

# NETWORK

## Media Group Inc.

1488 Frances Street, Vancouver, British Columbia, Canada V5L 1Y9

Tel: (604) 739-8825 /Fax: (604) 909-2895

### NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

**NOTICE IS HEREBY GIVEN** that the Annual General and Special Meeting (the “**Meeting**”) of NETWORK MEDIA GROUP INC. (the “**Company**”) will be held at the offices of Regus LLP, Suite 1480 – 885 West Georgia Street, Vancouver, British Columbia Canada V6C 3E8, on **Friday, December 11, 2020, at 11:00 a.m.** (Vancouver time) for the following purposes:

1. To table the audited consolidated financial statements of the Company for its financial year ended November 30, 2019, together with the report of the auditor thereon and the related management’s discussion and analysis;
2. To fix the number of directors to be elected at six (6);
3. To elect directors of the Company; and
4. To appoint Baker Tilly WM LLP, Chartered Professional Accountants, as auditors of the Company for the ensuing year.

An Information Circular accompanies this Notice. The Information Circular contains details of matters to be considered at the Meeting. No other matters are contemplated, however any permitted amendment to or variation of any matter identified in this Notice may properly be considered at the Meeting. The Meeting may also consider the transaction of such other business as may properly come before the Meeting or any adjournment thereof.

The Company’s audited financial statements for the financial year ended November 30, 2019, the report of the auditor, and related management discussion and analysis thereon will be made available at the Meeting and are available on [www.sedar.com](http://www.sedar.com).

**Registered shareholders who are unable to attend the Meeting in person and who wish to ensure that their shares will be voted at the Meeting are requested to complete, date and sign the enclosed form of proxy, or another suitable form of proxy and deliver it in accordance with the instructions set out in the form of proxy and in the Information Circular.**

**Non-registered shareholders who plan to attend the Meeting must follow the instructions set out in the form of proxy or voting instruction form to ensure that their shares will be voted at the Meeting. If you hold your shares in a brokerage account you are not a registered shareholder.**

#### **NOTE OF CAUTION concerning COVID-19 Outbreak**

At the date of this Notice and accompanying Management Proxy Circular it is the intention of the Company to hold the Meeting at the location stated above in this Notice. However, due to the current coronavirus (COVID-19) outbreak (“**COVID-19**”), to mitigate risk to the health and safety of our communities, shareholders and employees, the Company requests that shareholders **not** attend the Meeting in person. The Meeting can accommodate no more than three (3) shareholders in person. Attendance will be on a first come, first served basis. No management presentation will be made at the Meeting.

Those shareholders who do wish to attend the Meeting in person, should carefully consider and follow the instructions of the federal Public Health Agency of Canada available at: <https://www.canada.ca/en/public-health/services/diseases/coronavirus-disease-covid-19.html>. We ask that shareholders also review and follow the instructions of any regional health authorities of the Province of British Columbia, including the Vancouver Coastal Health Authority, the Fraser Health Authority and any other health authority holding jurisdiction over the areas you must travel through to attend the Meeting. Do not attend the Meeting in person if you are experiencing any cold or flu-like symptoms, or if you or someone with whom you have been in close contact has travelled to/from outside of Canada within the 14 days immediately prior to the Meeting. All shareholders are strongly encouraged to vote by submitting their completed form of proxy (or voting instruction form) prior to the Meeting by one of the means described in the Information Circular accompanying this Notice.

The Company encourages shareholders to instead vote their shares in advance of the Meeting via mail, facsimile or online.

The Company reserves the right to take any additional pre-cautionary measures deemed to be appropriate, necessary or advisable in relation to the Meeting in response to further developments in the COVID-19 outbreak, including: (i) holding the Meeting virtually or by providing a webcast of the Meeting; (ii) hosting the Meeting solely by means of remote communication; (iii) changing the Meeting date and/or changing the means of holding the Meeting; (iv) denying access to persons who exhibit cold or flu-like symptoms, or who have, or have been in close contact with someone who has, travelled to/from outside of Canada within the 14 days immediately prior to the Meeting; and (v) such other measures as may be recommended by public health authorities in connection with gatherings of persons such as the Meeting. Should any such changes to the Meeting format occur, the Company will announce any and all of these changes by way of news release, which will be filed under the Company's profile on SEDAR. In the event of any changes to the Meeting format due to the COVID-19 outbreak, the Company will not prepare or mail amended Meeting Proxy Materials.

DATED at Vancouver, British Columbia Canada, October 27, 2020.

**BY ORDER OF THE BOARD**

(signed) *"Derik A. Murray"*

**Derik A. Murray**  
Chief Executive Officer

# NETWORK

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1488 Frances Street, Vancouver, British Columbia, Canada V5L 1Y9

Tel: (604) 739-8825 / Fax: (604) 909-2895

### INFORMATION CIRCULAR

as at October 27, 2020 (except as otherwise indicated)

#### INFORMATION CONTAINED IN THIS CIRCULAR

This Information Circular is furnished in connection with the solicitation of proxies by the management of NETWORK MEDIA GROUP INC. (the “Company”) for use at the annual general and special meeting (the “Meeting”) of its shareholders to be held on Friday, December 11, 2020, at the time and place and for the purposes set forth in the accompanying notice of the Meeting.

The information contained in this Information Circular (the “Circular”) is given as at October 27, 2020 (the “Record Date”), except where otherwise noted. No person has been authorized to give any information or to make any representation in connection with the matters described herein other than those contained in this Circular and, if given or made, any such information or representation should be considered not to have been authorized by the Company. This Circular does not constitute the solicitation of a proxy by any person in any jurisdiction in which such solicitation is not authorized or in which the person making such solicitation is not qualified to do so or to any person to whom it is unlawful to make such solicitation. Information contained in this Circular should not be construed as legal, tax or financial advice and shareholders are urged to consult their own profession advisors in connection therewith.

#### GENERAL PROXY INFORMATION

##### Solicitation of Proxies

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

##### Appointment of Proxyholders

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

##### Voting by Proxyholder

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

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

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

### **Registered Shareholders**

Registered Shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered Shareholders may choose one of the following options to submit their proxy:

- (a) complete, date and sign the Proxy and return it to the Company's transfer agent, Computershare Investor Services Inc. ("**Computershare**"), by fax within North America at 1-866-249-7775, outside North America at (416) 263-9524, or by mail to the 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1 or by hand delivery at 3<sup>rd</sup> Floor, 510 Burrard Street, Vancouver, British Columbia Canada V6C 3B9;
- (b) use a touch-tone phone to transmit voting choices to a toll-free number. Registered shareholders must follow the instructions of the voice response system and refer to the enclosed proxy form for the toll-free number, the holder's account number and the control number; or
- (c) use the internet through the website of the Company's transfer agent at [www.investorvote.com](http://www.investorvote.com). Registered Shareholders must follow the instructions that appear on the screen and refer to the enclosed proxy form for the holder's account number and the control number.

In all cases the Registered Shareholder must ensure the proxy is received at least 48 hours (excluding Saturdays, Sundays and statutory holidays) before the Meeting or the adjournment thereof at which the proxy is to be used.

### **Beneficial Shareholders**

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

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

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

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

The Company is taking advantage of the provisions of National Instrument 54-101 "Communication with Beneficial Owners of Securities of a Reporting Issuer" that permit it to directly deliver proxy-related materials to its NOBOs. As a result NOBOs can expect to receive a scannable Voting Instruction Form ("**VIF**") from our transfer agent, Computershare. These VIFs are to be completed and returned to Computershare in the envelope provided or by facsimile. In addition, Computershare provides both telephone voting and internet voting as described on the VIF itself which contain complete instructions. Computershare will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the shares represented by the VIFs they receive.

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

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

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

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

#### **Notice to United States Shareholders**

The solicitation of proxies involves securities of an issuer located in Canada and is being effected in accordance with the corporate laws of the Province of British Columbia, Canada and securities laws of the provinces of Canada. The proxy solicitation rules under the United States *Securities Exchange Act* of 1934, as amended, are not applicable to the Company or this solicitation, and this solicitation has been prepared in accordance with the disclosure requirements of the securities laws of the provinces of Canada. Shareholders should be aware that disclosure requirements under the securities laws of the provinces of Canada differ from the disclosure requirements under United States securities laws. The enforcement by shareholders of civil liabilities under United States federal securities laws may be affected adversely by the fact that the Company is incorporated under the *Business Corporations Act* (British Columbia), all of its directors and its executive officers are residents of Canada and a significant portion of its assets and the assets of such persons are located outside the United States. Shareholders may not have standing to bring a claim against a foreign corporation or its officers or directors in a foreign court for violations of United States federal securities laws. It may be difficult to compel a foreign corporation and its officers and directors to subject themselves to a judgment by a United States court.

#### **Revocation of Proxies**

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

- (a) executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the registered shareholder or the registered shareholder's authorized attorney in writing, or, if the shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the proxy bearing a later date to Computershare or at the address of the registered office of the Company at 1500 Royal Centre, 1055 West Georgia Street, P. O. Box 11117, Vancouver, British Columbia, V6E 4N7, at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law, or
- (b) personally attending the Meeting and voting the registered shareholder's Common Shares.

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

#### **FINANCIAL STATEMENTS**

The audited consolidated financial statements of the Company for the fiscal year ended November 30, 2019, with the auditor's report thereon, and related management discussion and analysis, will be tabled at the Meeting and will be available at the Meeting. These documents are also available under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

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

To the best of our knowledge, except as otherwise disclosed herein, no director or executive officer of the Company, or any person who has held such a position since the beginning of the last completed financial year end of the Company, nor any nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors, and the Company's share compensation plan as set out herein.

### VOTING SHARES AND PRINCIPAL HOLDERS OF VOTING SHARES

The Company has an unlimited number of authorized common shares with no par value and an unlimited number of authorized preferred shares with no par value. The Company's common shares are listed on the TSX Venture Exchange ("TSX Venture") under stock symbol "NTE". The board of directors (the "Board") of the Company has fixed October 27, 2020, as the record date (the "Record Date") for the determination of persons entitled to receive notice of the Meeting. Only shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of proxy in the manner and subject to the provisions described above will be entitled to vote or to have their Common Shares voted at the Meeting.

As of Record Date, the Company had 74,005,371 issued and outstanding Common Shares. The Company is also authorized to issue an unlimited number of preferred shares. There are no preferred shares issued and outstanding at the date of this Circular.

To the knowledge of the Company's directors and executive officers, at October 27, 2020 Record Date, the below person beneficially owns, directly or indirectly, or exercises control or direction over, voting securities carrying more than 10% of the voting rights attached to any class of voting securities of the Company is:

Shareholder Name	Number of Common Shares Held	Percentage of Issued Common Shares
Derik A. Murray <sup>(1)</sup>	8,360,733	11.30%

<sup>(1)</sup> The above information was supplied to the Company by the Shareholder directly and from insider reports available at [www.sedi.ca](http://www.sedi.ca).

### ELECTION OF DIRECTORS

There are currently six (6) directors of the Company, and all six (6) directors are being put forward by management of the Company for re-election at the Meeting. Shareholders are being asked to fix the number of directors at six (6).

The term of office of each of the nominees proposed for election as a director will expire at the Meeting, and each of them, if elected, will serve until the close of the next annual general meeting, unless he or she resigns or otherwise vacates office before that time.

**The Company's management recommends the Shareholders vote in favour of the resolution fixing the number of directors at six (6). Unless given instructions to the contrary, the management proxyholders intend to vote FOR the resolution fixing the number of directors at six.**

The following disclosure sets out the names of management's six nominees for election as directors, all major offices and positions with the Company and any of its significant affiliates each now holds, each nominee's principal occupation, business or employment for the five preceding years, the period of time during which each has been a director of the Company and the number of Common Shares of the Company beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at Record Date, October 27, 2020.

Name, Province or State and Country of Residence of Nominee	Present Principal Occupation, Business or Employment <sup>(1)</sup>	Director Since	Common Shares Held <sup>(2)</sup>
<b>ALI PEJMAN</b> <sup>(3)</sup> <i>Chairman and Director</i> British Columbia, Canada	Managing Partner at Fort Capital Partners, investment bank specializing in mergers and acquisitions and equity capital markets	October 22, 2019	610,500 <sup>(4)</sup>
<b>DERIK A MURRAY</b> <i>Chief Executive Officer and Director</i> British Columbia, Canada	Chief Executive Officer (Network Media Group Inc.)	December 29, 2011	8,360,733
<b>PAUL GERTZ</b> <sup>(3)</sup> <i>President, Chief Operating Officer and Director</i> British Columbia, Canada	President, Chief Operating Officer (Network Media Group Inc.)	December 29, 2011	3,802,160
<b>STEVE KOTLOWITZ</b> <i>Director</i> California, United States	Chief Operating Officer (The Sports Corporation)	March 20, 2012	NIL
<b>DR. GREG ZESCHUK</b> <i>Director</i> Alberta, Canada	Director (Biba Ventures, Zeros 2 Heroes)	December 4, 2013	3,107,142 <sup>(5)</sup>
<b>MICHAEL McISAAC</b> <sup>(3)</sup> <i>Director</i> British Columbia, Canada	CPA-CA, President and Founder (Renaissance Mergers & Acquisitions Inc.), Chairman (Vancouver College Millennium Foundation)	August 13, 2018	445,000

Notes:

- (1) Includes occupations for preceding five years unless the director was elected at the previous annual general meeting and was shown as a nominee for election as a director in the information circular for that meeting.
- (2) The approximate number of Common Shares of the Company carrying the right to vote in all circumstances beneficially owned, or over which control or direction, directly or indirectly, is exercised by each proposed nominee as of October 27, 2020. This information is not within the knowledge of the management of the Company and has been furnished by the respective individuals, or has been extracted from the register of shareholdings maintained by the Company's transfer agent or from insider reports filed by the individuals and available through the internet at [www.sedi.ca](http://www.sedi.ca).
- (3) Member of the Audit Committee.
- (4) These shares are held by Bullheart Capital Inc., a company wholly owned by Ali Pejman.
- (5) 1124005 Alberta Ltd., a company wholly owned by Dr. Zeschuk, owns 2,857,142 of these shares.

Each of the nominees has agreed to stand for election and management of the Company is not aware of any intention of any of them not to do so. If, however, one or more of them should become unable to stand for election, it is likely that one or more other persons would be nominated at the Meeting for election and, in that event, the persons designated in the form of proxy will vote in their discretion for a substitute nominee.

None of the proposed nominees for election as a director of the Company are proposed for election pursuant to any arrangement or understanding between the nominee and any other person, except the directors and executive officers of the Company acting solely in such capacity.

A shareholder can vote for all of the above nominees, vote for some of the above nominees and withhold for other of the above nominees, or withhold for all of the above nominees. **Unless otherwise instructed, the named proxyholders will vote FOR the election of each of the proposed nominees set forth above as directors of the Company. At the Meeting the above persons will be nominated for election as director as well as any person nominated pursuant to the Advance Notice Provision (see below). Only persons nominated by management pursuant to this Circular or pursuant to the Advance Notice Provision will be considered valid director nominees eligible for election at the Meeting.**

**Penalties and Sanctions**

To the knowledge of management of the Company, no proposed director of the Company has been subject to:

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

#### **Corporate Cease Trade Orders or Bankruptcies**

To the knowledge of management of the Company, no proposed director of the Company is, or within the ten years before the date of this Circular has been, a director, chief executive officer or chief financial officer of any other issuer that:

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

#### **Bankruptcies and Insolvencies**

To the knowledge of management of the Company, no proposed director of the Company:

- a. is, as at the date of this Circular, or has been within ten years before the date of the Circular, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- b. has, within ten years before the date of this Circular, been declared bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

#### **Advance Notice of Director Nominations by Shareholders**

At the Company’s annual general and special meeting held on May 9, 2014, the shareholders of the Company approved the alteration of the Company’s articles for the purpose of adopting advance notice provisions (the “**Advance Notice Provision**”). The Advance Notice Provision provides for advance notice to the Company in circumstances where nominations of persons for election to the Board of directors of the Company are made by shareholders of the Company other than pursuant to (i) a requisition of a meeting made pursuant to the provisions of the *Business Corporations Act* (British Columbia) (“**BCA**”) or (ii) a shareholder proposal made pursuant to the provisions of the *BCA*.

The purpose of the Advance Notice Provision is to foster a variety of interests of the shareholders and the Company by ensuring that all shareholders - including those participating in a meeting by proxy rather than in person - receive adequate notice of the nominations to be considered at a meeting and can thereby exercise their voting rights in an informed manner. Among other things, the Advance Notice Provision fixes a deadline by which holders of Common Shares must submit director nominations to the Company prior to any annual or special meeting of shareholders and sets forth the minimum information that a shareholder must include in the notice to the Company for the notice to be in proper written form.

The Advance Notice Provision also requires all proposed director nominees to deliver a written representation and agreement that such candidate for nomination, if elected as a director of the Company, will comply with all applicable corporate governance, conflict of interest, confidentiality, share ownership, majority voting and insider trading policies and other policies and guidelines of the Company applicable to directors and in effect during such person’s term in office as a director.

The foregoing is merely a summary of the Advance Notice Provision, is not comprehensive and is qualified by the full text of such provision which is available under the Company’s profile on SEDAR at [www.sedar.com](http://www.sedar.com).



The Company did not receive notice of a nomination in compliance with the Advance Notice Provision, and as such, any nominations other than nominations by or at the direction of the Board or an authorized officer of the Company will be disregarded at the Meeting.

**Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote FOR the election of the Nominees.**

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT EACH SHAREHOLDER VOTE "FOR" THE ELECTION OF THE ABOVE NOMINEES AS DIRECTORS.**

#### **APPOINTMENT OF AUDITOR**

Baker Tilly WM LLP [formerly, Wolrige Mahon LLP], Chartered Professional Accountants, of Suite 900, 400 Burrard Street, Vancouver, British Columbia, Canada V6C 3B7, will be nominated at the Meeting for reappointment as auditor of the Company. Baker Tilly WM LLP, Chartered Professional Accountants, has been auditor of the Company since February 25, 2014.

**THE COMPANY'S MANAGEMENT RECOMMENDS THE SHAREHOLDERS VOTE IN FAVOUR OF THE APPOINTMENT OF BAKER TILLY WM LLP AS AUDITOR OF THE COMPANY FOR THE ENSUING YEAR. Unless given instructions to the contrary, the management proxyholders intend to vote FOR the appointment of Baker Tilly WM LLP as auditor of the Company until the close of its next annual general meeting.**

#### **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 its Information Circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor. Such disclosure is set forth below.

##### **The Audit Committee's Charter**

The Audit Committee has a charter, which was adopted by the Board on July 4, 2011. A copy of the Audit Committee Charter is attached as Appendix D to the Company's Amended and Restated Prospectus, which was SEDAR filed on December 1, 2011.

##### **Composition of the Audit Committee**

The current members of the Audit Committee are: Ali Pejman (Chair), Paul Gertz and Michael Mclsaac.

There is one independent member (Michael Mclsaac) and two non-independent members (Ali Pejman and Paul Gertz) of the Audit Committee. A member of the Audit Committee is independent if the member has no direct or indirect material relationship with the Company. A material relationship means a relationship which could, in the opinion of the Company's Board, reasonably interfere with the exercise of the member's independent judgment. Mr. Pejman is considered not independent because of his position as Chairman of the board of directors. Mr. Gertz is considered not independent because of his positions as President and Chief Operating Officer.

All members of the Audit Committee are financially literate (see disclosure below). A member of the Audit Committee is considered financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company, and have an understanding of internal controls.

##### **Relevant Education and Experience**

The relevant education and experience of the Audit Committee members includes:

- **Ali Pejman** (Chairman) is currently Managing Partner at Fort Capital Partners, an investment bank specializing in mergers and acquisitions, and equity capital markets. During his 20-year career as an Investment Banker, he has led the teams that raised over \$3 billion in Equity Transactions and advised on \$17 billion in M&A. Mr. Pejman is a Fellow of the Chartered Professional Accountants (FCPA) and holds a Bachelor of Commerce from the University of British Columbia.

- **Paul Gertz** holds a B.A.in Economics from the University of California as well as a Law Degree and MBA from the University of Southern California. He has vast experience from senior level roles for a number of large entertainment companies such as Lucasfilms Ltd., Hanna-Barbera, and Rainmaker Animation.
- **Michael Mclsaac** holds his professional accounting designation (CPC-CA) and was in Public Practice for over 20 years. He is currently the President of Renaissance Mergers & Acquisition, a boutique advisory firm specializing in sale of private business with value of \$5 to \$50 million. Mr. Mclsaac is a member of the Entrepreneurs Organization, a global business network of over 12,000 leading entrepreneurs in 54 countries. Mr. Mclsaac is also the Chair of the board of directors for Vancouver College Millennium Foundation, a registered charity and public foundation.

**Audit Committee Oversight**

The Audit Committee is responsible for the oversight of financial reporting, internal controls and public disclosure documents. The Audit Committee also recommends the appointment of the external auditors, reviews the annual audit plan and auditor compensation, approves non-audit services provided by the external auditor and evaluates the risk management procedures and systems. The Audit Committee has not made any recommendations to the Board to nominate or compensate any external auditor other than Baker Tilly WM LLP, Chartered Accountants.

**Reliance on Certain Exemptions**

The Company’s auditor, Baker Tilly WM LLP, Chartered Professional Accountants, has not provided any material non-audit services for financial year ended November 30, 2019.

At no time since the commencement of the Company’s most recently completed financial year ended November 30, 2019, has the Company relied on the exemption in Section 2.4 of National Instrument 52-110 - Audit Committees (*De Minimis* Non-audit Services), or an exemption from National Instrument 52-110, in whole or in part, granted under Part 8 of National Instrument 52-110.

**Pre-Approval Policies and Procedures**

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described in the Audit Committee Charter. Baker Tilly WM LLP, Chartered Professional Accountants, the Company’s auditors, have not provided any material non-audit services.

**External Auditor Service Fees**

The Audit Committee has reviewed the nature and amount of the non-audit services provided by Baker Tilly WM LLP, Chartered Professional Accountants, to the Company to ensure auditor independence. Fees incurred are outlined in the following table.

<b>Nature of Services</b>	<b>Fiscal Year Ended November 30, 2019</b>	<b>Fiscal Year Ended November 30, 2018</b>
Audit Fees <sup>(1)</sup>	\$72,460	\$62,460
Audit-Related Fees <sup>(2)</sup>	Nil	Nil
Tax Fees <sup>(3)</sup>	\$2,819	\$3,092
All Other Fees <sup>(4)</sup>	\$17,044	\$22,725

Notes:

- (1) Audit Fees consist of fees for the audit of the Company’s annual financial statements or services that are normally provided in connection with statutory and regulatory filings or engagements.
- (2) Audit-Related Fees consist of fees for related services that are reasonably related to the performance of the audit or the review of the Company’s financial statements and are not reported as Audit Fees. These audit-related services may include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by statute or regulation.
- (3) Tax Fees consist of fees paid to the auditors for tax services not included as part of Audit Fees or Audit-Related Fees, which may include fees for tax compliance, tax planning and tax advice, assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) All Other Fees consist of all other non-audit services.

## **Exemption**

The Company is an “Issuer” pursuant to relevant securities legislation. The Company is relying on the exemption in Section 6.1 of National Instrument 52-110 - *Audit Committees*, from the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of National Instrument 52-110.

## **CORPORATE GOVERNANCE**

The Board believes that good corporate governance improves corporate performance and benefits all shareholders. National Policy 58-201 - *Corporate Governance Guidelines* provides non-prescriptive guidelines on corporate governance practices for reporting companies such as the Company. In addition, National Instrument 58-101 - *Disclosure of Corporate Governance Practices (“NI 58-101”)* prescribes certain disclosure by the Company of its corporate governance practices. This disclosure is presented below.

### **Composition of the Board of Directors**

Directors are considered independent if they have no direct or indirect material relationship with the Company. A “material relationship” is a relationship which could, in the view of the Company’s Board of Directors, be reasonably expected to interfere with the exercise of a director’s independent judgment.

The independent members of the Board are Steve Kotlowitz, Dr. Greg Zeschuk and Michael McIsaac.

The non-independent directors (and the reason they are not independent) are: Ali Pejman (Chairman of the board of directors of the Company), Derik A. Murray (CEO of the Company) and Paul Gertz (President and COO of the Company).

The Board ensures the independent directors are regularly given an opportunity for in camera sessions with only those independent directors present.

### **Directorships**

None of the directors of the Company are currently directors of other reporting companies.

### **Compensation**

The entire Board will carry out the oversight function of director and named officer compensation. The Company did not retain any compensation consultants during the financial year ended November 30, 2019.

### **Orientation and Continuing Education**

The Board addresses the orientation of new directors on a case by case basis. Each new director brings a different skill set and professional background, and with this information, the Board can determine what orientation to the nature and operations of the Company’s business will be necessary and relevant to each new director. New directors are provided with copies of the most current strategic plans, budgets, forecasts and other internal documents. New directors are provided the opportunity to also meet individually with members of management of the Company to become better informed as to the nature and status of operations of the various underlying production entities.

The Board encourages open discussion at all meetings, which encourages learning by the directors. Board meetings may also include presentations by the Company’s management and employees to give the directors additional insight into the Company’s business.

### **Ethical Business Conduct**

The Board has found that the fiduciary duties placed on individual directors by the Company’s governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual directors’ participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

As of the date hereof, the Company is not aware of any existing or potential conflicts of interests between the Company and any of its directors. If a conflict of interest arises at a meeting of the Board, any director in a conflict will disclose his or her interest and abstain from voting on such matter. In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time. All conflicts of interest, if any, are subject to the procedures and remedies provided under the *Business Corporations Act* (British Columbia).

### **Nomination of Directors**

The Board considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience. The Board does not have a nominating committee, and these functions are currently performed by the Board as a whole. However, if there is a change in the number of directors required by the Company, this policy will be reviewed.

The Board as a whole will identify new candidates by taking into consideration such factors as it deems appropriate, including judgment, skill, diversity, experience with businesses and other organizations of comparable size and the need for particular experience on the Board. The Board will also determine whether a particular candidate is "unrelated" or "independent" under applicable securities laws and applicable stock exchange rules.

### **Other Board Committees**

The Board of directors does not currently have any other committees other than the Audit Committee. A description of the function of the Audit Committee can be found attached as Appendix D to the Company's Amended and Restated Prospectus, which was SEDAR filed on December 1, 2011.

### **Assessments**

The Board monitors, on an ongoing basis, the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and the Audit Committee.

## **STATEMENT OF EXECUTIVE COMPENSATION**

For the purposes of the below disclosure:

"**compensation securities**" includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the company or one of its subsidiaries for services provided or to be provided, directly or indirectly, to the company or any of its subsidiaries;

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

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

The Company had three NEOs during the financial year ended November 30, 2019, being Derik Murray (CEO), Paul Gertz (President and Chief Operating Officer) and Darren Battersby (CFO). The directors of the Company who were not NEOs during financial year ended November 30, 2019, were Steve Kotlowitz, Dr. Greg Zeschuk, and Frank Anderson (Executive Chairman) and director. Mr. Anderson was appointed as a director of the Company on July 16, 2017, and Executive Chairman of the Company effective December 11, 2017. Mr. Anderson subsequently resigned from both the Board and Executive Chairman on February 29, 2020. Mr. Ali Pejman was appointed as director on October 22, 2019, and as Chairman on March 1, 2020.

**DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION**

**Table of Compensation – Director and NEO Compensation, Excluding Compensation Securities**

The following table provides a summary of compensation paid, directly or indirectly, by the Company or a subsidiary of the Company, to each director and Named Executive Officer for the two most recently completed financial years of the Company ended November 30, 2019, and November 30, 2018.

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 (\$)
Derik A. Murray <i>CEO &amp; Director</i>	2019	256,750	Nil	Nil	Nil	21,688 <sup>(1)</sup>	278,438
	2018	186,460	Nil	Nil	Nil	104,870 <sup>(2)</sup>	291,330
Paul Gertz <i>President, COO &amp; Director</i>	2019	220,833	Nil	Nil	Nil	13,383 <sup>(1)</sup>	234,216
	2018	177,646	Nil	Nil	Nil	77,221 <sup>(2)</sup>	254,867
Darren Battersby <i>CFO</i>	2019	157,500	Nil	Nil	Nil	7,385 <sup>(1)</sup>	164,885
	2018	111,100	Nil	Nil	Nil	11,595 <sup>(2)</sup>	122,695
Ali Pejman <sup>(3)</sup> <i>Chairman, Director</i>	2019	Nil	Nil	Nil	Nil	2,598 <sup>(1)</sup>	2,598
	2018	N/A	N/A	N/A	N/A	N/A	N/A
Steven Kotlowitz <i>Director</i>	2019	Nil	Nil	Nil	Nil	4,430 <sup>(1)</sup>	4,430
	2018	Nil	Nil	Nil	Nil	26,081 <sup>(2)</sup>	26,081
Frank Anderson <sup>(4)</sup> <i>former Director, former Executive Chairman</i>	2019	39,956	Nil	Nil	Nil	9,010 <sup>(1)</sup>	48,966
	2018	Nil	Nil	Nil	Nil	195,091 <sup>(2)</sup>	195,091
Dr. Greg Zeschuk <i>Director</i>	2019	Nil	Nil	Nil	Nil	4,430 <sup>(1)</sup>	4,430
	2018	Nil	Nil	Nil	Nil	5,693 <sup>(2)</sup>	5,693
Michael Mclsaac <sup>(5)</sup> <i>Director</i>	2019	Nil	Nil	Nil	Nil	22,034 <sup>(1)</sup>	22,034
	2018	N/A	N/A	N/A	N/A	11,901 <sup>(2)</sup>	11,901
Robert Pirooz <sup>(6)</sup> <i>Former Director, Former Chairman</i>	2019	N/A	N/A	N/A	N/A	N/A	N/A
	2018	156,000	Nil	Nil	Nil	50,295 <sup>(2)</sup>	206,295
Peter Scarth <sup>(7)</sup> <i>Former Director</i>	2019	N/A	N/A	N/A	N/A	N/A	N/A
	2018	Nil	Nil	Nil	Nil	(1,268) <sup>(2)</sup>	(1,268)

Notes:

- (1) This amount represents the fair value of incentive stock options granted during the year ended November 30, 2019 and was estimated at the grant date using the Black-Scholes option pricing model in accordance with the Company's accounting policies with the following assumptions: Expected life 5 years; Expected annual volatility 109%; Expected dividend yield 0%; Risk-free interest rate 1.46%. These values do not represent actual amounts received by the optionees as the gain, if any, will depend on the market value of the shares on the date that the stock option is exercised.
- (2) This amount represents the fair value of incentive stock options granted during the year ended November 30, 2018 and was estimated at the grant date using the Black-Scholes option pricing model in accordance with the Company's accounting policies with the following assumptions: Expected life 5 years; Expected annual volatility 133%; Expected dividend yield 0%; Risk-free interest rate 2.11%. These values do not represent actual amounts received by the optionees as the gain, if any, will depend on the market value of the shares on the date that the stock option is exercised.
- (3) Mr. Pejman was appointed to the board of directors effective October 22, 2019, and elected Chairman effective March 2, 2020.
- (4) Mr. Anderson was appointed Executive Chairman effective December 12, 2017 and resigned from both positions effective February 29, 2020.
- (5) Mr. Mclsaac was appointed a director effective August 13, 2018.
- (6) Mr. Pirooz resigned as Chairman effective December 11, 2017 and as a director on January 14, 2018.
- (7) Mr. Scarth resigned as a director effective January 15, 2018.

**Employment, Consulting and Management Agreements**

**Consulting Agreements**

The Company does not have any employment, consulting or management agreements or arrangements with any of the Company's current NEOs or directors.

**Termination and Change of Control Benefits**

There is no contract, agreement, plan or arrangement between the Company and its Named Executive Officers that provide for payments to Named Executive Officers at, following, or in connection with any termination (whether voluntary,

involuntary or constructive), resignation or retirement, or as a result of a change in control of the Company or a change in a Named Executive Officer's responsibilities.

### **Director Compensation**

To date, the Company has not paid to its directors any fees or other monetary compensation relating to the services rendered and duties assumed in relation to their positions on the Board. Any remuneration to the Company's directors has generally been limited to the grant of stock options and, during the year ended November 30, 2019 the Company granted 180,000 incentive stock options to its independent directors.

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

#### **Fixed Share Option Plan**

##### **Option-based Awards**

The Board of the Company adopted a fixed number share option plan (the "**Fixed Share Option Plan**") with an effective date of September 7, 2019. The Fixed Share Option Plan was ratified and approved by the shareholders at the Company's annual general and special meeting held on October 10, 2019. The Fixed Share Option Plan reserves for issuance a maximum of 14,500,000 Common Shares. At November 30, 2019, there were 10,307,920 options issued and outstanding.

The Fixed Share Option Plan permits the grant of stock options to directors, officers, employees and consultants of the Company or any of its affiliates, but limits the number of options that may be issued to such individuals as follows (all capitalized terms as defined in the plan): (i) no Service Provider can be granted an Option if that Option would result in the total number of Options, together with all other Share Compensation Arrangements granted to such Service Provider in the previous 12 months, exceeding 5% of the Outstanding Shares, unless the Company has obtained Disinterested Shareholder Approval to do so; (ii) the aggregate number of Options granted to all Service Providers conducting Investor Relations Activities in any 12-month period cannot exceed 2% of the Outstanding Shares, calculated at the time of grant, without the prior consent of the TSX Venture; and (iii) the aggregate number of Options granted to any one Consultant in any 12 month period cannot exceed 2% of the Outstanding Shares, calculated at the time of grant, without the prior consent of the TSX Venture.

The aggregate number of Common Shares reserved for issuance to insiders of the Company under the Fixed Share Option Plan, together with any other Share Compensation Arrangements, may not exceed 10% of the Company's outstanding share capital, and the number of Common Shares issued to insiders of the Company within any one-year period, together with any other Share Compensation Arrangements, may not exceed 10% of the Company's outstanding share capital.

The term of any options granted under the Fixed Share Option Plan will be fixed by the Board and may not exceed ten years. The exercise price of options granted under the Fixed Share Option Plan will be determined by the Board, provided it is not less than the Discounted Market Price (as defined under Policy 1.1 of the TSX Venture Policies).

Any options granted pursuant to the Fixed Share Option Plan will terminate within thirty (30) days of the option holder ceasing to act as a director, officer, employee or consultant of the Company or any of its affiliates, other than by reason of death or termination of employment with cause, unless such termination date is extended by the Board to a date that is not later than one year after the option holder ceases to hold such position with the Company. If such cessation is on account of death, the options terminate on the first anniversary of such cessation, and if it is on account of termination of employment with cause, the options terminate immediately.

The Fixed Share Option Plan also provides for adjustments to outstanding options in the event of any consolidation, subdivision, conversion or exchange of the Company's shares. The directors of the Company may impose option vesting schedules as they see fit.

The material terms of the Fixed Share Option Plan are more particularly set out in the Company's Management Information Circular dated May 9, 2016, and a copy of the Fixed Share Option Plan as adopted, will be available at the Meeting.

### **Outstanding Compensation Securities**

The following table provides a summary of all option-based awards granted or issued to each director and Named Executive Officer in the most recently completed financial year of the Company ending on November 30, 2019. The Company does not have any other equity incentive plans other than its Fixed Share Option Plan.

Name and position	Type of compensation security	# of compensation securities, # of underlying securities and % of class <sup>(1)</sup>	Date of issue or grant (Fiscal 2019)	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
Derik A. Murray <sup>(2)</sup> <i>CEO and Director</i>	stock options	200,000 options 200,000 common shares 0.27%	July 15, 2019	0.13	0.15	0.19	July 15, 2024
Darren Battersby <sup>(3)</sup> <i>CFO</i>	stock options	100,000 options 100,000 common shares 0.13%	July 15, 2019	0.13	0.15	0.19	July 15, 2024
Paul Gertz <sup>(4)</sup> <i>President, COO and Director</i>	stock options	150,000 options 150,000 common shares 0.20%	July 15, 2019	0.13	0.15	0.19	July 15, 2024
Ali Pejman <sup>(5)</sup> <i>Chairman, Director</i>	stock options	400,000 options 400,000 common shares 0.54%	Oct 28, 2019	0.15	0.16	0.19	Oct 28, 2024
Steven Kotlowitz <sup>(6)</sup> <i>Director</i>	stock options	60,000 options 60,000 common shares 0.08%	July 15, 2019	0.13	0.15	0.19	July 15, 2024
Frank Anderson <sup>(7)</sup> <i>Former Executive Chairman and Former Director</i>	stock options	60,000 options 60,000 common shares 0.08%	July 15, 2019	0.13	0.15	0.19	July 15, 2024
Dr. Greg Zeschuk <sup>(8)</sup> <i>Director</i>	stock options	60,000 options 60,000 common shares 0.08%	July 15, 2019	0.13	0.15	0.19	July 15, 2024
Michael McIsaac <sup>(9)</sup> <i>Director</i>	stock options	60,000 options 60,000 common shares 0.08%	July 15, 2019	0.13	0.15	0.19	July 15, 2024

Notes:

- (1) No compensation security had been re-priced, cancelled and replaced, had its term extended, or otherwise been materially modified, in the Company's financial year ended November 30, 2019.
- (2) Mr. Murray held a total of 1,662,000 options to purchase common shares of the Company as at November 30, 2019.
- (3) Mr. Battersby held a total of 662,500 options to purchase common shares of the Company as at November 30, 2019.
- (4) Mr. Gertz held a total of 1,197,500 options to purchase common shares of the Company as at November 30, 2019.
- (5) Mr. Pejman held a total of 400,000 options to purchase common shares of the Company as at November 30, 2019. Mr. Pejman was appointed to the board of directors on October 22, 2019 and as Chairman on March 2, 2020.
- (6) Mr. Kotlowitz held a total of 450,000 options to purchase common shares of the Company as at November 30, 2019.
- (7) Mr. Anderson held a total of 1,675,000 options to purchase common shares of the Company as at November 30, 2019. Mr. Anderson resigned from the Company effective February 29, 2020, and all options have subsequently expired.
- (8) Dr. Zeschuk held a total of 200,000 options to purchase common shares of the Company as at November 30, 2019. All Dr. Zeschuk's stock options are held by 1124005 Alberta Ltd., a company solely owned by him.
- (9) Mr. McIsaac held a total of 460,000 options to purchase common shares of the Company as at November 30, 2019. Mr. McIsaac was appointed a director effective August 13, 2018.

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

Greg Zeschuk exercised 250,000 stock options at \$0.07 per share in fiscal 2019. There were no other options exercised by any Director or NEO of the Company during most recent financial year ended November 30, 2019.

### **Oversight and description of Director and NEO Compensation**

During the year ended November 30, 2019, the entire Board carried out the oversight function of director and named officer compensation. The Company did not retain any compensation consultants during the financial year ended November 30, 2019.

The primary goal of the Company's executive compensation program is to attract, retain and motivate the key executives and to align their interests with those of the Company's shareholders. The key elements of the executive compensation program are: (i) base salary; (ii) stock based compensation; and (iii) potential annual bonuses or awards. The directors are of the view that all elements of the total program should be considered, rather than any single element.

The Company has no formal policy regarding the allocation between base salary, stock based compensation, cash based bonuses or awards or other forms of compensation, but the Board of Directors as a whole will consider and evaluate the total compensation package received or to be received by an executive officer, and seek to ensure that such total compensation package is fair, reasonable and competitive, and balances the interests of management and the Company's shareholders.

The Board of Directors assumes responsibility for reviewing and monitoring the long-term compensation strategy of the Company. The Company's Board of Directors is also responsible for determining all forms of compensation, including long-term incentive in the form of stock options, to be granted to the CEO, or such person acting in capacity of CEO of the Company, the directors and key management, and for reviewing the recommendations respecting compensation of the other officers of the Company, to ensure such arrangements reflect the responsibilities and risks associated with each position.

In arriving at its compensation recommendations, the Board of Directors considers several factors, including the responsibilities and experience of the individuals, the performance of the individuals within the Company, the overall financial and operating performance of the Company, and the long-term interest of the Company. With respect to base salaries, the Board discuss their collective knowledge and understanding of salaries paid to executive officers at companies that the members have personal knowledge of, however, no formal benchmark group of companies has been referenced. For share option grants under the Company's Fixed Share Option Plan, the Board makes recommendations based on such criteria as performance, previous grants, base salary and bonuses, hiring incentives, and other competitive factors (the Company's Fixed Share Option Plan is administered by the Board of the Company and all grants require approval of the Board). When considering the grant of bonus compensation, the Board will assess whether the Company has met certain strategic objectives and milestones and whether there are sufficient cash resources available for the granting of bonuses (the Board will approve bonus compensation dependent upon compensation levels).

The Company has not provided monetary compensation to its directors, including fees for attending Board or Board committee meetings. However, during the recently completed financial year ended November 30, 2019, the Company made grants of 990,000 incentive share options to the directors, as consideration for fulfilling the responsibilities attendant with their directorships.

The Board has not considered the implications of the risks associated with the Company's compensation policies and practices, however, the Company does not currently believe there are any risks arising from compensation policies and practices that are reasonably likely to have an adverse effect on the Company.

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

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

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



Base Salary or Consulting Fees

Base salary ranges for the executive officers were initially determined upon a review of companies within the gaming industry, which were of the same size as the Company, at the same stage of development as the Company and considered comparable to the Company.

In determining the base salary of an executive officer, the Board considers the following factors:

- (a) the particular responsibilities related to the position;
- (b) salaries paid by other companies in the gaming industry which were similar in size as the Company;
- (c) the experience level of the executive officer;
- (d) the amount of time and commitment which the executive officer devotes to the Company; and
- (e) the executive officer’s overall performance and performance in relation to the achievement of corporate milestones and objectives.

In the Company’s view, paying base salaries which are reasonable in relation to the level of service expected while remaining competitive in the markets in which the Company operates is a first step to attracting and retaining qualified and effective executives.

Benefits and Perquisites

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

Hedging by Named Executive Officers or Directors

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

Pension Disclosure

The Company does not have any pension, defined benefit, defined contribution or deferred compensation plans in place.

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

The only equity compensation plan the Company has in place is its Fixed Share Option Plan approved by shareholders on October 10, 2019.

**Equity Compensation Plan Information**

The following information is as of November 30, 2019, the Company’s most recently completed financial year end.

Plan Category	Number of securities to be issued upon exercise of outstanding options	Weighted-average exercise price of outstanding options	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
	(a)	(b)	(c)
Equity compensation plans approved by security holders - Fixed Share Option Plan	10,307,920	0.15	4,192,080
Equity compensation plans not approved by security holders	NIL	NIL	NIL

### INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No directors, proposed nominees for election as directors, executive officers or their respective associates or affiliates, or other management of the Company were indebted to the Company (other than in respect of amounts which would constitute routine indebtedness) as of the end of the most recently completed financial year or as at the date hereof.

### INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than set out in this Circular, no director or senior officer of the Company or any proposed nominee of management of the Company for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership or otherwise, since the commencement of the Company's last financial year or in any proposed material transaction.

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

Related parties are defined as Officers and Directors of the Company as well as any companies that are controlled by Officers. Namely, Derik Murray – CEO, Paul Gertz – President and COO, Darren Battersby – CFO and Ali Pejman - Chairman of board of directors and directors: Derik Murray, Paul Gertz, Steve Kotlowitz, Greg Zeschuk, Michael Mclsaac and Ali Pejman.

During the year ended November 30, 2019, the Company paid or accrued wages and recognized share-based compensation to key management personnel in the following manner:

	November 30, 2019	November 30, 2018
General and Administration	\$52,956	\$Nil
Share-based compensation	\$83,839	\$398,974
Production costs	\$29,000	\$Nil
Investment in film and television properties	\$617,083	\$498,208
<b>TOTAL</b>	<b>\$782,878</b>	<b>\$897,182</b>

#### Interim production financing

Certain subsidiaries of the Company have secured interim bank loans to finance the cost of producing their respective productions. These loans bear interest at rates ranging from prime plus 1.50% to prime plus 2.25% per annum and are repayable on demand. Each loan is secured by the tax credits receivable of the respective subsidiary and a general security agreement over the assets of the Company.

#### Debt payable

Accounts payable and accrued liabilities as at November 30, 2019, includes, \$13,650 (2018 - \$10,975) owed to related parties. Amounts due to related parties are unsecured, non-interest bearing and due on demand.

### MANAGEMENT CONTRACTS

Other than set out in this Circular, the Company has no management agreements or arrangements under which the management functions of the Company are performed other than by the Company's directors and executive officers.

### OTHER MATTERS

The management of the Company is not aware of any other matter to come before the Meeting other than those set out in the Notice of Meeting accompanying this Circular. However, if any other matters properly come before the Meeting, it is the intention of the persons named in the form of Proxy or VIF accompanying this Circular to vote the same in accordance with their best judgment on such matters.

### ADDITIONAL INFORMATION

Financial information about the Company is provided in its comparative financial statements for the year ended November 30, 2019, and in the related management discussion and analysis. The Company's November 30, 2019 audited

year-end financial statements, the auditor's report thereon and related management's discussion and analysis will be presented at the Meeting. You may obtain copies of such documents upon request from the Company at 1488 Frances Street, Vancouver, British Columbia Canada V5L 1Y9; by telephone: 604-739-8825; or via e-mail at: [info@networkentertainment.ca](mailto:info@networkentertainment.ca). These documents are also available on SEDAR, which can be accessed at [www.sedar.com](http://www.sedar.com).

Additional copies of information or documents referenced in this Circular may be obtained by a Shareholder upon request without charge from the Company at 1488 Frances Street, Vancouver, British Columbia Canada V5L 1Y9, by telephone: 604-739-8825 or via e-mail at: [info@networkentertainment.ca](mailto:info@networkentertainment.ca). Copies of these documents will be provided free of charge to shareholders of the Company, but a reasonable charge may be applied for requests by any person or company who is not a shareholder of the Company.

The Board of Directors of the Company has approved the contents and the delivery of this Circular to its shareholders.

DATED at Vancouver, British Columbia Canada October 27, 2020.

**BY ORDER OF THE BOARD**

(signed) *"Derik A. Murray"*

**Derik A. Murray**

Chief Executive Officer