



2023 MANAGEMENT INFORMATION CIRCULAR

ANNUAL GENERAL MEETING AND SPECIAL MEETING OF SHAREHOLDERS
OF CNSX MARKETS INC.

June 21, 2023
2:00 p.m. E.S.T.

Introduction

The purpose of this management information circular (“Circular”) is to:

- explain how shareholders can vote on matters to be addressed at the annual and special meeting of shareholders of CNSX Markets Inc. (“CSE” or the “Corporation”) to be held on June 21, 2023 at 2:00 p.m. (Toronto time) (the “Meeting”), either by voting early electronically, voting at the virtual Meeting or by appointing the individuals named in the accompanying form of proxy (“Form of Proxy”) or another person to vote on your behalf in accordance with your instructions set out in the Form of Proxy; and
- inform you about the business to be conducted at the Meeting, including:
 - receipt of the audited financial statements for the year ended December 31, 2022 and the auditors’ report thereon;
 - the election of directors of CSE for the ensuing year;
 - the re-appointment of RSM Canada LLP as independent auditors of CSE for the coming year and authorization of the Board of Directors of CSE (“Board”) to fix the auditor’s remuneration;
 - to consider, and if deemed advisable, to pass, with or without variation, a special resolution to adopt a new stock option plan as set forth and described in the Circular; and
 - to transact such other business as may properly be brought before the Meeting or any adjournment or postponement thereof.

Voting Shares

The authorized capital of the Corporation consists of an unlimited number of Common Shares of which, as of the date hereof, 26,963,561 Common Shares are issued and outstanding. The Corporation is also authorized to issue an unlimited number of class A shares and an unlimited number of special shares of which, as of the date hereof, no such Class A shares or special shares have been issued.

Shareholders of Common Shares are entitled to receive notice of and to attend any meeting of the shareholders of the Corporation. Each Common Share entitles the shareholder to one vote on all matters to be acted upon at the Meeting.

Solicitation of Proxies

This Circular is furnished in connection with the solicitation of proxies by and on behalf of the management of CSE to be used at the Meeting or any adjournment or postponement thereof.

Please ensure you permit this email address (support@agmconnect.com) in your email filters to receive future communications regarding this upcoming Meeting. If you have any questions or issues accessing Meeting information, voting your proxy or virtually joining the meeting, you can contact AGM Connect™ support by email (support@agmconnect.com) or calling: 1.416.222.4202.

Appointment, Revocation and Submission of Proxies

The persons who are named as proxies in the accompanying Form of Proxy are officers or directors of CSE.

If you wish to appoint another person to attend and act on your behalf at the Meeting you may do so by filling in the name of that person, who need not be a shareholder of the Corporation, in the blank space provided in the Form of Proxy.

Voting by proxy will be available as of Friday, **June 9, 2023 at 9:00AM ET.**

To vote your shares via proxy electronically:

Please visit <https://agmconnect.com/cse2023/> All information pertaining to this meeting can also be found via this link.

To vote your shares via proxy by email:

If you wish to email your completed form of proxy, return to the attention to the General Counsel & Corporate Secretary c/o voteproxy@agmconnect.com.

If an emailed proxy is not dated, it will be deemed to be dated on the day on which it is received. Duly completed proxies must be received by not later than 10:00 a.m. on **June 19, 2023**, in order to be valid, or not later than 48 hours (excluding Saturdays, Sundays and statutory holidays in Toronto) before any adjourned or postponed meeting. An emailed proxy must be signed by the shareholder or their attorney duly authorized in writing or, if the shareholder is a corporation, by a duly authorized officer or attorney thereof.

A shareholder who has submitted a proxy may revoke it by an instrument in writing (stating that they are revoking the proxy) executed by the shareholder or their attorney duly authorized in writing and emailed to the attention to the General Counsel & Corporate Secretary c/o voteproxy@agmconnect.com at any time up to and including the last business day preceding the day of the Meeting or any adjournment or postponement thereof at which the proxy is to be used, or with the Chair of the Meeting on the day of the Meeting or any adjournment or postponement thereof or in any other manner permitted by law.

Manner of Voting by Proxies

Where a choice is specified, the persons named in the Form of Proxy will vote the shares according to the direction given by the shareholder appointing them. Without a direction, the shares will be voted in favour of each of the matters identified in the notice of meeting (“Notice of Meeting”) and described in this Circular. The Form of Proxy also confers discretionary authority on its holder relating to amendments or variations to matters outlined in the Notice of Meeting and/or relating to other matters that may come up before the Meeting. As of the date of this Circular, management of the Corporation does not know of any such amendments, variations, or other matters to come before the Meeting.

Shareholder Votes are Private and Confidential

Shareholder votes are kept private and confidential unless a shareholder advises in writing they want their position to be communicated to management, or as necessary to meet legal requirements.

Quorum

A quorum for the transaction of business at the Meeting shall be the holders of a majority of the Common Shares entitled to vote at the Meeting, whether the person is present in person or represented by proxy.

Business to be Conducted at the Meeting

1. Receipt of Financial Statements

The audited financial statements of the Corporation for the financial year ended December 31st, 2022, together with the auditors' report thereon, will be presented to shareholders for review at the Meeting. These were previously emailed to shareholders on March 30, 2023. No vote by shareholders is required with respect to this matter.

2. Election of Directors

At the Meeting, shareholders will be asked to elect each of the current directors of the Corporation to the Board, being Hema Barkhouse, Steve Blake, Michael Bluestein, Brendan Caldwell, Richard Carleton, Jim Dale, Jeffrey MacIntosh, Eric Sites and Lori Tersigni, in each case to hold office until the close of the next annual meeting of shareholders or until their respective successor is elected or appointed, unless such director earlier resigns or their office becomes vacant in accordance with the by-laws of the Corporation. The tables below set out relevant information about the proposed nominees.

The persons designated as proxyholders by management of the Corporation in the Form of Proxy accompanying this Circular intend to vote **FOR the election of each of the nominees whose names are set forth above, unless the shareholder has specified in the Form of Proxy that the shares represented by such Form of Proxy are to be withheld from voting in respect thereof.**

HEMA BARKHOUSE Oakville, Ontario	Director since 29 September 2020	Country of Residence: Canada	Independent	2022 Vote: 100% FOR
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Board and Committees	Role	Attendance January 1, 2022 to March 31, 2023
Board	Member	12/12 = 100%
Audit	Chair	6/6 = 100%
Corporate Governance	Member	6/6 = 100%
Human Resources & Compensation	Member	5/5 = 100%

Hema Barkhouse is the Vice President, Financial Policy & External Reporting at the Canadian Tire Corporation where she is responsible for external financial reporting, CEO/CFO certification and controls, technical accounting policy and Environment, Sustainability and Governance (ESG) regulatory reporting. Hema is a finance executive with over 25 years of experience within the retail, consumer packaged goods, telecom, and financial services industries. She has held executive roles in some of Canada's largest publicly traded companies, including the Loblaw Companies, George Weston, Bell Canada, and Canadian Tire. Hema has extensive experience in internal and external financial reporting, financial planning and analysis, accounting policy, risk management, and controls. Hema has been actively involved in various initiatives throughout her career, with a focus on diversity, inclusion, and talent.

Hema is a CPA, CA, and holds a Bachelor of Commerce degree from Dalhousie University.

STEVE BLAKE Toronto, Ontario	Director since 19 June 2018	Country of Residence: Canada	Independent	2022 Vote: 100% FOR
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Board and Committees	Role	Attendance January 1, 2022 to March 31, 2023
Board	Chair	12/12 = 100%
Audit	<i>Ex-officio</i> , non-voting	6/6 = 100%
Corporate Governance	<i>Ex-officio</i> , non-voting	6/6 = 100%
Human Resources & Compensation	<i>Ex-officio</i> , non-voting	5/5 = 100%
Regulatory Advisory	<i>Ex-officio</i> , non-voting	2/3 = 67%

Steve Blake brings nearly 35 years of experience in senior executive and advisory roles spanning private companies, publicly traded companies, and not-for-profits. Most recently, as the Chief Operating Officer for the Child Development Institute (CDI), Steve developed corporate strategy, managed all aspects of business operations, as well as finance, facilities, and administration. His responsibilities also included directly overseeing and managing technology, human resources, leading operational change management projects, as well as evaluating potential M&A initiatives.

Prior to joining CDI in 2014, Steve served as the Chief Financial Officer for The Canadian Depository for Securities (CDS) where he also held other senior finance roles. Steve joined CDS in 2000 and managed all aspects of finance, including treasury, business valuation and price modeling, and tax compliance. Additionally, he was responsible for financial and strategic planning and evaluating M&A initiatives. Steve completed the amalgamation transaction with the TMX prior to leaving CDS. Steve began his career at KPMG, progressing to Senior Manager, Assurance and Advisory Services. Further, he worked in the insolvency practice at KPMG as well as KPMG Consulting - Centre for Government before leaving to join the T. Eaton Company just prior to their going public. From 2012 to 2014, Steve served on the Board of Directors of the Child Development Institute and served on the Finance and Audit Committee.

Steve is a CPA, CA and holds an Honours B.Comm. from McMaster University.

MICHAEL BLUESTEIN Vaughan, Ontario	Director since 29 September 2020	Country of Residence: Canada	Independent	2022 Vote: 99.94% FOR
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Board and Committees	Role	Attendance January 1, 2022 to March 31, 2023
Board	Member	12/12 = 100%
Audit	Member	4/6 = 67%
Corporate Governance	Member	6/6 = 100%
Regulatory Advisory	Chair	3/3 = 100%

Michael Bluestein is the founder of the law firms CC Corporate Counsel P.C. in Canada and Corporate Counsel USA PLLC in Miami, Florida, USA. He is a senior corporate and securities lawyer with over 17 years of experience. His strengths include a drive for results, strategic thinking and superior client service and he works to provide clients with practical solutions to problems while being cognizant of turn-around time and budget. Michael has a strong background in exchange regulation, M&A, corporate finance, registration, compliance and securities law. He has advised numerous reporting issuers and helped to create two new stock exchanges from the ground up. Michael has also helped numerous start-ups achieve their goals, from incorporation to successful exits.

Michael earned a BBA Hon. from the Schulich School of Business and a JD from the University of Toronto.

BRENDAN CALDWELL Toronto, Ontario	Director since 29 September 2020	Country of Residence: Canada	Not Independent	2022 Vote: 100% FOR
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Board and Committees	Role	Attendance January 1, 2022 to March 31, 2023
Board	Member	11/12 = 92%
Audit	Member	4/6 = 67%
Human Resources & Compensation	Member	5/5 = 100%

Brendan T.N. Caldwell is the President and CEO of Caldwell Investment Management Ltd., winner of five Lipper Awards and four FundGrade A+ Awards since 2008. He is also co-Portfolio Manager of Caldwell’s major exchange and private equity related investments, including Urbana Corporation and the Caldwell Growth Opportunities Fund. Prior to joining Caldwell in 1995, Brendan worked for a major Canadian mutual fund company and a bank-controlled investment dealer. His securities exchange memberships have included the Toronto Stock Exchange, the New York Stock Exchange, the Chicago Board Options Exchange, the Kansas City Board of Trade, the American Stock Exchange and the Minneapolis Grain Exchange.

Brendan is a Fellow of the Canadian Securities Institute and a member of the Toronto Society of Financial Analysts, as well as the CFA Institute. Often interviewed for his insights into current economic issues concerning Caldwell’s role as an active investor in global securities exchanges, Brendan is a regular financial commentator and an industry consultant on several media outlets.

Brendan is an active and energetic supporter of numerous causes, focusing on education and accessibility. In addition to his role as director of the Caldwell Foundation, he has served as trustee for the Bishop Strachan School and Wycliffe College, University of Toronto, and is a Life Member of the University of Guelph Arboretum. In 2012, Brendan was awarded Queen Elizabeth II’s Diamond Jubilee Medal in recognition of a long record of philanthropy and volunteer service. Brendan is also a past Honorary Lieutenant-Colonel of The Queen’s Own Rifles of Canada.

Brendan holds a B.Sc. from the University of Toronto and M.A. from the University of London, UK.

RICHARD CARLETON Toronto, Ontario	Director since 29 November 2022	Country of Residence: Canada	Not Independent	Intra-Term Appointment
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Board and Committees	Role	Attendance November 29, 2022 to March 31, 2023
Board	Member	3/3 =100%

Richard Carleton was appointed CEO of the Canadian Securities Exchange in July 2011. Since then, Richard and the CSE team have positioned the exchange to take a leading role in the provision of public capital to entrepreneurial companies, and in the process, set a series of records for new listings, capital raised by issuers and trading turnover. An advocate for the public markets, Richard has been recognized for his contributions by a number of industry associations, and is a regular commentator on capital formation and market structure issues in Canada and around the world.

In addition to his responsibilities with the CSE, Richard is a director of Safe Harbor Financial, a Nasdaq-listed financial services company, Blue Ocean ATS, a US-registered system offering trading in US NMS stocks between 8 pm and 4 am EST, and Tetra Trust Company, Canada’s first recognized custodian for digital assets. He is also a board member of the Empire Club of Canada, and the Private Capital Markets Association, and a member of the Ontario Securities Commission’s “Market Structure Advisory Committee”.

A member of the Law Society of Ontario since 1987, Richard is a graduate of the University of Ottawa (B.A. '81) and the University of Toronto (LL.B. '85). He has also completed the executive development programme at the Wharton School, University of Pennsylvania.

JIM DALE Calgary, Alberta	Director since 19 June 2018	Country of Residence: Canada	Not Independent	2022 Vote: 99.84% FOR
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Board and Committees	Role	Attendance January 1, 2022 to March 31, 2023
Board	Member	11/12 = 92%
Audit	Member	6/6 = 100%
Human Resources & Compensation	Member	5/5 = 100%
Regulatory Advisory	Member	2/3 = 67%

Jim Dale is the Chief Executive Officer of Leede Jones Gable Inc. Leede is an independent investment dealer providing client advisory, wealth management and equity capital markets services to clients throughout Canada and has a long history of raising early-stage capital in resource sectors and emerging markets. Jim has been with Leede for over 15 years, starting as Chief Financial Officer.

Prior to joining Leede, Jim worked in the energy industry at a senior international energy company. For over a decade, he held several senior level management positions in finance, procurement, and risk management at the company. In 1999, Jim was seconded to the World Petroleum Congress, where he served in an executive finance role. He has extensive executive and board experience with new venture public companies in the energy sector.

Jim currently serves on several investment industry committees and chairs the Small and Independent Dealer Committee of the Investment Industry Association of Canada. Jim's past community service includes board positions for the governing societies of two of Calgary's leading sport and recreation facilities, including a term as Chairman at each society.

Jim is a CPA, CA and holds a B.Comm. from the University of Manitoba.

JEFFREY MACINTOSH Toronto, Ontario	Director since 07 June 2001	Country of Residence: Canada	Independent	2022 Vote: 99.97% FOR
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Board and Committees	Role	Attendance January 1, 2022 to March 31, 2023
Board	Member	12/12 = 100%
Corporate Governance	Chair	6/6 = 100%
Human Resources & Compensation	Chair	5/5 = 100%
Regulatory Advisory	Member	3/3 = 100%

Jeffrey MacIntosh is a full Professor of Law at the University of Toronto Faculty of Law. In 1988-89 he was a John M. Olin Fellow in Law and Economics at Yale Law School. He is a former Associate Director and Director of the Capital Markets Institute at the University of Toronto. In 1999 he served as a member of the Ontario Securities Commission Task Force on Small Business Financing. From 1999 to 2020 he was the Toronto Stock Exchange Professor of Capital Markets at the Faculty of Law.

Jeffrey has written over 90 academic articles, book chapters, and monographs, a majority of which focus on topics related to corporate and securities law, including minority shareholder rights, the oppression remedy, fiduciary duties, takeover bids, high frequency trading, corporate governance, and the choice of jurisdiction of incorporation. The balance relate to the financing of small high-tech firms, with a particular focus on venture capital and government policy in relation to tech start-ups. He is the co-author with Christopher Nicholls of a widely used reference book on Canadian securities law, and a further book on the duties of securities brokers in Canada.

Jeffrey holds a B.S. from MIT, an LL.B. from the University of Toronto, and an LL.M. from Harvard Law School.

ERIC SITES Houston, Texas	Director since 29 September 2020	Country of Residence: United States	Not Independent	2022 Vote: 100% FOR
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Board and Committees	Role	Attendance January 1, 2022 to March 31, 2023
Board	Member	12/12 = 100%
Corporate Governance	Member	6/6 = 100%
Regulatory Advisory	Member	3/3 = 100%

Eric Sites is currently a Vice President and Portfolio Manager at Horizon Kinetics LLC. Horizon is a value-oriented investment management firm founded in 1994 and is based in New York. Having joined Horizon in 2004, Eric is a member of the research team that identifies new investment opportunities for the firm. He also composes a variety of research reports used both for internal portfolio management and by external institutional asset management clients.

Eric is also a member of the investment team for certain Horizon private investment vehicles and other registered investment companies. In these roles, he has been a key member of the team that has led Horizon’s investments in various stock and derivative exchanges over the last 15 years.

Eric currently serves as a Director of the Bermuda Stock Exchange, and as a Director of Consensus Mining & Seigniorage Corporation, a privately-held cryptocurrency mining company. He is also a Director of the Renn Fund, a Texas Corporation traded on the New York Stock Exchange.

Eric received his B.A. from Southern Illinois University in 2000 and M.A. from Columbia University, Teachers College in 2002.

LORI TERSIGNI Toronto, Ontario	Director since 29 November 2022	Country of Residence: Canada	Independent	Intra-Term Appointment
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Board and Committees	Role	Attendance November 29, 2022 to March 31, 2023
Board		3/3 = 100%
Human Resources & Compensation		3/3 = 100%

Lori has more than 30 years of financial, human resources and technology experience and has held roles at CIBC, TD Bank, and BMO. Although now retired, most recently she was Senior Vice-President of Strategic Planning & Operational Effectiveness at Morneau Shepell (now Telus Health), a leading provider of technology-enabled HR and mental health services. Previous to this role Lori held a number of executive positions where she was accountable for strategy, governance, project management, change management, human resources, operations and technology.

Lori is a passionate volunteer in her community and is a member of several non-profit Boards and advisory committees. She holds a BA in Industrial Relations from McGill University and an MBA from McMaster University. She has also completed the ICD-Rotman Directors Education Program and holds an ICD.D designation. She is currently enrolled in the Global ESG Competent Boards Certificate Program and will obtain her GCB.D designation later this year.

3. Auditors

At the Meeting, shareholders will be asked to re-appoint RSM Canada LLP, Chartered Professional Accountants, of Toronto, Ontario as independent auditors of the Corporation until the close of the next annual meeting of shareholders and to authorize the Board to fix the remuneration of the auditors.

The persons designated as proxyholders by management of the Corporation in the Form of Proxy accompanying this Circular intend to vote FOR the re-appointment of RSM Canada LLP as auditors of the Corporation until the close of the next annual meeting of shareholders and to authorize the Board to fix the remuneration of the auditors, unless the shareholder has specified in the Form of Proxy that the shares represented by such Form of Proxy are to be withheld from voting in respect thereof.

4. Other Business – Approval of a New Stock Option Plan

On May 29, 2023, the Board unanimously approved a new stock option plan (the “Option Plan”), subject to shareholder approval. The Option Plan is intended to replace the Corporation’s existing stock option plan that was adopted on May 15, 2006 and amended on May 20, 2008 (the “2008 Plan”). If the Option Plan is approved at the Meeting and unless otherwise determined by the Board, all future grants of options (“Options”) will be under the Option Plan.

The Board is of the view that it would be in the best interests of the Corporation to adopt a new stock option plan in order to better align with current best market practices. Although certain provisions of the Option Plan have been updated for clarity, the general purpose of the Option Plan remains the same. There is no change to the maximum number of Common Shares reserved for issuance under the Option Plan, which is, between the Option Plan and the 2008 Plan, a total of 4,044,534 representing 15% of the current issued and outstanding Common Shares.

All Options granted under the 2008 Plan are expected to be transferred to the Option Plan. A form of stock option exchange agreement will be provided to Options holders if the Option Plan is approved. Assuming the approval of the Option Plan, the Corporation shall have approximately 2,822,409 Options available for issuance under the Option Plan.

Summary of Options Plan

The following is intended to be a brief description of the Option Plan and is qualified in its entirety by the full text, which is appended as Schedule A to this Circular. Capitalized terms not otherwise defined are as defined in the Option Plan.

- *Purpose* – The purpose of the Option Plan is to provide the Corporation with a share-related compensation mechanism to attract, retain and motivate Participants to take part in the growth and development of the Corporation by providing such persons with the opportunity to acquire a proprietary interest in the Corporation through Options.
- *Administration* – The Option Plan is administered by the Board, who may grant Options on terms and conditions as determined by the Board. This includes terms of vesting, which shall be determined by the Board at the time of the grant. A Participant may only exercise an Option in accordance with those terms.

- *Eligible Persons* – Individuals designated by the Board as eligible, provided such individual must be a full-time or part-time permanent employee, an officer, director or consultant of the Corporation, can be Participants in the Option Plan.
- *Limits* – The Option Plan includes the following limits:
 - The maximum number of Common Shares available for issuance is equal to 15% of the total number of Common Shares issued and outstanding at the date of grant (on a non-diluted basis).
 - The maximum number of Common Shares available for issuance to a Participant in particular shall not exceed 5% of the total number of Common Shares issued and outstanding at the date of grant (on a non-diluted basis).
- *Exercise Price* – The exercise price of an Option is fixed by the Board, in its sole and absolute discretion; provided that, in no event shall the exercise price be lower than the fair market value of the Common Shares at the date of grant, as determined by and confirmed by the Board.
- *Expiry* – Unless otherwise specified in the Option Plan, all Options granted under the Option Plan must be exercised within seven years (7) from the date of grant. Participants are entitled to exercise all or part of any vested Options prior to the expiry date.
- *Non-Assignment* – The Options granted under the Option Plan are personal to the Participant and are not assignable or transferrable by the Participant.
- *Termination* – The Option Plan includes provisions outlining the determination of the expiry date of an Option upon a Participant ceasing to be an employee, officer, consultant or director of the Corporation, including in respect of the death, permanent disability, retirement, termination for cause, or resignation or termination for reason other than for cause of such Participant.
- *Amendment* – The Board will have the right to alter, amend, suspend or terminate the Option Plan from time to time and at any time without notice. No such amendment, however, may adversely affect the financial terms of any Options granted to Participants under the Option Plan without the prior consent of Participants holding Options that are exercisable for at least a majority of the Options Shares that are subject to the then outstanding Options.

Summary of Changes

The changes being proposed in the Options Plan are intended to bring the Option Plan in line with current best practice in the market. The key changes are as follows:

- Clarification of the specific cases that constitute a “Liquidity Event”,
- Clarification of the treatment of Options in the context of a Liquidity Event,
- Amendment to the acceleration of the expiry of options in certain circumstances to reflect market practice,
- Clarification of the Board’s discretion in determining the vesting schedule of options being granted,

- Clarification of transfer and assignments restrictions, and
- Clarification as to the circumstances when the Board discretion to amend or terminate the plan to ensure clarity.

Stock Option Plan Resolution

The Board has concluded that the Option Plan is in the best interest of the Corporation. At the Meeting, shareholders entitled to vote on the matter will be asked to consider, and if thought advisable, to pass by a special resolution (as set out below), adopting the Option Plan (the “Stock Option Plan Resolution”).

Pursuant to the Corporation’s unanimous shareholders’ agreement, to be effective, the Stock Option Plan Resolution must receive the affirmative vote of 66^{2/3}% of the votes cast by shareholders at the Meeting.

In the event that the Stock Option Plan Resolution is not passed by the requisite number of votes cast at the Meeting, the 2008 Plan will continue to operate.

The complete text of the Stock Option Plan Resolution, which the Corporation intends to place before the Meeting for approval, confirmation, and adoption, with or without variation, is as follows:

“BE IT RESOLVED, as a special resolution, THAT:

1. the Company’s new stock option plan, a copy of which is appended as Schedule A to this resolution, is hereby ratified, confirmed and approved;
2. any director or officer of the Corporation be and is hereby authorized and directed, for and on behalf of the Corporation, to execute (whether under the corporate seal of the Corporation or otherwise) and deliver all such documents and to do all such other acts and things as such director or officer may determine to be necessary or advisable to give effect to the true intent of these resolutions; and
3. notwithstanding that this resolution has been passed by the shareholders, the directors of the Corporation are hereby authorized and empowered to revoke this resolution, without any further approval of the shareholders of the Corporation, at any time if such revocation is considered necessary or desirable by such directors.”

General

Save for the matters referred to herein, management of the Corporation knows of no other matters intended to be brought before the Meeting. However, if any matters which are not now known to management shall properly come before the Meeting, the proxy given pursuant to this solicitation will be voted on such matters in accordance with the best judgement of the person voting the proxy.

Directors’ Approval

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

DATED at Toronto, Ontario this first day of June, 2023.
BY ORDER OF THE BOARD OF DIRECTORS

Tracey Stern
Chief Legal Officer, General Counsel & Corporate Secretary
CNSX Markets Inc.

STRICTLY CONFIDENTIAL
May 29, 2023

Schedule A – New Stock Option Plan

CNSX MARKETS INC.

2023 STOCK OPTION PLAN

PURPOSE OF THE PLAN

The purpose of this Stock Option Plan (the “**Plan**”) is to provide CNSX Markets Inc. (the “**Corporation**”) with a share-related compensation mechanism to attract, retain and motivate Participants (as defined herein) to participate in the growth and development of the Corporation by providing such persons with the opportunity, through Options (as defined below) to acquire a proprietary interest in the Corporation and to align such persons’ interests with the long-term interests of the shareholders of the Corporation.

DEFINITIONS

In this Plan:

“**Applicable Withholdings and Deductions**” means the withholding of tax or other deductions required in accordance with the applicable provisions of any federal, provincial or local law (or the interpretation thereof by a relevant governmental authority) as a result of the exercise or disposition of an Option;

“**Board**” means the board of directors of the Corporation;

“**Business Days**” means any day, other than a Saturday or Sunday, on which banks are open for business in the city of Toronto, Ontario;

“**Common Shares**” means the common shares of the Corporation;

“**Consultant**” means an individual with whom the Corporation has a contract for management or consulting services;

“**Control**” means the ownership of sufficient number of securities of the Corporation, other than by way of security only, the voting rights attached to which entitle the holder(s) thereof to elect a majority of the directors of the Corporation;

“**Date of Grant**” means the date an Eligible Person is granted an option to purchase Option Shares;

“**Director**” means a director of the Corporation;

“**Eligible Person**” means an individual who is designated by the Board as eligible to participate in the Plan, provided that such individual must be an Employee, Director or Consultant of the Corporation;

“Employee” means a full-time or part-time permanent employee, including an officer, of the Corporation or its subsidiaries;

“Exercise Date” means the date on which the Corporation receives from the Eligible Person a completed Stock Option Exercise Form together with payment for the Option Shares being purchased, as applicable;

“Exercise Period” means the period from (i) the date of delivery of the written notice issued by the Corporation to a Participant with respect to terms and conditions applicable to a Liquidity Event in accordance with the terms of Section 8, (ii) the date of occurrence of an event set forth in Section 9, or (iii) such other date as may be determined by the Board under paragraph 7(b), to the Expiry Date, inclusive, during which a particular Option may be exercised;

“Exercise Price” means the price per share at which a Participant may purchase Option Shares;

“Expiry Date” means the date on which an Option expires and may no longer be exercised pursuant to this Plan;

“Initial Public Offering” means the completion by the Corporation of a distribution of its Common Shares to the public by way of a prospectus, such offering to be deemed completed once the Corporation has received the proceeds therefrom;

“Liquidity Event” means (i) any merger, consolidation, sale of assets, recapitalization, sale, transfer or issuance of shares by the Corporation or any holders thereof, or any series of such transactions in each case, pursuant to which the shareholders of the Corporation immediately prior to such transaction or series of transactions possess less than 50% of the voting power or less than 50% of the total market value of the surviving or successor entity (or its parent) immediately after the transaction or series of transactions, (ii) the sale, lease transfer or other disposition of all or substantially all of the assets of the Corporation, (iii) a liquidation of the Corporation, or (iv) the Corporation’s Initial Public Offering;

“Option” means an option to purchase one Option Share granted hereunder to an Eligible Person;

“Option Agreement” means the form of agreement annexed hereto as **Schedule A** as same may be amended, restated, supplemented or replaced, by the Board, from time to time;

“Option Shares” means Common Shares that may be validly issued to a Participant hereunder;

“Participant” means any Eligible Person who acquires and holds Options or Option Shares pursuant to and in accordance with this Plan;

“**Plan**” means this Stock Option Plan;

“**Related Entity**” has the meaning given to that term in National Instrument 45-106, as that instrument may be amended, renumbered or reclassified from time to time, and any successor to that instrument;

“**Shareholders’ Agreement**” means the current form of unanimous shareholders’ agreement in respect of the Corporation, approved by the Board, made between the Corporation and its shareholders, as may be amended, restated, supplemented or otherwise modified from time to time;

“**Stock Option Exercise Form**” means the form of agreement to purchase Option Shares annexed hereto as Schedule B as same may be amended, restated, supplemented or replaced, by the Board, from time to time;

“**Tax Act**” means the *Income Tax Act* (Canada);

“**Unvested Option**” means an Option that has not vested in accordance with Section 7 hereof;

“**Vested Option**” means an Option that has vested in accordance with Section 7 hereof; and

“**Vesting Date**” means the date or dates determined in accordance with Section 7 on and after which an Option or part thereof may be exercised.

ELIGIBILITY

All Eligible Persons shall be eligible to participate in the Plan but eligibility to participate does not confer upon any Eligible Person any right to be granted Options or Option Shares pursuant to the Plan, whether or not such Eligible Person has previously been granted Options or Option Shares. The extent to which any Eligible Person shall be entitled to participate in the Plan shall be determined by and be in the sole and absolute discretion of the Board. Participation in this Plan by an Eligible Person is entirely voluntary and shall not be construed as conferring upon any Eligible Person any right or privilege whatsoever, other than those rights and privileges expressly set forth in this Plan. Neither this Plan nor any act done pursuant to it shall be construed as limiting the right of the Corporation or any of its subsidiaries to terminate, dismiss or remove the Eligible Person at any time. Any notice of termination, dismissal or removal given to, or any payment in lieu thereof, or any combination thereof, shall not extend the term of employment, of the contract or as director for purposes of this Plan.

PARTICIPANT HAS NO RIGHTS AS A SHAREHOLDER OR EMPLOYEE

An Eligible Person has no rights whatsoever as a shareholder in respect of any of the Option Shares (including, without limitation, any right to receive dividends or other

distributions therefrom or thereon) other than in respect of Option Shares purchased by and fully paid for and issued to or to the benefit of the Eligible Person, on exercise of the Vested Option, once all applicable conditions hereunder have been met. The granting of an Option under the Plan does not give the Participant the right to expect to obtain employment with the Corporation or any of its subsidiaries, or to be or remain an Employee, Consultant or Director of any of them.

NUMBER OF OPTION SHARES AN ELIGIBLE PERSON IS ENTITLED TO PURCHASE

The number of Option Shares that an Eligible Person is entitled to purchase under Options to be granted hereunder will be determined by the Board. The maximum number of Option Shares available for issuance under Options to be granted under the Plan is initially limited to that number of Option Shares as is equal to 15% of the total number of Common Shares issued and outstanding at the Date of Grant of an Option (on a non-diluted basis). The maximum number of Option Shares available for issuance under Options to be granted under the Plan to a Participant in particular shall not exceed 5% of the total number of Common Shares issued and outstanding at the Date of Grant of an Option (on a non-diluted basis). Subject to Section 12 of the Plan, the percentage of Option Shares available for issuance under the Plan may be increased or decreased from time to time by the Corporation in accordance with applicable laws without notice to any Participants. Any Common Share subject to an Option that, for any reason, has been cancelled or terminated without having been exercised, will again be available for issuance under this Plan. All Option Shares issued pursuant to the Plan shall be so issued as fully paid and non-assessable Common Shares. No fractional Common Shares shall be issued, and the Board may, in its sole and absolute discretion, determine the manner in which fractional share value shall be treated.

GRANT OF OPTIONS AND PRICE FOR OPTION SHARES

Upon approval by the Board of the grant of Options to an Eligible Person, the General Counsel will send to said Eligible Person an Option Agreement which will set forth, among other things, the number of Options granted and the total number of Option Shares, the Exercise Price, the terms and conditions of exercise of the Options and, if applicable, the conditions relating to the vesting of such Options. The Option Agreement will be accompanied by a copy of the Plan (in the case of a first grant) and any other documents prescribed by applicable laws. The Exercise Price for the Options granted to each Eligible Person is the amount fixed as of the Date of Grant of the Options by the Board, in its sole and absolute discretion, which is set forth in the Option Agreement, as the same may be adjusted from time to time in accordance with Section 12 hereof. Notwithstanding the foregoing, in no event shall the Exercise Price be lower than the fair market value of the Common Shares at the Date of Grant, as determined by and confirmed by the Board. The Board may consider any evidence that it, in its sole and absolute discretion, determines to be helpful to it in determining the fair market value of the Common Shares.

VESTING, EXPIRY AND EXERCISE OF OPTIONS

Subject to the provisions of this Plan:

The Expiry Date of an Option shall be the seventh anniversary of the Date of Grant unless otherwise fixed by the Board at the time of grant;

Except as otherwise provided in this Plan, the Board may, in its sole and absolute discretion, at the time a particular Option is granted, determine the Vesting Date or Vesting Dates during which such Options may be exercised or set a milestone objective or objectives to be reached before Options become exercisable. Such vesting conditions will be clearly indicated on the Option Agreement to which such conditions apply. Notwithstanding the foregoing, the Board may, in its sole and absolute discretion, accelerate the date upon which any Option vests and becomes exercisable, in whole or in part. The Participant shall only be entitled to exercise the Option if all of the conditions and requirements for any exercise as set forth in the Plan and Option Agreement in respect of such Option, have been met, if the Participant is not in default hereunder or under the terms of any other agreement binding him or her to the Corporation, and then only during the Exercise Period in respect of those Options which have vested or which the Board otherwise permits the exercise thereof; and

Subject to the terms hereof, Vested Options may be exercised by the Participant in whole or in part at any time or from time to time during the Exercise Period up to the Expiry Date by delivery of: (i) a fully completed Stock Option Exercise Form delivered to the Corporation, provided that the Stock Option Exercise Form must be accompanied by the payment in full of the aggregate Exercise Price for the Option Shares to be purchased, which Exercise Price must be fully paid in cash or certified funds, each in immediately available funds or by such other means as might be specified from time to time by the Board, (ii) a fully executed agreement to join the Shareholders' Agreement in the form and substance satisfactory to the Corporation, and, where applicable, (iii) the delivery of an amount in cash or certified funds so as to permit the Corporation to remit to the applicable governmental authority all Applicable Withholdings and Deductions relating to the exercise of Vested Options under this paragraph 7(c) (or by entering into some other arrangement acceptable to the Corporation in its sole and absolute discretion). No Option Shares will be issued until full payment of the aggregate Exercise Price and, where applicable, an amount equal to all Applicable Withholdings and Deductions (subject to an alternative arrangement deemed acceptable by the Corporation) and a duly signed agreement to join the Shareholders' Agreement, in the form and substance satisfactory to the Corporation, has been received by the Corporation. As soon as practicable after receipt of the fully completed Stock Option Exercise Form, the agreement to join the Shareholders' Agreement and full payment of the aggregate Exercise Price and, where applicable, an amount equal to all Applicable Withholdings and Deductions (subject to an alternative arrangement deemed acceptable by the

Corporation), the Corporation will issue a written notice representing the acquired Option Shares.

LIQUIDITY EVENT

In the event of a Liquidity Event, the Board or the board of directors of any entity assuming the obligations of the Corporation, having regard to its fiduciary duties and the best interests of the Corporation, will issue a written notice to all Participants no less than 15 Business Days prior to the closing date scheduled for the Liquidity Event addressing the economic value and other appropriate conditions of the rights that Participants, as a group, have in outstanding Options in whatever manner the Board deems to be reasonable in the circumstances, including any of the following:

- (i) provide that the Options are assumed, or rights equivalent to the Options are substituted, by the acquiring or succeeding corporation (or a Related Entity);
- (ii) require Participants to exercise their Options in accordance with paragraph 7(c) within the period specified in the written notice issued by the Corporation, failing which the Options shall expire;
- (iii) complete a transaction or series of transactions which are intended to provide to Participants economic consequences which are substantially similar to or more favourable than those provided in paragraphs (i) and (ii) above; or
- (iv) complete a combination of the procedures contemplated by paragraphs (i) and (ii) above, including providing on a good faith basis for certain Participants or groups of Participants to be subject to different procedures than other Participants or groups of Participants;

and immediately prior to the completion of the Liquidity Event (or earlier if determined by the Board) all Unvested Options shall expire; provided, however, that the Board may, in its sole and absolute discretion, determine that such Unvested Options shall accelerate and fully vest, in whole or in part.

TERMINATION OF OPTIONS

Any Option or part thereof which is not exercised during the Exercise Period shall terminate and become null and void and have no further force or effect as of the day immediately following the Expiry Date. Subject to the provisions of the Option Agreement, the Expiry Date of an Option shall be determined as follows:

Death – Notwithstanding the stated Expiry Date of any Option, the Expiry Date of an Option held by a Participant immediately prior to his or her death shall be 180 days following the date of his or her death, or as otherwise agreed to be extended by the Board.

Permanent disability – Notwithstanding the stated Expiry Date of any Option, the Expiry Date of an Option held by a Participant immediately prior to the occurrence of his or her permanent disability shall be 180 days following the date of such occurrence.

Retirement – Notwithstanding the stated Expiry Date of any Option, the Expiry Date for a Participant who retires from active employment with the Corporation or a subsidiary, including without limitation a retirement, in accordance with the Corporation's or subsidiary's policies in effect from time to time relating to retirement, but not pursuant to circumstances described in paragraph (d) or (e) below shall be the earlier of the Expiry Date stated at the time of the granting the Option or the date 180 days following the date of such retirement.

Termination for Cause – Notwithstanding the stated Expiry Date of any Option, the Expiry Date of an Option for a Participant who is terminated, dismissed or removed for cause shall be the date on which the Corporation gives notice to the Participant of the termination, dismissal or removal of his or her employment, contract or position as director.

Resignation or Termination other than for Cause – Notwithstanding the stated Expiry Date of any Option, the Expiry Date for a Participant who ceases to be an Employee, Consultant or Director for any reason other than death or termination, dismissal or removal for cause shall be the earlier of the Expiry Date stated at the time of granting the Option and the date which is 90 days following the date on which such person ceases to be an Eligible Person.

Breach of Plan – Notwithstanding anything stated herein, where a Participant fails to perform, or breaches, any of his or her obligations hereunder, or under any instrument or document delivered pursuant to this Plan at any time hereafter, the Expiry Date shall be the Business Day immediately following the period stated in the notice of failure or breach delivered by the Corporation during which the Participant may remedy the failure or breach. For greater certainty, this paragraph 9(f) shall not apply where the Participant remedies his or her failure or breach during the period provided in the notice of failure or breach issued to the Participant from the Corporation or any of its authorized representatives.

The Expiry Date of an Option which has not yet vested on the date of occurrence of an event described above shall be the date of occurrence of such event (and all Options that have not vested will no longer be exercisable), it being provided that this provision will apply regardless of whether the formerly Eligible Person was entitled to a period of notice of termination which may otherwise have ended during the Exercise Period.

For the purposes of this Plan, the transfer of the Employee's employment or Consultant's contract to the Corporation or to any subsidiary of the Corporation shall not be

considered a termination of employment and the Employee's rights under any option shall be the same as if such transfer had not occurred. In the event that a Director (who is not also an employee) of the Corporation or one of its subsidiaries resigns or is replaced as a Director prior to or during the Exercise Period, such person shall be entitled to purchase all or a portion of the Option Shares subject to the same provisions as set forth above which shall apply *mutatis mutandis*.

PERMITTED AND REQUIRED TRANSFERS

Except as specifically permitted or required in this Plan, the Participant shall not transfer or encumber or grant any right or interest in, or grant a charge or lien against, any Options, and any purported transfer in violation of this Section 10 shall be void and shall not be required to be registered in the books of the Corporation or otherwise recognized by the Corporation.

TRANSFER AND ASSIGNMENT

The Participant's rights under any Options granted under the Plan are personal to the Participant and are not assignable or transferable by the Participant (whether directly or indirectly, including by way of pledge). A purported transfer or assignment of an Option in violation of this Plan will not be valid and the Corporation will not issue any Common Shares upon the attempted exercise of that Option. The obligations of each Participant shall be binding on his or her heirs, executors and administrators.

ADJUSTMENTS

If there is any change in the outstanding Common Shares by reason of a stock dividend or split, recapitalization, consolidation, combination or exchange of shares, reclassification, conversion or other fundamental corporate change, the Board will make such adjustments to this Plan and the Options outstanding under this Plan as the Board determines to be appropriate and equitable in the circumstances, so that the proportionate interest of each Participant shall, to the extent practicable, be maintained as before the occurrence of such event, including in (i) the number or kind of shares or other securities reserved for issuance pursuant to this Plan; and (ii) the exercise price of those unexercised Options.

No fractional shares or other security shall be issued upon the exercise of an Option and accordingly, if the operation of this Section 12 results in a fractional share, the fraction shall be disregarded. Upon the occurrence of any event contemplated by this Section 12, the maximum number of Common Shares available for issuance under the Plan shall be appropriately adjusted, subject to receipt of any required approvals being obtained (including approvals required pursuant to the Shareholders' Agreement), if any.

DISPUTES

If any questions arise at any time with respect to the Exercise Price or the number of Option Shares deliverable upon exercise of an Option following an adjustment in accordance with Section 12, such questions will be conclusively determined by the Board in its sole and absolute discretion and such determination will be binding upon the Corporation and all Participants.

OPTIONS NON-CONTRACTUAL

The granting of an option to an Eligible Person under the Plan does not confer upon the Eligible Person any right to expectation of employment or appointment by, or any right to continue in the employment of or any appointed role with, the Corporation or any subsidiary of the Corporation. Participation in this Plan shall not constitute a condition of employment of an Eligible Person and is voluntary.

SHAREHOLDERS' AGREEMENT AND RIGHTS AS SHAREHOLDERS

Each Participant who acquires Option Shares pursuant to the exercise of Options will be deemed to be a party to and be bound by the Shareholders' Agreement which is then in effect at such time and will, as a condition to the issuance of any Option Shares, execute an accession agreement in respect of the Shareholders' Agreement (if such person is not already party to the Shareholders' Agreement).

ADMINISTRATION OF THE PLAN

The Plan shall be administered by the Board in its sole and absolute discretion. The Board shall have the power to interpret and construe the terms and conditions of the Plan and the Options and determine all questions arising hereunder. Without limiting the generality of the foregoing, the Board, acting in its sole and absolute discretion, has the power to:

determine the Employees, Directors or Consultants to whom Options may be granted and the number of Options to be granted thereto;

grant Options hereunder and determine whether restrictions or limitations are to be imposed on the Options and the nature of such restriction or limitations, if any;

reserve Common Shares for issue upon the exercise of Options granted under this Plan and determine whether restrictions or limitations are to be imposed on the Common Shares and the nature of such restrictions or limitations, if any; and

determine the nature of events, if any, that may cause any Participant's rights in respect of Options and/or Option Shares to be forfeited.

Any determination by the Board shall be final, binding and conclusive on the Corporation and all Participants and their respective heirs, executors, administrators, successors and assigns and all other persons, unless otherwise determined by the Board. No member of

the Board will be liable for any act or omission (whether or not negligent) taken or omitted in good faith, or for the exercise of an authority or discretion granted in connection with the Plan to the Board, or for the acts or omission of any other members of the Board. All rights and obligations of the Participants relating to any Options, including without limitation, all rights and obligations relating to the holding, assignment, pledge, transfer, sale or other disposition of Options, shall be governed by the provision of this Plan. The Participant shall not have any rights with respect to any Options except as specifically provided by this Plan.

LEGEND

All share certificates, whether in physical or electronic form, of the Corporation shall have the following legend endorsed thereon forthwith after the execution of this Agreement:

“The shares represented by this certificate are subject to restrictions on transfer and all the other terms and conditions of a unanimous shareholders’ agreement dated as of the [day] of [month], [year] made between the Corporation and each and all of the holders of shares, as such agreement may from time to time be amended in accordance with its provisions. A copy of the agreement is on file at the registered office of the Corporation and available for inspection on request and without charge. Any transfer made in contravention of such restrictions shall be null and void.”

The Participants shall promptly submit all share certificates held by them which do not have such legend imprinted thereon to the registered office of the Corporation order that such legend may be so imprinted.

NOTICES

All written notices to be given by the Participant to the Corporation may be delivered personally or by registered mail, postage prepaid, at the Corporation’s address as follows:

CNSX Markets Inc.
Attention: General Counsel
First Canadian Place
100 King Street West, Suite 7210
Toronto, Ontario M5X 1E1

Any notice given by the Participant pursuant to the terms of the Plan shall not be effective until actually received by the Corporation at the above address. Any notice given by the Corporation to a Participant or an Eligible Person may be delivered personally, or by registered mail, postage prepaid, to the last address of the Participant or Eligible Person reflected on the records of the Corporation and shall be effective upon personal delivery or upon delivery at the address aforesaid.

CORPORATE ACTION

Nothing contained in the Plan or in any option shall be construed so as to prevent the Corporation or any subsidiary of the Corporation from taking corporate action, including the issuance of securities from treasury, which is deemed by the Corporation or the subsidiary to be appropriate or in its best interest, whether or not such action would have an adverse effect on the Plan or the rights of Participants thereunder.

TERMINATION AND AMENDMENTS

The Board shall have the right, in its sole and absolute discretion, to alter, amend, suspend or terminate the Plan from time to time and at any time without notice.

No such amendment, however, may adversely affect the financial terms of any Options granted to Participants under this Plan without the prior consent of Participants holding Options that are exercisable for at least a majority of the Option Shares subject to then outstanding Options.

The Board may terminate the Plan at any time without shareholder approval or Participants' approval. Notwithstanding the foregoing, subject to the sole and absolute discretion of the Board, the termination of this Plan shall have no effect on outstanding Options, which shall continue in effect in accordance with their terms and conditions and the terms and conditions of this Plan, provided that no further Options shall be granted following termination of this Plan. However, notwithstanding the termination of this Plan, the Board may make any amendments to this Plan, or to any outstanding Option, that it would be entitled to make if this Plan were still in effect.

GOVERNING LAW

The Plan is established under the laws of the Province of Ontario and the rights of all parties and the construction and effect of each provision of the Plan shall be according to the laws of the Province of Ontario and the federal laws of Canada applicable therein.

CURRENCY

Except where otherwise expressly provided, all amounts in this Plan are stated and will be paid in Canadian currency.

SEVERABILITY

Each of the provisions contained in this Plan is distinct and severable and a declaration of invalidity or unenforceability of any provision or part by a court of competent jurisdiction will not affect the validity or enforceability of any other provision of the Plan. To the extent permitted by applicable law, the Corporation and all Participants waive any provision of law which renders any provision of this Plan invalid or unenforceable in any respect.

ENTIRE AGREEMENT

CONFIDENTIAL

This Plan and each Option Agreement collectively constitute the entire agreement between the parties pertaining to the subject matter of those documents. There are no warranties, conditions, or representations (including any that may be implied by statute) and there are no agreements in connection with the subject matter except as specifically set out or referred to in those documents.

PURCHASE OF INVESTMENT

The Corporation hereby informs each Participant that the Options and the Option Shares have not been qualified by prospectus and are subject to indefinite hold periods. The Corporation is under no obligation to qualify or register these securities. The Corporation will make available to such Participant only such information which the Corporation is required to provide under the laws of the Corporation's jurisdiction.

Each Participant will, upon receipt of a copy of the Plan and upon the exercise of an Option be deemed to have, irrevocably and unconditionally represented and warranted to the Corporation as a condition of the exercise of the Option that the purchase of Option Shares upon the exercise of any options granted under the Plan to the Participant will be for the purposes of investment only and not with a view to distribution.

RESALE RESTRICTIONS

The Corporation hereby informs each Participant that any Option Shares acquired pursuant to the exercise of Options will be subject to, in addition to the restrictions set forth in Section 25 above, restrictions on resale under applicable securities laws as well as any restrictive provision contained in the Corporation's articles, by-laws, other constating documents or the terms of the Shareholders' Agreement that may be in place from time to time.

PREVIOUS PLAN

This Plan replaces the stock option plan dated May 20, 2008, which shall have no further effect other than as determined by the Board in its sole and absolute discretion.

AGREEMENT

The Corporation and every Participant shall be bound by the terms and conditions of the Plan by the delivery thereof to a Participant.

[Remainder of page intentionally left blank]

STRICTLY CONFIDENTIAL
May 29, 2023

DATED AND EFFECTIVE this ____ day of _____, 20__.

Per: _____

Name:

Title:

SCHEDULE A
FORM OF OPTION AGREEMENT
[LETTERHEAD OF CNSX]

[DATE]

PERSONAL & CONFIDENTIAL

[NAME]

[ADDRESS]

Dear [NAME]:

Grant of Option

I am very pleased to advise you that the Board of Directors of CNSX Markets Inc. (the **Corporation**) has granted you [●] options (the **Options**) to purchase [NUMBER] Common Shares (the **Shares**) of the Corporation. These Options were granted on the basis set out in this letter, and are subject to the Stock Option Plan of the Corporation (the **Plan**), a copy of which is enclosed. This letter and the Plan are referred to collectively as the **Option Documents**. All capitalized terms not otherwise defined in this letter have the meanings given to them in the Plan.

Date of grant of Option:

[DATE]

The total number of Shares subject to this
Option is:

[NUMBER]

The exercise price of this Option is:

[\$PRICE]

Vesting of Options

Your Options will “vest” or become exercisable in accordance with the table set out below. Provided that you are an Eligible Person and have been an Eligible Person throughout the time period set out in Column 1, the number of Options set out in Column 2 will vest at 11:59 p.m. on the last day of that time period. The number of Options you may exercise at any time (prior to the expiry date set out below) will be equal to the total number of Options which have vested, less any Options which you have exercised or which have expired in accordance with the Option Documents.

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<u>Column 1</u>	<u>Column 2</u>
Time <u>Period</u>	Number of Options vesting following <u>that time period</u>
_____ to _____	_____
_____ to _____	

[INSERT OTHER CONDITIONS APPLICABLE TO VESTING, SUCH AS ATTAINING CERTAIN PERFORMANCE GOALS.]

Expiry of Option

Subject to earlier expiration in accordance with the Option Documents, your rights to purchase Shares under this Option will expire at 11:59 p.m. on:

[DATE] _____

Exercise of Option

This Option may be exercised in whole or in part in respect of the vested portion of the Option at any time prior to expiry of the Option by delivery of written notice in a form attached to this Agreement to the address and person set out in the Plan by

- exercising all or part of the vested portion of the Option for a number of Shares specified to be purchased and enclosing payment by bank draft or certified cheque of the total purchase price of the Shares; and
- delivering a fully executed agreement to join the Shareholders' Agreement.

Upon each exercise of an Option or a portion thereof hereunder, the Corporation shall cause to be issued and registered in the name of the Participant in the records of the Corporation the number of Option Shares paid for by the Participant in connection with that exercise of Option.

You hereby consent to do all things as may be necessary in order to exempt the Corporation from any statutory requirements regarding the appointment of an auditor in respect of any financial year of the Corporation and, in consequence thereof, further irrevocably consent to the preparation by the Corporation of consolidated and unaudited financial statements in respect to

the Corporation and its subsidiaries (if any) which financial statements shall constitute the annual financial statements of the Corporation for the purposes of any statutory requirements.

You hereby agree, on first exercise of this Option, to enter into or otherwise become bound by the Shareholders' Agreement pursuant to such form of documentation as required by the Board of Directors.

Tax Consequences

Receiving a grant of an Option, exercising an Option and selling Option Shares received upon exercise of an Option may all result in tax consequences, which will differ depending on your jurisdiction of residence. The Corporation may impose requirements in relation to your exercise of an Option or subsequent sale of Option Shares issued upon exercise of an Option, to ensure compliance with taxation laws related to withholdings and remittances. **You are strongly urged to consult your tax advisor as to the various tax consequences.**

Options and Your Service to the Corporation

Nothing in the Option Documents will affect the right of the Corporation to terminate your services, responsibilities or duties to the Corporation and its Related Entities at any time for any reason. Regardless of the reason for your termination, your rights to exercise this Option will be restricted to those rights which have vested and not expired on or prior to your termination. In any claim for wrongful dismissal, no consideration will be given to any Options that might have vested during an appropriate notice period, all as described in the Plan. As set out in the Plan, your participation in the Plan and any purchase of Option Shares upon exercise of an Option is voluntary, and neither the participation nor any purchase will have any effect, positively or negatively, on your appointment, employment or engagement by the Corporation.

Becoming a Public Corporation

If the Corporation or any of its Related Entity decides to become a public company, to the extent that any applicable regulatory authority or underwriter requires that all or any part of your holdings of Options and/or Option Shares be held in escrow or be locked-up, you agree to do so promptly on request by the Corporation. In addition, if any applicable regulatory authority resists the application of the Corporation to become a public Corporation on the basis of the existence or the exercise price of then outstanding Options, the Corporation may give notice to you requiring action that will satisfy the regulatory authorities (including requiring that you exercise all or part of your Options immediately) and you agree to take the required action promptly.

No Transfers

This Option is personal to you alone and may not be sold or transferred in any way, except as described in the Plan. There are similar restrictions on the transfer of Shares issued under your Option, as described in the Plan.

Confidentiality

The Plan and the terms of this Option Agreement are to be treated by you as confidential.

Decisions of Board of Directors Binding

All decisions made by the Board of Directors with regard to any questions arising in connection with the Plan and this Option Agreement, whether of interpretation or otherwise, will be final and binding on all parties.

Acceptance of Option

Please indicate acceptance of this Agreement by signing where indicated below on the enclosed copy of this letter and returning the signed copies to the Corporation to the attention of the President.

[Remainder of page intentionally left blank]

By signing and delivering this Agreement, you are acknowledging receipt of copies of the Plan and having been provided with an opportunity to consider the Plan and to seek independent legal advice with respect to them, and are agreeing to be bound by all terms of this letter and the Plan.

Yours truly,
CNSX MARKETS INC.

By: _____
Name: [●]
Title: [●]

By: _____
Name: [●]
Title: [●]

We have authority to bind the Corporation.

I have read and agree to be bound by this letter and the Plan.

Signature: _____

Name (print): _____

Address: _____

Date: _____

Witness Signature: _____

Witness Name print): _____

SCHEDULE B

STOCK OPTION EXERCISE FORM

1.

To: **CNSX** **Markets** **Inc.**
(the **Corporation**)

I hereby elect to purchase Common Shares of the Corporation pursuant to the Stock Option Plan (the **Plan**) in such number and at the price per Common Share as granted under the Plan and set forth below:

<i>NUMBER</i>	<i>PRICE</i>	<i>TOTAL PRICE</i>
<hr/>		
(i) _____ Common Shares @	\$ _____	= \$ _____
(ii) _____ Common Shares @	\$ _____	= \$ _____
(iii) _____ Common Shares @	\$ _____	= \$ _____
TOTAL _____ Common Shares		\$ _____

Payment for the Common Shares which I wish to purchase is enclosed in accordance with the terms of the Plan.

I hereby acknowledge that Common Shares purchased hereunder are subject to the provisions of the Plan and the Option Agreement annexed thereto as Schedule "A" and that payment for the Common Shares purchased hereunder shall irrevocably constitute my acknowledgement and acceptance of the terms thereof and my agreement to be bound to the terms of the Option Agreement as a party thereto.

I further acknowledge that any certificate(s) representing the Common Shares purchased hereunder shall bear, amongst other legends, the following legend:

“The shares represented by this certificate are subject to restrictions on transfer and all the other terms and conditions of a unanimous shareholders’ agreement dated as of the [day] of [month], [year] made between the Corporation and each and all of the holders of shares, as such agreement may from time to time be amended in accordance with its provisions. A copy of the agreement is on file at the registered office of the Corporation and available for inspection on request and without charge. Any transfer made in contravention of such restrictions shall be null and void.”

DATED this _____ day of _____, _____.

(Name - Please Print)

(Address)

(Signature)