

FYTOKEM PRODUCTS INC.

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

**TO BE HELD ON
JUNE 23, 2000**

AND

MANAGEMENT INFORMATION CIRCULAR

APRIL 30, 2000

FYTOKEM PRODUCTS INC.

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS to be held on FRIDAY, JUNE 23, 2000

NOTICE IS HEREBY GIVEN that the Annual General and Special Meeting of Shareholders of Fytokem Products Inc. (the "Corporation"), will be held Radisson Hotel, 405-20th St. East, Saskatoon, Saskatchewan, at the hour of 2:00 o'clock p.m. (Saskatoon time) on Friday, June 23, 2000, for the following purposes:

1. To receive and consider the audited financial statements for the period ending December 31, 1999, and the report of the auditors thereon;
2. To fix the board of directors of the Corporation at four members;
3. To elect a board of directors of the Corporation for the ensuing year;
4. To appoint the Auditors of the Corporation for the ensuing year;
5. To adopt a new stock option plan for the Corporation;

To transact any such other business as may properly be brought before the Meeting or any adjournment thereof. Shareholders who are unable to attend the Meeting in person are requested to date and sign the enclosed form of Instrument of Proxy and return it in the envelope provided for that purpose.

DATED this 30th day of April, 2000

BY ORDER OF THE BOARD OF DIRECTORS

"Greg Dutka"

Greg Dutka, Interim President

IMPORTANT

It is desirable that as many shares as possible be represented at the meeting. If you do not expect to attend and would like your shares represented, please complete the enclosed Instrument of Proxy and return it as soon as possible in the envelope provided for that purpose. All proxies, to be valid, must be deposited at the office of the Registrar and Transfer Agent of the Corporation, CIBC Mellon Trust Company, 600 Dome Tower, 333 - 7th Avenue S.W., Calgary, Alberta T2P 2Z1, at least forty-eight (48) hours prior to the meeting or any adjournment thereof.

THE CANADIAN VENTURE EXCHANGE HAS NOT IN ANY WAY PASSED UPON THE MERITS OF THE TRANSACTIONS DESCRIBED HEREIN AND ANY REPRESENTATION TO THE CONTRARY IS AN OFFENCE.

FYTOKEM PRODUCTS INC.

MANAGEMENT INFORMATION CIRCULAR

**FOR THE ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON JUNE 23, 2000**

PROXY INFORMATION

Solicitation of Proxies

This Management Information Circular is furnished in connection with the solicitation of proxies by or on behalf of management of Fytekem Products Inc, (the “Corporation”) for use at the Annual General and Special Meeting of Shareholders of the Corporation to be held on June 23, 2000 and at any and all adjournments thereof (the “Meeting”). It is expected that the solicitation will be primarily by mail but may also be supplemented by telephone, facsimile or in person. The cost of soliciting these proxies will be borne directly by the Corporation. The Corporation may also pay brokers, investment dealers or nominees holding Common Shares in their names or in the names of their principals for their reasonable expenses in sending solicitation material to their principals.

Effective Date

Unless otherwise noted herein, all information set forth in this Management Information Circular is as at April 30, 2000 (the “Effective Date”).

No person is authorized to give any information or to make any representations other than those contained in this Management Information Circular and, if given or made, such information must not be relied upon as having been authorized.

Appointment and Revocation of Proxy

The persons named in the enclosed form of proxy are directors or representatives of the Corporation. A shareholder has the right to appoint a person (who need not be a shareholder of the Corporation) to attend, act and vote for him and on his behalf at the meeting or any adjournment(s) thereof, other than the persons designated in the enclosed form of proxy, by inserting such person’s name in the space provided in the form of proxy and by deleting the names therein. Such shareholder should notify the nominee of the appointment, obtain his consent to act as proxy and should provide instructions on how the shareholder’s shares are to be voted. In any case, an instrument of proxy should be dated and executed by the shareholder or an attorney authorized in writing, with proof of such authorization attached where an attorney has executed the instrument of proxy.

Deposit of Proxies

The enclosed form of proxy must be dated and executed by the shareholder or his attorney authorized in writing, or if the shareholder is a corporation, under its corporate seal or by a duly authorized officer or attorney thereof. If the form is executed by an attorney, the authority of the attorney to act must accompany the form of proxy. The form of proxy must be received by the Corporation's registrar and transfer agent, CIBC Mellon Trust Company, 600 The Dome Tower, 333 - 7th Avenue S.W., Calgary, Alberta, T2P 2Z1, at any time up to and including 48 hours, excluding Saturday, Sunday and holidays, preceding the date of the Meeting or any adjournment(s) thereof at which the proxy is to be used, or delivered to the Chairman of the Meeting on the day of Meeting or any adjournment(s) thereof prior to the commencement of the Meeting.

Revocation of Proxies

Any shareholder giving a proxy has the power to revoke it by instrument in writing executed by the shareholder or by his attorney authorized in writing, or if the shareholder is a corporation, under the corporate seal or by a duly authorized officer or attorney thereof and deposited with the Corporation's registrar and transfer agent CIBC Mellon Trust Company, 600 The Dome Tower, 333 - 7th Avenue S.W., Calgary, Alberta, T2P 2Z1, at any time up to and including 48 hours, excluding Saturday, Sunday and holidays, preceding the date of the Meeting or any adjournment thereof with the Chairman of the Meeting on the day, and prior to the commencement of the Meeting to be held on June 23, 2000 or any adjournment(s) thereof, or in any other manner permitted by law.

All matters to be submitted to the shareholders at the Meeting unless otherwise stated herein, require for approval a favourable majority of the votes cast by the holders of Common Shares of the Corporation at the Meeting.

Exercise of Discretion by Proxies

All common shares (herein referred to as "Common Shares" or "shares") represented by properly executed proxies received by the Corporation in a timely fashion will be voted or withheld from voting at the Meeting in accordance with the instructions of the shareholders appointing them. If a choice is specified in respect of any matter to be acted upon, the shares will be voted accordingly. **IN THE ABSENCE OF SUCH DIRECTION, THE SHARES WILL BE VOTED IN FAVOUR OF ALL THE MATTERS SET OUT IN THE PROXY, ALL AS MORE PARTICULARLY DESCRIBED IN THIS MANAGEMENT INFORMATION CIRCULAR.**

Items 1 through 4 of the proxy require approval by a simple majority of the votes cast at the Meeting to be effective.

The enclosed form of proxy, when properly executed, confers discretionary authority with respect to all amendments or variations to matters identified in the Notice of Meeting or other matters which may properly come before the Meeting. **However, if any such amendments, variations or other matters which are not now known to the Management should properly come before the Meeting, the shares represented by the proxies hereby solicited will be voted thereon in accordance with the best judgement of the person or persons voting such proxies.** As of the date hereof, management of the Corporation knows of no such amendments, variations or any other such matters.

VOTING OF SHARES AND PRINCIPAL HOLDERS THEREOF

The authorized capital of the Corporation presently consists of an unlimited number of Common Shares without par value, of which 12,244,957 shares are issued and outstanding as fully paid and non-assessable as at the date hereof, and an unlimited number of preferred shares, of which no preferred shares are issued as at the date hereof.

Holders of Common Shares of the Corporation will be entitled to vote at the Meeting on all matters. Each holder of a Common Share of the Corporation at the close of business on May 9, 2000 (the "Record Date") is entitled to one vote for each such share held, except to the extent that such shares may have been transferred after the Record Date and, in such event, the transferee of such shares shall be entitled to vote the transferred shares at the Meeting provided that he produces properly endorsed share certificates or otherwise establishes that he owns the transferred shares and requests, at least 10 days before the Meeting, that his name be included in the list of shareholders.

To the knowledge of the directors or senior officers of the Corporation, as at the date hereof, the only persons who beneficially own, directly or indirectly, or exercise control or direction over securities of the Corporation carrying more than ten (10%) percent of the voting rights attached to any class of voting securities of the Corporation, are as set forth below:

Name and Municipality of Residence	Number and Percentage of Shares Beneficially Held⁽¹⁾
The Agri-Food Equity Fund	1,869,048 (15.3%)
CDS & CO. ⁽²⁾	6,561,562 (53.6%)

Note:

- (1) These figures do not include the Common Shares issuable upon the exercise of options which have been granted or which are to be granted to the Directors and Officers of the Corporation (see "Executive Remuneration" and "Stock Options" for further information).
- (2) The beneficial owners of these shares are not known to the Corporation.

BUSINESS OF THE MEETING

ITEM 1 - FIXING NUMBER OF DIRECTORS AND ELECTION OF DIRECTORS

The board of directors presently consists of 9 (nine) directors. Shareholders will be asked to consider and, if deemed advisable, to approve an ordinary resolution fixing the number of directors to be elected at the Meeting at 4 (four) directors. In order to be effective, the resolution requires the approval of a majority votes by shareholders who vote in respect of the resolution.

The persons named in the enclosed form of proxy intend to vote for the election of those nominees whose names are set forth below. Management does not contemplate that any nominee will be unable to serve as a director, but if such an event should occur for any reason prior to the Meeting, the persons named in the enclosed form of proxy reserve the right to vote for another nominee in their discretion, unless authority to

vote the proxy in the election of directors has been withheld. Each director elected will hold office until the next annual meeting of shareholders or until his successor is duly elected, unless the office is earlier vacated in accordance with the by-laws of the Corporation.

The following table and notes thereto state the names and residence of all persons proposed to be nominated for election as directors, all the major positions and offices with the Corporation presently held by them, their principal occupation or employment over the past five years, the year in which they became directors of the Corporation, and the approximate number of securities of the Corporation beneficially owned, directly or indirectly, or over which control or direction is exercised by each of them as at the date hereof:

Name and Municipality	Principal Occupations Held Within Last Five Years	Director Since	Common Shares
Mr. Paul Marciniak ⁽³⁾ Saskatoon, Saskatchewan	1995-present, Investment Manager, Agri-Food Equity Fund; 1988-1995 Credit Advisor, Agricultural Credit Corporation of Saskatchewan; 1983-1988 Regional Farm Management Specialist, Sask. Department of Agriculture	1999	0
Ms. Rita Mirwald ⁽³⁾ Saskatoon, Saskatchewan	1997-present, Senior Vice President Human Resources and Corporate Relations, Cameco Corporation; 1995-1995, Vice President Human Resources & Corporate Relations, Cameco; 1994-1995 Vice President, Corporate Relations, Cameco; 1990-1993, Director, Corporate Affairs and Investor Relations, Cameco	1999	0
Mr. Peter Oliver ⁽³⁾ Saskatoon, Saskatchewan	1991-present, Self employed business contractor for: Consulting and Audit Canada, Crown Investment Corporation (Saskatchewan), Saskatoon Credit Union Limited, Deloitte & Touche; 1977-1991, Senior Manager and Vice President of Deloitte & Touche Inc.	1994	708,399
Mr. Greg Dutka Saskatoon, Saskatchewan	Interim President of the Corporation since April 2000, prior to which held various marketing related positions with the Corporation since 1995.	2000	155,690

Notes:

- (1) The information as to shares beneficially held, not being within the knowledge of the Corporation, has been provided by the Directors.
- (2) These figures do not include the Common Shares issuable upon the exercise of options which have been granted to the Directors and Officers of the Corporation nor do they take account of the Common Shares issuable upon exercise of the Special Warrants to purchase Common Shares and Warrants of the Corporation.
- (3) Indicates members of the Audit Committee of the Corporation.

ITEM 2 - APPOINTMENT OF AUDITORS

The persons named in the enclosed form of proxy intend to vote for the appointment of Deloitte & Touche, Chartered Accountants, of Saskatoon, Saskatchewan, as auditors of the Corporation to hold office until the next annual meeting of shareholders and to authorize the directors of the Corporation to fix the auditor's remuneration. Deloitte & Touche has served as auditor of the Corporation since 1997.

Unless a proxy specifies that the shares it represents should be withheld from voting in the appointment of auditors, proxies received in favour of management of the Corporation will be voted for the appointment of Deloitte & Touche, Chartered Accountants, as auditors of the Corporation to hold office until the close of the next annual meeting of shareholders at a remuneration to be fixed by the board of directors of the Corporation.

ITEM 3 - APPROVAL OF STOCK OPTION PLAN AND GRANT OF ADDITIONAL STOCK OPTIONS

Stock Option Plan

Shareholders at the Meeting will be asked to consider and, if thought fit, pass an ordinary resolution approving a new Stock Option Plan as attached hereto as Appendix "A".

The Directors of the Corporation have established a new Stock Option Plan (the "Plan") to be effective April 30, 2000. The purpose of the Plan is to afford the persons who provide services to the Corporation, whether directors, officers, employees or consultants of the Corporation or its subsidiaries, an opportunity to obtain a proprietary interest in the Corporation by permitting them to purchase Common Shares of the Corporation and to aid in attracting, as well as retaining and encouraging the continued involvement of such persons with the Corporation.

Pursuant to the Plan, a maximum of 2,400,000 Common Shares may be reserved for issuance to the directors, officers, employees and consultants of the Corporation as designated by the board of directors from time to time. The exercise price of the Common Shares issued pursuant to such options will be at such discount, if any, from the market price as may be permitted by any stock exchange on which the Corporation's Common Shares are listed. The option agreements shall all provide for the expiration of such options on a date not later than the maximum period required by the stock exchange on which the Common Shares of the Corporation are then listed, after the granting of such options. Where the Corporation has less than or equal to 10% of its issued and outstanding common shares reserved for issuance under options, options shall vest and may be exercised during the option period in such manner as the Board determines. Where the Corporation has greater than 10% of its issued and outstanding common shares reserved for issuance under options, options shall vest and may be exercised during the option period in accordance with such vesting schedule which shall be acceptable to the Exchange.

Options granted under the Plan are not transferrable and if they are not exercised, will expire one (1) year following the date the optionee ceases to be director, officer, employee or consultant of the Corporation by reason of death, or ninety (90) days after ceasing to be a director, officer, employee or consultant of the Corporation for any reason other than death.

The 2,400,000 Common Shares reserved under the Plan is 19.6% of the issued and outstanding common shares of the Corporation. This includes 880,000 currently issued and outstanding options to purchase common shares which were granted to the officers, directors, employees and consultants of the Corporation under the Corporation's previous Stock Option Plan.

The approval of a simple majority of the votes cast by disinterested shareholders of the Corporation is required to approve the establishment of the Plan. The text of the ordinary resolution of disinterested shareholders to be considered at the meeting approving the Plan will be substantially as follows:

“BE IT RESOLVED AS AN ORDINARY RESOLUTION OF THE DISINTERESTED SHAREHOLDERS OF THE CORPORATION THAT:

1. the Stock Option Plan effective April 30, 2000, substantially in the form annexed to the Management Information Circular dated April 30, 2000 be and the same is hereby ratified, confirmed and approved;
2. any director or officer being is hereby authorized to execute and deliver all such deeds, documents and other writings and perform such acts as may be necessary in order to give effect to the adoption of the Stock Option Plan and the board of directors of the Corporation from time to time, be authorized to grant options in the capital stock of Company pursuant to and in accordance with the provisions of the stock option plan so adopted;
3. all options outstanding under the Corporation's stock option plan approved on May 27, 1997 shall remain valid and outstanding under the terms of the Existing Plan, however, no new options shall be granted under the Existing Plan; and
4. notwithstanding the approval of shareholders of the Corporation as herein provided, the board of the directors of the Corporation may, in its sole discretion, at any time suspend or terminate the Stock Option Plan or revoke this resolution before it is acted upon, without further approval of the shareholders of the Corporation.”

Unless otherwise indicated in the Instrument of Proxy, it is management's intention to vote the proxies in favour of this resolution. In order to be effective, an ordinary resolution requires approval by a majority of the votes cast by these Shareholders who, being entitled to do so, vote in respect of the resolution.

ITEM 4 - OTHER BUSINESS

Management is not aware of any other matters to come before the Meeting other than those set out in the Notice of Meeting. If other matters come before the Meeting, it is the intention of the Management Designees to vote the same in accordance with their best judgement in such matters.

COMPENSATION OF EXECUTIVE OFFICERS AND DIRECTORS

Compensation of Executive Officers

As at the date hereof and during the last fiscal year ended December 31, 1999, the Corporation had three (3) executive officers, one (1) of whom was also a director. The aggregate cash compensation (including salaries, fees, director's fees, commissions, bonuses paid for services rendered during the most recently completed fiscal year, bonuses paid for services rendered in a previous year, and any compensation other than bonuses earned during the most recently completed fiscal year the payment of which was deferred) paid to executive officers by the Corporation during the last fiscal year ended December 31, 1999 was \$200,442.

Summary Compensation

The following table (presented in accordance with the Regulations made under the *Securities Act* (Ontario) (the "Regulation")) sets forth all annual and long term compensation for services in all capacities to the Corporation and its subsidiaries for the fiscal years ended 1997, 1998 and 1999, (to the extent required by the Regulation), in respect of the individual(s) who were, at December 31, 1999, acting in a capacity similar to a Chief Executive Officer and the four most highly compensated executive officers whose compensation was greater than \$100,000 (the "Named Executive Officers").

SUMMARY COMPENSATION TABLE								
Name and Principal Position	Year	Annual Compensation			Long Term Compensation			
		Salary (\$)	Bonus (\$)	Other Annual Compensation (\$)	Awards		Payouts	
					Securities Under Options Granted (#)	Restricted Shares or Restricted Share Units (\$)	LTIP Payouts (\$)	All other Compensation (\$)
John Schaw, CEO, President	1997	\$90,000	Nil	Nil	Nil	Nil	Nil	Nil ⁽¹⁾
	1998	\$90,000	Nil	Nil	25,000	Nil	Nil	Nil ⁽¹⁾
	1999	\$90,000	Nil	Nil	50,000	Nil	Nil	Nil ⁽¹⁾

Notes:

- The Corporation also paid The Named Executive Officer's health benefits.

Stock Options

The Corporation has a share incentive plan (the "Current Plan") which was approved by the shareholders of the Corporation on May 27, 1997, which provides for the issuance of stock options, share bonuses and a employee share purchase plan. The Corporation is proposing to adopt a new stock option plan at the Meeting to replace the Current Plan of the Corporation. Under the Current Plan a total of 880,000 options have been granted and remain outstanding. See "Item #3 - Approval of Stock Option Plan and Grant of Additional Options" herein.

Options Granted and Exercised

The following table and notes thereto set forth information in respect of each grant of options to the Named Executive Officers during the Corporation's fiscal period ended December 31, 1999.

OPTION/SAR GRANTS DURING THE FISCAL PERIOD ENDED December 31, 1999					
Name	Securities Under Options Granted (#)	% of Total Options Granted to Employees in Financial Year (%)	Exercise or Base Price (\$/Security)	Market Value of Securities Underlying Options on the Date of Grant (\$/Security)	Expiration Date
John Schaw	25,000	12.5%	\$0.27	\$2,250	June 10, 2004

There was no exercise of options by the Named Executive Officers during the Corporation's fiscal period ended December 31, 1999.

Long-term Incentive Plans

The Corporation has not issued incentives of any nature under any long term incentive plan, other than stock options granted from time to time by the board of directors under the provisions of the Corporation's incentive share option plan.

Stock Appreciation Rights and Restricted Shares

No stock appreciation rights or restricted shares have been granted by the Corporation to any of the executive officers of the Corporation. Furthermore, no prior year stock appreciation rights were exercised.

Stock Option and SAR Repricing

The Corporation has not conducted any downward repricing of stock options or stock appreciation rights.

Pension and Retirement Plans and Payments made upon Termination of Employment

The Corporation does not have any pension or retirement plan which is applicable to the executive officers. The Corporation has not provided compensation, monetary or otherwise, during the preceding fiscal year, to any person who now or previously has acted as an executive officer of the Corporation, in connection with or related to the retirement, termination or resignation of such person and the Corporation has provided no compensation to such persons as a result of change of control of the Corporation, its subsidiaries or affiliates.

There is no arrangement for compensation with respect to termination of employment of executive officers or in the event of a change in responsibilities following a change in control of the Corporation.

Compensation of Directors

The Corporation has not paid cash compensation (including salaries, director's fees, commissions, bonuses paid for services rendered, bonuses paid for services rendered in a previous year, and any compensation other than bonuses earned) to the directors for services rendered in such capacity. Directors are not compensated by the Corporation in their capacities as directors, however they are entitled to be reimbursed for expenses actually incurred by them in their capacities as directors. Stock options have been granted to the current directors of the Corporation.

The executive officer of the Corporation who also acted as a director of the Corporation, did not receive any additional compensation for services rendered in such capacity. See "Executive Remuneration", above.

Employment Contracts

During the fiscal year ended December 31, 1999, the Corporation did not have in place any employment contract between the Corporation or any subsidiary or affiliate thereof and any Named Executive Officer, except in respect of Mr. John Schaw who was engaged under a personal services contract which provided for compensation in the amount of \$7,500 month in his capacity as Chief Executive Officer and President.

In addition, Mr. John Christensen and the Corporation were party to a personal services contract which provided that Mr. Christensen would be paid as VP-Operations on a per diem basis. A total of \$62,561 was paid under this Agreement in 1999.

A personal services contract was also in place for Mr. Warren Steck who acted as VP-Technology Development and was remunerated on an hourly basis. A total of \$47,881 was paid in 1999 pursuant to this agreement.

Other Compensation

Other than as set forth herein, the Corporation did not pay any additional compensation to the executive officers or directors (including personal benefits and securities or properties paid or distributed which compensation was not offered on the same terms to all full time employees) during the last completed fiscal year.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No current or proposed director or senior officer of the Corporation nor any associate or affiliate of such director or officer is or has been at any time since the beginning of the last completed fiscal year, indebted to the Corporation, nor has any such individual been indebted to any other entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding, provided by the Corporation.

INTERESTS OF MANAGEMENT AND OTHERS IN MATTERS TO BE ACTED UPON

Management is not aware of any material interest in any matter to be acted upon or any material transaction, direct or indirect, of any director or senior officer of the Corporation, or of any person beneficially owning, directly or indirectly, more than 10% of the Corporation's voting securities or any associate or affiliate thereof.

DATED: April 30, 2000

CERTIFICATE OF CORPORATION

The foregoing along with the schedules and financial statements attached, as they relate to the Corporation, contains no untrue statement of a material fact, does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made and constitutes full, true and plain disclosure of all material facts relating to the particular matters to be acted upon by the security holders.

“Greg Dutka”

Greg Dutka
Chief Executive Officer

“Mark Pasloski”

Mark Pasloski
Chief Financial Officer

**APPENDIX “A”
FYTOKEM PRODUCTS INC.**

STOCK OPTION PLAN

1. **Purpose**

The purpose of the Stock Option Plan (the "Plan") of Fytokem Products Inc., a corporation organized under the *Business Corporations Act* (Saskatchewan) (the "Corporation"), is to advance the interests of the Corporation by encouraging the directors, officers, employees and consultants of the Corporation, and of its subsidiaries and affiliates, to acquire shares in the Corporation, thereby increasing their proprietary interest in the Corporation, encouraging them to remain associated with the Corporation and furnishing them with additional incentive in their efforts on behalf of the Corporation in the conduct of its affairs.

2. **Administration**

The Plan shall be administered by the Board of Directors of the Corporation or by a special committee of the directors appointed from time to time by the Board of Directors of the Corporation pursuant to rules of procedure fixed by the Board of Directors (such committee or, if no such committee is appointed, the Board of Directors of the Corporation is hereinafter referred to as the "Board"). A majority of the Board shall constitute a quorum, and the acts of a majority of the directors present at any meeting at which a quorum is present, or acts unanimously approved in writing, shall be the acts of the directors.

Subject to the provisions of the Plan, the Board shall have authority to construe and interpret the Plan and all option agreements entered into thereunder, to define the terms used in the Plan and in all option agreements entered into thereunder, to prescribe, amend and rescind rules and regulations relating to the Plan and to make all other determinations necessary or advisable for the administration of the Plan. All determinations and interpretations made by the Board shall be binding and conclusive on all participants in the Plan and on their legal personal representatives and beneficiaries.

Each option granted hereunder may be evidenced by an agreement in writing, signed on behalf of the Corporation and by the optionee, in such form as the Board shall approve. Each such agreement shall recite that it is subject to the provisions of this Plan.

3. **Stock Exchange Rules**

All options granted pursuant to this Plan shall be subject to rules and policies of any stock exchange or exchanges on which the common shares of the Corporation are then listed and any other regulatory body having jurisdiction hereinafter (hereinafter collectively referred to as, the "Exchange").

4. **Shares Subject to Plan**

Subject to adjustment as provided in Section 15 hereof, the shares to be offered under the Plan shall consist of shares of the Corporation's authorized but unissued common shares. The aggregate number of shares issuable upon the exercise of all options granted under the Plan shall not exceed **2,400,000** common shares. If any option granted hereunder shall expire or terminate for any reason in accordance with the terms of the Plan without being exercised, the unpurchased shares subject thereto shall again be available for the purpose of this Plan.

5. **Maintenance of Sufficient Capital**

The Corporation shall at all times during the term of the Plan reserve and keep available such numbers of shares as will be sufficient to satisfy the requirements of the Plan.

6. **Eligibility and Participation**

Directors, officers, consultants, and employees of the Corporation or its subsidiaries, and employees of a person or company which provides management services (excluding investor relations services) to the Corporation or its subsidiaries ("Management Company Employees") shall be eligible for selection to participate in the Plan (such persons hereinafter collectively referred to as "Participants"). Subject to compliance with applicable requirements of the Exchange, Participants may elect to hold options granted to them in an incorporated entity wholly owned by them and such entity shall be bound by the Plan in the same manner as if the options were held by the Participant.

Subject to the terms hereof, the Board shall determine to whom options shall be granted, the terms and provisions of the respective option agreements, the time or times at which such options shall be granted and vested, and the number of shares to be subject to each option. In the case of employees or consultants of the Corporation or Management Company Employees, the option agreements to which they are party must contain a representation of the Corporation that such employee, consultant or Management Company Employee, as the case may be, is a bona fide employee, consultant or Management Company Employee of the Corporation or its subsidiaries.

An individual who has been granted an option may, if he is otherwise eligible, and if permitted under the policies of the Exchange, be granted an additional option or options if the Board shall so determine.

7. **Exercise Price**

- (a) The exercise price of the shares subject to each option shall be determined by the Board, subject to applicable Exchange approval, at the time any option is granted. In no event shall such price be lower than the price permitted by the Exchange.
- (b) Once the exercise price has been determined by the Board, accepted by the Exchange and the option has been granted, the exercise price of an option may only be reduced, in the case of options held by insiders of the Corporation (as defined by the Exchange), if disinterested shareholder approval is obtained at a meeting of the shareholders of the Corporation.

8. **Number of Optioned Shares**

The number of shares subject to an option granted to any one Participant shall be determined by the Board, but no one Participant shall be granted an option which exceeds the maximum number permitted by the Exchange.

9. **Duration of Option**

Each option and all rights thereunder shall be expressed to expire on the date set out in the option agreement and shall be subject to earlier termination as provided in Sections 11 and 12.

10. **Option Period, Consideration and Payment**

- (a) The option period shall be a period of time fixed by the Board not to exceed the maximum period of time permitted by the Exchange, provided that the option period shall be reduced with respect to any option as provided in Sections 11 and 12 covering cessation as a director, officer, consultant, employee or Management Company Employee of the Corporation or its subsidiaries, or death of the Participant.
- (b) Subject to the policies of the Exchange, an option shall vest and may be exercised (in each case to the nearest full share) during the option period:

- (i) in the circumstance where the number of shares reserved for issuance by the Board pursuant to the exercise of options granted is less than or equal to 10% of the number of issued and outstanding shares of the Corporation, in such manner as the Board may determine;
 - (ii) in the circumstance where the Corporation is a Tier 2 Issuer, as defined in the policies of the Canadian Venture Exchange, and the number of shares reserved for issuance by the Board pursuant to the exercise of options granted is greater than 10% of the issued and outstanding shares of the Corporation, in accordance with a vesting schedule which shall be established by the Board and which shall be acceptable to the Exchange.
- (c) Options which have vested, may be exercised in whole or in part at any time and from time to time during the option period. To the extent required by the Exchange, no options may be exercised under this Plan until this Plan has been approved by a resolution duly passed by the shareholders of the Corporation.
 - (d) Except as set forth in Sections 11 and 12, no option may be exercised unless the Participant is at the time of such exercise a director, officer, consultant, or employee of the Corporation or any of its subsidiaries, or a Management Company Employee of the Corporation or any of its subsidiaries.
 - (e) The exercise of any option will be contingent upon receipt by the Corporation at its head office of a written notice of exercise, specifying the number of common shares with respect to which the option is being exercised, accompanied by cash payment, certified cheque or bank draft for the full purchase price of such common shares with respect to which the option is exercised. No Participant or his legal representatives, legatees or distributees will be, or will be deemed to be, a holder of any shares subject to an option under this Plan, unless and until the certificates for such shares are issued to him or them under the terms of the Plan.

11. **Ceasing To Be a Director, Officer, Consultant or Employee**

If a Participant shall cease to be a director, officer, consultant, employee of the Corporation or its subsidiaries, or a Management Company Employee for any reason (other than death), he may exercise his option to the extent that he was entitled to exercise it at the date of such cessation, but only within 90 days after his ceasing to be a director, officer, consultant, employee or a Management Company Employee, unless such Participant was engaged in investor relations activities in which case, only within 30 days after the cessation of his services to the Corporation.

Nothing contained in the Plan, nor in any option granted pursuant to the Plan, shall as such confer upon any Participant any right with respect to continuance as a director, officer, consultant, employee or Management Company Employee of the Corporation or of any of its subsidiaries or affiliates.

12. **Death of Participant**

In the event of the death of a Participant, the option previously granted to him shall be exercisable only within the one (1) year after such death and then only:

- (a) by the person or persons to whom the Participant's rights under the option shall pass by the Participant's will or the laws of descent and distribution; and
- (b) if and to the extent that he was entitled to exercise the Option at the date of his death.

13. **Rights of Optionee**

No person entitled to exercise any option granted under the Plan shall have any of the rights or privileges of a shareholder of the Corporation in respect of any shares issuable upon exercise of such option until certificates representing such shares shall have been issued and delivered.

14. **Proceeds from Sale of Shares**

The proceeds from sale of shares issued upon the exercise of options shall be added to the general funds of the Corporation and shall thereafter be used from time to time for such corporate purposes as the Board may determine.

15. **Adjustments**

If the outstanding shares of the Corporation are increased, decreased, changed into or exchanged for a different number or kind of shares of securities of the Corporation through re-organization, merger, re-capitalization, re-classification, stock dividend, subdivision or consolidation, an appropriate and proportionate adjustment shall be made by the Board in its discretion in the number or kind of shares optioned and the exercise price per share, as regards previously granted and unexercised options or portions thereof, and as regards options which may be granted subsequent to any such change in the Corporation's capital.

Upon the liquidation or dissolution of the Corporation or upon a re-organization, merger or consolidation of the Corporation with one or more corporations as a result of which the Corporation is not the surviving corporation, or upon the sale of substantially all of the property or more than eighty (80%) percent of the then outstanding shares of the Corporation to another corporation, the Plan shall terminate, and any options theretofore granted hereunder shall terminate unless provision is made in writing in connection with such transaction for the continuance of the Plan and for the assumption of options theretofore granted, or the substitution for such options of new options covering the shares of a successor employer corporation, or a parent or subsidiary thereof, with appropriate adjustments as to number and kind of shares and exercise prices, in which event the Plan and options theretofore granted shall continue in the manner and upon the terms so provided. If the Plan and unexercised options shall terminate pursuant to the foregoing sentence, the shares subject to all options granted shall immediately vest and all Participants then entitled to exercise an unexercised portion of options then outstanding shall have the right at such time immediately prior to consummation of the event which results in the termination of the Plan as the Corporation shall designate, to exercise their options to the full extent not theretofore exercised.

Adjustments under this Section shall be made by the Board whose determination as to what adjustments shall be made, and the extent thereof, shall be final, binding and conclusive. No fractional share shall be required to be issued under the Plan on any such adjustment.

16. **Transferability**

All benefits, rights and options accruing to any Participant in accordance with the terms and conditions of the Plan shall not be transferrable or assignable unless specifically provided herein or the extent, if any, permitted by the Exchange. During the lifetime of a Participant any benefits, rights and options may only be exercised by the Participant.

17. **Amendment and Termination of Plan**

Subject to applicable approval of the Exchange, the Board may, at any time, suspend or terminate the Plan. Subject to applicable approval of the Exchange, the Board may also at any time amend or revise the terms of the Plan, provided that no such amendment or revision shall alter the terms of any options theretofore granted under the Plan.

18. **Necessary Approvals**

The ability of a Participant to exercise options and the obligation of the Corporation to issue and deliver shares in accordance with the Plan is subject to any approvals which may be required from shareholders of the Corporation and any regulatory authority or stock exchange having jurisdiction over the securities of the Corporation. If any shares cannot be issued to any Participant for whatever reason, the obligation of the Corporation to issue such shares shall terminate and any option exercise price paid to the Corporation will be returned to the Participant.

19. **Effective Date of Plan**

The Plan has been adopted by the Board of the Corporation subject to the approval of the Exchange and, if so approved, the Plan shall become effective upon such approvals being obtained.

20. **Interpretation**

The Plan will be governed by and construed in accordance with the laws of the Province of Saskatchewan.

MADE by the Board of Directors of the Corporation as evidenced by the signature of the following director duly authorized in that behalf effective June 30, 2000.

FYTOKEM PRODUCTS INC.

"Greg Dutka"

Signed: GREG DUTKA

Title: INTERIM PRESIDENT