



PERIMETER MEDICAL IMAGING AI, INC.

NOTICE OF ANNUAL AND SPECIAL MEETING

AND

MANAGEMENT INFORMATION CIRCULAR

FOR THE

ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS OF
PERIMETER MEDICAL IMAGING AI, INC.
TO BE HELD ON OCTOBER 27, 2021

DATED: SEPTEMBER 14, 2021

PERIMETER MEDICAL IMAGING AI, INC.
359 Eastern Avenue, Suite 110, Toronto, Ontario M4M 1B7

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the Annual and Special Meeting (the "**Meeting**") of shareholders of Perimeter Medical Imaging AI, Inc. ("**Perimeter**" or the "**Company**") will be held at the offices of Stikeman Elliott LLP, 666 Burrard Street, Suite 1700, Vancouver, BC V6C 2X8 on October 27, 2021 at 9:00 a.m. (Vancouver Time), for the following purposes:

1. to receive the audited financial statements of the Company and the auditors' report thereon for its fiscal year ended December 31, 2020;
2. to elect directors of the Company for the ensuing year;
3. to appoint an auditor of the Company for the ensuing year and authorize the directors to approve the remuneration to be paid to such auditor;
4. to consider, and if thought fit, pass with or without amendment, an ordinary resolution to ratify, confirm and approve the amendments to the Company's stock option plan, as set out in Schedule A to the accompanying Management Information Circular (the "**Amended Option Plan**"), and to reserve common shares in the capital of the Company from treasury for issuance under the Amended Option Plan, the full text of which is set out in the accompanying Circular, under the heading "*Particulars of Matters to be Acted Upon – Ratification of Amendments to the Existing Stock Option Plan*"; and
5. to transact such other business as may properly come before the Meeting or any adjournment thereof.

Please Read This Important Notice

To mitigate risks to Perimeter shareholders, Perimeter employees and other stakeholders related to the resurging COVID-19 (coronavirus) public health emergency, and based on government recommendations to avoid large gatherings, Perimeter is providing access to the Meeting by telephone conference call. In light of COVID-19, **we strongly encourage Perimeter shareholders to vote in advance of the Meeting rather than appearing in person, or appointing an alternate proxyholder to attend the Meeting in person.**

Any person who wishes to attend the Meeting in person must first register with the Meeting's host at least 72 hours in advance and receive approval, by calling Michael Stewart at 604-631-1440 or by email at mmstewart@stikeman.com.

Perimeter shareholders who dial in to the telephone conference call will be able listen to the Meeting and ask questions regardless of their geographic location or particular

circumstances they may be facing as a result of COVID-19. However, registered Perimeter shareholders and duly appointed proxyholders will not be able to vote via the telephone conference call. In light of COVID-19, we strongly encourage Perimeter shareholders to vote in advance of the Meeting in accordance with the instructions provided in the information circular accompanying this Notice of Meeting, and Perimeter shareholders are encouraged NOT to attend the Meeting in person if at all possible.

Perimeter shareholders may access the telephone conference call as follows:

Dial-in: Canada, Vancouver (Toll): +1 604-449-5251
Conference ID: 713 774 832#

The ability of Perimeter shareholders to attend the Meeting in person is subject to any governmental orders applicable at the time of the Meeting which might prevent or restrict Perimeter shareholders from attending in person. Perimeter shareholder who do wish to attend the Meeting in person, should carefully consider and follow the instructions of the federal Public Health Agency of Canada: (<https://www.canada.ca/en/public-health/services/diseases/coronavirus-disease-covid-19.html>). We ask that Perimeter 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. Please 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 21 days immediately prior to the Meeting.

Perimeter is monitoring developments regarding COVID-19. In the event Perimeter decides any change to the date, time, location or format of the Meeting are necessary or appropriate due to difficulties arising from COVID-19, Perimeter will promptly notify Perimeter shareholders of the change by issuing a news release.

The board of directors of Perimeter has fixed September 14, 2021 as the record date for determining the Company shareholders entitled to receive notice and vote at the Meeting.

A Management Information Circular accompanies this Notice and contains details of matters to be considered at the Meeting.

Registered shareholders who are unable to attend the Meeting in person and who wish to ensure that their common 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 Management Information Circular.

Unregistered 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 common shares will

be voted at the Meeting. If you hold your common shares in a brokerage account, you are not a registered shareholder.

**Vancouver, BC
September 14, 2021**

BY ORDER OF THE BOARD OF
DIRECTORS OF PERIMETER MEDICAL
IMAGING, INC.

(signed) "Dr. Anthony F. Holler"

Anthony F. Holler

Chairman of the Board

PERIMETER MEDICAL IMAGING AI, INC.
359 Eastern Avenue, Suite 110, Toronto, Ontario M4M 1B7

MANAGEMENT INFORMATION CIRCULAR
as at September 14, 2021 (except as otherwise indicated)

This Management Information Circular (the "**Circular**") is furnished in connection with the solicitation of proxies by the management of Perimeter Medical Imaging AI, Inc. for use at the Annual and Special Meeting (the "**Meeting**") of holders of common shares of the Company (the "**Common Shares**") to be held at the offices of Stikeman Elliott LLP, 666 Burrard Street, Suite 1700, Vancouver, BC V6C 2X8 on October 27, 2021 at 9:00 a.m. (Vancouver Time), and at any and all adjournments thereof, and for the purposes set forth in the accompanying notice of the Meeting.

"**Shareholders**" means the holders of Common Shares. "**Registered Shareholders**" mean Shareholders whose names appear on the records of the Company as the registered holders of Common Shares. "**Beneficial Shareholders**" means shareholders who do not hold Common Shares in their own name. Any Common Share numbers from securities issued prior to June 29, 2020 contained in this Circular are retrospectively restated to reflect the exchange ratio of 0.2083333 as defined in the Arrangement Agreement with New World Resource Corp. dated June 3, 2019 and amended November 29, 2019 and April 23, 2020.

Please Read This Important Notice

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS AND RISKS

This Circular contains forward-looking statements that relate to Company's current expectations and views of future events. In some cases, these forward-looking statements can be identified by words or phrases such as "may", "would", "could", "will", "likely", "believe", "expect", "anticipate", "intend", "plan", "estimate", or the negative of these terms, or other similar expressions intended to identify forward-looking statements. The Company has based these forward-looking statements on its current expectations and projections about future events and financial trends that it believes might affect its financial condition, results of operations, business strategy and financial needs. These forward-looking statements include but are not limited to statements and information concerning: the matters to be brought before the Meeting; the administration of the Existing Option Plan or the Amended Option Plan, the Board's use of Options (as defined below) as part of the Company's overall executive compensation plan; and the Company's compensation policies and practices.

These forward-looking statements are based on the beliefs of the management of the Company as well as on assumptions which such management believes to be reasonable, based on information currently available at the time such statements were made. However, there can be no assurance that forward-looking statements will prove to be accurate. Such assumptions and factors include, among other things, (i) the accuracy of Perimeter's financial projections; (ii) obtaining positive results from trials; (iii) obtaining necessary regulatory approvals; and (iv) general business, market and economic conditions.

Although the Company believes that the assumptions underlying these statements are reasonable, they may prove to be incorrect, and the Company cannot assure that actual results will be consistent with these forward-looking statements. Given these risks, uncertainties and assumptions, any investors or users of this document should not place undue reliance on these forward-looking statements. Whether actual results, performance or achievements will conform to the Company's expectations and predictions is subject to a number of known and unknown risks, uncertainties, and other factors including, but not limited to, those described in Perimeter's most recent Management Discussion and Analysis which is available on Perimeter's SEDAR profile at www.sedar.com, and could cause actual events or results to differ materially from those projected in any forward-looking statements. In particular, we note the risk that our technology may not achieve the anticipated benefits in terms of surgical outcomes.

Forward-looking statements are statements about the future and are inherently uncertain. Actual results could differ materially from those projected in the forward-looking statements as a result of the matters set out or incorporated by reference in this Circular generally and certain economic and business factors, some of which may be beyond the control of the Company. Perimeter does not intend, nor does Perimeter undertake any obligation, to update or revise any forward-looking information contained in this news release to reflect subsequent information, events, or circumstances or otherwise, except if required by applicable laws.

REPORTING CURRENCY

This Circular contains reference to Canadian dollars ("C\$" or "C\$") and United States dollars ("US\$"). All dollar amounts referenced, unless otherwise indicated, are expressed in Canadian dollars. Unless otherwise stated, any Canadian dollar amount which have been converted from United States dollars have been converted at an exchange rate of C\$1.00 = US\$0.7854, representing the daily exchange rate for converting United States dollars into Canadian dollars, as quoted by the Bank of Canada on December 31, 2020. On September 14, 2021, the daily exchange rate quoted by the Bank of Canada was C\$1.00 = US\$0.7898.

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, regular employees of the Company and the Company may retain the services of a proxy solicitation agent to assist in the solicitation of proxies. The Company will bear all costs of this solicitation.

Appointment of Proxyholder

Only Registered Shareholders of Perimeter or their duly appointed proxy holders are entitled to vote in person at the Meeting. Voting instructions for Beneficial Shareholders are set forth below under the heading "*Registered Shareholder*".

The purpose of the accompanying form of proxy ("**Proxy**") is to permit a Registered Shareholder to designate one or more persons as proxy holder(s) to vote on that Registered Shareholder's behalf in accordance with the instructions given by the Registered Shareholder in the Proxy.

The individuals named in the accompanying Proxy are officers and/or directors of the Company. **If you are a Registered 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 the instructions provided by the Registered Shareholder on any ballot that may be called for. If a choice is specified with respect to any matter to be acted upon, the Registered Shareholder's 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 management appointee acting as a proxyholder will vote in favour of each matter identified on the Proxy and, if applicable, for the nominees of management for directors and auditors as identified in the Proxy. At the time of printing of this Circular, management of Perimeter knows of no such amendments, variations or other matters that are anticipated to be presented for consideration or action at the Meeting.

Registered Shareholders

Registered Shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered Shareholders electing to submit a proxy may do so by:

- (a) completing, dating and signing the enclosed Proxy and returning it to the Company's transfer agent, Computershare Investor Services Inc. ("**Computershare**"), by mail to Computershare Investor Services Inc., 8th Floor – 100 University Avenue, Toronto, ON, M5J 2Y1 or by fax within North America at 1-866-249-7775, outside North America at 416-263-9524;
- (b) using 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 the toll free number, the holder's account number and the proxy access number;
- (c) using the internet through Computershare's website at www.investorvote.com. Registered Shareholders must follow the instructions that appear on the screen and refer to the enclosed Proxy for the holder's account number and the proxy access number; or
- (d) using any other method described in the Proxy, by following the instructions for such method set out in the Proxy.

In all cases, to be valid, a Proxy (or other acceptable form of proxy) must be received at least 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or the adjournment thereof at which the proxy is to be used, unless the Chairman of the Meeting exercises their discretion to accept proxies received after that time.

A Proxy may not be valid unless it is dated and signed by the Registered Shareholder or the Registered Shareholder's authorized attorney in writing, or, if the Registered Shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized. If a Proxy is executed by an authorized attorney for an individual Registered Shareholder, or by an officer or attorney for a corporate Registered Shareholder, the

instrument so empowering the officer or attorney, as the case may be, or a notarially certified copy thereof, should accompany the Proxy.

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 and submitting a Proxy bearing a later date in accordance with the instructions and deadline set out above;
- (b) by executing a valid notice of revocation, to be executed by the Registered Shareholder or the Registered Shareholder's authorized attorney in writing, or, if the Registered Shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the notice of revocation to Computershare in accordance with the instructions set out above or at the address of the office of the Company at 359 Eastern Avenue, Suite 110, Toronto, Ontario M4M 1B7, 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
- (c) 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.

Beneficial Shareholders

The following information is of significant importance to Beneficial 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).

If Common Shares are listed in an account statement provided to a Shareholder by a broker or other "**intermediary**" (a term used to refer to, among others, brokers, banks, trust companies and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans), 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 intermediaries. In Canada, the vast majority of such Common Shares are registered under the name CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms) and in the United States, under the name Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks).

Pursuant to Canadian National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**"), intermediaries, such as those listed above, are required to seek voting instructions from Beneficial Shareholders in advance of meetings of Shareholders. Meeting materials sent to Beneficial Shareholders (who have not waived their right to receive Meeting materials) do not contain a Proxy. Instead, pursuant to NI 54-101, they will likely contain a Voting Instruction Form ("**VIF**"). The content of a VIF is almost identical to the content of a Proxy. A VIF differs from the Proxy insofar as its purpose is limited to instructing the Registered Shareholder (the Intermediary) or the Company how to vote on behalf of the Beneficial Shareholder. Without specific instructions, intermediaries are prohibited from voting such Common Shares. Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate person.

Every intermediary has its own mailing procedures and provides its own return instructions to clients. By returning a VIF in accordance with the instructions noted on it, a Beneficial Shareholder is able to instruct to ensure that their Common Shares are voted at the Meeting.

A Beneficial Shareholder who wishes to attend the Meeting and vote in person may write the name of the Beneficial Shareholder in the place provided for that purpose on the VIF. **A Beneficial Shareholder also has the right to appoint a person or company other than the persons designated in the Proxy, who need not be a Shareholder, to attend the Meeting and act on behalf of the Beneficial Shareholder. Unless prohibited by law, the person whose name is written in the space provided in the VIF will be appointed as proxy holder for the Beneficial Shareholder and will have full authority to present matters to the Meeting and vote on all matters that are presented at the Meeting, even if those matters are not set out in the VIF or this Circular.** A Beneficial Shareholder should consult a legal advisor if the Beneficial Shareholder wishes to modify the authority of the person to be appointed as proxy holder in any way.

There are two kinds of Beneficial Shareholders recognized by NI 54-101, those who object to their name being made known to the issuers of securities which they own (called "**OBOs**" for Objecting Beneficial Owners) and those who do not object to the issuers of the securities they own knowing who they are (called "**NOBOs**" for Non- Objecting Beneficial Owners).

The Company is taking advantage of the provisions of NI 54-101 which permits the Company to deliver proxy-related materials directly to its NOBOs. As a result, NOBOs can expect to receive a scannable VIF from our transfer agent, Computershare. The VIF is to be completed and returned to Computershare as set out in the instructions provided on the VIF. Computershare will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the Common Shares represented by the VIFs they receive.

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 as specified in

the request for voting instructions. Please return your VIF as specified in the request for voting instructions that was sent to you.

These proxy-related materials are being sent to both registered and non-registered owners of the common shares 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, address and information about your holdings of securities, were obtained in accordance with applicable securities regulatory requirements from the intermediary holding securities on your behalf.

Beneficial Shareholders who are OBOs should follow the instructions of their intermediary carefully to ensure that their Common Shares are voted at the Meeting. Unless required pursuant to United States proxy rules, the Company does not intend to pay for the intermediaries to forward to OBOs under NI 54-101 the proxy-related materials and Form 54-101F7 – *Request for Voting Instructions Made by Intermediary*, and in the case of an OBO, the OBO will not receive the materials unless the OBO's intermediary assumes the cost of delivery.

Most brokers or intermediaries delegate responsibility for mailing proxy-related materials to OBOs, and obtaining voting instructions from OBOs to Broadridge Financial Solutions, Inc. ("**Broadridge**") in Canada and the United States. Broadridge prepares its own form of VIF based on the Proxy and mails the VIF and the other proxy-related materials to OBOs. The completed VIF must then be returned to Broadridge 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 or to have an alternate representative duly appointed to attend the Meeting and vote your Common Shares at the Meeting.**

Notice to Shareholders in the United States

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) (the "**BCBCA**"), as amended, certain of its directors and its executive officers are residents of Canada and a substantial portion of its assets and the assets of such persons are located outside the United States.

Shareholders may not be able to sue a foreign company 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 company and its officers and directors to subject themselves to a judgment by a United States court.

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

Except as disclosed herein, no person who has been a director or executive officer of the Company at any time since the beginning of the Company's last financial year, proposed nominee for election as director of the Company, and no associate or affiliate of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in matters to be acted upon at the Meeting other than the election of directors, the appointment of auditors and the ratification, confirmation and approval of the Amended Option Plan (as defined below).

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The board of directors of the Company (the "**Board**") has fixed **September 14, 2021** as the record date (the "**Record Date**") for 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 Proxy or VIF 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.

To mitigate risks related to the global COVID-19 (coronavirus) public health emergency to Perimeter shareholders, Company employees and other stakeholders, and based on government recommendations to avoid large gatherings, we strongly encourage Perimeter shareholders to vote in advance of the Meeting rather than appearing in person, or appointing an alternate proxyholder to attend the Meeting in person.

The Company's authorized capital consists of an unlimited number of Common Shares without par. As of the Record Date, there were 44,863,832 Common Shares issued and outstanding, each carrying the right to one vote on all matters to come before the Meeting. The Company has no other classes of voting securities. The Common Shares of the Company are listed for trading on the TSX Venture Exchange (the "**TSXV**") under the trading symbol "PINK".

To the knowledge of the directors and executive officers of the Company, no persons or corporations beneficially own, or control or direct, directly or indirectly, shares carrying more than 10% of the voting rights attached to all outstanding Common Shares of the Company other than as set below:

Name of Registered Shareholder	Number of Common Shares	Percentage of Outstanding Common Shares ⁽¹⁾
Roadmap Capital, Inc.	16,693,527 ⁽²⁾	37.2%

Notes:

- (1) Percentage of Outstanding Common Shares is calculated based on 44,863,832 Common Shares issued and outstanding as of September 14, 2021.
- (2) Roadmap Capital, Inc. is also the holder of 467,548 fully vested warrants to purchase 467,548 Common Shares.

No group of Shareholders has the right to elect a specified number of directors, nor is there cumulative or similar voting rights attached to the Common Shares.

VOTES NECESSARY TO PASS RESOLUTIONS

A simple majority of affirmative votes cast at the Meeting is required to pass the ordinary resolutions described herein

PARTICULARS OF MATTERS TO BE ACTED UPON

Election of Directors

The term of office of each of the current directors will end at the conclusion of the Meeting. Unless the director's office is earlier vacated in accordance with the provisions of the BCBCA, each director elected will hold office until the conclusion of the next annual meeting of the Company, or if no director is then elected until a successor is elected.

Pursuant to Section 10.12 of the Company's Articles, any additional director nominations for an annual meeting must be received by the Company, not less than 30 days prior to the date of the Meeting; provided, however, that in the event that the annual meeting is to be held on a date that is less than 50 days after the date on which the first public announcement of the date of the annual meeting was made, notice may be made not later than the close of business on the 10th day following the day on which the first public announcement of the date of such meeting is made. As of the date of this Circular, the Company has not received notice of a nomination in compliance with the Company's Articles. If no such notice is received by the aforementioned deadline, 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.

Nominees. The following disclosure sets out the names of management's nine 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, 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 the Record Date.

Name of Nominee; Current Position with the Company and Province or State and Country of Residence	Principal Occupation ⁽¹⁾⁽²⁾	Period as a Director of the Company	Common Shares Beneficially Owned or Controlled ⁽¹⁾
<p>Anthony Holler⁽³⁾ Chairman <i>Vancouver, British Columbia, Canada</i></p>	<p>CEO and Chairman of the Board of Directors of Sunniva Inc., a cannabis products company; Previously Chairman of CRH Medical Corporation since December 2005 until March 2020.</p>	<p>December 2019</p>	<p>333,717 Common Shares⁽⁴⁾ 197,500 Options</p>
<p>Jeremy Sobotta Chief Executive Officer and Director <i>Dallas, Texas, United States of America</i></p>	<p>CEO of the Company. Previously CFO of the Company and, prior to joining Perimeter, controller of the orthopedics division of Smith and Nephew, a multinational medical equipment manufacturing company and senior director of finance of Stryker Corporation, a multinational medical equipment manufacturing company.</p>	<p>October 2020</p>	<p>52,392 Common Shares 1,450,000 Options</p>

Name of Nominee; Current Position with the Company and Province or State and Country of Residence	Principal Occupation ⁽¹⁾⁽²⁾	Period as a Director of the Company	Common Shares Beneficially Owned or Controlled ⁽¹⁾
<p>Franklyn G. Prendergast⁽⁵⁾ Director <i>Broomfield, Colorado, United States of America</i></p>	<p>Member of the Board of Directors of Immunome Inc., a public biotech company focuses on oncology and infectious disease. Member of the Board of Directors of Lantern Pharma Inc., a public clinical stage biotech company. Member of the Board of Directors of NeuBase Therapeutics, Inc., a public biotech company addresses genetic diseases.</p>	<p>October 2017</p>	<p>260,000 Options</p>
<p>Suzanne M. Foster⁽⁵⁾ Director <i>Londonderry, New Hampshire, United States of America</i></p>	<p>President of Cardinal Health Inc. at Home Solutions, an integrated healthcare services and products company; Member of the Board of Directors of Unitil Corporation, a public company that engages in the local distribution of electricity and natural gas.</p>	<p>March 2018</p>	<p>1,756 Common Shares 251,667 Options</p>

Name of Nominee; Current Position with the Company and Province or State and Country of Residence	Principal Occupation ⁽¹⁾⁽²⁾	Period as a Director of the Company	Common Shares Beneficially Owned or Controlled ⁽¹⁾
<p>Aaron Davidson Director <i>Huntsville, Ontario, Canada / Pine Ridge, Florida, United States of America</i></p>	<p>Senior Vice President of Corporate Development, Profound Medical Inc., a medical technology company. Previously CFO of Profound Medical Inc. and Co-Head and Managing Director of H.I.G. BioHealth Partners, an investment fund investing in biohealth opportunities.</p>	<p>August 2020</p>	<p>160,000 Options</p>
<p>Ian Mortimer⁽³⁾⁽⁵⁾ Director <i>Burnaby, British Columbia, Canada</i></p>	<p>President and Chief Executive Officer of Xenon Pharmaceuticals Inc., a clinical stage biopharmaceutical company. Chairman of the Board of Directors of Appili Therapeutics Inc., a public drug development company focused on infectious diseases. Previously President and Chief Financial Officer of Xenon Pharmaceuticals Inc.</p>	<p>July 2020</p>	<p>83,333 Common Shares 160,000 Options 62,500 Warrants</p>

Name of Nominee; Current Position with the Company and Province or State and Country of Residence	Principal Occupation ⁽¹⁾⁽²⁾	Period as a Director of the Company	Common Shares Beneficially Owned or Controlled ⁽¹⁾
<p>Douglas G. Janzen⁽³⁾ Director <i>Vancouver, British Columbia, Canada</i></p>	<p>Co-Founder and Partner Northview Ventures, a strategic investment and consulting firm; Chairman and Chief Executive Officer of Aequus Pharmaceuticals Inc. Member of the Board of Directors of Neovasc Inc. Chairman of the Board of the Directors of Lexington Biosciences.</p>	<p>April 2014</p>	<p>171,650 Common Shares, 260,000 Options</p>
<p>Hugh Cleland⁽⁶⁾ Director <i>Oakville, Ontario, Canada</i></p>	<p>Co-Founder and Principal at Roadmap Capital, a venture capital investment platform.</p>	<p>April 2017</p>	<p>59,800 Common shares, 90,000 options</p>
<p>Imed Zine⁽⁶⁾ Director <i>Toronto, Ontario, Canada</i></p>	<p>Technology Principal at Roadmap Capital, a venture capital investment platform. Member of Board of Directors of Peraso Technologies Inc., a private tech company in the development of 5G mmWave devices.</p>	<p>December 2019</p>	<p>90,000 options</p>

Notes:

- (1) The information as to principal occupation, business or employment and Common Shares beneficially owned or controlled is not within the knowledge of the management of the Company and has been furnished by the respective nominees.
- (2) Unless otherwise stated above, any nominees named above not elected at the last annual meeting have held the principal occupation or employment indicated for at least five years.
- (3) Member of the Audit Committee
- (4) Dr. Holler owns units of the Roadmap Perimeter LP I and the Roadmap Perimeter LP II that effectively give him indirect ownership of (but not voting control over) 333,717 Common Shares as of September 14, 2021.
- (5) Member of the Nominations, Corporate Governance and Compensation Committees.
- (6) Mr. Cleland and Mr. Zine are principals of Roadmap, which, as of the date of this Circular, beneficially owned, or controlled or directed, directly or indirectly, 16,693,527 Common Shares and 467,548 Warrants.

Unless otherwise specified, the persons named in the enclosed Proxy will vote for the election of each of the nine nominees to serve as directors of the Company. The Board does not contemplate that any of such nominees will be unable to serve as a director; however, if for any reason any of the proposed nominees do not stand for election or are unable to serve, the persons designated in the Proxy will be able to vote in their discretion for any substitute nominee or nominees.

The Board unanimously recommends that each Shareholder vote FOR the approval election of each of the nine nominees to serve as directors of the Company. Common Shares represented by proxies in favour of the management nominees will be voted FOR of the election of each of the nine nominees to serve as directors of the Company, unless a Shareholder has specified in its Proxy that their Common Shares are to be withheld from voting on the election of a director.

Cease Trade Orders and Bankruptcies. Other than as described below, no proposed director of the Company is, as of the date of this Circular, or has been, within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that: (i) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Other than as described below, no proposed director of the Company is, as at the date of this Circular, or has been within 10 years before the date of this Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Other than as described below, no proposed director of the Company has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Other than as described below, no proposed director of the Company has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

From September 2013 to March 2017, Mr. Cleland served on the board of directors of American Solar Direct Inc., a private U.S. corporation specializing in the sale and installation of solar panels in California. American Solar Direct Inc. experienced rapid growth between 2009 and 2014 but, as renewable energy fell out of favor with the then new U.S. presidential regime, financing for solar panel companies became increasingly difficult to obtain on terms that were commercially acceptable. Mr. Cleland resigned from the board of American Solar Direct Inc. in March 2017. In June 2017, American Solar Direct Inc. filed for bankruptcy with the U.S. Bankruptcy Court in the Central District of California (Los Angeles). American Solar Direct Inc.'s assets were eventually sold to an operating solar power company.

Dr. Holler is a founding shareholder and the current Chief Executive Officer and Chairman of the Board of Sunniva Inc. ("**Sunniva**"), a publicly held cannabis cultivation company that operated in California and Canada. Through its wholly-owned subsidiary, Sunniva operated medical cannabis clinics that provided educational and clinical services to patients. In California, Sunniva focused on creating sustainable premium cannabis brands. In Q4 2019, as Sunniva was nearing completion of its primary asset, the Cathedral City glasshouse in California, the owner and landlord of the property attempted to terminate Sunniva's rights to the property despite Sunniva having paid, under protest, significant construction cost overruns. In Q1 2020, in an effort to conserve capital, Sunniva ceased its California operations and was not able to file annual financial information for its 2019 fiscal year. In June 2020, Sunniva became the subject of a cease trade order, that continues to persist, for its failure to file periodic disclosure required by applicable securities legislation. In October 2020, Sunniva filed for the court's protection using the Companies' Creditors Arrangement Act ("CCAA") and emerged from the CCAA proceedings on June 18, 2021 after a successful implementation of its plan of arrangement. Sunniva has diverted the majority of its financial resources into enforcing its legal rights in respect to the Cathedral City glasshouse through arbitration.

Appointment of Auditor.

KPMG LLP is the Company's auditor, and was first appointed as the Company's auditor on July 15, 2019 by the Board. KPMG LLP will be nominated at the Meeting for reappointment as auditor of the Company at remuneration to be fixed by the directors.

In order to be effective, the ordinary resolution must be passed by a majority of votes cast by Shareholders at the Meeting. Unless otherwise specified, the persons named in the enclosed Proxy will vote for the appointment of KPMG LLP as auditor of the Company for the ensuing year, at a remuneration to be fixed by the directors.

The Board unanimously recommends that each Shareholder vote FOR the appointment of KPMG LLP as auditor of the Company and authorizing the Board to fix the auditor's remuneration. Common Shares represented by proxies in favour of the management nominees will be voted FOR of the appointment of KPMG LLP as auditor of the Company and authorizing the Board to fix the auditor's remuneration, unless a Shareholder has specified in its Proxy that their Common Shares are to be withheld from voting on the appointment of auditor.

Ratification of Amendments to the Existing Option Plan. At the Meeting, shareholders of the Company will be asked to approve an ordinary resolution (the "**Option Plan Amendment Resolution**") ratifying, confirming and approving the amendment to the Company's existing stock option plan (the "**Existing Option Plan**") increasing the number of Common Shares reserved and available for issuance pursuant to the exercise of options to acquire Common Shares ("**Options**") under the Existing Option Plan (as amended, the "**Amended Option Plan**"), as well as other housekeeping amendments. A copy of the Amended Option Plan is appended hereto as Schedule A.

The maximum number of Common Shares reserved and available for issuance under the Amended Option Plan, and all of the Company's other equity incentive plans in existence from time to time, will be a fixed limit of up to an aggregate of 8,972,766 Common Shares, such number being equal to approximately 20% of the issued and outstanding Common Shares. Currently, the maximum number of Common Shares reserved and available for issuance under the Existing Option Plan is 7,736,154 Common Shares.

The number of Common Shares that may be made available for citizens or residents of the United States to acquire pursuant to incentive stock options (within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended (the "**Internal Revenue Code**"), of the United States) shall also be increased.

The Board continues to believe that Options are an important element of the Company's compensation structure. The Board believes that the Option Plan Amendment Resolution is desirable in order to permit the Company to continue to accomplish the purposes of the Existing Option Plan and to provide for the ability of the Company to grant future Options.

To be approved, the Option Plan Amendment Resolution must be passed by a majority of the votes cast by the holders of Common Shares at the Meeting. The Board unanimously recommends a vote FOR in respect of the Option Plan Amendment Resolution.

Should the Option Plan Amendment Resolution not receive the required shareholder approval at the Meeting, the Amended Option Plan will be immediately cancelled and the Existing Option Plan will remain in place.

The following is the text of the Option Plan Amendment Resolution which will be put forward at the Meeting:

"BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:

1. The amended stock option plan (the "Amended Option Plan") of Perimeter Medical Imaging AI, Inc. (the "Company"), in substantially the form described in, and appended as Schedule A to the Company's management information circular dated September 14, 2021 (the "Circular"), is hereby ratified, confirmed and approved.
2. The maximum number of common shares in the capital of the company (the "Common Shares") authorized and reserved for issuance under the

Amended Option Plan and all of the Company's other equity incentive plans in existence from time to time, shall be a fixed limit of up to an aggregate of 8,972,766 Common Shares.

3. All unallocated options to acquire Common Shares, rights or other entitlements available under the Amended Option Plan are hereby ratified, confirmed and approved.

4. Any one director or officer of the Company is authorized and directed, on behalf of the Company to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things that may be necessary or desirable to give effect to the foregoing resolutions."

STATEMENT OF EXECUTIVE COMPENSATION

Named Executive Officers

In this section, "**Named Executive Officer**" or "**NEO**" means each of the following individuals:

- (a) each individual who served as Chief Executive Officer ("**CEO**") of Perimeter during any part of the most recently completed financial year, including an individual performing functions similar to a CEO;
- (b) each individual who served as Chief Financial Officer ("**CFO**") of Perimeter during any part of the most recently completed financial year, including an individual performing functions similar to a CFO;
- (c) the most highly compensated executive officer, or the most highly compensated individual acting in a similar capacity, other than the CEO and CFO identified in paragraphs (a) and (b), at the end of the most recently completed financial year whose total compensation was more than \$150,000 for that financial year; and
- (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 Perimeter, and was not acting in a similar capacity, at the end of that financial year.

The Company had four NEOs during its financial year ended December 31, 2020, namely Jeremy Sobotta, the Company's current CEO who served as CEO and CFO in the most recently completed financial year, Tom Boon, the Company's current Chief Operating Officer who served as CEO in the most recently completed financial year, William M. Rosellini, who served as CEO in the most recently completed financial year, and Elizabeth Munro who served as the Co-Founder and President of Canadian Operations. On January 31, 2020, William M. Rosellini ceased to act as Perimeter's CEO and was succeeded shortly thereafter by Tom Boon. On October 20, 2020, Perimeter announced the transitions of Jeremy Sobotta from the position of CFO to CEO and Tom Boon from the position of CEO to Chief Operating Officer.

Oversight and Description of Director and Named Executive Officer Compensation

Objectives. Perimeter does not have a formal compensation program. However, the Board meets annually subsequent to the annual meeting or more frequently as determined by the Board to discuss and determine management compensation, without reference to formal objectives, criteria or analysis. Perimeter has relied on the experience of the Board and the Nominations, Corporate Governance, and Compensation Committee in setting Director and executive compensation. In considering compensation awards, the Board takes into account the skill level of its executives as well as comparable levels of compensation for individuals with similar capabilities and experience. Regarding Perimeter's current executive compensation arrangements, the Board has considered such factors as Perimeter's current financial situation, the estimated financial situation of Perimeter in the future and the need to attract and retain the key executives necessary for Perimeter's long-term success. The general objectives of Perimeter's compensation strategy are to (a) compensate management in a manner that encourages and rewards a high level of performance and outstanding results with a view to increasing long-term shareholder value; (b) align management's interests with the long-term interests of shareholders; (c) provide a compensation package that enables Perimeter to attract and retain talent; and (d) ensure that the total compensation package is designed in a manner that takes into account the constraints that Perimeter is under by virtue of the fact that it is a product development company without a history of earnings. The Board generally considers four elements of compensation – a base salary for the current financial year, a discretionary cash bonus for the previously completed financial year, a grant of long-term Options, and benefits plans.

The Company's compensation objectives seek to align management interests with Shareholder interests through both short-term and long-term incentives linking compensation to performance. The short-term incentive is an annual cash bonus which is linked to individual performance and the Company's performance. Further, long-term incentives of stock option grants comprise a significant portion of overall compensation for the Company's NEOs (as defined below). The Board believes this is appropriate because it creates a direct correlation between variations in the Company's share price (which is based in part on the Company's financial performance) and the compensation of its NEOs, thereby aligning the interests of the Company's executives and Shareholders.

Base Salary. Base salary is intended to reflect an executive officer's position within the corporate structure, his or her years of experience and level of responsibility, and salary norms in the sector and the general marketplace. As such, decisions with respect to base salary levels for executive officers are not based on objective identifiable performance measures but for the most part are determined by reference to competitive market information for similar roles and levels of responsibility, as well as more subjective performance factors such as leadership, commitment, accountability, industry experience and contribution. The Company's view is that a competitive base salary is a necessary element for retaining qualified executive officers, as it creates a meaningful

incentive for individuals to remain at Perimeter and not be unreasonably susceptible to recruiting efforts by the Company's competitors.

In determining the base salary compensation of Named Executive Officers, the Board considers:

- (a) recruiting and retaining executives critical to the success of the Company and the enhancement of shareholder value;
- (b) providing fair and competitive compensation;
- (c) balancing the interests of management and Shareholders; and
- (d) rewarding performance, both on an individual basis and with respect to operations in general.

Bonus Awards. The Board will consider whether it is appropriate and in the best interests of the Company to award a discretionary cash bonus to executive officers for the most recently completed financial year and if so, in what amount. A cash bonus may be awarded to reward extraordinary performance that has led to increased value for Shareholders. Performance objectives include the achievement of the Company's departmental and individual goals, which may be quantitative or qualitative in nature. These have been established for each individual executive officer by the Board with alignment of such corporate/individual goals with the CEO and include objectives such as research and product development, company productivity, long-term strategic guidance of the Company. These corporate, departmental, and individual goals form the basis for the review of the executive officers and the determination of cash bonuses at the end of each year with the Board. These awards are reviewed yearly to ensure that corporate performance metrics and individual goals are consistent from year to year.

Bonus award payments are based on the following assessment of:

- (a) whether or not the executive officers have successfully met or exceeded the established corporate, departmental and individual performance metrics and goals;
- (b) the executive officers' decisions and actions and whether or not they are aligned with the Company's long-term growth strategy and have created value for Shareholders;
- (c) whether any near-term goals and objectives were not met because the executive officers made decisions in the best long-term interests of the Company or due to factors outside of the executive officers' control; and/or
- (d) additional initiatives undertaken by the executive officers, which were not contemplated in the initial objectives.

The following targets, as a percentage of base salary, were approved for each NEO for the fiscal year ending December 31, 2020:

Position	Target
CEO	25%
Other NEOs	20-25%

Long-term Incentives. Long-term incentives, in the form of Options, are intended to align the interests of Perimeter's directors and its executive officers with those of the Shareholders, to provide a long-term incentive that rewards these individuals for their contribution to the creation of Shareholder value and to reduce the cash compensation Perimeter would otherwise be required to pay. The Existing Option Plan is administered by the Board. In establishing the number of Options to be granted to any particular executive officer, the Board considers: general industry standards and expectations; the number and term of previous grants of Options; the overall number of Options that are outstanding relative to the number of outstanding Common Shares; the performance of the executive officer; and the limits imposed by the terms of the Existing Option Plan and the TSXV. The terms and conditions of Options, including vesting provisions and exercise prices, are governed by the terms of the Existing Option Plan, which are described under the heading "*Statement of Executive Compensation – Stock Option Plans and Other Incentive Plans*" below.

Benefits Plans. The Named Executive Officers are entitled to life insurance, health and dental benefits or a benefits stipend in lieu of company-sponsored plans.

Director Compensation. Directors of the Company, other than the current CEO, are entitled to an annual fee of \$30,000 for their services. The chairman is entitled to an additional annual fee of \$15,000, the Chair of the Audit Committee is entitled to an additional annual fee of \$12,000, and the Chair of the Nominations, Corporate Governance, and Compensation Committee is entitled to an additional annual fee of \$8,000. Members of the Audit Committee are entitled to an additional annual fee of \$6,000 and members of the Nominations, Corporate Governance, and Compensation Committee are entitled to \$4,000. Directors of the Company are also eligible to receive Options as an initial grant and on an annual basis in accordance with the Existing Option Plan and the TSXV. The granting of Options provides a link between director compensation and Perimeter's share price. It also rewards directors for achieving results that improve Perimeter performance and thereby increase Shareholder value. The directors may be reimbursed for actual expenses reasonably incurred in connection with the performance of their duties as directors.

NEO and Director Compensation (Excluding Compensation Securities)

The following table discloses all compensation for each NEO and director of the Company for the two most recently completed financial years, other than compensation disclosed below under the heading "*Statement of Executive Compensation – Stock Options and Other Compensation Securities*".

Table of Compensation Excluding Compensation Securities							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$) ⁽¹⁾	Value of all other compensation (\$)	Total compensation (\$)
Jeremy Sobotta ⁽²⁾ CEO and Director	2020	318,300	38,196	Nil	Nil	12,732	381,960
	2019	26,525	3,183	Nil	Nil	Nil	30,768
Tom Boon ⁽³⁾ COO, Former CEO	2020	218,831	Nil	Nil	Nil	Nil	228,380
	2019	Nil	Nil	Nil	Nil	Nil	Nil
William Rosellini ⁽⁴⁾ Former CEO	2020	23,872	Nil	Nil	Nil	439,190	464,207
	2019	286,470	28,647	Nil	Nil	4,583	333,450
Elizabeth Munro Co-Founder, President of Canadian Operations	2020	175,000	12,000	Nil	Nil	Nil	187,000
	2019	120,923	9,600	Nil	Nil	Nil	130,523
Anthony Holler ⁽⁵⁾ Chairman	2020	22,500	Nil	3,000	Nil	Nil	25,500
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Franklyn Prendergast Director	2020	15,000	Nil	2,000	Nil	Nil	17,000
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Suzanne Foster Director	2020	15,000	Nil	4,000	Nil	Nil	19,000
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Aaron Davidson ⁽⁶⁾ Director	2020	14,039	Nil	Nil	Nil	Nil	14,039
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Ian Mortimer ⁽⁷⁾ Director	2020	15,000	Nil	8,000	Nil	Nil	23,000
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Douglas Janzen Director	2020	15,000	Nil	3,000	Nil	Nil	18,000
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Hugh Cleland Director	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Imed Zine ⁽⁸⁾ Director	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) Nil indicates that perquisites and other personal benefits did not exceed C\$50,000 or 10% of the total salary of the NEO for the financial year.
- (2) Mr. Sobotta was appointed as CFO of Perimeter in December 2019. Mr. Sobotta transitioned into the role of CEO of Perimeter in October 2020. Mr. Sobotta continued to carry on many of the functions of CFO until July 2021 when Jay Widdig was appointed as CFO of Perimeter. Mr. Sobotta receives no compensation for services as director. Mr. Sobotta is paid in US dollars – an exchange rate of C\$ 1.00 to US\$ 1.2732 was used in the above table. Mr. Sobotta's other compensation for 2020 represented a US\$10,000 relocation allowance.

- (3) Mr. Boon acted as CEO of Perimeter from February 2020 to October 2020, when he was appointed Chief Operating Officer of Perimeter. Mr. Boon is paid in US dollars – an exchange rate of C\$ 1.00 to US\$ 1.2732 was used in the above table.
- (4) Mr. Rosellini was appointed CEO of Perimeter in January 2019 and was appointed to the Board in December 2019. On January 31, 2020 Mr. Rosellini ceased to act as CEO of Perimeter and resigned as a Director of Perimeter. Mr. Boon was appointed as CEO of Perimeter on February 3, 2020. Mr. Rosellini did not receive any compensation for his role as a director of Perimeter. Mr. Rosellini was paid in US dollars – an exchange rate of C\$ 1.00 to US\$ 1.2732 was used in the above table. The value of Mr. Rosellini's other compensation for the year 2020 represents the separation agreement and consulting agreement entered into between the Company and Mr. Rosellini on January 31, 2020 whereby Mr. Rosellini transitioned from his role as CEO and Director into a consulting role and resigned from the Board.
- (5) Dr. Holler was appointed to the Board in December 2019. Dr. Holler's retainer includes C\$7,500 (C\$3,750 a quarter) for serving as Board Chair.
- (6) Mr. Davidson was appointed to the Board in August 2020. Mr. Davidson was paid US\$2,780 in consulting fees in 2020.
- (7) Mr. Mortimer was appointed to the Board in July 2020.
- (8) Mr. Zine was appointed to the Board in December 2019.

Stock Options and Other Compensation Securities

The following table discloses all compensation securities granted or issued to NEOs and directors of the Company during the financial year ended December 31, 2020.

Option-Based Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities and percentage of class(1)	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of underlying security on date of grant (\$)	Closing price of underlying security at year end (\$)	Expiration Date
Jeremy Sobotta ⁽²⁾ CEO and Director	Options(13)	1,000,000 (2.6%)	20-Oct-20	1.89	1.89	2.65	20-Oct-30
	Options(13)	450,000 (1.1%)	23-Apr-20	1.20	1.20	2.65	23-Apr-30
Tom Boon ⁽³⁾ COO and Former CEO	Options(14)	450,000 (1.1%)	4-Feb-20	1.20	1.20	2.65	4-Feb-30
William M. Rosellini ⁽⁴⁾ Former CEO	Options(15)	583,333 (1.0%)	31-Jan-20	1.20	1.20	2.65	31-Mar-23
	Options(13)	399,086 (1.6%)	15-Jan-19	1.20	1.20	2.65	31-Mar-22
	Options(14)	1,906,909(4.9%)	1-Dec-19	1.20	1.20	2.65	31-Mar-22
Elizabeth Munro ⁽⁵⁾ Co-Founder, President of Canadian Operations	Options(13)	100,000 (0.3%)	20-Oct-20	1.89	1.89	2.65	20-Oct-30
	Options(14)	145,832 (0.4%)	9-Apr-19	1.03	1.03	2.65	9-Apr-29
Anthony Holler ⁽⁶⁾ Chairman	Options(13)	70,000 (0.2%)	20-Oct-20	1.89	1.89	2.65	20-Oct-30
	Options(13)	90,000 (0.2%)	3-Jul-20	1.45	1.45	2.65	3-Jul-20
Franklyn G. Prendergast ⁽⁷⁾ Director	Options(13)	70,000 (0.2%)	20-Oct-20	1.89	1.89	2.65	20-Oct-30
	Options(13)	90,000 (0.2%)	3-Jul-20	1.45	1.45	2.65	3-Jul-20
Suzanne M. Foster ⁽⁸⁾ Director	Options(13)	70,000 (0.2%)	20-Oct-20	1.89	1.89	2.65	20-Oct-30
	Options(13)	90,000 (0.2%)	3-Jul-20	1.45	1.45	2.65	3-Jul-20

Aaron Davidson ⁽⁹⁾ Director	Options(13)	160,000 (0.4%)	20-Oct-20	1.89	1.89	2.65	20-Oct-30
Ian Mortimer ⁽¹⁰⁾ Director	Options(13)	70,000 (0.2%)	20-Oct-20	1.89	1.89	2.65	20-Oct-30
	Options(13)	90,000 (0.2%)	3-Jul-20	1.45	1.45	2.65	3-Jul-20
Douglas G. Janzen ⁽¹¹⁾ Director	Options(13)	70,000 (0.2%)	20-Oct-20	1.89	1.89	2.65	20-Oct-30
	Options(13)	90,000 (0.2%)	3-Jul-20	1.45	1.45	2.65	3-Jul-20
Hugh Cleland ⁽¹²⁾ Director	Options(13)	90,000 (0.2%)	3-Jul-20	1.45	1.45	2.65	3-Jul-20
Imed Zine ⁽¹²⁾ Director	Options(13)	90,000 (0.2%)	3-Jul-20	1.45	1.45	2.65	3-Jul-20

Notes:

- (1) Percentage is calculated based on 39,185,507 Common Shares issued and outstanding as at December 31, 2020.
- (2) Mr. Sobotta was appointed as CFO of Perimeter in December 2019. Mr. Sobotta transitioned into the role of CEO of Perimeter in October 2020. Mr. Sobotta continued to carry on many of the functions of CFO until July 2021 when Jay Widdig was appointed as CFO of Perimeter. Mr. Sobotta receives no compensation for services as director. As of December 31, 2020, Mr. Sobotta held 1,450,000 Options and 53,392 Common Shares.
- (3) Mr. Boon acted as CEO of Perimeter from February 2020 to October 2020, when he was appointed Chief Operating Officer of Perimeter. As of December 31, 2020, Mr. Boon held 450,000 Options and 300 Common Shares.
- (4) Mr. Rosellini was appointed CEO of Perimeter in January 2019 and was appointed to the Board in December 2019. On January 31, 2020 Mr. Rosellini ceased to act as CEO of Perimeter and resigned as a Director of Perimeter. Mr. Boon was appointed as CEO of Perimeter on February 3, 2020. Mr. Rosellini did not receive any compensation for his role as a director of Perimeter. As of December 31, 2020, Mr. Rosellini held 1,207,873 Options net after agreeing to forfeit 1,681,455 Options pursuant to the terms of his separation agreement, to the Company's knowledge, no Common Shares.
- (5) Ms. Munro joined the Company on January 1, 2014 as Project Manager. On January 1, 2020, Ms. Munro was promoted to Vice President of Product Development. On October 1, 2020, Ms. Munro was promoted to President of Canadian Operations. As of December 31, 2020, Ms. Munro held 397,712 Options and 15,625 Common Shares.
- (6) Dr. Holler was appointed to the Board in December 2019. As of December 31, 2020, Dr. Holler held 197,500 Options and no Common Shares.
- (7) As of December 31, 2020, Dr. Prendergast held 260,000 Options and no Common Shares.
- (8) As of December 31, 2020, Ms. Foster held 251,667 Options and 1,756 Common Shares.
- (9) Mr. Davidson was appointed to the Board in August 2020. As of December 31, 2020, Mr. Davidson held 160,000 Options and no Common Shares.
- (10) Mr. Mortimer was appointed to the Board in July 2020. As of December 31, 2020, Mr. Mortimer held 160,000 Options, and beneficially owned or controlled 62,500 Warrants and 83,333 Common Shares.
- (11) As of December 31, 2020, Mr. Janzen held 190,000 Options and 171,650 Common Shares.
- (12) Mr. Cleland and Mr. Zine are principals of Roadmap, which, as of December 31, 2020, beneficially owned, or controlled or directed, directly or indirectly, 16,693,527 Common Shares and 467,548 Warrants.
- (13) 1/4 of Options vest immediately and 1/4 of Options shall vest on each subsequent anniversary of the grant date.
- (14) 1/4 of Options vest on the 1st anniversary of the grant date and thereafter 1/48th vest on the last calendar day of the each month.
- (15) 1/8 of Options vest each quarter for eight quarters.

Exercise of Compensation Securities by NEOs and Directors

The following table discloses the particulars of the exercise of all compensation securities by NEOs and directors of the Company during the financial year ended December 31, 2020.

Exercise of Compensation Securities by NEOs and Directors							
Name and position	Type of compensation security	Number of underlying securities exercised	Exercise price per security (\$)	Date of exercise	Closing price of security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date (\$)
Elizabeth Munro Co-Founder, President of Canadian Operations	Stock Options	15,625	\$0.0048	June 11, 2020	\$1.20	\$1.1952	\$18,750

Employment, Consulting and Management Agreements.

Each of Mr. Sobotta, Mr. Boon, and Ms. Munro are a party to an executive employment agreement (the "Executive Employment Agreements") with the Company. The Executive Employment Agreements have an indefinite term and contain standard confidentiality and non-solicitation provisions. Perimeter has agreed pursuant to the Executive Employment Agreements that each of Mr. Sobotta, Mr. Boon, and Ms. Munro will receive base salaries determined by the Board and may receive discretionary bonuses, grants of Options, reimbursement of expenses, benefits and certain perquisites as set forth in the Executive Employment Agreements, with the amounts paid in 2020 with respect to such matters set forth in the Table of Compensation Excluding Compensation Securities and Option-Based Compensation Securities.

Mr. Rosellini – Former CEO. Effective January 1, 2019, Mr. Rosellini was appointed as Perimeter's CEO. On January 31, 2020 Mr. Rosellini and Perimeter entered a separation agreement in January 2020, whereby, by mutual agreement between Mr. Rosellini and Perimeter, Mr. Rosellini separated from his employment as CEO of Perimeter and resigned as a Director of Perimeter. Pursuant to the separation agreement Mr. Rosellini voluntarily forfeited all of his unvested Options to Perimeter.

On February 3, 2020, Mr. Rosellini and Perimeter entered into a consulting agreement. The consulting agreement provides that Mr. Rosellini will stay with Perimeter in a general consulting and advisory role. Mr. Rosellini's responsibilities include advising the Board and management on business and financial prospects as well as growth opportunities. Mr. Rosellini will also continue to provide assistance to Perimeter with regards to investor and shareholder relations. Mr. Rosellini's consulting agreement provided for a consulting fee of \$6,000 per month until January 31, 2021 and then \$2,000 per month from January 31, 2021 until January 31, 2022 which was amended as at February 1, 2021 to an hourly fee based on services provided to the Company. The consulting agreement also entitled Mr. Rosellini to a grant of an additional 583,333 Options. The consulting agreement also

provides for a lock-up of Mr. Rosellini's Perimeter securities until June 29, 2022. The consulting agreement may be terminated for any reason by either party, by giving the other party at least 10 days written notice.

External Management Companies

There are currently no contracts with external management companies in effect.

Stock Option Plans and Other Incentive Plans

The shareholders of the Company approved the Existing Option Plan at the annual and special meeting of shareholders held on June 17, 2020.

The purpose of the Existing Option Plan is to provide the Company with a share-related mechanism to attract, retain and motivate qualified directors, officers, employees and consultants, and to reward such of those directors, officers, employees and consultants as may be awarded Options under the Existing Option Plan by the Board from time to time for their contributions toward creating shareholder value through achievement of the short and long term goals of the Company.

Particulars of the Existing Option Plan

Administration. The Existing Option Plan is administered by the Board, subject to the Board's power to delegate such administrative duties and powers as it may seem fit to a director or senior officer or employee of the Company, from time to time. In connection with its administrative role, the Board may make, amend and repeal at any time and from time to time such policies not inconsistent with the Existing Option Plan as it may deem necessary or advisable for the proper administration of the plan. The Company's administration of the Existing Option Plan will be consistent with the policies and rules of the TSXV and will comply with such other stock exchanges on which the Common Shares may be listed from time to time.

Eligibility Under the Existing Option Plan. Pursuant to the Existing Option Plan, Options may be granted to:

- (a) a director of the Company or any of its subsidiaries;
- (b) an officer of the Company or any of its subsidiaries;
- (c) an employee of the Company or any of its subsidiaries, which is (i) and individual that is considered an employee of the Company or any of its subsidiaries under the *Income Tax Act* (Canada); (ii) an individual who works full-time for the Company or any of its subsidiaries providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source; (iii) an individual who works for the Company or any of its subsidiaries on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Company

over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source;

- (d) a management company employee, which is an individual employed by a person providing management services to the Company, which is required for the ongoing successful operation of the business enterprise of the Company, but excluding a person engaged in investor relations activities (as defined by the policies of the TSXV); and
- (e) a consultant to the Company or any of its subsidiaries, which is an individual (or a corporation or partnership of which the individual is an employee, shareholder or partner), other than an employee, officer, management company employee or a director of the Company, that (i) is engaged to provide on a bona fide basis, consulting, technical, management or other services to the Company or any of its subsidiaries, other than services provided in relation to a distribution; (ii) provides the services under a written contract between the Company or a subsidiary of the Company and the individual or the consultant company; (iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or its subsidiaries; and (iv) has a relationship with the Company or a subsidiary of the Company that enables the individual to be knowledgeable about the business and affairs of the Company.

Common Shares Issuable Under the Existing Option Plan. The Existing Option Plan provides that the maximum number of Common Shares that may be reserved and available for issuance under the Existing Option Plan and all of the Company's other equity incentive plans or compensation arrangements in existence from time to time on and after the effective date of the Existing Option Plan, will be 7,736,154 Common Shares. If any Option expires, is cancelled or otherwise terminated for any reason without having been exercised in full, the number of Common Shares in respect of which such Option was not exercised will again be available for issuance under the Existing Option Plan.

Restrictions on Option Grants. The Board has the power to determine, in its sole discretion, those directors, officers, employees, management company employees and consultant to whom Options are to be awarded, subject to the following restrictions:

- (a) no Option can be granted to any optionee unless the Board has determined that the grant of such Option and the exercise thereof by the Option will not violate the securities laws of the jurisdiction in which the optionee resides;
- (b) the number of Common Shares issuable pursuant to grants of Options under the Existing Option Plan, together with all of the Company's other equity incentive places or security-based compensation arrangements in existence from time to time, within a one-year period:
 - (i) subject to (ii) and (iii) immediately below, to any one person, shall not exceed 5% of the issued and outstanding Common Shares as at the time of the applicable grant;

- (ii) to a consultant, shall not exceed 2% of the issued and outstanding Common Shares, as at the time of the applicable grant; and
 - (iii) to persons employed to conduct investor relations activities (as defined by the policies of the TSXV), shall not exceed 2% of the issued and outstanding Common Shares, as at the time of the applicable grant;
- (c) unless the Company obtains disinterested shareholder approval in accordance with the Existing Option Plan and the policies of the TSXV:
 - (i) the maximum aggregate number of Common Shares that may be reserved for issuance to insiders of the Company under the Existing Option Plan; and
 - (ii) the maximum aggregate number of Options granted to insiders of the Company under the Existing Option Plan within a one-year period,may not exceed 10% of the issued and outstanding Common Shares as the time of the applicable grant.

Exercise Price of Options. The exercise price of an Option will be determined by the Board when the Option is granted and shall not be less than the closing market price of the Common Shares on the TSXV, as the case may be, on the applicable date, if there is no closing trading price at such time of grant of the Option, then on the trading day immediately prior to the date of the grant of the Option. The exercise price per Common Share under an Option may be reduced at the discretion of the Board if (i) prior TSXV approval is obtained and at least six months has elapsed since the later of the date such option was granted and the date the exercise price for such option was last amended, and (ii) shareholder approval is obtained for any reduction in the exercise price of an Option and, in the case of a reduction in the exercise price of an Option held by an insider of the Company, disinterested shareholder approval is obtained for such reduction. The foregoing conditions to reduction of an exercise price shall not apply in the case of certain adjustments, such as alterations to the capital structure of the Company, as set out in the Existing Option Plan.

Vesting of Options. Subject to the policies of the TSXV, an Option granted under the Existing Option Plan shall vest and may be exercised during the term of the Option in accordance with any vesting schedule as the Board may determine, in its sole discretion. However, Options issued to persons retained to provide investor relations activities (as defined by the policies of the TSXV) will be subject to a vesting schedule of at least 12 months whereby no more than 25% of the options granted may be vested in any three-month period.

Term of Options. The Existing Option Plan provides that Options shall expire on the expiration date determined by the Board, provided that the term of an Option shall not exceed ten years from its date of grant. The Options must be exercised, if at all, on or before their respective expiration date. In the event that the term of an Option expires during a blackout period (as defined by the policies of the TSXV) such term will automatically be extended to the date that is ten business days following the end of such

blackout period and, in the event that a blackout period is imposed during such extension period, the extension period will be deemed to commence following the end of the additional blackout period to enable the exercise of the applicable Option within ten business days following the end of the last imposed blackout period. The maximum term of an Option may be extended by the Board, provided that the Board obtains shareholder approval for such extension.

Transferability. Options granted under the Existing Option Plan are non-transferable and non-assignable, except as specifically provided under the Existing Option Plan in the event of the death or disability of an optionee.

Termination of Options. To the extent not earlier exercised or terminated in accordance with the Existing Option Plan, an Option will terminate at the earliest of:

- (a) the termination date set by the Board upon the grant of the Option, subject to extension in case of a blackout period, as further set out above under the subheading "*Statement of Executive Compensation – Particulars of the Existing Option Plan – Term of Options*";
- (b) where the optionee's position as an employee, consultant, director or officer is terminated for just cause, the date of such termination for just cause;
- (c) unless determined otherwise by the Board, where the optionee's position as an employee, consultant, director or officer terminates for a reason other than the optionee's disability, death, or termination for just cause, on the termination date with respect to the Options that have not vested at such termination date, and 90 days after such date of termination with respect to the Options that have vested as at such termination date, provided that if an optionee's position with the Company changes from one of the said categories to another category, such change shall not constitute termination; and
- (d) the date of any sale, transfer, assignment or hypothecation, or any attempted sale, transfer, assignment or hypothecation, of such Option in violation of the Existing Option Plan.

Effect of Death, Disability or Retirement of Optionee. If the position of an optionee as a director, officer, employee or consultant of the Company or any of its subsidiaries, is terminated as a result of his or her death, any Options held by such optionee shall pass to the person who is entitled to ownership of such Options pursuant to a will or the applicable laws of descent and distribution upon death (a "**Qualified Successor**"), and shall be exercisable by the Qualified Successor for a period of one year following such death, provided that in no case shall the term of the Option extend beyond ten years from the date of grant.

If the position of an optionee as a director, officer, employee or consultant of the Company or any of its subsidiaries, is terminated by reason of such optionee's disability, any Option held by such optionee that could have been exercised immediately prior to

such termination shall be exercisable by such optionee, or by his or her guardian, for a period of one year following the termination of such optionee.

If an optionee who has ceased to be employed by the Company or any of its subsidiaries by reason of such optionee's disability dies within 30 days after the termination of such employment, any Option held by such optionee that could have been exercised immediately prior to his or her death shall pass to the Qualified Successor of such optionee, and shall be exercisable by the Qualified Successor for a period of one year following the death of such optionee, provided that in no case shall the term of the Option extend beyond five years from the date of grant.

Options held by a Qualified Successor or exercisable by a guardian shall, during the period prior to their termination, continue to vest in accordance with any vesting schedule to which such Options are subject.

In the event of the termination of employment of an optionee who is an employee at any time during the term of an Option by reason of the deemed retirement of such employee, as may be determined by the Board, in its sole discretion, then the rights to purchase Common Shares under the Option which have accrued to the optionee and remain unexercised at, or which accrue subsequent to, the date of his or her retirement shall remain exercisable by the optionee (or by the optionee's legal personal representative or representatives if the optionee dies before the last date of exercise of the Option) for a period of one year following the retirement of such optionee in accordance with the terms of the Option.

Tax Withholding. Pursuant to the Existing Option Plan, the Company may implement such procedures and conditions as it determines appropriate with respect to the withholding and remittance of taxes imposed under applicable law, or the funding of related amounts for which liability may arise under such applicable law. Without limiting the generality of the foregoing, an optionee who wishes to exercise an Option must, as a condition of exercise, comply with the various procedures set out in the Existing Option Plan, including but not limited to delivering to the Company an amount determined by the Company to be appropriate to account for such taxes or related amounts, and must in all other respects follow any related procedures and conditions imposed by the Company.

Adjustment. The Existing Option Plan contains provisions for the adjustment in the number of Common Shares subject to the Existing Option Plan and issuable upon the exercise of Options, and the exercise price thereof in the event of any stock dividend, stock consolidations, subdivisions or reclassifications of shares, spin-off, amalgamations, mergers, plans of arrangement, change of control (as defined in the Existing Option Plan) transactions, take-over bid transactions or events which the Board determines affects the Common Shares such that an adjustment is appropriate to prevent dilution or enlargement of the rights of persons eligible to receive Options under the Existing Option Plan.

Termination of, and Amendments to, the Existing Option Plan. Subject to acceptance of the TSXV and other applicable regulatory authorities, and the policies and requirements

thereof, the Board may terminate, suspend or amend the terms of the Existing Option Plan; provided, however that the Board must obtain shareholder approval (and where required, disinterested shareholder approval) for the following actions:

- (a) increasing the maximum number of Common Shares that may be reserved for issuance upon the exercise of Options under the Existing Option Plan;
- (b) placing limitations on the number of Options that may be granted to any one person or category of persons;
- (c) reducing the exercise price of Options;
- (d) granting to insiders, within a 12-month period, an aggregate number of Options exceeding 10% of the Company's issued Common Shares, calculated at the date that the applicable Option is granted;
- (e) granting to any one optionee, within a 12-month period, an aggregate number of Options exceeding 5% of the Company's issued Common Shares;
- (f) reserving for issuance such number of Common Shares under the Existing Option Plan and all of the Company's other security-based compensation arrangements in existence from time to time, where such reservation could result in the aggregate number of Common Shares granted to insiders exceeding 10% of the Company's issued Common Shares;
- (g) materially modifying the requirements as to eligibility for participation in the Existing Option Plan;
- (h) materially increasing the benefits accruing to participants under the Existing Option Plan;
- (i) modifying the method for determining the exercise price of the Options;
- (j) modifying the maximum term of the Options;
- (k) modifying the expiry and termination provisions applicable to Options;
- (l) expanding the types of awards which may be granted under the Existing Option Plan;
- (m) extending the duration of the Existing Option Plan; or
- (n) modifying the termination and amendment provision of the Existing Option Plan.

Notwithstanding the above, the Board may, without shareholder approval:

- (a) make any amendment of a typographical, grammatical, clerical or administrative nature or clarification correcting or rectifying any ambiguity, immaterial

inconsistency, defective provision, mistake, or error or omission in the Existing Option Plan or any Option;

- (b) make any addition to, deletion from or alteration of the provisions of the Existing Option Plan or any Option that are necessary to comply with applicable law or the requirements of any regulatory or governmental agency or applicable stock exchange and to avoid unanticipated consequences deemed by the Board to be inconsistent with the purpose of the Existing Option Plan; or
- (c) make any amendments to clarify existing provisions of the Existing Option Plan or any Option provided that such changes do not have the effect of altering the scope, nature and intent of the Existing Option Plan or any Option.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out information as of the end of Perimeter's financial year ended December 31, 2020 with respect to compensation plans under which equity securities of Perimeter are authorized for issuance.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders	7,166,676	\$1.33	569,478
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
Total	7,166,676	\$1.33	569,478

For further information on the Existing Option Plan, see "Statement of Executive Compensation – Stock Option Plans and Other Incentive Plans", above.

AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR

National Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators ("**NI 52-110**") requires the Company, as a venture issuer, to disclose annually in its Circular the information required by Form 52-110 – *Disclosure by Venture Issuers*. The required information is set out below.

The Audit Committee's Charter

The Company's Audit Committee Charter is attached to this Circular as Schedule "B".

Composition of the Audit Committee

The current members of the Audit Committee are Ian Mortimer (Chair), Anthony Holler and Douglas Janzen. All members are considered an independent member of the Audit Committee. All members of the Audit Committee are considered to be financially literate.

Relevant Education and Experience

Ian C. Mortimer. Mr. Mortimer is currently President and Chief Executive Officer of Xenon Pharmaceuticals Inc. (NASDAQ: XENE), a company developing innovative therapeutics to improve the lives of patients with neurological disorders. Prior to joining Xenon in 2013, Mr. Mortimer spent six years at Tekmira Pharmaceuticals Corporation, now Arbutus Biopharma Corporation (NASDAQ: ABUS), as Executive Vice President and Chief Financial Officer. He led both Xenon's and Tekmira's listings on the NASDAQ, in 2014 and 2010 respectively. From 2004 to 2007, Mr. Mortimer was Chief Financial Officer of Inex Pharmaceuticals Corporation. Mr. Mortimer serves on the board of directors of Xenon and is chair of the board of directors for Appili Therapeutics, Inc., a publicly-traded biopharmaceutical company focused on developing treatments for infectious diseases. Mr. Mortimer has an M.B.A. from Queen's University, a B.Sc. in Microbiology from the University of British Columbia, and is a Chartered Professional Accountant, Certified Management Accountant.

Anthony F. Holler. Dr. Holler is Chairman of the Board of Directors for Perimeter Medical Imaging AI, Inc. He currently serves as the CEO and Chairman of the Board of Directors for Sunniva Inc. Previously, Dr. Holler was Chairman of the Board of Directors of CRH Medical from December 2005 to March 2020. Prior to joining CRH, Dr. Holler was one of the founders of ID Biomedical Corporation. He held a number of executive positions with ID Biomedical, including Chief Executive Officer until the company was acquired by GlaxoSmithKline in December 2005 for \$1.7 billion. Dr. Holler was also Chairman of Corriente Resources Inc., which sold for approximately \$700 million to CRCC-Tongguan Investment Co. in 2010. Before his involvement in public markets, Dr. Holler served as an Emergency Physician at University Hospital at the University of British Columbia. He holds a Bachelor of Science Degree and a Medical Degree from the University of British Columbia.

Douglas G. Janzen. Mr. Janzen has been involved in the life sciences industry for the past twenty years. He currently is the Founder and President of NorthView Ventures, an entity which invests in and provides strategic advisory services to a number of technology companies. Mr. Janzen serves as Chairman and CEO of Aequus Pharmaceuticals Inc., a company that was founded within Northview. Prior to that, he was President and CEO of Cardiome Pharma, a NASDAQ-listed drug development company that raised over \$300 million from investors and completed over \$1 billion in licensing deals during his tenure. In 2010, Cardiome's lead product Brinavess was approved and launched in Europe by

Merck. Prior to that, Mr. Janzen was an investment banker with Cormark Securities, acting as Managing Director of Life Sciences. Mr. Janzen is a past winner of Vancouver's Top 40 under 40 award, is the past Chairman of Life Sciences British Columbia, has served as a Director of Biotech Canada and sits as a Director on a number of public and private boards. Mr. Janzen is a resident of British Columbia.

All members of the Audit Committee have:

- (a) gained through their experience as directors and officers of publicly listed companies, an understanding of the accounting principles used by the issuer to prepare its financial statements, and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- (b) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity in accounting issues comparable to issues that the Company can reasonably expect to arise in the issuer's financial statements; or experience actively supervising individuals engaged in such activities; and
- (c) an understanding of internal controls and procedures for financial reporting.

Audit Committee Oversight

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

Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completely financial year has the Company relied on the exemption in section 6.1.1(4) of NI 52-110 (*Circumstances Affecting the Business or Operations of the Venture Issuer*); the exemption in section 6.1.1(5) of NI 52-110 (*Events Outside the Control of Members*); the exemption in section 6.1.1(6) of NI 52-110 (*Death, Incapacity or Resignation*); or an exemption from NI 52-110, in whole or in part, granted under Part 8 (*Exemptions*) of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services to the extent set forth in the Company's Audit Committee Charter attached to this Circular as Schedule "B".

External Auditor Service Fees

The aggregate fees billed by the Company's auditor, KPMG LLP, in each of the last two fiscal years are as follows:

Nature of Services	Fees Paid to Auditor in Year Ended December 31, 2020	Fees Paid to Auditor in Year Ended 12/31/2019
Audit Fees ⁽¹⁾	\$245,570	\$181,365
Audit-Related Fees ⁽²⁾	\$0	\$0
Tax Fees ⁽³⁾	\$28,023	\$0
All Other Fees ⁽⁴⁾	\$32,584	\$0
Total	\$309,177	\$181,365

Notes:

- (1) "Audit Fees" include fees necessary to perform the annual audit of the Company's consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) "Audit-Related Fees" include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning, tax advice, and the Company's Canadian and US corporate tax returns. Tax planning and tax advice includes 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" include all other non-audit services.

Reliance on Exemption in Section 6.1 of NI 52-110

Perimeter is a venture issuer as defined in NI 52-110 and relies on the exemption in section 6.1 of NI 52-110.

CORPORATE GOVERNANCE

General

Corporate governance refers to the policies and structure of the board of directors of a company whose members are elected by and are accountable to the shareholders of such company. Corporate governance encourages establishing a reasonable degree of independence of the board of directors from executive management and the adoption of policies to ensure the board of directors recognizes the principles of good management. The Board is committed to sound corporate governance practices, as such practices are both in the interests of shareholders and help to contribute to effective and efficient decision-making.

The Board believes that good corporate governance improves corporate performance and benefits all shareholders. The Canadian Securities Administrators have adopted National Policy 58-201 – *Corporate Governance Guidelines*, which provides certain non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Company. In addition, the Canadian Securities Administrators have implemented National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("**NI 58-101**"),

which prescribes certain disclosure by the Company of its corporate governance practices. The disclosure required by NI 58-101 is set out below.

Board of Directors

The Company's Board currently consists of nine directors. The current independent members of the Board are Anthony Holler (Chairman), Franklyn G. Prendergast, Suzanne Foster, Aaron Davidson, Ian Mortimer, Douglas Janzen, Hugh Cleland and Imed Zine based upon the test set forth in NI 52-110. Jeremy Sobotta is not considered independent as he is the Company's CEO.

The Board facilitates independent supervision over management through regular meeting of the Board, and communication with members of Company's management. Should the Board believe it is necessary, meetings of the Board may be held absent those directors that are not independent or non-independent directors may be excused from all or a portion of meetings where potential conflict arise, may arise, or where appropriate.

Directorships

The Company's directors are currently serving on boards of the following other reporting companies (or equivalent) as set out below:

Name of Director	Name of Reporting Issuer	Exchange Listed
Anthony Holler	Sunniva Inc.	Canadian Securities Exchange
Franklyn G. Prendergast	Immunome Inc.	NASDAQ Global Markets
	Lantern Pharma Inc.	NASDAQ Global Markets
	NeuBase Therapeutics, Inc.	NASDAQ Global Markets
Suzanne M. Foster	Unitil Corporation	New York Stock Exchange
Ian C. Mortimer	Xenon Pharmaceuticals Inc.	NASDAQ Global Markets
	Appili Therapeutics Inc.	Toronto Stock Exchange
Douglas G. Janzen	Aequus Pharmaceuticals Inc.	TSXV
	Neovasc Inc.	Toronto Stock Exchange
	Lexington BioSciences Inc.	Canadian Securities Exchange

Orientation and Continuing Education

When new directors are appointed, they receive an orientation, commensurate with their previous experience, on the Company's business, technology and industry and on the responsibilities of directors. While the Company does not have formal orientation or training programs for new Board members, new Board members are provided with full access to the Company's record, including all publicly filed documents of the Company,

reports, internal financial information, management & technical experts and consultants and a summary of significant securities disclosure obligations.

Board members are encouraged to communicate with management, auditors and technical consultants to keep themselves current with industry trends and developments and changes in legislation with management's assistance and to attend related industry seminars.

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 adopted a written Code of Conduct (the "**Code**") for the directors, officers and employees of the Company which sets out the legal, ethical and regulatory standards that the Company must follow to promote integrity and deter wrongdoing. Compliance with the Code is mandatory for every director, officer, employee and consultant of the Company.

The Board, through its meetings and other informal discussions with management, encourages a culture of ethical business conduct. The Board monitors compliance with the Code by ensuring that all directors, officers, employees and consultants verify that they have read and understood the Code and by charging management with bringing to the Board's attention any issues that arise with respect to the Code. A copy of the Code is available on the Company's website at <https://ir.perimetermed.com/governance/governance-documents> or may be obtained under the Company's profile on SEDAR at www.sedar.com.

The Board requires the Company's employees, officers and directors to act with honesty and integrity and to avoid any relationship or activity that might create, or appear to create, a conflict between their personal interests and the interests of the Company. Such individuals (and their immediate family members) are prohibited from using their positions with the Company to solicit gifts or other benefits from the Company's customers, suppliers and contractors.

The Company is committed to maintaining the highest standards of corporate governance and this philosophy is continually communicated by the Board to management which in turn is emphasized to the employees of the Company on a continuous basis.

Nomination of Directors

The Board has a Nominations, Corporate Governance and Compensation Committee currently consisting of Suzanne Foster (Chair), Hugh Cleland, Ian Mortimer and Franklyn Prendergast. The Nominations, Corporate Governance and Compensation Committee is responsible of identifying individuals qualified to become new Board members and recommending to the Board new director nominees for the next annual meeting of the Shareholders. The Nominations, Corporate Governance and Compensation Committee assesses potential candidates to fill perceived needs on the Board for required skills,

expertise, independence and other factors. This committee considers the size and composition of the Board 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.

Compensation

The CEO and other executive officers' compensation are determined by the Board, based on recommendations from the Nominations, Corporate Governance and Compensation Committee. The Nominations, Corporate Governance and Compensation Committee sets guidelines for determining the short-term and long-term compensation of the CEO and other executive officers based on various indicators such as individual performance, compensation in previous years, the experience and skills of the individual, day-to-day duties and responsibilities and any other factors the Committee determines to be relevant from time to time. The Nominations, Corporate Governance and Compensation Committee, in its discretion, recommends annual and long-term performance goals and objectives for the CEO and other executive officers to the Board for its approval. The Nominations, Corporate Governance and Compensation Committee evaluates the performance of the CEO and other executive officers in light of the approved performance goals and objectives. The Nominations, Corporate Governance and Compensation Committee also reviews and recommends the compensation for directors and committee members for approval by the Board.

For further information, see "*Statement of Executive Compensation*".

Other Board Committees

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

Assessments

The Board is relatively small and direct communication between directors and officers is encouraged. The Board conducts periodic and informal assessments of the effectiveness of the Board, its individual directors and its committees. The assessments consider and takes into account, in the case of the Board, competencies and skills of the directors as a whole, and in the case of an individual director, attendance at Board and committee meetings, the competencies and skills each individual director is expected to possess, and experience relevant to the Company at its current stage of development.

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 or any of its subsidiaries as of the end of the most recently completed financial year or as at the date hereof.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed herein, there are no transactions in which a material interest, direct or indirect, of any informed person of the Company (as defined in National Instrument 51-102 – *Continuous Disclosure Obligations*), any proposed director of the Company, or any associate or affiliate of any informed person or proposed director, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries other than as set out herein.

ADDITIONAL INFORMATION

Additional information relating to the Company is filed on SEDAR at www.sedar.com. Financial information is provided in the Company's financial statements for the year ended December 31, 2020, and related management discussion and analysis filed on SEDAR at www.sedar.com. Copies of the Company financial statements and related management discussion and analysis may also be obtained by Shareholders upon request by contacting 1-888-988-7465.

OTHER MATTERS

The Board is not aware of any other matters which it anticipates will come before the Meeting as of the date of mailing of this Circular.

The contents of this Circular and its distribution to Shareholders have been approved by the Board.

DATED at 5:00 PM Vancouver, BC, on September 20, 2021.

BY ORDER OF THE BOARD

(signed) "Dr. Anthony F. Holler"

Anthony F. Holler

Chairman of the Board

Schedule A

PERIMETER MEDICAL IMAGING AI, INC.

STOCK OPTION PLAN

Adopted [•], 2021

STOCK OPTION PLAN

ARTICLE 1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

As used herein, unless there is something in the subject matter or context inconsistent therewith, the following terms will have the meanings set forth below:

- (a) “**Administrator**” means, initially, the Chief Financial Officer of the Company and thereafter will mean such director or other senior officer or employee of the Company as may be designated as Administrator by the Board from time to time.
- (b) “**Affiliate**” has the meaning given to such term in Policy 1.1 of the policy manual of the TSXV.
- (c) “**Award Date**” means the date on which the Board awards a particular Option.
- (d) “**Blackout Period**” has the meaning given to that term in Policy 4.4 of the policy manual of the TSXV.
- (e) “**Board**” means the board of directors of the Company, or any committee thereof to which the board of directors of the Company has delegated the power to administer and grant Options under the Plan.
- (f) “**Cause**” means:
 - (i) Cause as such term is defined in the written employment agreement between the Company and the Optionee; or
 - (ii) in the event there is no written employment agreement between the Company and the Optionee or Cause is not defined therein, the usual meaning of just cause under the common law or the laws of the jurisdiction in which the Optionee is employed.
- (g) “**Change of Control**” means the occurrence of any of the following events:
 - (i) the acquisition, directly or indirectly and by any means whatsoever, by any person, or by a group of persons acting jointly or in concert, of beneficial ownership or control or direction over that number of Voting Securities which is greater than 50% of the total issued and outstanding Voting Securities immediately after such acquisition, unless such acquisition arose as a result of or pursuant to:
 - A. an acquisition or redemption by the Company of Voting Securities which, by reducing the number of Voting Securities outstanding, increases the proportionate number of Voting Securities beneficially owned by such person to 50% or more of the Voting Securities then outstanding;
 - B. acquisitions of Voting Securities which were made pursuant to a dividend reinvestment plan of the Company;

- C. the receipt or exercise of rights issued by the Company to all the holders of Voting Securities to subscribe for or purchase Voting Securities or securities convertible into Voting Securities, provided that such rights are acquired directly from the Company and not from any other person;
- D. a distribution by the Company of Voting Securities or securities convertible into Voting Securities for cash consideration made pursuant to a public offering or by way of a private placement by the Company ("**Exempt Acquisitions**");
- E. a stock-dividend, a stock split or other event pursuant to which such person receives or acquires Voting Securities or securities convertible into Voting Securities on the same pro rata basis as all other holders of securities of the same class ("**Pro-Rata Acquisitions**"); or
- F. the exercise of securities convertible into Voting Securities received by such person pursuant to an Exempt Acquisition or a Pro-Rata Acquisition ("**Convertible Security Acquisitions**"); a sale by the Company of greater than 50% of the fair market value of the assets of the Company, through one or a series of transactions, to an entity that is not controlled by either the shareholders of the Company or by the Company.

provided, however, that if a person shall acquire 50% or more of the total issued and outstanding Voting Securities by reason of any one or a combination of (1) acquisitions or redemptions of Voting Shares by the Company, (2) Exempt Acquisitions, (3) Pro-Rata Acquisitions, or (4) Convertible Security Acquisitions and, after such share acquisitions or redemptions by the Company or Exempt Acquisitions or Pro-Rata Acquisitions or Convertible Security Acquisitions, acquires additional Voting Securities exceeding one per cent of the Voting Securities outstanding at the date of such acquisition other than pursuant to any one or a combination of Exempt Acquisitions, Convertible Security Acquisitions or Pro-Rata Acquisitions, then as of the date of such acquisitions such acquisition shall be deemed to be a "**Change of Control**", provided that, the provisions of this subsection 1.1(g)(i) shall not apply to the acquisition, directly or indirectly and by any means whatsoever, of beneficial ownership or control or direction over that number of Voting Securities which is greater than 50% of the total issued and outstanding Voting Securities by Roadmap Capital Inc. or any of the entities directly or indirectly owned by, affiliated with, or controlled by Roadmap Capital Inc., acting jointly or in concert;

- (ii) the replacement by way of election or appointment at any time of one-half or more of the total number of the then incumbent Directors, unless such election or appointment is approved by 50% or more of the Directors in office immediately preceding such election or appointment in circumstances where such election or appointment is to be made other than as a result of a dissident public proxy solicitation, whether actual or threatened; and
- (iii) any transaction or series of transactions, whether by way of reorganization, consolidation, amalgamation, arrangement, merger, transfer, sale or

otherwise, whereby all or substantially all of the shares or assets of the Company become the property of any other person (the "**Successor Entity**"), (other than a subsidiary of the Company) unless:

- A. individuals who were holders of Voting Securities immediately prior to such transaction hold, as a result of such transaction, in the aggregate, more than 50% of the voting securities of the Successor Entity;
 - B. a majority of the Directors of the Successor Entity is comprised of individuals who were members of the Board immediately prior to such transaction; and
 - C. after such transaction, no person or group of persons acting jointly or in concert, holds more than 50% of the voting securities of the Successor Entity unless such person or group of persons held securities of the Company in the same proportion prior to such transaction.
- (h) "**Code**" has the meaning given to that term under Section 3.12.
- (i) "**Common Share**" or "**Common Shares**" means, as the case may be, one or more common shares in the capital of the Company.
- (j) "**Company**" means Perimeter Medical Imaging AI, Inc., a company incorporated under the laws of the Province of British Columbia.
- (k) "**Consultant**" means an individual or Consultant Company, other than an Employee, a Director or an Officer of the Company, that:
- (i) is engaged to provide on a *bona fide* basis, consulting, technical, management or other services to the Company or an Affiliate, other than services provided in relation to a distribution;
 - (ii) provides the services under a written contract between the Company or an Affiliate of the Company and the individual or the Consultant Company;
 - (iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention to the affairs and business of the Company or an Affiliate; and
 - (iv) has a relationship with the Company or an Affiliate that enables the individual to be knowledgeable about the business and affairs of the Company.
- (l) "**Consultant Company**" means for an individual Consultant, a company or partnership of which the individual is an employee, shareholder or partner.
- (m) "**Director**" means any individual holding the office of director of the Company.
- (n) "**Disability**" means a medically determinable physical or mental impairment expected to result in death or to last for a continuous period of not less than 12 months which causes an individual to be unable to engage in any substantial gainful activity.

- (o) **“Disinterested Shareholder Approval”** means approval by a majority of the votes cast by the Company’s shareholders at a duly constituted shareholders meeting, excluding votes attached to the Common Shares beneficially owned by Insiders to whom Options may be granted under the Plan and their associates and affiliates;
- (p) **“Employee”** means
- (i) an individual who is considered an employee of the Company or its subsidiary under the *Income Tax Act* (Canada);
 - (ii) an individual who works full-time for the Company or its subsidiary providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source;
 - (iii) an individual who works for the Company or its subsidiary on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source; or
 - (iv) a Management Company Employee.
- (q) **“Equity Securities”** means:
- (i) shares or any other security of the Company that carries the residual right to participate in the earnings of the Company and, on liquidation, dissolution or winding-up, in the assets of the Company, whether or not the security carries voting rights;
 - (ii) any warrants, options or rights entitling the holders thereof to purchase or acquire any such securities; or
 - (iii) any securities issued by the Company which are convertible or exchangeable into such securities.
- (r) **“Exchange”** means a stock exchange, inter-dealer quotation network or other organized trading facilities on which the Common Shares are listed.
- (s) **“Exchange Hold Period”** has the meaning ascribed thereto in Policy 1.1 of the policy manual of the TSXV.
- (t) **“Exercise Notice”** means the notice respecting the exercise of an Option, in the form set out as 0 hereto, duly executed by the Optionee.
- (u) **“Exercise Period”** means the period during which a particular Option may be exercised and is the period from and including the Award Date through to and including the Expiry Date.
- (v) **“Exercise Price”** means the price at which an Option may be exercised as determined in accordance with Section 3.6.

- (w) **"Expiry Date"** means the expiry date of an Option as specified in the Option Certificate.
- (x) **"Guardian"** means the guardian, if any, appointed for an Optionee.
- (y) **"Insider"** has the meaning given to such term in Policy 1.1 of the policy manual of the TSXV.
- (z) **"Investor Relations Activities"** means any activities or oral or written communications, by or on behalf of the Company or shareholder of the Company, that promote or reasonably could be expected to promote the purchase or sale of securities of the Company, but does not include:
 - (i) the dissemination of information provided, or records prepared, in the ordinary course of business of the Company:
 - A. to promote the sale of products or services of the Company; or
 - B. to raise public awareness of the Company;

that cannot reasonably be considered to promote the purchase or sale of securities of the Company;
 - (ii) activities or communications necessary to comply with the requirements of:
 - A. applicable securities laws; and
 - B. Exchange requirements or the by-laws, rules or other regulatory instruments of any other self-regulatory body or Exchange having jurisdiction over the Company;
 - (iii) communications by a publisher of, or writer for, a newspaper, magazine or business or financial publication, that is of general and regular paid circulation, distributed only to subscribers to it for value or to purchasers of it, if:
 - A. the communication is only through the newspaper, magazine or publication; and
 - B. the publisher or writer receives no commission or other consideration other than for acting in the capacity of publisher or writer; or
 - (iv) activities or communications that may be otherwise specified by an Exchange.
- (aa) **"ISO"** has the meaning given to that term under Section 3.12.
- (bb) **"Management Company Employee"** means an individual employed by a Person providing services to the Company, which are required for the ongoing successful operation of the business enterprise of the Company, but excluding a Person engaged in Investor Relations Activities.

- (cc) "**Market Price**" means an amount which is not less than the closing market price for the Company's Common Shares on the TSXV on the applicable date, or if there is no closing trading price at such time of grant of the Options, then on the trading day prior to the date of grant of the Options.
- (dd) "**Offer**" has the meaning given to such term in Section 3.10(f).
- (ee) "**Officer**" means any individual who is serving as a duly appointed officer of the Company.
- (ff) "**Option**" means an option to acquire Common Shares, awarded to a Director, Officer, Employee or Consultant, including all options granted under the Plan or any prior version of the Plan or pursuant to individual option agreements.
- (gg) "**Option Certificate**" means the certificate, in the form set out as Schedule A hereto, evidencing an Option.
- (hh) "**Optionee**" means a Person to whom an Option has been granted hereunder.
- (ii) "**Person**" means any individual, partnership, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, trust, trustee, executor, administrator, or other legal personal representatives, regulatory body or agency, government or governmental agency, authority or entity howsoever designated or constituted.
- (jj) "**Personal Representative**" means:
- (i) in the case of a deceased Optionee, the executor or administrator of the deceased duly appointed by law or by a court or public authority having jurisdiction to do so; and
 - (ii) in the case of an Optionee who for any reason is unable to manage his or her affairs, the person entitled by law to act on behalf of such Optionee.
- (kk) "**Plan**" means this stock option plan.
- (ll) "**Qualified Successor**" means a Person who is entitled to ownership of an Option upon the death of an Optionee, pursuant to a will or the applicable laws of descent and distribution upon death.
- (mm) "**Regulatory Authorities**" means all stock exchanges, inter-dealer quotation networks and other organized trading facilities on which the Common Shares are listed and all securities commissions or similar securities regulatory bodies having jurisdiction over the Company.
- (nn) "**Termination Date**" means:
- (i) in the case of the resignation of the Optionee's employment or the termination of the Optionee's consulting or service contract by the Optionee, the date that the Optionee provides notice of such resignation or termination to the Company; or
 - (ii) in the case of the termination of the Optionee's employment or consulting or service contract by the Company for any reason other than death or

disability, the date that the Company delivers written notice of termination of the Optionee's employment or consulting or service contract to the Optionee; or

- (iii) in the case of the expiry of a fixed-term employment or consulting or service contract that is not renewed or extended, the last day of the term.
- (oo) **"Transfer"** includes any sale, exchange, assignment, gift, bequest, disposition, mortgage, charge, pledge, encumbrance, grant of a security interest or other arrangement by which possession, legal title or beneficial ownership passes from one Person to another, or to the same Person in a different capacity, whether or not voluntarily and whether or not for value, and any agreement to effect any of the foregoing, including any sale or exchange pursuant to a plan of arrangement, merger, consolidation, acquisition or similar transaction; and the words **"Transferred"**, **"Transferring"** and similar words have corresponding meanings.
- (pp) **"TSXV"** means the TSX Venture Exchange.
- (qq) **"U.S. Participant"** has the meaning given to that term under Section 3.12.
- (rr) **"Voting Securities"** shall mean any securities of the Company ordinarily carrying the right to vote at elections of directors and any securities immediately convertible into or exchangeable for such securities.

1.2 **Choice of Law**

The Plan is established under, and the provisions of the Plan will be subject to and interpreted and construed in accordance with, the laws of the Province of British Columbia.

1.3 **Headings**

The headings used herein are for convenience only and are not to affect the interpretation of the Plan.

ARTICLE 2 PURPOSE AND PARTICIPATION

2.1 **Purpose**

The purpose of the Plan is to provide the Company with a share-related mechanism to attract, retain and motivate qualified Directors, Officers, Employees and Consultants, to reward such of those Directors, Officers, Employees and Consultants as may be awarded Options under the Plan by the Board from time to time for their contributions toward creating shareholder value through achievement of the short and long term goals of the Company.

2.2 **Eligibility**

The Board will, from time to time and in its sole discretion, determine those Directors, Officers, Employees and Consultants, if any, to whom Options are to be awarded. Further:

- (a) Options may be granted to any Employee, Officer, Director or Consultant of the Company or any Affiliate.

- (b) No Option shall be granted to any Optionee unless the Board has determined that the grant of such Option and the exercise thereof by the Optionee will not violate the securities laws of the jurisdiction in which the Optionee resides.
- (c) The number of grants which may be issuable under the Plan and all of the Company's other security-based compensation arrangements in existence from time to time on and after the effective date of the Plan, within any one-year period:
 - (i) to any one Person, shall be no more than 5% of the issued and outstanding share capital of the Company, with the exception of a Consultant who may not receive grants of more than 2% of the issued and outstanding share capital of the Company; and
 - (ii) to all Persons employed to conduct Investor Relations Activities, shall be no more than an aggregate of 2% of the number of issued and outstanding Common Shares in the capital of the Company at any one time.

2.3 Notification of Award

Following the approval by the Board of the awarding of an Option, the Administrator will notify the Optionee in writing of the award and will enclose with such notice the Option Certificate representing the Option so awarded.

2.4 Copy of Plan

Each Optionee, concurrently with the notice of the award of the Option, will be provided with a copy of the Plan. A copy of any amendment to the Plan will be promptly provided by the Administrator to each Optionee.

2.5 Limitation

The Plan does not give any Optionee that is a Director or Officer the right to serve or continue to serve as a Director or Officer of the Company nor does it give any Optionee that is an Employee the right to be or to continue to be employed with the Company, nor does it give any Optionee that is a Consultant the right to have a consulting relationship with the Company or provide services to the Company.

ARTICLE 3 TERMS AND CONDITIONS OF OPTIONS

3.1 Board to Issue Common Shares

The Common Shares to be issued to Optionees upon the exercise of Options will be authorized and unissued Common Shares the issuance of which will have been authorized by the Board. Upon the exercise of Options in accordance with the terms hereof, the Company will issue Common Shares to the applicable Optionees.

3.2 Number of Common Shares

Subject to adjustment as provided for in Section 3.10 hereof, the maximum number of Common Shares that will be available for Directors, Officers, Employees and Consultants to acquire pursuant to Options granted under this Plan, in combination with the aggregate number of Common Shares which may be issuable under any and all of the Company's other equity incentive plans or security-based compensation arrangements in existence from time to time on and after the

effective date of the Plan, will be of 8,972,766 Common Shares, of which no more than of 8,972,766 will be available for Employees to acquire pursuant to ISOs. If any Option expires, cancels or otherwise terminates for any reason without having been exercised in full, the number of Common Shares in respect of which the Option was not exercised will again be available for the purposes of the Plan.

3.3 Option Details

With respect to each Option to be granted to an Optionee, the Board shall specify the following terms in the Option between the Company and the Optionee:

- (a) the Award Date;
- (b) subject to Section 3.9, the term of the Option, provided that the Exercise Period shall in no event be greater than ten (10) years following the Award Date; however, if the Exercise Period is terminated during a Blackout Period, the Exercise Period shall be extended to the date that is ten (10) business days following the end of such Blackout Period (the "**Extension Period**"), provided that, if an additional Blackout Period is subsequently imposed by the Company during the Extension Period, then such Extension Period shall be deemed to commence following the end of such additional Blackout Period to enable the exercise of such Option within ten (10) business days following the end of the last imposed Blackout Period;
- (c) the Exercise Price, provided that the Exercise Price shall not be less than the Market Price;
- (d) any vesting schedule contained in the Option Certificate upon which the exercise of the Option is contingent; provided that, subject to compliance with the rules and policies of all applicable Regulatory Authorities, the Board shall have complete discretion with respect to the terms of any such vesting schedule, including, without limitation, discretion to:
 - (i) permit partial vesting in stated percentage amounts based on the term of such Option; and
 - (ii) permit full vesting after a stated period of time has passed from the Award Date;
- (e) if the Optionee in respect of an Option grant is an Employee, Consultant or Management Company Employee a representation by the Company that the Optionee is a *bona fide* Employee, Consultant or Management Company Employee; and
- (f) such other terms and conditions as the Board deems advisable and are consistent with the purposes of this Plan.

3.4 Term of Option

An Optionee may exercise an Option in whole or in part at any time or from time to time during the Exercise Period. Any Option or part thereof not exercised within the Exercise Period will terminate and become null, void and of no effect as of 5:00 p.m. local time in Vancouver, British Columbia on the Expiry Date; provided that, if the Expiry Date occurs during a Blackout Period, the Expiry Date shall be extended to the date that is ten (10) business days following the end of such Blackout Period, provided that, if an additional Blackout Period is subsequently imposed by

the Company during the Extension Period, then such Extension Period shall be deemed to commence following the end of such additional Blackout Period to enable the exercise of such Option within ten (10) business days following the end of the last imposed Blackout Period.

3.5 Termination of Options

To the extent not earlier exercised or terminated in accordance with Section 3.9 hereof, an Option shall terminate at the earliest of the following dates:

- (a) the termination date specified for such Option in the Option Certificate; provided that, if the termination date occurs during a Blackout Period, such termination date shall be extended to the date that is ten (10) business days following the end of such Blackout Period, provided that, if an additional Blackout Period is subsequently imposed by the Company during the Extension Period, then such Extension Period shall be deemed to commence following the end of such additional Blackout Period to enable the exercise of such Option within ten (10) business days following the end of the last imposed Blackout Period;
- (b) where the Optionee's position as an Employee, Consultant, Director or Officer of the Company or any Affiliate is terminated for just cause, the date of such termination for just cause;
- (c) unless determined otherwise by the Board, where the Optionee's position as an Employee, Consultant, Officer or Director of the Company or any Affiliate terminates for a reason other than the Optionee's Disability, death, or termination for just cause, (i) on the Termination Date with respect to Options that have not vested as at such Termination Date, and (ii) 90 days after the Termination Date with respect to Options that have vested as at such Termination Date, provided that if an Optionee's position with the Company changes from one of the said categories to another category, such change shall not constitute termination for the purpose of this subsection 3.3(c); and
- (d) the date of any sale, Transfer, assignment or hypothecation, or any attempted sale, Transfer, assignment or hypothecation, of such Option in violation of Section 3.9 hereof.

3.6 Exercise Price

The price at which an Optionee may purchase a Common Share upon the exercise of an Option will be as set forth in the Option Certificate issued in respect of such Option and in any event will not be less than the Market Price. An Option shall not establish a minimum Exercise Price until such Option has been allocated to a Particular Person.

3.7 Reduction in Exercise Price

Disinterested Shareholder Approval will be obtained for any reduction in the Exercise Price of Options granted to Insiders, if the Optionee is an Insider of the Company at the time of such proposed reduction in Exercise Price.

3.8 Additional Terms

Notwithstanding the foregoing sections of this Article 3, and subject to all applicable securities laws and regulations and the rules and policies of all applicable Regulatory Authorities, the Board may attach other terms and conditions to the grant of a particular Option, such terms and

conditions to be referred to in a schedule attached to the Option Certificate. These terms and conditions may include, but are not necessarily limited to, the following:

- (a) providing that an Option expires on a date other than as provided for herein, provided that in no case will an Option be exercisable later than the tenth anniversary of the Award Date of the Option; however, if the Expiry Date occurs during a Blackout Period, the Expiry Date shall be extended to the date that is ten (10) business days following the end of such Blackout Period, provided that, if an additional Blackout Period is subsequently imposed by the Company during the Extension Period, then such Extension Period shall be deemed to commence following the end of such additional Blackout Period to enable the exercise of such Option within ten (10) business days following the end of the last imposed Blackout Period;
- (b) providing that a portion or portions of an Option vest after certain periods of time or upon the occurrence of certain events, or expire after certain periods of time or upon the occurrence of certain events other than as provided for herein; and
- (c) providing that an Option be exercisable immediately, in full, notwithstanding that it has vesting provisions, upon the occurrence of certain events, such as a friendly or hostile takeover bid for the Company.

3.9 **Assignment of Options**

Subject to this Section 3.9, Options are non-assignable and non-transferable.

- (a) Death of Optionee – If the employment of an Optionee as an Employee or Consultant of the Company or any Affiliate, or the position of an Optionee as a Director or Officer of the Company or any Affiliate, terminates as a result of his or her death, any Options held by such Optionee shall pass to the Qualified Successor of the Optionee, and shall be exercisable by the Qualified Successor for a period of one year following such death, provided that in no case shall the Exercise Period of the Option extend beyond ten years from the Award Date.
- (b) Disability of Optionee - If the employment of an Optionee as an Employee or Consultant of the Company or any Affiliate, or the position of an Optionee as a Director or Officer of the Company or any Affiliate, is terminated by the Company or any Affiliate by reason of such Optionee's Disability, any Option held by such Optionee that could have been exercised immediately prior to such termination of service shall be exercisable by such Optionee, or by his Guardian, for a period of one year following the termination of service of such Optionee.
- (c) Disability and Death of Optionee - If an Optionee who has ceased to be employed by the Company or any Affiliate by reason of such Optionee's Disability dies within 30 days after the termination of such employment, any Option held by such Optionee that could have been exercised immediately prior to his or her death shall pass to the Qualified Successor of such Optionee, and shall be exercisable by the Qualified Successor for a period of one year following the death of such Optionee, provided that in no case shall the Exercise Period of the Option extend beyond five years from the Award Date.
- (d) Vesting - Options held by a Qualified Successor or exercisable by a Guardian shall, during the period prior to their termination, continue to vest in accordance with any vesting schedule to which such Options are subject.

- (e) Deemed Non-Interruption of Employment - Employment shall be deemed to continue intact during any military or sick leave or other *bona fide* leave of absence if the period of such leave does not exceed 90 days or, if longer, for so long as the Optionee's right to reemployment with the Company or any Affiliate is guaranteed either by statute or by contract. If the period of such leave exceeds 90 days and the Optionee's reemployment is not so guaranteed, then his or her employment shall be deemed to have terminated on the ninety-first day of such leave.
- (f) Retirement - In the event of the termination of employment of an Optionee who is an Employee at any time during the term of an Option by reason of the deemed retirement of such Employee, as may be determined by the Board, in its sole discretion, then the rights to purchase Common Shares under the Option which have accrued to the Optionee and remain unexercised at, or which accrue subsequent to, the date of his retirement shall remain exercisable by the Optionee (or by the Optionee's legal personal representative or representatives if the Optionee dies before the last date of exercise of the Option) for a period of one year following the retirement of such Optionee in accordance with the terms of the Option.

3.10 **Adjustment of Options**

- (a) Alteration in Capital Structure – If there is any change in the Common Shares through or by means of a declaration of reorganization, recapitalization, stock dividends of the Common Shares or consolidations, subdivisions or reclassifications of the Common Shares, spin-off or otherwise, the number of Common Shares available under the Plan, the Common Shares subject to any Option and the Exercise Price therefor shall be adjusted in number and kind that may be issued under the Plan, proportionately by the Board and, if required, approved by the Regulatory Authorities having authority over the Company or the Plan, and such adjustment shall be effective and binding for all purposes of the Plan. In connection with an adjustment in accordance with this Section 3.10(a), the Board shall have the discretion to permit a holder of Options to purchase (at the times, for the consideration, and subject to the terms and conditions set out in this Plan) and the holder will then accept on the exercise of such Option, in lieu of the Common Shares that such holder would otherwise have been entitled to purchase, the kind and amount of shares or other securities or property that such holder would have been entitled to receive as a result of a transaction specified in this Section 3.10(a) if, on the effective date thereof, that holder had owned all Common Shares that were subject to the Option.
- (b) Effect of Amalgamation, Merger or Arrangement – If the Company amalgamates, merges or enters into a plan of arrangement with or into another corporation that does not constitute a Change of Control, any Common Shares receivable on the exercise of an Option shall be converted into the securities, property or cash which the Optionee would have received upon such amalgamation, merger or arrangement if the Optionee had exercised his Option immediately prior to the record date applicable to such amalgamation, merger or arrangement, and the exercise price shall be adjusted proportionately by the Board and such adjustment shall be binding for all purposes of the Plan.
- (c) Acceleration on Change of Control – Upon a Change of Control, all Options shall become immediately exercisable, notwithstanding any contingent vesting provisions to which such Options may have otherwise been subject. Any proposed

acceleration of vesting provisions are subject to the necessary approvals of the applicable Regulatory Authorities.

- (d) Acceleration of Date of Expiry or Vesting – The Board shall have the right to accelerate the date of expiry of any portion of any Option or the vesting of any portion of any Option which remains unvested, subject to the necessary approvals of the applicable Regulatory Authorities.
- (e) Determinations to be made by Board – Adjustments and determinations under this Section 3.10 shall be made by the Board, whose decisions as to the adjustments or determination which shall be made, and the extent thereof, shall be final, binding, and conclusive.
- (f) Effect of a Take-over - If a *bona fide* offer (the “**Offer**”) for Common Shares is made to an Optionee or to shareholders generally or to a class of shareholders which includes the Optionee, which Offer constitutes a take-over bid within the meaning of Section 92 of the *British Columbia Securities Act*, as amended from time to time, the Company shall, immediately upon receipt of notice of the Offer, notify each Optionee of full particulars of the Offer, whereupon any Option held by an Optionee may be exercised in whole or in part by the Optionee so as to permit the Optionee to tender the Common Shares received upon such exercise (the “**Optioned Shares**”) to the Offer. If:
 - (i) the Offer is not completed within the time specified therein; or
 - (ii) all of the Optioned Shares tendered by the Optionee pursuant to the Offer are not taken up and paid for by the offeror pursuant thereto;

the Optioned Shares or, in the case of clause (b) above, the Optioned Shares that are not taken up and paid for, may be returned by the Optionee to the Company and reinstated as authorized but unissued Common Shares and with respect to such returned Optioned Shares, the Option shall be reinstated as if it had not been exercised. If any Optioned Shares are returned to the Company under this Section, the Company shall refund the Exercise Price to the Optionee for such Optioned Shares.

- (g) No fractional Common Shares will be issued upon the exercise of an Option. Accordingly, if, as a result of a consolidation, subdivision, conversion, exchange or reclassification of Common Shares, an Optionee would become entitled to a fractional Common Share, such Optionee will have the right to purchase only the next lowest whole number of Common Shares and no payment or other adjustment will be made with respect to the fractional interest so disregarded.

3.11 **Option Grant and Vesting Terms**

Unless otherwise determined by the Board in accordance with the terms and conditions of this Plan, Options will be granted by the Board. The Board may determine and impose terms upon which each Option shall become vested, provided that, if the Common Shares are listed on the TSXV, Options granted to Persons employed to conduct Investor Relations Activities, must vest in stages over 12 months with no more than 25% of the Options vesting in any three month period.

3.12 U.S. Participants

Any Option granted under the Plan to an Optionee who is a citizen or resident of the United States (including its territories, possessions and all areas subject to the jurisdiction) (a "**U.S. Participant**") may, at the sole discretion of the Company, be an incentive stock option (an "**ISO**") within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended, of the United States (the "**Code**"), but only if so designated by the Company in the Option Certificate evidencing such Option. No provision of this Plan, as it may be applied to a U.S. Participant with respect to Options which are designated as ISOs, shall be construed so as to be inconsistent with any provision of Section 422 of the Code or the Treasury Regulations thereunder. Grants of Options to U.S. Participants which are not designated as or otherwise do not qualify as ISOs will be treated as nonstatutory stock options for U.S. federal tax purposes. Notwithstanding anything in this Plan contained to the contrary, the following provisions shall apply to ISOs granted to each U.S. Participant:

- (a) ISOs shall only be granted to individual U.S. Participants who are, at the time of grant, employees of the Company within the meaning of the Code;
- (b) the aggregate fair market value (determined as of the time an ISO is granted) of the Common Shares subject to ISOs exercisable for the first time by a U.S. Participant during any calendar year under this Plan and all other stock option plans, within the meaning of Section 422 of the Code, of the Company shall not exceed One Hundred Thousand Dollars in U.S. funds (U.S.\$100,000);
- (c) the Exercise Price for Common Shares under each ISO granted to a U.S. Participant pursuant to this Plan shall be not less than fair market value of such Common Shares at the time the Option is granted, as determined in good faith by the Board at such time (unless such ISO is granted pursuant to an assumption or substitution for another option in a manner satisfying the provisions of Section 424(a) of the Code);
- (d) if any U.S. Participant to whom an ISO is to be granted under the Plan at the time of the grant of such ISO is the owner of shares possessing more than ten percent (10%) of the total combined voting power of all classes of shares of the Company, then the following special provisions shall be applicable to the ISO granted to such individual:
 - (i) the Exercise Price (per share) subject to such ISO shall not be less than one hundred ten percent (110%) of the fair market value of one Common Share at the time of grant; and
 - (ii) for the purposes of this Section 3.12 only, the Exercise Period shall not exceed five (5) years from the date of grant;
- (e) no ISO may be granted hereunder to a U.S. Participant following the expiration of ten (10) years after the date on which this Plan is adopted by the Company or the date on which the Plan is approved by the shareholders of the Company, whichever is earlier; and
- (f) no ISO granted to a U.S. Participant under the Plan shall become exercisable unless and until the Plan shall have been approved by the shareholders of the Company.

ARTICLE 4 EXERCISE OF OPTION

4.1 Exercise of Option

Except as provided pursuant to Sections 3.5, 3.9, and 3.10 hereof, no Option may be exercised unless the Optionee is, at the time of such exercise, a *bona fide* Employee, Officer, Director or Consultant of the Company or any of its Affiliates or the Personal Representative of the Optionee, and shall have been continuously such a *bona fide* Employee, Officer, Director or Consultant, as the case may be. An Optionee or the Personal Representative of the Optionee may exercise the vested portion or portions of an Option in whole or in part at any time or from time to time during the Exercise Period up to 5:00 p.m. local time in Vancouver, British Columbia on the Expiry Date by delivering to the Administrator an Exercise Notice, the applicable Option Certificate and a certified cheque or bank draft payable to "**Perimeter Medical Imaging AI, Inc.**" in an amount equal to the aggregate Exercise Price of the Common Shares to be purchased pursuant to the exercise of the Option.

4.2 Issue of Share Certificates

As soon as practicable following the receipt of the Exercise Notice, the Administrator will, in his sole discretion, either cause to be delivered to the Optionee a certificate for the Common Shares purchased by the Optionee or cause to be delivered to the Optionee a copy of such certificate and the original of such certificate will be placed in the minute book of the Company. If the number of Common Shares in respect of which the Option was exercised is less than the number of Common Shares subject to the Option Certificate surrendered, the Administrator will forward a new Option Certificate to the Optionee concurrently with delivery of the share certificate for the balance of the Common Shares available under the Option.

4.3 Condition of Issue

The Options and the issue of Common Shares by the Company pursuant to the exercise of Options are subject to the terms and conditions of the Plan and compliance with the rules and policies of all applicable Regulatory Authorities with respect to the granting of such Options and the issuance and distribution of such Common Shares, and to all applicable securities laws and regulations. The Optionee agrees to comply with all such laws, regulations, rules and policies and agrees to furnish to the Company any information, reports or undertakings required to comply with, and to fully cooperate with, the Company in complying with such laws, regulations, rules and policies.

4.4 Exchange Hold Period's and Resale Restrictions

If required by the policies of the Exchange, the certificate representing the Option and any certificate representing Shares issued upon the exercise of such Option (if exercised prior to the expiry of the Exchange Hold Period) will bear the following Exchange Hold Period legend:

"Without prior written approval of TSX Venture Exchange and compliance with all applicable securities legislation, the securities represented by this certificate may not be sold, transferred, hypothecated or otherwise traded on or through the facilities of TSX Venture Exchange or otherwise in Canada or to or for the benefit of a Canadian resident until [*insert date that is four months and a day after the distribution date*]."

4.5 Tax Withholding and Procedures

Notwithstanding anything else contained in this Plan, the Company may, from time to time, implement such procedures and conditions as it determines appropriate with respect to the

withholding and remittance of taxes imposed under applicable law, or the funding of related amounts for which liability may arise under such applicable law. Without limiting the generality of the foregoing, an Optionee who wishes to exercise an Option must, in addition to following the procedures set out in this Article 4 and elsewhere in this Plan, and as a condition of exercise:

- (a) deliver a certified cheque, wire transfer or bank draft payable to the Company for the amount determined by the Company to be the appropriate amount on account of such taxes or related amounts; or
- (b) otherwise ensure, in a manner acceptable to the Company (if at all) in its sole and unfettered discretion, that the amount will be securely funded; or
- (c) direct a portion of the Common Shares acquired to be sold by a broker, the funds from such sale paid to the Company and the Company directed to remit the funds received to the Canada Revenue Agency and/or such other applicable provincial taxation authority in satisfaction of the applicable withholding requirements;

and must in all other respects follow any related procedures and conditions imposed by the Company.

ARTICLE 5 ADMINISTRATION

5.1 Administration

The Plan will be administered by the Administrator on the instructions of the Board. The Board may make, amend and repeal at any time and from time to time such policies not inconsistent with the Plan as it may deem necessary or advisable for the proper administration and operation of the Plan and such policies will form part of the Plan. The Board may delegate to the Administrator or any director, officer or employee of the Company such administrative duties and powers as it may see fit.

5.2 Interpretation

The interpretation by the Board of any of the provisions of the Plan and any determination by it pursuant thereto will be final and conclusive and will not be subject to any dispute by any Optionee. No member of the Board or any person acting pursuant to authority delegated by it hereunder will be liable for any action or determination in connection with the Plan made or taken in good faith and each member of the Board and each such person will be entitled to indemnification with respect to any such action or determination in the manner provided for by the Company.

ARTICLE 6 AMENDMENT, TERMINATION AND NOTICE

6.1 Termination and Amendment of Plan

- (a) Power of the Board to Terminate or Amend Plan - Subject to the acceptance of the TSXV and any other applicable Regulatory Authorities and the requirements of the policy manual of the TSXV and any other applicable Regulatory Authority, the Board may terminate, suspend or amend the terms of the Plan; provided, however, that, the Board may not do any of the following without obtaining, within 12 months either before or after the Board's adoption of a resolution authorizing such action, approval by the affirmative votes of the holders of a majority of the voting securities

of the Company present, or represented, and entitled to vote at a meeting duly held in accordance with the applicable corporate laws, and, where required, by way of Disinterested Shareholder Approval:

- (i) increase the maximum number of Common Shares that may be reserved under the Plan for issuance pursuant the exercise of Options (other than pursuant to Section 3.10);
- (ii) place limitations under the Plan on the number of Options that may be granted to any one Person or any category of Persons;
- (iii) reduce the exercise price of Options (other than pursuant to Section 3.10);
- (iv) grant to Insiders (as a group), within a 12 month period, an aggregate number of options exceeding 10% of the Company's issued Common Shares, calculated at the date the Option is granted to the Insider;
- (v) issue to any one Optionee, within a 12 month period, a number of Common Shares exceeding 5% of the Company's Common Shares;
- (vi) reserve for issuance Common Shares under the Plan and all of the Company's other security based security-based compensation arrangements in existence from time to time on and after the effective date of the Plan, where such reservation could result in the aggregate number of Common Shares granted to Insiders (as a group) exceeding 10% of the Company's issued Common Shares;
- (vii) materially modify the requirements as to eligibility for participation in the Plan;
- (viii) materially increase the benefits accruing to participants under the Plan;
- (ix) modify the method for determining the exercise price of the Options;
- (x) modify the maximum term of the Options;
- (xi) modify the expiry and termination provisions applicable to Options;
- (xii) expand the types of awards which may be granted under the Plan;
- (xiii) extend the duration of the Plan; or
- (xiv) modify the provisions of this Section 6.1

however, the Board may, without shareholder approval:

- (i) make any amendment of a typographical, grammatical, clerical or administrative nature or clarification correcting or rectifying any ambiguity, immaterial inconsistency, defective provision, mistake, or error or omission in this Plan or any Option;
- (ii) make any addition to, deletion from or alteration of the provisions of this Plan or any Option that are necessary to comply with applicable law or the requirements of any regulatory or governmental agency or applicable

stock exchange and to avoid unanticipated consequences deemed by the Board to be inconsistent with the purpose of this Plan; or

(iii) make any amendments to clarify existing provisions of this Plan or any Option provided that such changes do not have the effect of altering the scope, nature and intent of this Plan or any Option.

(b) No Grant During Suspension of Plan - No Option may be granted during any suspension, or after termination, of the Plan. Amendment, suspension or termination of the Plan shall not, without the consent of the Optionee, alter or impair any rights or obligations under any Option previously granted.

6.2 Approvals

The Plan and any amendments hereto are subject to all necessary approvals of the applicable Regulatory Authorities.

6.3 Agreement

The Company and every Option awarded hereunder will be bound by and subject to the terms and conditions of the Plan. By accepting an Option granted hereunder, the Optionee has expressly agreed with the Company to be bound by the terms and conditions of the Plan.

6.4 Notice

Any notice or other communication contemplated under the Plan to be given by the Company to an Optionee will be given by the Company delivering or faxing the notice to the Optionee at the last address for the Optionee in the Company's records. Any such notice will be deemed to have been given on the date on which it was delivered, or in the case of fax, the next business day after transmission. An Optionee may, at any time, advise the Company of a change in the Optionee's address or fax number.

SCHEDULE A TO STOCK OPTION PLAN
PERIMETER MEDICAL IMAGING AI, INC.
OPTION CERTIFICATE

This Certificate is issued pursuant to the provisions of the Perimeter Medical Imaging AI, Inc. (the "**Company**") stock option plan (the "**Plan**") and evidences that ● is the holder (the "**Optionee**") of an option (the "**Option**") to purchase up to ● Common Shares Without Par Value (the "**Common Shares**") in the capital stock of the Company. The Exercise Price of the Option is ● per Common Share.

Subject to the provisions of the Plan:

- (a) the Award Date of the Option is ●, ●;
- (b) the Expiry Date of the Option is ●, ●; and
- (c) the Option shall vest in accordance with the following schedule:
 - (i) ●; and
 - (ii) ●.

The vested portion or portions of the Option may be exercised at any time and from time to time from and including the Award Date through to 5:00 p.m. local time in Vancouver, British Columbia on the Expiry Date by delivering to the Administrator of the Plan an Exercise Notice, in the form provided in the Plan, together with this Certificate and a certified cheque or bank draft payable to "Perimeter Medical Imaging AI, Inc." in an amount equal to the aggregate of the Exercise Price of the Common Shares in respect of which the Option is being exercised.

This Certificate and the Option evidenced hereby are not assignable, transferable or negotiable and are subject to the detailed terms and conditions contained in the Plan, the terms and conditions of which the Optionee hereby expressly agrees with the Company to be bound by. This Certificate is issued for convenience only and in the case of any dispute with regard to any matter in respect hereof, the provisions of the Plan and the records of the Company will prevail.

The Option is also subject to the terms and conditions contained in the schedules, if any, attached hereto. All terms not otherwise defined in this Certificate will have the meanings given to them under the Plan.

Dated this ● day of ●, ●.

PERIMETER MEDICAL IMAGING AI, INC.

Per: _____

Administrator, Stock Option Plan
Perimeter Medical Imaging AI, Inc.

PERIMETER MEDICAL IMAGING AI, INC.
OPTION CERTIFICATE – SCHEDULE

The additional terms and conditions attached to the Option represented by this Certificate are as follows:

1. •

PERIMETER MEDICAL IMAGING AI, INC.

Per: _____
Administrator, Stock Option Plan
Perimeter Medical Imaging AI, Inc.

SCHEDULE B TO STOCK OPTION PLAN

PERIMETER MEDICAL IMAGING AI, INC.

NOTICE OF EXERCISE OF OPTION

TO: The Administrator, Stock Option Plan
Perimeter Medical Imaging AI, Inc.
1 Yonge Street, Suite 201
Toronto, Ontario M5E 1E6

The undersigned hereby irrevocably gives notice, pursuant to the Perimeter Medical Imaging AI, Inc. stock option plan (the "**Plan**"), of the exercise of the Option to acquire and hereby subscribes for (cross out inapplicable item):

- (a) all of the Common Shares; or
- (b) _____ of the Common Shares,

which are the subject of the Option Certificate attached hereto.

The undersigned tenders herewith a certified cheque or bank draft (circle one) payable to "**Perimeter Medical Imaging AI, Inc.**" in an amount equal to the aggregate Exercise Price of the aforesaid Common Shares and directs the Company to issue the certificate evidencing said Common Shares in the name of the undersigned to be mailed to the undersigned at the following address:

By executing this Notice of Exercise of Option the undersigned hereby confirms that the undersigned has read the Plan and agrees to be bound by the provisions of the Plan. All terms not otherwise defined in this Notice of Exercise of Option will have the meanings given to them under the Option Certificate.

DATED the _____ day of _____, _____.

Signature of Optionee

Schedule B

CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS OF PERIMETER MEDICAL IMAGING AI, INC.

Section 1 Purpose

The Audit Committee (the “**Committee**”) is appointed by the board of directors (the “**Board**”) of Perimeter Medical Imaging AI, Inc. (the “**Company**”) to assist the Board in fulfilling its oversight responsibilities relating to financial accounting and reporting process and internal controls for the Company. The Charter may be amended only by the affirmative vote of the majority of the Board.

The Committee’s primary duties and responsibilities are to:

- conduct such reviews and discussions with management and the external auditors relating to the audit and financial reporting as are deemed appropriate by the Committee;
- assess the integrity of internal controls and financial reporting procedures of the Company and ensure implementation of such controls and procedures;
- ensure that there is an appropriate standard of corporate conduct including, if necessary, adopting a corporate code of ethics for senior financial personnel;
- review the quarterly and annual financial statements and management’s discussion and analysis of the Company’s financial position and operating results and report thereon to the Board for approval of same;
- review and discuss with management the policies with respect to earnings press releases, as well as the financial information and earnings guidance to be provided to analysts and rating agencies;
- select and monitor the independence and performance of the Company’s external auditors, including attending at private meetings with the external auditors and reviewing and approving all renewals or dismissals of the external auditors and their remuneration;
- provide and establish open channels of communication between the Company’s management, internal accounting department, external auditor and directors; and
- provide oversight to related party transactions entered into by the Company.

The Committee has the authority to conduct any investigation appropriate to its responsibilities, and it may request the external auditors as well as any officer of the Company, or outside counsel for the Company, to attend a meeting of the Committee or to meet with any members of, or advisors to, the Committee. The Committee shall have unrestricted access to the books, records, facilities and personnel of the Company and has the authority to retain, at the expense of the Company, special legal, accounting, or other consultants or experts to assist in the performance of the Committee’s duties.

The Committee shall review and assess the adequacy of this Audit Committee Charter (the “**Charter**”) annually and submit any proposed revisions to the Board for approval.

In fulfilling its responsibilities, the Committee will carry out the specific duties set out in **Section 4** of this Charter.

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits, or to determine that the Company's financial statements are complete and accurate. This is the responsibility of Company's management, internal accounting department and external auditors. Because the primary function of the Committee is oversight, the Committee will be entitled to rely on the expertise, skills and knowledge of the Company's management, internal accounting department, external auditors and other external advisors and the integrity and accuracy of information provided to the Committee by such persons in carrying out its oversight responsibilities. Nothing in this Charter is intended to change or in any way limit the responsibilities and duties of Company's management, internal accounting department or external auditors.

Section 2 Authority of the Audit Committee

The Committee shall have the authority to:

- (a) engage (at the Company's expense) independent counsel and other advisors as it determines necessary to carry out its duties;
- (b) conduct investigations that it believes, in its sole discretion, are necessary to carry out its responsibilities;
- (c) set and pay the compensation for advisors employed by the Committee;
- (d) communicate directly with the internal, if any, and external auditors; and
- (e) request that any director, officer or employee of the Company, or other persons whose advice and counsel are sought by the Committee (including, but not limited to, the Company's legal counsel and the external auditors) meet with the Committee and any of its advisors and respond to their inquiries.
- (f) Approve interim financial statements and associated documents for issuance

Section 3 Composition and Meetings

- (a) The Committee and its membership shall meet all applicable legal, regulatory and listing requirements, including, without limitation, those of the British Columbia Securities Commission, the TSX Venture Exchange, the *Business Corporations Act* (British Columbia) and all applicable securities regulatory authorities.
- (b) The Committee shall be composed of three or more directors as shall be designated by the Board from time to time. The Board shall appoint from among the members of the Committee a member who shall serve as Chair.
- (c) The composition of the Committee will be determined by the Board such that the membership and independence requirements set out in the applicable legal, regulatory and listings requirements are satisfied.
- (d) The Committee shall meet at least quarterly, at the discretion of the Chair or a majority of its members, as circumstances dictate or as may be required by applicable legal or listing requirements. A minimum of two and at least 50% of the members of the Committee present either in person or by telephone shall constitute a quorum.
- (e) If within one hour of the time appointed for a meeting of the Committee, a quorum is not present, the meeting shall stand adjourned to the same hour on the next business day following the date of such meeting at the same place. If at the adjourned meeting a quorum as hereinbefore specified is not present within one hour of the time appointed for such adjourned meeting, such meeting shall stand adjourned to the same hour on the second business day following the date of such meeting at the same place. If at the second adjourned meeting a quorum as hereinbefore specified is not present, the quorum for the adjourned meeting shall consist of the members then present.

- (f) If and whenever a vacancy shall exist, the remaining members of the Committee may exercise all of its powers and responsibilities so long as a quorum remains in office.
- (g) The time and place at which meetings of the Committee shall be held, and procedures at such meetings, shall be determined from time to time by the Committee. A meeting of the Committee may be called by letter, telephone, facsimile, email or other communication equipment, by giving at least 48 hours' notice, provided that no notice of a meeting shall be necessary if all of the members are present either in person or by means of conference telephone or if those absent have waived notice or otherwise signified their consent to the holding of such meeting.
- (h) Any member of the Committee may participate in the meeting of the Committee by means of conference telephone or other communication equipment, and the member participating in a meeting pursuant to this paragraph shall be deemed, for purposes hereof, to be present in person at the meeting.
- (i) The Committee shall keep minutes of its meetings which shall be submitted to the Board.
- (j) The Committee may, from time to time, appoint any person who need not be a member, to act as a secretary at any meeting.
- (k) The Committee may invite such officers, directors and employees of the Company and its subsidiaries as the Committee may see fit, from time to time, to attend at meetings of the Committee.
- (l) Any matters to be determined by the Committee shall be decided by a majority of votes cast at a meeting of the Committee called for such purpose. Actions of the Committee may be taken by an instrument or instruments in writing signed by all of the members of the Committee, and such actions shall be effective as though they had been decided by a majority of votes cast at a meeting of the Committee called for such purpose. All decisions or recommendations of the Committee shall require the approval of the Board prior to implementation.

The Committee members will be elected annually at the first meeting of the Board following the annual general meeting of shareholders. Each member will continue to be a member thereof until such member's successor is appointed, or until such member resigns or is removed from the Board. A member of the Committee will automatically cease to be a member of the Committee upon either ceasing to be a director of the Board or ceasing to meet the requirements established, from time to time, by any applicable legal, regulatory and listings requirements.

Members of the Committee may receive fees for their service as Committee members as may be determined by the Board (or committee thereof) in its sole discretion. Members of the Committee may not receive any compensation from the Company except the fees they receive for their service as a member of the Board or any committee thereof.

Section 4 Responsibilities

A. Financial Accounting and Reporting Process and Internal Controls

- (a) The Committee shall review the annual audited financial statements to satisfy itself that they are presented in accordance with applicable generally accepted accounting principles ("GAAP") and report thereon to the Board and recommend to the Board whether or not same should be approved prior to their being filed with the appropriate regulatory authorities. The Committee shall also review the interim financial statements. With respect to the annual audited financial statements, the Committee shall discuss significant issues regarding accounting principles, practices, and judgments of management with management and the external auditors as and when the Committee deems it appropriate to do so. The Committee shall satisfy itself that the information contained in the annual audited financial statements is not significantly erroneous, misleading or incomplete and that the audit function has been effectively carried out.
- (b) The Committee shall review any material internal control reports prepared by management and the evaluation of such report by the external auditors, together with management's response.

- (c) The Committee shall be satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, management's discussion and analysis and interim earnings press releases, and periodically assess the adequacy of these procedures.
- (d) The Committee shall review management's discussion and analysis relating to annual and interim financial statements and any other public disclosure documents, including interim earnings press releases, that are required to be reviewed by the Committee under any applicable laws before the Company publicly discloses this information.
- (e) The Committee shall meet no less frequently than annually with the external auditors and the Chief Financial Officer or, in the absence of a Chief Financial Officer, with the officer of the Company in charge of financial matters, to review accounting practices, internal controls and such other matters as the Committee, Chief Financial Officer or, in the absence of a Chief Financial Officer, the officer of the Company in charge of financial matters, deem appropriate.
- (f) The Committee shall inquire of management and the external auditors about significant risks or exposures, both internal and external, to which the Company may be subject, and assess the steps management has taken to minimize such risks.
- (g) The Committee shall review the post-audit or management letter containing the recommendations of the external auditors and management's response and subsequent follow-up to any identified weaknesses.
- (h) The Committee shall ensure that there is an appropriate standard of corporate conduct including, if necessary, adopting a corporate code of ethics for senior financial personnel.
- (i) The Committee shall establish procedures for:
 - (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and
 - (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
- (j) The Committee shall provide oversight to related party transactions entered into by the Company.

B. Independent Auditors

- (a) The Committee shall recommend to the Board the external auditors to be nominated, shall set the compensation for the external auditors, provide oversight of the external auditors and shall ensure that the external auditors report directly to the Committee.
- (b) The Committee shall be directly responsible for overseeing the work of the external auditors, including the resolution of disagreements between management and the external auditors regarding financial reporting.
- (c) The Committee shall pre-approve all audit and non-audit services not prohibited by law to be provided by the external auditors in accordance with this Charter.
 - (i) The Committee may delegate to one or more members of the Committee the authority to pre-approve permissible non-audit and tax services, as long as the pre-approved services are presented to the full Committee at its next regularly scheduled meeting.
- (d) The Committee shall monitor and assess the relationship between management and the external auditors and monitor, support and assure the independence and objectivity of the external auditors.
- (e) The Committee shall review the external auditors' audit plan, including the scope, procedures and timing of the audit.

- (f) The Committee shall review the results of the annual audit with the external auditors, including matters related to the conduct of the audit.
- (g) The Committee shall obtain timely reports from the external auditors describing critical accounting policies and practices, alternative treatments of information within GAAP that were discussed with management, their ramifications, and the external auditors' preferred treatment and material written communications between the Company and the external auditors.
- (h) The Committee shall review fees paid by the Company to the external auditors and other professionals in respect of audit and non-audit services on an annual basis.
- (i) The Committee shall review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former auditors of the Company.
- (j) The Committee shall monitor and assess the relationship between management and the external auditors and monitor and support the independence and objectivity of the external auditors.

C. Other Responsibilities

The Committee shall perform any other activities consistent with this Charter and governing law, as the Committee or the Board deems necessary or appropriate.

Dated: August 30, 2021
Approved by: Board of Directors of the Company