	-	-	-	-	-	-
Gerald R. Connor Director	-	-	-	-	-	-	-
Wilmot Matthews Director	-	-	-	-	-	-	-
Claude Ricks ⁽⁵⁾ Director	-	-	-	-	-	-	-
Eric Zwisler ⁽⁶⁾ Director	Stock Option	-	-	-	-	-	-

- (1) The percentage of class is based on 29,415,621 outstanding stock options and 393,634,913 outstanding common shares as at September 31, 2022, respectively.
- (3) As at September 30, 2022, Mr. Morris held an aggregate of 14,862,167 stock options, of which 1,666,667 stock options were exercisable at a price of \$0.20 per Common Share until March 4, 2023, 1,195,500 stock options were exercisable at a price of \$0.15 per Common Share until May 21, 2024 and 12,000,000 were exercisable at \$0.20 per Common Share until September 11, 2026.
- (3) As at September 30, 2022, Mr. Reddock held an aggregate of 1,479,167 stock options, of which 300,000 stock options were exercisable at a price of \$0.105 per Common Share until March 31, 2025, 579,167 stock options were exercisable at a price of \$0.22 per common share until May 27, 2026, 250,000 stock options were exercisable at a price of \$0.175 per common share until August 27, 2026, 350,000 stock options were exercisable at a price of \$0.14 per Common Share until August 31, 2027.
- (4) As at September 30, 2022, Dr. Brouwer held an aggregate of 6,409,933 stock options, of which 350,000 stock options were exercisable at a price of \$0.16 per Common Share until October 16, 2022, 333,333 stock options were exercisable at a price of \$0.20 per Common Share until 4, 2023, 291,600 stock options were exercisable at a price of \$0.15 per Common Share until May 21, 2024 and 350,000 stock options were exercisable at a price of 0.14 per Common Share until August 31, 2027, 360,000 stock options were exercisable at a price of \$0.275 per common share until August 26, 2025, 725,000 stock options were exercisable at a price of \$0.22 per common share until May 27, 2026, 3,000,000 were exercisable at a price of \$0.175 per common share until August 27, 2026, 1,000,000 stock options were exercisable at a price of 0.075 per common share until March 9, 2025.
- (5) As at September 30, 2022, Mr. Ricks held an aggregate of 75,000 stock options exercisable at a price of \$0.19 per Common Share until February 2, 2023.
- (6) As at September 30, 2021, Mr. Zwisler held an aggregate of 950,000 stock options exercisable at a price of \$0.18 per Common Share until June 11, 2023

No compensation securities were exercised by directors or Named Executive Officers during the year ended September 30, 2022.

Securities Authorized for Issuance under Equity Compensation Plans

The following table gives certain information as of September 30, 2022, being the Company's most recently completed financial year, with respect to the Amended Option Plan under which equity securities of the Company are authorized for issuance.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by security holders	29,415,000	\$0.19	21,399,543
Equity compensation plans not approved by security holders	N/A	N/A	N/A
Total	29,415,000	\$0.19	21,399,543

Compensation Discussion & Analysis

Composition of the Compensation Committee

In August 2007, the Company formed the compensation committee (the “**Compensation Committee**”) to meet as required and review senior management compensation and the overall compensation policies and practices of the Company. Prior to the formation of the Compensation Committee, the Board as a whole performed these functions. The members of the Compensation Committee are Messrs. Beddoe, Connor, Matthews and Ricks, all of whom are independent directors.

Mr. Clive Beddoe is the chair of the compensation committee. Currently Mr. Beddoe is Chairman of the Board of Directors. Until recently, Mr. Beddoe was the Chair of the Board of WestJet Airlines Ltd. Mr. Beddoe is also the President of The Hanover Group of Companies, a private investment company, and a former Director of Alberta Investment Management Corp.

Mr. Gerald Connor is the Chairman of Cumberland Private Wealth Management Inc. and has been a director of Cumberland Investment Counsel Inc. Mr. Connor is also a trustee of Allied Properties Real Estate Investment Trust and Chair of its audit committee.

Mr. Matthews has been involved in all aspects of investment banking by serving in various positions with Nesbitt Burns Inc. and its predecessor companies from 1964 until his retirement in September 1996, when he was Vice Chairman and a Director. Mr. Matthews is President of Marjad Inc., a private investment company.

Mr. Claude Ricks is a partner with Level 5 Strategy Group. Prior to that and since June 2014, Mr. Ricks was the Chief Operating Officer of gShift. Prior to that Mr. Ricks was President and Chief Executive Officer of SQI Diagnostics Inc. from May 2007 to June 2013.

Compensation Philosophy

For compensation matters, the Compensation Committee of the Board is responsible for:

- reviewing and approving the compensation of the executive officers of the Company;
- recommending to the Board other executive compensation, incentive-based plans and equity-based plans;
- evaluating and recommending compensation of the directors of the Company and succession planning; and
- reviewing compensation disclosure in public documents.

The Compensation Committee considers the following objectives when reviewing compensation:

- retaining individuals critical to the success of the Company;
- rewarding performance of individuals by recognizing their contribution to the Company; and
- compensating individuals based on their performance and, to the extent applicable, on similar compensation for companies at a comparable state of development.

In addition to the above factors the Compensation Committee has taken into consideration the extremely challenging market for biotechnology companies in the development phase.

Components of Executive Compensation

Base Salary

The Compensation Committee establishes the base salary for executives of the Company in order to attract and retain strong leaders. The base salary for an executive is determined on an annual basis through an evaluation of the particular executive's experience, past and current performance, as well as through an evaluation of market compensation levels for the particular role. In 2021, the Compensation Committee undertook a study of market compensation levels with the assistance of an external consultant.

Employee Benefits Program and other perquisites

The Company makes available to all employees, including executives, a benefits program that consists of health, dental, life and disability coverage.

Short-Term Compensation Incentives

The Compensation Committee may recommend short-term incentives to encourage the achievement of short term corporate objectives and/or individual performance goals. These incentives may consist of cash bonuses or stock options that vest upon the achievement of specific milestones.

Bonuses paid in 2022 to Named Executive Officers are disclosed in the compensation table on page 19 of this Circular.

Long-Term Compensation Incentives

To encourage ownership interest in the Company and to further align the interests of management with the Shareholders, the Company has adopted, as a long-term incentive, the Amended Stock Option Plan that enables officers, directors, key employees and consultants to be granted stock options to acquire Common Shares pursuant to the terms and conditions of plan. The Amended Stock Option Plan is administered by the Board. A summary of the terms of the Amended Stock Option Plan is set out below.

Amended Stock Option Plan

The Amended Stock Option Plan, as amended on June 8, 2011, amended and restated on August 17, 2020, and further amended on March 1, 2021, and approved by disinterested Shareholders at the Company's annual and special meeting held on March 31, 2021, provides that the maximum number of Common Shares reserved and available for issuance under the Amended Stock Option Plan, and all of the Company's other equity incentive plans, in existence from time to time, will be fixed at a limit of up to an aggregate of 50,814,253 Common Shares.

Participation in the Amended Stock Option Plan is restricted to directors, senior officers, employees and consultants of the Company, or any corporation controlled by any such person. The Amended Stock Option Plan provides that the number of stock options granted to consultant shall not exceed 2% of the issued and outstanding Common Shares of the Company in any 12 month period. Unless the TSX Venture Exchange permits, the number of stock options granted to persons employed in Investor Relations Activities shall not exceed 2% of the issued and outstanding Common Shares of the Company in any 12 month period, and any such stock options shall contain prescribed vesting restrictions.

The Company must obtain disinterested Shareholder approval of stock options if the Amended Stock Option Plan, together with all previously established or proposed stock option grants could result at any time any grant of options that, together with all of the Company's other previously established equity incentive plans or grants, in existence from time to time, could result at any time in the number of Common Shares reserved for issuance under stock options to exceed 50,814,253 Common Shares. In addition, the Company shall be required to obtain disinterested Shareholder approval in order to decrease the exercise price of any stock option previously granted to insiders of the Company.

The expiry date of a stock option will be determined by the Board at the time of the grant and such expiry date will not be later than the tenth anniversary of the date of the grant of the stock option. Notwithstanding the foregoing, the Amended Stock Option Plan provides that in the event that the term of an stock option expires within or within 10 Business Days following a "blackout period" (as such term is contemplated in the Company's insider trading policy in effect at that time), such expiration date shall be automatically extended to the date that is the tenth Business Day after the end of the blackout period. The Amended Stock Option Plan also provides for accelerated expiry in certain circumstances, such as the termination of an optionee's employment or the death of an optionee.

The purchase price for Common Shares under each stock option granted will be fixed by the Board at the time of the grant of the stock option and, except as otherwise provided in the Amended Stock Option Plan, will be not less than the Market Price of the Common Shares on the date on which the grant of the stock option is approved by the Board. For the purpose of the Amended Stock Option Plan, "Market Price" generally means the closing price of such Common Shares on the TSX Venture Exchange on the trading day immediately preceding the date of the grant (or the average of the bid and ask prices in respect of the Common Shares at the close of trading on any trading date where the Common Shares did not trade).

To encourage retention and align interests of employees with the Shareholders, the Board of Directors generally establishes vesting periods of 36 months for employee stock options.

Compensation Procedures

In 2021, the Compensation Committee reviewed the compensation for the senior executive officers with the assistance of Hugessen Consulting Inc., a compensation consultant. Hugessen was retained on March 18, 2021 to:

- (a) engage in sufficient review of public and private materials plus discussion with board and senior executives to understand the Company's strategy and existing compensation;
- (b) provide external data on compensation of the top six most highly paid positions at the Company with emphasis on the CEO, CFO and senior scientist positions, review findings with the Compensation Committee and present findings to the Compensation Committee, management and the Board in written format and orally. Market comparators from Canada and broader area will be available; and
- (c) provide internal compensation analysis for positions set out in (b) above.

Comparator companies considered by the compensation consultants were:

- ImmunoPrecise Antibodies Ltd.
- Titan Medical Inc.
- Opsens Inc.
- Perimeter Medical Imaging AI, Inc.
- Reliq Health Technologies Inc.
- Aurora Spine Corporation
- MedMira Inc.
- Spectral Medical Inc.
- Neovasc Inc.
- Theralase Technologies Inc.

Senior management was responsible for the review of compensation for other officers and key employees. Such review was based on performance. Following Compensation Committee review, the compensation for Named Executive Officers was brought to current levels.

Executive Compensation Related Fees

No fees were paid to compensation consultants in fiscal 2022.

Submitted by the Compensation Committee:

Clive Beddoe, Gerald Connor, Wilmot Matthews and Claude Ricks

Management Agreements – Termination and Change of Control Benefits

The following is a description of the material terms of each agreement or arrangement under which compensation was provided during the year ended September 30, 2022 or is payable in respect of services provided to the Corporation or any of its subsidiaries that were performed by a director or Named Executive Officer.

Andrew Morris –Chief Executive Officer

On September 13, 2021, Mr. Andrew Morris and the Company entered into an employment agreement (the “**CEO Employment Agreement**”) setting out the terms and conditions of Mr. Morris’ employment as Chief Executive of the Company. The term of the CEO Employment Agreement is indefinite, unless either the Company or Mr. Morris terminate the CEO Employment Agreement pursuant to its terms.

Under the terms of the CEO Employment Agreement, Mr. Morris is entitled to annual base compensation of \$400,000 per year, subject to certain adjustments in accordance with the terms of the CEO Employment Agreement. Under the terms of the CEO Employment Agreement, Mr. Morris is entitled to a annual bonus payment, paid quarterly, equal to up to 150% of his annual base salary which bonus amount shall be equal to 2% of the Company’s revenue as calculated pursuant to the terms of the CEO Employment Agreement.

In the event that CEO Employment Agreement is unilaterally terminated by the Company for any other reason other than for Cause (as defined in the CEO Employment Agreement), death or disability, Mr. Morris will be entitled to severance (or pay in lieu of further notice) of nine months, plus an additional month for each completed year of service to a combined maximum of up to 12 months. In the event that Mr. Morris’ employment is terminated in this manner, or upon the occurrence of a Change of Control (as defined in the CEO Employment Agreement), 5,000,000 of the 12,000,000 stock options granted to him in connection with his engagement as Chief Executive Officer will vest immediately. The following are estimates of the incremental amounts payable by the Company in such circumstances:

	Unilateral termination (without Cause)	Change of control
Fees/Payment	\$300,000	-
Incentive Plans	-	-
Benefits	-	-
Total Compensation	\$300,000	-

Indebtedness of Directors and Executive Officers

No individual who is, or at any time during the most recently completed financial year was, a director or executive officer of the Company, a proposed nominee for election as a director of the Company or an associate of any such director, executive officer or proposed nominee is, or at any time since the beginning of the most recently completed financial year of the Company has been, indebted to (i) the Company or any of its subsidiaries or (ii) to any other entity where such indebtedness is, or at any time since the beginning of the most recently completed financial year has been, guaranteed or supported by the Company or any of its subsidiaries.

V. AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR

National Instrument 52-110 *Audit Committees* (“**NI 52-110**”) requires the Company, as a venture issuer, to disclose annually in the Information Circular certain information concerning the constitution of its audit committee (the “**Audit Committee**”) and its relationship with its independent auditor, as set forth in the following.

An Audit Committee charter, the text of which is attached as Schedule “A” to this Information Circular, governs the Company’s Audit Committee.

The Company’s Audit Committee is comprised of three directors, Claude Ricks, Gerald Connor and Wilmot Matthews. All of the members of the Audit Committee are “financially literate” (as such term is defined in NI 52-110). All of the members of the Audit Committee are “independent” (as such term is defined in NI 52-110).

Name	Relevant Education and Experience
Claude Ricks	<ul style="list-style-type: none">• Member of the Board since May 2007, Chair of the Audit Committee.• Currently and since December 2016, Mr. Ricks is a Partner with Level 5 Strategy Group.• From June 2014 to December 2016, Mr. Ricks was the Chief Operating Officer of gShift.• From June 2013 to June 2014, Mr. Ricks was the Principal of ESR Consulting.• Mr. Ricks was the President and Chief Executive Officer of SQI Diagnostics Inc. from May 2007 until June 2013.
Wilmot	<ul style="list-style-type: none">• Member of the Board since April 2015.
Matthews	<ul style="list-style-type: none">• Over 30 years of experience at BMO Nesbitt Burns• President of Marjad Inc.

Name	Relevant Education and Experience
Gerald R. Connor	<ul style="list-style-type: none"> • Graduate of University of Toronto and London School of Economics & Political Science • Member of the Board since April 2015. • Chairman of Cumberland Private Wealth Management Inc. • Director of Cumberland Investment Counsel Inc. • Trustee of Allied Properties Real Estate Investment Trust and Chair of its audit committee.

Since the commencement of the Company’s most recently completed financial year, the Board has not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

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

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services. The Audit Committee has oversight and must approve all non-audit services. Currently, the Audit Committee has approved the provision of certain tax advisory services by the Company’s auditor. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by the Board, and, where applicable, the Audit Committee, on a case by case basis.

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

The fees paid by the Company to its auditor in each of the last two fiscal years, by category, are as follows:

<u>Financial Year</u> <u>Ending</u>	<u>Audit Fees</u>	<u>Audit Related Fees</u>	<u>Tax Fees</u>	<u>All Other Fees</u>
September 30, 2022	\$87,400	-	\$22,943	\$9,975
September 30, 2021	\$69,550	-	\$20,200	NIL

The Company is relying on the exemption provided by section 6.1 of NI 52-110 that provides that the Company, as a “venture issuer”, is not required to comply with Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

VI. CORPORATE GOVERNANCE DISCLOSURE

National Policy 58-201 *Corporate Governance Guidelines* and National Instrument 58-101 *Disclosure of Corporate Governance Practices* set out a series of guidelines for effective corporate governance. The guidelines address matters such as the composition and independence of corporate boards, the functions to be performed by boards and their committees, and the effectiveness and education of board members. Each reporting issuer, such as the Company, must disclose on an annual basis and in prescribed form, the corporate governance practices that it has adopted. In addition, under the CBCA, the Company must disclose certain information on an annual basis regarding the diversity of the board of directors and senior management. The following is the Company’s required annual disclosure of its corporate governance practices.

1. **Board of Directors** - The Board considers that Messrs. Beddoe, Connor, Matthews, Ricks, and Zwisler are independent according to the definition of “independence” set out in NI 52-110. The Board considers that Messrs. Brouwer and Morris are not independent, as Mr. Brouwer is the Chief Scientific Officer of the Company and Mr. Morris is the Chief Executive Officer of the Company. The Board facilitates its exercise of independent supervision over management primarily by having a majority of the Board members consist of individuals who are independent of the Company.
2. **Directorships** - Mr. Connor is a trustee and Chair of the audit committee of Allied Properties Real Estate Investment Trust (TSX).
3. **Orientation and Continuing Education** - The Board has not adopted a formal policy on the orientation and continuing education of new and current directors. When a new director is appointed, the Board delegates individual directors the responsibility for providing an orientation and education program for any new director. This may be delivered through informal meetings between the new directors and the Board and senior management, complemented by presentations on the main areas of the Company’s business. When required the Board may arrange for topical seminars to be provided to members of the Board or committees of the Board. Such seminars may be provided by one or more members of the Board and management or by external professionals.
4. **Ethical Business Conduct** - The directors are required to abide by all relevant regulatory rules and regulations. The Board monitors compliance by requiring directors and officers to declare any conflicts of interest or any other situation that could represent a potential violation of any applicable rules and regulations. When applicable, the Board will receive reports from management regarding any allegations of unethical conduct.
5. **Nomination of Directors** - The Board has not adopted any formal policy for the nomination of new directors. The Board relies on each director to identify new candidates for Board nomination based on the needs of the Board.
6. **Compensation** - The directors of the Company determine their compensation and have, since April 2015, elected to receive no compensation in their capacities as directors. Mr.

Claude Ricks was paid a board fee of \$4,000. The Compensation Committee is responsible for (i) reviewing the Chief Executive Officer's authorities and accountabilities and his corporate goals and objectives (which include all performance indicators relevant to the compensation of the Chief Executive Officer); (ii) monitoring the Chief Executive Officer's performance relative to these goals and objectives; and (iii) formally evaluating his performance at least annually. Mr. Morris is paid an annual salary of \$400,000 in respect of his position as Chief Executive Officer. He does not receive any compensation for acting as a director.

7. **Other Board Committees** - The only standing committees of the Board are the Audit Committee and the Compensation Committee. From time to time, the Board forms ad hoc committees, as necessary. Given the size of the Company and the nature of its activities, the Board has not established other standing committees.
8. **Assessments** - The Board has not adopted any formal policies to evaluate the effectiveness of the Board, the Audit Committee and the individual directors. The Board may appoint a special committee of directors to evaluate the Board, its committees and assess the contribution of its individual directors and to recommend any modifications to the functioning and governance of the Board and its committees. To date, the Board has not appointed any such special committee of directors to perform such analysis.
9. **Director Term Limits and Mechanisms of Board Renewal** – The Board has not adopted a formal policy relating to term limits or other mechanisms of board renewal because it has not felt that such mechanisms are appropriate given the Company's size and stage of development. The Board is of the opinion that term limits may disadvantage the Company through the loss of beneficial contributions of its directors.
10. **Policies Regarding the Representation of Designated Groups on the Board** – The Board has not adopted a formal policy regarding the identification and nomination of directors who are women, Aboriginal peoples, persons with disabilities or members of visible minorities ("**Designated Groups**"). The Company recognizes the benefits of diversity within its Board, at the executive level and all levels of the organization, but does not believe that a formal policy would enhance the representation of Designated Groups on the board beyond the current recruitment and selection process.
11. **Consideration of the Representation of Designated Groups on the Board and in Executive Officer Positions** – The Company evaluates the necessary competencies, skills, experience and other qualifications of each candidate as a whole and considers the representation of Designated Groups as one of many factors in the recruitment and selection of candidates for Board and executive officer positions.
12. **Targets Regarding the Representation of Designated Groups on the Board and in Executive Officer Positions** – The Board has not adopted formal targets regarding members of Designated Groups being represented on the Board or holding executive officer positions. The representation of Designated Groups is one of many factors considered in the overall recruitment and selection process in respect of Board and senior management positions at the Company. The Board does not believe that formal targets

would enhance the representation of Designated Groups on the board or in executive officer positions beyond the current recruitment and selection process.

13. **Number of Members of Designated Groups on the Board and in Executive Officer Positions** – There is currently one member of a Designated Group on the Board or in executive officer positions.

VII. OTHER MATTERS WHICH MAY COME BEFORE THE MEETING

Management knows of no other matters to come before the Meeting other those as set forth in this Information Circular. **HOWEVER, IF OTHER MATTERS THAT ARE NOT KNOWN TO MANAGEMENT SHOULD PROPERLY COME BEFORE THE MEETING, THE ACCOMPANYING PROXY WILL BE VOTED ON SUCH MATTERS IN ACCORDANCE WITH THE BEST JUDGMENT OF THE PERSONS VOTING THE PROXY.**

VIII. GENERAL

Except where otherwise indicated, information contained herein is given as of the date of this Information Circular.

The undersigned hereby certifies that the directors of the Company have approved the contents and the sending of this Information Circular.

DATED this 30th day of May, 2023.

BY ORDER OF THE BOARD OF DIRECTORS

/s/ "Andrew Morris"

Andrew Morris
Chief Executive Officer

SCHEDULE "A"

SQI DIAGNOSTICS INC.

AUDIT COMMITTEE CHARTER

I. PURPOSE AND AUTHORITY OF THE COMMITTEE

The members of the audit committee (the "**Audit Committee**") shall be appointed by the board of directors (the "**Board**") of SQI Diagnostics Inc. (the "**Company**"), and shall report to the Board. The Audit Committee shall be responsible to:

1. assist the Board in fulfilling its oversight of the Company's financial integrity, specifically by assisting the Board's oversight of:
 - (a) the integrity of the Company's financial statements and other financial reporting;
 - (b) the external auditor's qualifications and independence;
 - (c) the performance of the Company's internal audit functions and internal auditor, if and when one is appointed;
 - (d) the Company's compliance with legal and regulatory requirements;
 - (e) the process by which the Company assesses and manages risk; and
 - (f) any other matters as defined by the Board;
2. manage, on behalf of the shareholders, the relationship between the Company and the external auditor by:
 - (a) having direct responsibility for appointing, retaining and determining the compensation of the external auditor (in the Audit Committee's capacity as a committee of the Board and subject to the rights of shareholders and applicable law);
 - (b) overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of any disagreements between management and the external auditor regarding financial reporting;
 - (c) determining and approving compensation for all audit and audit-related services and pre-approving all audit and permitted non-audit services to be provided to the Company or its subsidiaries by the Company's external auditor;

- (d) ensuring that the external auditor report directly to the Audit Committee and meets with the Audit Committee or the Board without management present at each regularly scheduled meeting of the Audit Committee or the Board;
- (e) facilitating communication between the Company and the external auditor; and
- (f) overseeing the preparation of any report that is required by any applicable securities regulatory authority to be included in the annual proxy statement, annual information form or any other public disclosure document of the Company.

This Charter and any subsequent revisions thereto require the approval of the Board.

The Audit Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities, and it has unrestricted access to communicate directly with the internal and external auditor, management, members of the Board, employees of, or consultants to, the Company and any relevant information. The Audit Committee has the authority to retain independent legal, accounting or other advisers, consultants or experts it deems necessary in the performance of its duties, and the Audit Committee shall have the authority to set the compensation for any such advisors.

The Company shall provide appropriate funding, as determined by the Audit Committee, for payment of (i) compensation to the external auditor to prepare and issue an audit report or perform other audit, review or attest services for the Company, (ii) compensation to any outside advisers, consultants or experts employed by the Audit Committee, and (iii) ordinary administrative expenses of the Audit Committee that are necessary or appropriate in carrying out the Audit Committee's duties.

II. COMPOSITION OF THE AUDIT COMMITTEE

The Audit Committee shall be composed of at least three directors of the Company who are appointed by the Board (and may be removed or replaced by the Board), upon recommendation by the Nominating and Corporate Governance Committee, annually at the meeting of the Board immediately following the annual general shareholders meeting. Members shall serve until their qualified successors are appointed, and the Board may fill vacancies in the Audit Committee, subject to satisfying all applicable independence requirements. The Chairman of the Audit Committee shall be designated by the full Board, or if the Board does not do so, the members of the Audit Committee, by majority vote, may designate a Chairman.

Each member of the Audit Committee shall be an unrelated and independent director as may be defined by the TSX Venture Exchange and the Ontario Securities Commission from time to time.

Each member shall be neither an officer nor employee of the Company or any of its affiliates. Each member shall be independent of management and must be free from any direct or indirect relationship which could, or, in the view of the Board, could reasonably be perceived to, interfere with the exercise of that member's independent judgement in carrying out the responsibilities as a member. No member may have participated in the preparation of the financial statements of the Company or any current subsidiary of the Company at any time during the previous three years. No member may, other than in his or her capacity as a member of the Audit Committee, the Board of Directors, or any other Board committee, accept directly or indirectly any consulting, advisory, or other "compensatory fee" (as such term is defined under applicable securities laws and stock exchange rules) from, or be an "affiliated person" (as such term is defined under applicable securities laws and stock exchange rules) of, the Company or any subsidiary of the Company.

All members of the Audit Committee shall be financially literate at the time of their election to the Audit Committee, which means that they will have the ability to read and understand fundamental financial statements (including a balance sheet, income statement and cash flow statement), including a set of financial statements that present a breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

At least one member of the Audit Committee shall be an "audit committee financial expert" as such term is defined by the Regulations of the Ontario Securities Commission and the rules of the Securities and Exchange Commission. At least one member of the Audit Committee shall have past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background which results in the individuals financial sophistication, including but not limited to being or having been a chief executive officer, chief financial officer, other senior officer with financial oversight responsibilities. The Board shall make determinations as to whether any particular member of the Audit Committee satisfies these requirements.

A quorum of any Audit Committee meeting will be a majority of the members of the Audit Committee. The Secretary of the Audit Committee shall be such person as nominated by the Chairman of the Audit Committee.

III. MEETINGS OF THE AUDIT COMMITTEE

The Audit Committee shall meet at least quarterly or more frequently as it deems necessary to carry out its duties and responsibilities. The external auditor shall receive notice of every meeting of the Audit Committee and shall be invited to attend and participate in such meetings. The Audit Committee, in its discretion, may also ask members of management or others to attend its meetings (or portions thereof) and to provide pertinent information as necessary.

The Audit Committee Chairman shall approve an agenda in advance of each meeting and shall cause that agenda and related materials to be distributed to members and the external auditor in advance of said meeting. The Audit Committee shall maintain minutes of its meetings and records relating to those

meetings and the Audit Committee's activities and provide copies of such minutes to the Board.

As part of each meeting of the Audit Committee at which the Audit Committee reviews and recommends that the Board approve the quarterly interim financial statements or the annual audited financial statements, the Audit Committee shall meet separately with the external auditor of the Company. The Audit Committee shall also meet separately with management as it deems appropriate.

The Secretary shall circulate the minutes of the meetings to members of the Board, members of the Audit Committee and the head of the external auditor.

IV. REMUNERATION OF AUDIT COMMITTEE MEMBERS

No member of the Audit Committee may, other than in his or her capacity as a member of the Audit Committee, the Board of Directors, or any other Board committee, accept directly or indirectly any consulting, advisory, or other "compensatory fee" (as such term is defined under applicable securities laws and stock exchange rules) from the Company or any subsidiary of the Company. For greater certainty, directors' fees (which fees may include cash and/or securities or options or other in-kind consideration ordinarily available to directors, as well as all of the regular benefits that other directors receive) and fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the Company or any subsidiary that are not contingent on continued service should be the only compensation a member receives from the Company.

V. DUTIES AND RESPONSIBILITIES OF THE AUDIT COMMITTEE

1. Selection and Evaluation of External Auditor

The Audit Committee is responsible for selecting and evaluating the external auditor, and for managing, on behalf of the Company's shareholders, the relationship between the Company and its external auditor. In furtherance of this responsibility, as delegated by the Board, the Audit Committee shall:

- (a) Be directly responsible, in the Audit Committee's capacity as a committee of the Board and subject to the rights of shareholders and applicable law, for appointing, retaining and determining the compensation of the external auditor.
- (b) Review and approve the external auditor's annual engagement letter, including the proposed audit plan and fees contained therein.
- (c) Oversee the work of the external auditor, including the resolution of disagreements between management and the external auditor regarding financial reporting.
- (d) Receive the report from the external auditor covering the outcome of their annual audit of the Company.

- (e) Review the performance of the external auditor and replace or terminate the external auditor when circumstances warrant.
- (f) Oversee the qualifications and independence of the external auditor by, among other things:
 - (i) At least on an annual basis, evaluating the qualifications, performance and independence of the external auditor and the senior audit partners having primary responsibility for the audit.
 - (ii) Obtaining and reviewing a report from the external auditor at least annually regarding: (i) the external auditor's internal quality-control procedures, (ii) any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or raised by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the firm, (iii) any steps taken to deal with any issues, (iv) all relationships between the external auditor and the Company, and (v) the independence of the external auditor as required by applicable law.
 - (iii) Establish and periodically assess policies and procedures for the review and pre-approval of all audit and permitted non-audit services to be provided by the external auditor to the Company or its subsidiaries.
 - (iv) Review and, if deemed desirable, pre-approve all audit and permitted non-audit services to be provided by the external auditor to the Company or its subsidiaries which pre-approval may be delegated to one or more members in accordance with applicable law.
 - (v) Requiring the external auditor to deliver to the Audit Committee, at least annually, a formal written statement delineating all relationships between the external auditor and the Company and confirming their independence from the Company.
 - (vi) Actively engaging in a dialogue with the external auditor with respect to any disclosed relationships or services that may impact the objectivity and independence of the external auditor and taking, or recommending that the Board take, appropriate action to satisfy itself of the auditor's independence.
- (g) Take necessary actions to eliminate all factors that might impair or be perceived to impair the independence of the external auditor.

2. Financial Statements and Reports

The Audit Committee is responsible for overseeing the accounting and financial reporting process of the Company and the audits of the financial statements of the Company. In furtherance of this responsibility, as delegated by the Board, the Audit Committee shall:

- (a) Review and approve the external auditor's annual audit plan, including the scope of the external auditor's quarterly reviews and all related fees.
- (b) Review and discuss with management and the external auditor the Company's quarterly interim financial statements and annual audited financial statements, including related reports, MD&A, and related disclosure documents and press releases (paying particular attention to any use of "pro forma" or "adjusted" non-GAAP information), and make recommendations thereon to the Board prior to public disclosure thereof.
- (c) Review and assess the adequacy of procedures in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements (including, without limitation, the use of "pro forma" or non-GAAP financial information), other than the public disclosure referred to in V.2.(b) above.
- (d) Confirm through private discussions with the external auditor that no restrictions are being placed on either the scope or the effectiveness of the external auditor's work.
- (e) Review all material written communications between the external auditor and management, including post audit or management letters containing recommendations of the external auditor, management's response and follow up with respect to the identified weaknesses.
- (f) As part of the Audit Committee's review of the Company's quarterly interim financial statements, or audited annual financial statements, review and discuss with management and the external auditor:
 - (i) The external auditor's report on the audited annual financial statements.
 - (ii) The quality of, and any major issues regarding, the Company's accounting principles and financial statement presentations, including all critical accounting policies, accounting practices and financial disclosure practices used and any significant changes in the Company's selection or application of accounting principles.

- (iii) All significant issues and judgements made in connection with the preparation of the financial statements to determine if and how they should be reported or disclosed.
- (iv) Any problems experienced by the external auditor in performing audits.
- (v) The content and presentation of sales or earnings press releases and any financial information or earnings guidance (if any) provided to analysts and rating agencies.
- (vi) Any outstanding or anticipated litigation or legal claims or actions which may materially affect the financial position of the Company.

3. **Financial Reporting Process and Internal Controls**

The Audit Committee is responsible for overseeing the design, implementation and on-going effectiveness of policies and procedures for providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles, including those policies and procedures that: (i) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements ("**Internal Controls**"). In furtherance of this responsibility, as delegated by the Board, the Committee shall:

- (a) Establish (under the supervision of the Company's Chief Financial Officer, and President and Chief Executive Officer), monitor and review a system of Internal Controls.
- (b) Consult with the external auditor regarding the adequacy of Internal Controls and review any significant findings concerning the adequacy of Internal Controls raised by the external auditor in its report on the Internal Controls.
- (c) Review management's report on its assessment of the Internal Controls of the Company and the steps taken to monitor, control and report financial risks and exposures.
- (d) Consider the effectiveness of the Internal Controls, and review with the President and Chief Executive Officer, the Chief Financial Officer, and the external auditor: (A) all significant deficiencies and material

weaknesses in the design or operation of the Company's Internal Controls that could adversely affect the Company's ability to record, process, summarize and report financial information required to be disclosed by the Company in the reports that it files or submits with applicable securities regulators within the required time periods, and (B) any fraud, whether or not material, that involves management of the Company or other employees who have a significant role in the Company's Internal Controls.

- (e) Address, on a regular basis, any perceived shortcomings in the Company's Internal Controls.
- (f) Consider the appropriateness of establishing an internal audit function.

4. Risk Management

The Audit Committee is responsible for overseeing the process by which the Company assesses and manages risk, including the relationship of the Company's compensation policies and practices to risk management. In furtherance of this responsibility, as delegated by the Board, the Audit Committee shall:

- (a) identify risks inherent in the Company's business;
- (b) maintain policies and procedures that address such risks on a reasonable, cost-effective basis;
- (c) in conjunction with management, review, on an annual basis, all aspects of the Company's risk management program, including all significant policies and procedures relating to insurance coverage, foreign exchange exposures and investments (including the Company's use of financial risk management instruments);
- (d) review policies and practices with respect to off-balance sheet transactions and trading and hedging activities, and consider the results of any review of these areas by the external auditor; and
- (e) review management's processes in place to prevent and detect fraud.

5. Compliance with Laws and Regulations

The Audit Committee shall:

- (a) Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any fraudulent acts or non-compliance.
- (b) Obtain regular updates from management and the Company's legal counsel regarding compliance matters that may have a material impact on the Company's financial statements or compliance policies.

- (c) Review the findings of any examinations by regulatory agencies and any correspondence with, or published reports by, regulators or governmental agencies which raise material issues regarding the Company's financial statements or accounting policies.

6. **Related Party Transactions and Off-Balance Sheet Structure**

The Audit Committee shall:

- (a) review all proposed related-party transactions for potential conflicts of interest, including those between the Company and its officers or directors and, if deemed appropriate, recommend to the Board an appropriate course of action with respect to any particular transaction (including approval, rejection or ratification);
- (b) annually review any ongoing related party transactions and report to the Board thereon; and
- (c) review all material off-balance sheet structures to which the Company is a party.

A “**related party**” is a director or officer of the Company, or an immediate family member of a director or officer of the Company (which means any spouse, parents, children, siblings, mother-in-law, father-in-law, brother-in-law, sister-in-law, son-in-law, daughter-in-law, and anyone who resides in such person's home (other than domestic employees)).

7. **Hiring Policies**

The Audit Committee shall review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and any former external auditor of the Company.

8. **Complaint Procedure**

The Audit Committee shall establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters and procedures for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters, and monitor compliance with the Company's Whistleblower Protection Policy on Financial Matters and oversee, coordinate and review all investigations undertaken thereunder.

9. **Waiver under Insider Trading Policy**

The Audit Committee may, at its discretion, waive the requirements and prohibitions contained in the Insider Trading Policy in exceptional circumstances, but provided always that the person seeking the waiver does not have any undisclosed “material information” (as such term is defined in the Insider Trading Policy) and that the making of such an exception would not violate any applicable securities laws. All requests for waivers must be submitted in writing to the Audit

Committee, and must contain a certification that the requesting person does not have any undisclosed “material information”, and must be addressed to the Chair of the Audit Committee.

VI. EVALUATION OF AUDIT COMMITTEE CHARTER AND COMMITTEE PERFORMANCE

Annually, the Audit Committee shall review and assess the adequacy of the Audit Committee charter, report to the Board on the results of such assessment, and recommend any proposed changes to the Board for approval.

The Audit Committee shall also perform an annual evaluation of the performance of the Audit Committee and report to the Board on the results of such evaluation.

It is the Board’s intention that this charter shall reflect at all times all legislative and regulatory requirements applicable to the Audit Committee. Accordingly, this charter shall be deemed to have been updated to reflect any amendments to such legislative and regulatory requirements and shall be formally amended at least annually to reflect such amendments.

While the Audit Committee has the oversight duties and responsibilities set forth in this charter, the Audit Committee is not responsible for planning or conducting the audit or for determining whether the Company’s financial statements are complete and accurate and are in accordance with generally accepted accounting principles. Management has the responsibility for preparing the financial statements and implementing internal controls and the external auditor has the responsibility of auditing the financial statements.

In discharging its duties, each member of the Audit Committee shall be obliged only to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Nothing in this Charter, including designating any member of the Audit Committee as an “audit committee financial expert” is intended, or should be determined to impose on any member of the Audit Committee a standard of care or diligence that is in any way more onerous or extensive than the standard to which all members of the Board are subject.

The essence of the Audit Committee’s responsibilities is to monitor and review the activities described in this Charter to gain reasonable assurance (but not to ensure) that such activities are being conducted properly and effectively by the Company.

SCHEDULE "B"

OPTION AMENDMENTS

ANDREW MORRIS					
# of Options	Issue Date	Original Expiry Date	<u>Amended Expiry Date</u>	Original Exercise Price	<u>Amended Exercise Price</u>
12,000,000.00	2021/09/13	2026/09/13	2028/03/09	\$0.200	\$0.05

MORLAN REDDOCK					
# of Options	Issue Date	Original Expiry Date	<u>Amended Expiry Date</u>	Original Exercise Price	<u>Amended Exercise Price</u>
250,000	2021/08/27	2026/08/27	2028/03/09	\$0.175	\$0.05
350,000	2022/08/31	2027/08/31	2028/03/09	\$0.140	\$0.05
300,000	2020/03/31	2025/03/31	2028/03/09	\$0.105	\$0.05
579,167	2021/05/27	2026/05/27	2028/03/09	\$0.220	\$0.05

ERIC BROUWER					
# of Options	Issue Date	Original Expiry Date	<u>Amended Expiry Date</u>	Original Exercise Price	<u>Amended Exercise Price</u>
291,600.00	2019/05/21	2024/05/21	2028/03/09	\$0.150	\$0.05
350,000.00	2022/08/31	2027/08/31	2028/03/09	\$0.140	\$0.05
360,000.00	2020/08/26	2030/08/26	2028/03/09	\$0.275	\$0.05
725,000.00	2021/05/27	2026/05/27	2028/03/09	\$0.220	\$0.05
1,500,000.00	2021/08/27	2026/08/27	2028/03/09	\$0.175	\$0.05

SCHEDULE "C"

AMENDED STOCK OPTION PLAN

(See attached)



SQI DIAGNOSTICS INC.

STOCK OPTION PLAN

Amended and restated on August 17, 2020, and further amended on March 1, 2021 and May 29, 2023

1. PURPOSE OF THE PLAN

- 1.1 The purpose of the Plan is to attract, retain and motivate persons having training, experience and leadership as key service providers to the Corporation and its Subsidiaries, including their directors, officers and employees, and to advance the interests of the Corporation by providing such persons with the opportunity, through share options, to acquire an increased proprietary interest in the Corporation.

2. DEFINED TERMS

Where used herein, the following terms shall have the following meanings, respectively:

- 2.1 “**Blackout Period**” means the period during which designated directors, officers and employees of the Corporation cannot trade the Shares pursuant to the Corporation’s policy respecting restrictions on directors’, officers’ and employee trading which is in effect at that time (which, for greater certainty, does not include the period during which a cease trade order is in effect to which the Corporation or in respect of an insider, that insider is subject).
- 2.2 “**Board**” shall mean the board of directors of the Corporation.
- 2.3 “**Code**” means the United States Internal Revenue Code of 1986, as amended.
- 2.4 “**Corporation**” means SQI Diagnostics Inc. and includes any successor corporation thereof.
- 2.5 “**Consultant**” means, in relation to the Corporation, an individual, or a company wholly-owned by individuals, who:
- (a) provides ongoing consulting services to the Corporation or a Subsidiary of the Corporation under a written contract;
 - (b) possesses technical, business or management expertise of value to the Corporation or a Subsidiary of the Corporation;
 - (c) spends a significant amount of time and attention on the business and affairs of the Corporation or a Subsidiary of the Corporation; and

- (d) has a relationship with the Corporation or a Subsidiary of the Corporation that enables the individual to be knowledgeable about the business and affairs of the Corporation or a Subsidiary.
- 2.6 “**Directors**” means directors and senior officers of the Corporation.
- 2.7 “**Eligible Individual**” has the meaning ascribed to it in Section 2.8(a) hereof.
- 2.8 “**Eligible Person**” means:
- (a) any Director, Employee or Consultant of the Corporation or any Management Company Employee (an “**Eligible Individual**”); or
 - (b) a corporation controlled by an Eligible Individual, the issued and outstanding voting shares of which are, and will continue to be, beneficially owned, directly or indirectly, by such Eligible Individual (an “**Employee Corporation**”).
- 2.9 “**Employee**” means an individual who is considered an employee of the Corporation or a Subsidiary under the Income Tax Act (Canada) (i.e. for whom income tax, employment insurance and CPP deductions must be made at source).
- 2.10 “**Employee Corporation**” has the meaning ascribed to it in Section 2.8(b) hereof.
- 2.11 “**Exchange**” means the TSX Venture Exchange.
- 2.12 “**Insider**” has the meaning ascribed to in Exchange Policy 1.1;
- 2.13 “**Investor Relations Activities**” means any activities or oral or written communications, by or on behalf of the Corporation or shareholder of the Corporation, that promotes or reasonably could be expected to promote the purchase or sale of securities of the Corporation, but does not include:
- (a) the dissemination of information provided, or records prepared, in the ordinary course of business of the Corporation
 - (i) to promote the sale of products or services of the Corporation, or
 - (ii) to raise public awareness of the Corporation,
 that cannot reasonably be considered to promote the purchase or sale of securities of the Corporation;
 - (b) activities or communications necessary to comply with the requirements of applicable Securities Laws,
 - (i) applicable Securities Laws,
 - (ii) Exchange requirements or the by-laws, rules or other regulatory instruments of any other self-regulatory body or exchange having jurisdiction over the Corporation;

- (c) communications by a publisher of, or writer for, a newspaper, magazine or business or financial publication, that is of general and regular paid circulation, distributed only to subscribers to it for value or to purchasers of it, if
 - (i) the communication is only through the newspaper, magazine or publication, and
 - (ii) the publisher or writer receives no commission or other consideration other than for acting in the capacity of publisher or writer; or
 - (d) activities or communications that may be otherwise specified by the Exchange.
- 2.14 “**ISO**” means an incentive stock option as defined in Section 422 of the Code.
- 2.15 “**Management Company Employee**” means an individual employed by an entity providing management services to the Corporation, which are required for the ongoing successful operation of the business enterprise of the Corporation, but excluding a person engaged in Investor Relations Activities.
- 2.16 “**Market Price**” at any date in respect of the Shares means the closing sale price of such Shares on the Exchange on the trading day immediately preceding such date. In the event that such Shares did not trade on such trading day, the Market Price shall be the average of the bid and ask prices in respect of such Shares at the close of trading on such trading day. In the event that such Shares are not listed and posted for trading on any stock exchange, the Market Price shall be the fair market value of such Shares as determined by the Board in its sole discretion;
- 2.17 “**Non-qualified Stock Option**” means an option that is not an ISO.
- 2.18 “**Option**” means an option to purchase Shares granted to an Eligible Person under the Plan.
- 2.19 “**Option Price**” means the price per Share at which Shares may be purchased under an Option, as the same may be adjusted from time to time in accordance with Article 8 hereof.
- 2.20 “**Optioned Shares**” means the Shares issuable pursuant to an exercise of Options.
- 2.21 “**Optionee**” means an Eligible Person to whom an Option has been granted and who continues to hold such Option.
- 2.22 “**Plan**” means the SQI Diagnostics Inc. 2007 Stock Option Plan, as the same may be amended, supplemented and/or restated from time to time.
- 2.23 “**Securities Laws**” means securities legislation, securities regulation and securities rules, as amended, and the policies, notices, instruments and blanket orders in force from time to time that are applicable to the Corporation.
- 2.24 “**Shares**” means the common shares of the Corporation or, in the event of an adjustment contemplated by Article 8 hereof, such other shares or securities to which an Optionee may be entitled upon the exercise of an Option as a result of such adjustment.

- 2.25 “**Subsidiary**” means any corporation that is a subsidiary, as such term is defined in the Canada Business Corporations Act, of the Corporation.
- 2.26 “**U.S. Participant**” means a Participant who is a citizen of the United States or a resident of the United States, in each case as defined in Section 7701(a)(30) and Section 7701(b)(1) of the Code.

3. ADMINISTRATION OF THE PLAN

- 3.1 The Plan shall be administered by the Board.
- 3.2 The Board shall have the power, where consistent with the general purpose and intent of the Plan and subject to the specific provisions of the Plan:
- (a) to establish policies and to adopt rules and regulations for carrying out the purposes, provisions and administration of the Plan;
 - (b) to interpret and construe the Plan and to determine all questions arising out of the Plan or any Option, and any such interpretation, construction or determination made by the Board shall be final, binding and conclusive for all purposes;
 - (c) to determine the number of Shares covered by each Option;
 - (d) to determine the Option Price of each Option;
 - (e) to determine the time or times when Options will be granted and exercisable;
 - (f) to determine if the Shares which are issuable on the exercise of an Option will be subject to any restrictions upon the exercise of such Option; and
 - (g) to prescribe the form of the instruments relating to the grant, exercise and other terms of Options.
- 3.3 The Board may, in its discretion, require as conditions to the grant or exercise of any Option that the Optionee shall have:
- (a) represented, warranted and agreed in form and substance satisfactory to the Corporation that he or she is acquiring and will acquire such Option and the Shares to be issued upon the exercise thereof or, as the case may be, is acquiring such Shares, for his or her own account, for investment and not with a view to or in connection with any distribution, that he or she has had access to such information as is necessary to enable him or her to evaluate the merits and risks of such investment and that he or she is able to bear the economic risk of holding such Shares for an indefinite period;
 - (b) agreed to restrictions on transfer in form and substance satisfactory to the Corporation and to an endorsement on any option agreement or certificate representing the Shares making appropriate reference to such restrictions (including any notation required by the Exchange or any other stock exchange on which the Shares become listed); and

(c) agreed to indemnify the Corporation in connection with the foregoing.

- 3.4 Any Option granted under the Plan shall be subject to the requirement that, if at any time counsel to the Corporation shall determine that the listing, registration or qualification of the Shares subject to such Option upon any securities exchange or under any law or regulation of any jurisdiction, or the consent or approval of any securities exchange or any governmental or regulatory body, is necessary as a condition of, or in connection with, the grant or exercise of such Option or the issuance or purchase of Shares thereunder, such Option may not be accepted or exercised in whole or in part unless such listing, registration, qualification, consent or approval shall have been effected or obtained on conditions acceptable to the Board. Nothing herein shall be deemed to require the Corporation to apply for or to obtain such listing, registration, qualification, consent or approval.

4. SHARES SUBJECT TO THE PLAN

- 4.1 Subject to adjustment as provided in Section 8 hereof, the maximum number of Shares which may be reserved and set aside for issue under this Plan is 50,814,253.
- 4.2 The aggregate number of Shares issued (or reserved for issuance) to Insiders under the Plan or any other share compensation arrangement of the Corporation, within a one-year period, cannot exceed 10% of the issued and outstanding Shares of the Corporation calculated on the date the Option is granted to any such Insider.
- 4.3 The aggregate number of Shares issued (or reserved for issuance) to Insiders under the Plan at any point in time cannot exceed 10% of the issued and outstanding Shares of the Corporation calculated on the date the Option is granted to any such Insider.
- 4.4 The aggregate number of Shares which may be reserved for issuance at any time to any one Eligible Person within a one-year period shall not exceed 5% of the number of Shares outstanding, calculated on the date the Option is granted to the Eligible Person, less the total of all Shares reserved for issuance to such Eligible Person pursuant to any other share compensation arrangement of the Corporation unless the Corporation obtains disinterested shareholder approval.
- 4.5 Any Shares subject to an Option which for any reason are cancelled, terminated or that have expired without having been exercised shall again be available for grant under the Plan. No fractional Shares shall be issued, and the Board may determine the manner in which fractional Share value shall be treated.

5. ELIGIBILITY, GRANT AND TERMS OF OPTIONS

- 5.1 Options may only be granted to an Eligible Person and shall be granted in accordance with this Section 5.
- 5.2 For Options granted to Employees, Consultants or Management Company Employees, the Company and the Optionee are responsible for ensuring and confirming that the Optionee is a bona fide Employee, Consultant or Management Company Employee, as the case may be

- 5.3 Options may be granted by the Corporation to the extent that they are approved by the Board.
- 5.4 Subject as herein and otherwise specifically provided in this Article 5, the number of Shares subject to each Option, the Option Price of each Option, the expiration date of each Option, the extent to which each Option is exercisable from time to time during the term of the Option and other terms and conditions relating to each such Option shall be determined by the Board and shall be in compliance with Exchange Policy 4.4.
- 5.5 Subject to this Section 5.5, each Option granted under this Plan shall be exercisable for a maximum period of up to 10 years from the date the Option is granted to the Optionee. The Board shall, at the time of granting an Option, determine the time or times when an Option or a part of an Option shall be exercisable. Should the term of an Option expire on a date that falls within a Blackout Period such expiration date shall be automatically extended without any further act or formality to that date which is the 10th Business Day after the end of the Blackout Period, such 10th Business Day to be considered the expiration date for such Option for all purposes under the Plan; provided that if the Option would otherwise expire within the 10 business days following the expiration of a Blackout Period such Options shall expire on their original expiry date. Notwithstanding Section 9 hereof, the 10 Business Day period referred to in this subparagraph 5.5 may not be extended by the Board.
- 5.6 Subject to any adjustments pursuant to the provisions of Article 8 hereof, the Option Price of any Option shall in no circumstances be lower than the Market Price on the date on which the grant of the Option is approved by the Board. If, as and when any Shares have been duly purchased and paid for under the terms of an Option, such Shares shall be conclusively deemed allotted and issued as fully paid non-assessable Shares at the price paid therefor.
- 5.7 An Option is personal to the Optionee and is non-assignable and non-transferable (whether by operation of law or otherwise), except as provided for herein. Upon any attempt to transfer, assign, pledge, hypothecate or otherwise dispose of an Option contrary to the provisions of the Plan, or upon the levy of any attachment or similar process upon an Option, the Option shall, at the election of the Corporation, cease and terminate and be of no further force or effect whatsoever.
- 5.8 The aggregate number of Options granted to Consultants shall not exceed 2% of the issued and outstanding Shares of the Corporation in any 12 month period.
- 5.9 The aggregate number of options granted to persons employed in Investor Relations Activities shall not exceed 2% of the issued and outstanding Shares of the Corporation in any 12 month period unless the Exchange permits otherwise. Options issued to Consultants providing Investor Relations services must vest in stages over 12 months with no more than 1/4 of the options vesting in any three month period.
- 5.10 Unless otherwise determined by the Board, and subject to the terms of any Option Agreement, all Options shall vest in three (3) equal installments over a period of 36 months from the date of each grant of Options, with the first installment vesting on the first anniversary of the date of the grant and the remaining Options vesting in equal installments upon the second and third anniversary of the date of grant, provided that the Board may established different vesting periods where necessary and approved by Board.

5.11 The Corporation shall obtain disinterested shareholder approval for:

- (a) any Plan or grant that, together with all of the Corporation's other previously established stock option plans or grants, could result at any time in the number of Shares reserved for issuance under stock options exceeding 50,814,253 Shares;
- (b) a reduction in the exercise price of an Option if the Optionee is an Insider at the time of the proposed amendment; and
- (c) any extension of the expiry date of an Option if the Optionee is an Insider at the time of the proposed amendment.

For the purposes of this Section 5, the phrase "**issued and outstanding Shares**" excludes any Shares issued pursuant to the Plan or other stock options, stock option plans, employee stock purchase plans or other compensation or incentive mechanisms, over a preceding one-year period and "**associate**" means any person associated with such Insider.

6. TERMINATION OF EMPLOYMENT, DEATH

- 6.1 Subject to Sections 6.2 through 6.4 hereof and to any express resolution passed by the Board with respect to an Option, an Option and all rights to purchase Shares pursuant thereto shall expire and terminate within 90 days after the Optionee who holds such Option ceases to be an Eligible Person; provided that notwithstanding any express resolution passed by the Board, any Option must expire within a reasonable period not to exceed 12 months following the date on which the participant ceases to be an Eligible Person. Options granted to an Optionee who is engaged in Investor Relations Activities shall expire and terminate within 30 days after the Optionee who holds such Option ceases to be employed to provide Investor Relations Activities.
- 6.2 In the event of the termination of an Optionee's employment for cause, any Options granted to such Optionee (including any Options granted to such Optionee's Employee Corporation) shall expire and terminate immediately at the time of the delivery of notice of termination of employment for cause to the applicable Optionee and shall be of no further force or effect whatsoever.
- 6.3 If an Optionee dies before the expiry of an Option in accordance with the terms thereof, the Optionee's legal representative(s) may, subject to the terms of the Option and the Plan:
- (a) exercise the Option to the extent that the Optionee was entitled to do so at the date of his or her death at any time up to and including, but not after, a date one year following the date of death of the Optionee, or prior to the close of business on the expiration date of the Option, whichever is earlier; and
 - (b) with the prior written consent of the Board, exercise at any time up to and including, but not after, a date one year following the date of death of the Optionee, or prior to the close of business on the expiration date of the Option, whichever is earlier, any part of the Option which was not exercisable at the time of the Optionee's death to purchase all or any of the Optioned Shares as the Board may designate

but not exceeding the number of Optioned Shares the Optionee would have otherwise been entitled to purchase had the Optionee survived.

- 6.4 For greater certainty, Options shall not be affected by any change of employment of the Optionee or by the Optionee ceasing to be a director of the Corporation provided that the Optionee continues to be an Eligible Person.
- 6.5 For the purposes of this Article 6, a determination by the Corporation that an Optionee was discharged for “**cause**” shall be binding on the Optionee; provided, however, that such determination shall not be conclusive of the Optionee’s potential entitlement to damages for the loss of the right to exercise an Option in the event that a court of competent jurisdiction ultimately determines that the discharge was without “**cause**”.
- 6.6 If an Optionee has been terminated “**for cause**” or does not exercise his or her options in accordance with the provisions of Sections 6.2 or 6.4 as the case may be, the number of options not exercised shall be added to the number of options remaining available to be granted under the Plan.

7. EXERCISE OF OPTIONS

- 7.1 Subject to the provisions of the Plan (including Section 13.1-13.3), an Option may be exercised from time to time by delivery to the Corporation at its registered office of a written notice of exercise addressed to the Chief Financial Officer of the Corporation specifying the number of Shares with respect to which the Option is being exercised and accompanied by payment in full, by cash or certified cheque, of the Option Price of the Shares then being purchased. Certificates for such Shares shall be issued and delivered to the Optionee within a reasonable time following the receipt of such notice and payment.
- 7.2 Notwithstanding any of the provisions contained in the Plan or in any Option, the Corporation’s obligation to issue Shares to an Optionee pursuant to the exercise of any Option shall be subject to:
- (a) completion of such registration or other qualification of such Shares or obtaining approval of such governmental or regulatory authority as the Corporation shall determine to be necessary or advisable in connection with the authorization, issuance or sale thereof;
 - (b) the admission of such Shares to listing on any stock exchange on which the Shares may then be listed;
 - (c) the receipt from the Optionee of such representations, warranties, agreements and undertakings, as the Corporation determines to be necessary or advisable in order to safeguard against the violation of the securities laws of any jurisdiction; and
 - (d) the satisfaction of any conditions on exercise prescribed pursuant to Section 3.4 hereof.

In this connection the Corporation shall, to the extent necessary, take all commercially reasonable steps to obtain such approvals, registrations and qualifications as may be necessary for the issuance of such Shares in compliance with applicable securities laws

and for the listing of such Shares on any stock exchange on which the Shares are then listed.

- 7.3 Options shall be evidenced by a share option agreement, instrument or certificate in such form not inconsistent with this plan as the Board may from time to time determine as provided for under Subsection 3.2(g) provided that the substance of Article 5 be included therein.

8. CERTAIN ADJUSTMENTS

- 8.1 In the event of any subdivision or redivision of the Shares into a greater number of Shares at any time after the grant of an Option to any Optionee and prior to the expiration of the term of such Option, the Corporation shall deliver, subject to Exchange approval, to such Optionee at the time of any subsequent exercise of his or her Option in accordance with the terms hereof, in lieu of the number of Shares to which he or she was theretofore entitled upon such exercise, but for the same aggregate consideration payable therefor, such number of Shares as such Optionee would have held as a result of such subdivision or redivision if, on the record date thereof, the Optionee had been the registered holder of the number of Shares to which he or she was theretofore entitled upon such exercise.
- 8.2 In the event of any consolidation of the Shares into a lesser number of Shares at any time after the grant of an Option to any Optionee and prior to the expiration of the term of such Option, the Corporation shall deliver to such Optionee at the time of any subsequent exercise of his or her Option in accordance with the terms hereof, in lieu of the number of Shares to which he or she was theretofore entitled upon such exercise, but for the same aggregate consideration payable therefor, such number of Shares as such Optionee would have held as a result of such consolidation if, on the record date thereof, the Optionee had been the registered holder of the number of Shares to which he or she was theretofore entitled upon such exercise.
- 8.3 If at any time after the grant of an Option to any Optionee and prior to the expiration of the term of such Option, the Shares shall be reclassified, reorganized or otherwise changed, otherwise than as specified in Sections 8.1 and 8.2 or, subject to the provisions of Subsection 9.2(a) hereof, the Corporation shall consolidate, merge or amalgamate with or into another corporation (the corporation resulting or continuing from such consolidation, merger or amalgamation being herein called the "**Successor Corporation**") or, the Corporation shall pay a stock dividend (other than any dividends in the ordinary course), the Optionee shall be entitled to receive upon the subsequent exercise of his or her Option in accordance with the terms hereof and shall accept in lieu of the number of Shares to which he or she was theretofore entitled upon such exercise but for the same aggregate consideration payable therefor, the aggregate number of shares of the appropriate class and/or other securities of the Corporation or the Successor Corporation (as the case may be) and/or other consideration from the Corporation or the Successor Corporation (as the case may be) that the Optionee would have been entitled to receive as a result of such reclassification, reorganization or other change or, subject to the provisions of Subsection 9.2(a) hereof, as a result of such consolidation, merger, amalgamation, or stock dividend, if on the record date of such reclassification, reorganization, other change or stock dividend, or the effective date of such consolidation, merger or amalgamation or dividend payment, as the case may be, he or she had been the registered holder of the number of Shares to which he or she was theretofore entitled upon such exercise.

- 8.4 In the event the Corporation should declare and pay a special cash dividend or other distribution out of the ordinary course, a special dividend in specie on the Shares, or a stock dividend other than in the ordinary course, (i) the Option Price of all Options outstanding on the record date of such dividend or other distribution shall be reduced by an amount equal to the cash payment or other distribution or the fair market value of the dividend in specie or stock dividend or other distribution, as determined by the Board in its sole discretion, or (ii) subject to alternative adjustments as may be determined by the Board in its reasonable discretion. Any such reduction in the Option Price shall be subject to regulatory approval and the Option Price shall not be less than \$0.01 per Share.
- 8.5 All amendments and adjustments to either the Plan or Options shall be in accordance with Exchange Policy 4.4.

9. AMENDMENT OR DISCONTINUANCE OF THE PLAN

- 9.1 The Board may amend or discontinue the Plan at any time, provided, however, that no such amendment may materially and adversely affect any Option previously granted to an Optionee without the consent of the Optionee, except to the extent required by law. Any such amendment shall, if required, be subject to the prior approval of, or acceptance by, any stock exchange on which the Shares are listed and posted for trading.
- 9.2 Notwithstanding anything contained to the contrary in this Plan or in any resolution of the Board in implementation thereof:
- (a) in the event the Corporation proposes to amalgamate, merge or consolidate with any other corporation (other than a wholly-owned Subsidiary) or to liquidate, dissolve or wind-up, or in the event an offer to purchase or repurchase the Shares of the Corporation or any part thereof shall be made to all or substantially all holders of Shares of the Corporation, the Corporation shall have the right, upon written notice thereof to each Optionee holding Options under the Plan, to permit the exercise of all such Options within the 20 day period next following the date of such notice and to determine that upon the expiration of such 20 day period, all rights of the Optionees to such Options or to exercise same (to the extent not theretofore exercised) shall ipso facto terminate and cease to have further force or effect whatsoever;
 - (b) in the event of the sale by the Corporation of all or substantially all of the assets of the Corporation as an entirety or substantially as an entirety so that the Corporation shall cease to operate as an active business, any outstanding Option may be exercised as to all or any part of the Optioned Shares in respect of which the Optionee would have been entitled to exercise the Option in accordance with the provisions of the Plan at the date of completion of any such sale at any time up to and including, but not after the earlier of: (i) the close of business on that date which is thirty (30) days following the date of completion of such sale; and (ii) the close of business on the expiration date of the Option; but the Optionee shall not be entitled to exercise the Option with respect to any other Optioned Shares;
 - (c) subject to the rules of any relevant stock exchange or other regulatory authority, the Board may, by resolution, advance the date on which any Option may be exercised or extend the expiration date of any Option. The Board shall not, in the event of any such advancement or extension, be under any obligation to advance

or extend the date on or by which Options may be exercised by any other Optionee;
and

- (d) the Board may, by resolution, but subject to applicable regulatory requirements, decide that any of the provisions hereof concerning the effect of termination of the Optionee's employment shall not apply to any Optionee for any reason acceptable to the Board.

Notwithstanding the provisions of this Article 9, should changes be required to the Plan by any securities commission, stock exchange or other governmental or regulatory body of any jurisdiction to which the Plan or the Corporation now is or hereafter becomes subject, such changes shall be made to the Plan as are necessary to conform with such requirements and, if such changes are approved by the Board, the Plan as amended, shall be filed with the records of the Corporation and shall remain in full force and effect in its amended form as of and from the date of its adoption by the Board.

10. MISCELLANEOUS PROVISIONS

- 10.1 An Optionee shall not have any rights as a shareholder of the Corporation with respect to any of the Shares covered by such Option until the date of issuance of a certificate for Shares upon the exercise of such Option, in full or in part, and then only with respect to the Shares represented by such certificate or certificates. Without in any way limiting the generality of the foregoing, no adjustment shall be made for dividends or other rights for which the record date is prior to the date such share certificate is issued.
- 10.2 Nothing in the Plan or any Option shall confer upon an Optionee any right to continue or be re-elected as a director of the Corporation or any right to continue in the employ of the Corporation or any Subsidiary, or affect in any way the right of the Corporation or any Subsidiary to terminate his or her employment at any time; nor shall anything in the Plan or any Option be deemed or construed to constitute an agreement, or an expression of intent, on the part of the Corporation or any Subsidiary to extend the employment of any Optionee beyond the time which he or she would normally be retired pursuant to the provisions of any present or future retirement plan of the Corporation or any Subsidiary, or beyond the time at which he or she would otherwise be retired pursuant to the provisions of any contract of employment with the Corporation or any Subsidiary.
- 10.3 Notwithstanding Section 5.7 hereof, Options may be transferred or assigned between an Eligible Individual and the related Employee Corporation provided the assignor delivers notice to the Corporation prior to the assignment.
- 10.4 The Plan and all matters to which reference is made herein shall be governed by and interpreted in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

11. SHAREHOLDER AND REGULATORY APPROVAL

- 11.1 The Plan shall be subject to ratification by the shareholders of the Corporation to be effected by a resolution passed at a meeting of the shareholders of the Corporation, and to acceptance by any other relevant regulatory authority. Any Options granted prior to such ratification and acceptance shall be conditional upon such ratification and

acceptance being given and no such Options may be exercised unless and until such ratification and acceptance are given.

- 11.2 The Plan shall also be subject to review and acceptance by the stock exchanges having jurisdiction over the affairs of the Corporation.

12. OPTIONS GRANTED TO U.S. PARTICIPANTS

In addition to the other provisions of this Plan (and notwithstanding any other provision of this Plan to the contrary), the following limitations and requirements will apply to Options granted to a U.S. Participant.

- 12.1 Each Option awarded to a U.S. Participant shall specify whether such Option is an ISO or a Nonqualified Stock Option. If no such specification is made, the Option will be:
- (a) an Incentive Stock Option if all of the requirements under the Code are satisfied; or
 - (b) in all other cases, a Nonqualified Stock Option.
- 12.2 ISOs shall be subject to the terms and conditions pertaining to ISOs set forth in the applicable share option agreement, instrument or certificate evidencing the grant of such Option. Only employees as defined for purposes of Section 422 of the Code may be granted ISOs.
- 12.3 Any adjustment to or amendment of an outstanding Option granted to a U.S. Participant (including, but not limited to, adjustments contemplated under Section 8 with respect to the exercise price and number of Shares subject to an Option or with respect to the Expiry Date of an Option) will be made so as to comply with, and not create any adverse consequences under, Section 409A of the Code, and to the extent applicable, Section 424(a) of the Code.

13. TAXES

- 13.1 The Optionee shall be liable for all federal, state, provincial, local or foreign taxes ("**Taxes**") of any kind including (without limitation) withholding taxes, social security, pension or other premiums and employment premiums or taxes, arising in respect of the Options and/or the Shares. The satisfaction by the Optionee (or the provision therefor to the satisfaction of the Corporation) of all such Taxes shall be a condition precedent to the receipt of any Option, payment, or Shares pursuant to the terms of the Plan.
- 13.2 In the event that the Corporation (or a Subsidiary, in either case, the "**Employer**" for purposes of this Section) is required to withhold, pay or provide for Taxes as a result of the grant of Options, the issuance of Shares or other transaction contemplated under the Plan, the Corporation may require that the Optionee make a payment in immediately available funds to the Employer sufficient to cover all Taxes payable in accordance with applicable law ("**Required Taxes**"), in an amount determined by the Corporation in its sole discretion and at the relevant time. Alternatively, the Corporation (or the Employer) may in its sole discretion satisfy or provide for any such Required Taxes by (i) retaining (and or liquidating) a sufficient number of Shares as would have otherwise been provided to an

Optionee under the Plan, (ii) satisfying the withholding requirements from an Optionee's salary or other compensation; or (iii) any other method acceptable to the Corporation.

- 13.3 The Optionee (and in particular, in relation to any Options or Shares to be held in a deferred income plan or an Employee Corporation) acknowledges that it has satisfied itself in relation to all Tax matters relevant to the acquisition, holding and disposition or transfer of Options or Shares in connection with the Plan. It is the Optionee's responsibility to complete and file any tax returns in respect of their participation in the Plan. The Corporation shall not be responsible for any Tax consequences to the Optionee in connection with the Optionee's participation in the Plan.