

**BAYSHORE PETROLEUM CORP.**

**ANNUAL AND SPECIAL MEETING  
OF SHAREHOLDERS**

**NOTICE OF MEETING  
AND MANAGEMENT INFORMATION CIRCULAR**

**TO BE HELD AT:**

**Bay 127, 5655 – 10<sup>th</sup> Street N.E.**

**CALGARY, ALBERTA, T2E 8W7**

**ON NOVEMBER 7, 2019**

**AT 9:00 A.M. (MST)**

**BAYSHORE PETROLEUM CORP.**  
**NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS**

TAKE NOTICE that the annual and special meeting (the "**Meeting**") of the shareholders of Bayshore Petroleum Corp. ("**Bayshore**" or the "**Corporation**") will be held at the offices of the Corporation's solicitors, at Bay 127, 5655 – 10<sup>th</sup> Street N.E., Calgary, Alberta T2E 8W7 on November 7, 2019 at 9:00 a.m. (Calgary time) for the purposes of:

1. by ordinary resolution, to fix the number of board of directors of the Corporation at four (4) persons;
2. by ordinary resolution, to elect the directors of the Corporation for the ensuing year;
3. by ordinary resolution, to receive and consider the audited financial statements of the Corporation for the year ended December 31, 2018, and the report of its auditors thereon;
4. by ordinary resolution, to appoint auditors for the ensuing year and to authorize the directors to fix the auditor's remuneration;
5. by ordinary resolution, to approve the Corporation's Stock Option Plan, as more particularly described in the accompanying Information Circular, for the ensuing year; and
6. to transact such other business as may properly come before the said meeting or any adjournment thereof.

The directors of the Corporation have fixed October 1, 2019, (the "Record Date") as the record date for determination of the persons entitled to receive notice of the Meeting.

Shareholders as of the Record Date are entitled to vote their common shares except to the extent that they have transferred the ownership of any of their shares after the Record Date. The transferees of those common shares must produce properly endorsed share certificates or otherwise establish that they own the shares, and demand, not later than 10 days before the Meeting, that their name be included in the shareholder list before the Meeting, in which case the transferees are entitled to vote their common shares at the Meeting.

**DATED:** October 4, 2019

**By Order of the Board of Directors**  
*(Signed) "Peter Ho "*  
**Peter Ho**  
**Director and Chief Executive Officer**

<p><b>Registered shareholders unable to attend the Meeting are requested to date, sign and return their form of proxy in the enclosed envelope. If you are a non-registered (or beneficial) shareholder and receive this Notice of Meeting and the voting instruction form through your broker or through another intermediary, please complete and return the voting instruction form in accordance with the instructions provided to you by your broker or by the other intermediary. Failure to do so may result in your common shares not being eligible to be voted by proxy at the Meeting.</b></p>
---

**BAYSHORE PETROLEUM CORP.**

**INFORMATION CIRCULAR  
(as at October 4, 2019)**

**FOR THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS**

**TO BE HELD ON NOVEMBER 7, 2019**

**GENERAL PROXY INFORMATION**

**PURPOSE OF SOLICITATION**

This Management Information Circular is furnished in connection with the solicitation of proxies by the management of Bayshore Petroleum Corp. (the "**Corporation**") for use at the annual and special meeting of common shareholders of the Corporation, to be held at Bay 127, 5655- 10<sup>th</sup> Street N.E., Calgary, Alberta, T2E 8W7, on November 7, 2019 at 9:00 a.m. (MST) or at any adjournment for the purposes set out in the accompanying notice of meeting (the "**Meeting**").

The cost of such solicitation will be borne by the Corporation and will be made by mail. Directors and officers of the Corporation may without special compensation solicit proxies by telephone, facsimile or in person.

**APPOINTMENT AND REVOCATION OF PROXIES**

**Shareholders have the right to appoint a nominee (who need not be a shareholder) to represent them at the Meeting other than the persons designated in the enclosed form of proxy, and may do so by inserting the name of the appointed representative in the blank space provided in the form of proxy.**

A form of proxy will not be valid for the Meeting or any adjournment unless it is completed by the shareholder or by his attorney authorized in writing and must be delivered to: Proxy Department, Computershare Investor Services, 100 University Ave, 8<sup>th</sup> Floor, North Tower, Toronto, Ontario, M5J 2Y1, not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the Province of Ontario) prior to the time set for the meeting or any adjournment of the meeting. The proxy can also be completed online (internet voting) at [www.investorvote.com](http://www.investorvote.com).

The common shares of the Corporation (the "Common Shares") represented by the proxy will be voted or withheld from voting in accordance with the instructions of the Shareholder on any ballot that may be called for. If the Shareholder specifies a choice with respect to any matter to be acted upon, the securities will be voted accordingly.

In addition to revocation in any other manner permitted by law, a shareholder who has given a proxy may revoke it as to any matter upon which a vote has not already been cast pursuant to the authority conferred by the proxy. A proxy may be revoked by either executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the shareholder or by his authorized attorney in writing, or, if the shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by depositing the proxy bearing a later date with Computershare Investor Services at any time up to and including the last business day preceding the date of the Meeting or any adjournment at which the proxy is to be used, or by depositing the revocation of proxy with the chairman of such Meeting on the day of the Meeting, or any adjournment of the Meeting.

## VOTING OF PROXIES

The persons named in the enclosed form of proxy are directors and/or officers of the Corporation and have indicated their willingness to represent as proxy the shareholder who appoints them. Each shareholder may instruct his proxy how to vote his shares by completing the proxy form.

**In the absence of instructions to vote or withhold from voting the common shares of the Corporation (the "Common Shares") on such matters as the shareholder may instruct, and in the absence of any direction to vote for or against on such matters as the shareholder may direct, the management appointees named in the proxy will vote such Common Shares in favour of the matters on which the shareholder is entitled to vote as specified in the Notice of Meeting, and in favour of all other matters on which the Shareholder is entitled to vote as proposed by management at the Meeting.**

**THE ENCLOSED FORM OF PROXY CONFERS DISCRETIONARY AUTHORITY UPON THE PERSON INDICATED IN THE PROXY WITH RESPECT TO AMENDMENTS OR VARIATIONS TO MATTERS IDENTIFIED IN THE NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS (THE "NOTICE") AND WITH RESPECT TO OTHER MATTERS WHICH MAY PROPERLY COME BEFORE THE MEETING.** At the time of printing of the Information Circular, the management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting other than the matters referred to in the Notice and the Information Circular. If any matters which are not now known to the directors and senior officers of the Corporation should properly come before the Meeting, the persons named in the accompanying form of proxy will vote on such matters in accordance with their best judgment.

## NOTICE AND ACCESS

Notice-and-Access is a mechanism which allows reporting issuers other than investment funds to choose to deliver proxy-related materials to registered holders and beneficial owners of its securities by posting such materials on a non-SEDAR website (usually the reporting issuer's website and sometimes the transfer agent's website) rather than delivering such materials by mail. The notice-and-access provisions under National Instrument 54-101 and National Instrument 51-102 (the "Notice-and-Access Provisions") can be used to deliver materials for both special and general meetings.

The use of the Notice-and-Access Provisions is intended to reduce paper waste and mailing costs to the issuer, although actual results vary. In order for the Corporation to utilize the Notice-and-Access Provisions to deliver proxy-related materials, the Corporation must send a notice to Shareholders indicating that the proxy-related materials for the Meeting have been posted electronically on a website that is not SEDAR and explaining how a Shareholder can access them or obtain a paper copy of those materials. Upon request, beneficial owners are entitled to delivery of a paper copy of the information circular at the reporting issuer's expense. This Information Circular has been posted in full under the Corporation's SEDAR profile at [www.sedar.com](http://www.sedar.com).

In order to use the Notice-and-Access Provisions, a reporting issuer must set the record date for the meeting at least 40 days prior to the meeting to ensure there is sufficient time for the materials to be posted on the applicable website and the notice of meeting and form of proxy to be delivered to Shareholders. The requirements for the notice of meeting are that the Corporation shall provide basic information about the Meeting and the matters to be voted on, explain how a Shareholder can obtain a paper copy of this Information Circular, and explain the Notice-and-Access process. A corporation can also rely upon the use of 'stratification'. Stratification occurs when a reporting issuer using the Notice-and-Access Provisions provides a paper copy of the information circular to some, but not all, of its shareholders, along with the notice of meeting.

**In relation to the Meeting, the Corporation shall not use the Notice-and-Access Mechanism and Process.** All Shareholders will receive a paper copy of this Information Circular and all documents required to vote at the Meeting from the Corporation or an intermediary. The Corporation will be delivering proxy-related materials to NOBOs and OBOs indirectly through the use of intermediaries.

Additional paper copies of this Information Circular, as well as copies of the Corporation's financial statements and MD&A, can also be obtained by contacting the Corporation at 340 - 600 Crowfoot Crescent N.W., Calgary, Alberta,

T3G 0B4. Financial information is provided in the Corporation's comparative annual financial statements and MD&A for the most recently completed financial year.

In order to ensure that a paper copy of this Information Circular can be delivered to a requesting Shareholder in time for such Shareholder to review this Information Circular and return a proxy or voting instruction form so that it is received not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the Province of Alberta) prior to the time set for the Meeting or any adjournment of the Meeting, it is strongly suggested that a Shareholder ensure their request is received before October 29, 2019. All Shareholders may also contact the Corporation directly at 1-403-265-8820 in order to obtain additional information or to obtain a paper copy of this Information Circular, up to and including the date of the Meeting, including any adjournment of the Meeting.

#### **ADVICE TO BENEFICIAL SHAREHOLDERS**

**The information set forth in this section is of significant importance to many shareholders of the Corporation, as a substantial number of shareholders do not hold their Common Shares in their own name.** Shareholders who do not hold their Common Shares in their own name (referred to in this Information Circular as "**Beneficial Shareholders**") should note that only proxies deposited by shareholders whose names appear on the records of the Corporation as the registered holders of Common Shares can be recognized and acted upon at the Meeting. If shares are listed in an account statement provided to a shareholder by a broker, then, in almost all cases, those shares will not be registered in the shareholder's name on the records of the Corporation. Such shares will more likely be registered under the name of the shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities, which acts as nominee for many Canadian brokerage firms). Shares held by brokers or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, a broker and its agents and nominees are prohibited from voting shares for the broker's clients. **Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate person.**

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their shares are voted at the Meeting. The majority of the brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions Inc. ("**Broadridge**"). Broadridge typically uses its own machine readable voting instruction form, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to either return the proxy forms to Broadridge or alternatively provide voting instructions by utilizing an internet on-line or automated telephone system. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. **A Beneficial Shareholder receiving a voting instruction form from Broadridge cannot use that voting instruction form to vote Common Shares directly at the Meeting. The voting instruction form must be returned to Broadridge well in advance of the Meeting in order to have the Common Shares voted.**

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his broker (or an agent of the broker), a Beneficial Shareholder may attend at the Meeting as proxyholder for the registered shareholder and vote the Common Shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxyholder for the registered shareholder, should enter their own names in the blank space on the voting instruction form provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting.

All references to shareholders in this Information Circular, the accompanying instrument of proxy and Notice are to shareholders of record unless specifically stated otherwise.

**INTERESTS OF CERTAIN PERSONS AND COMPANIES**  
**IN MATTERS TO BE ACTED UPON**

Management of the Corporation is not aware of any material interest of any director or nominee for director, or senior officer or anyone who held office as such since the beginning of the Corporation's last financial year, or any associate or affiliate of any of the foregoing, with respect to any matter to be acted on at the meeting except as set forth in this Information Circular.

**VOTING SHARES**

Only the Common Shares are entitled to vote at the Meeting. As of the date of this Information Circular, **82,360,815** Common Shares without nominal or par value are issued and outstanding. Each Common Share entitles the holder to one vote on all matters to come before the Meeting. 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 of the Corporation.

The directors of the Corporation have fixed October 1, 2019, as the record date for determination of the persons entitled to receive notice of the Meeting. A shareholder of record as of the record date is entitled to vote his Common Shares except to the extent that he has transferred the ownership of any of his shares after the record date, and the transferee of those shares produces properly endorsed share certificates or otherwise establishes that he owns the shares, and demands, not later than 10 days before the Meeting, that his name be included in the shareholder list before the Meeting, in which case the transferee is entitled to vote his shares at the Meeting.

**PARTICULARS OF MATTERS TO BE ACTED UPON**

**FIX THE NUMBER OF DIRECTORS**

Management of the Corporation proposes at the Meeting to set the number of directors of the Corporation at four (4) and to nominate persons to fill such positions.

**ELECTION OF DIRECTORS**

Action is to be taken at the Meeting with respect to the election of four (4) directors to serve until the next annual meeting of the Corporation or until their respective successors have been elected or appointed. The persons named in the accompanying proxy intend to vote for the election, as directors, the four (4) nominees listed below. **In the absence of contrary instructions, the persons named in the accompanying form of proxy intend to vote IN FAVOUR of the election of Mr. Chan (Chairman), Mr. Ho, Madam Yu and Mr. Falconer as directors of the Corporation.** In the event any nominee named below should be unable to serve, the persons named in the Proxy will vote for a substitute nominee or nominees in accordance with their best judgment. All nominees named below have consented to serve as directors if elected.

The following table indicates the names of the four (4) nominees for directors, the date each such person first became a director (if applicable), the principal occupation of each such person and the number of Common Shares of the Corporation beneficially owned or controlled or directed (directly or indirectly) by each such person as of October 4, 2019. The information contained in this table as to the number of shares of the Corporation beneficially owned or controlled or directed, directly or indirectly, is based upon information furnished to the Corporation by the respective nominees. The Board of Directors is required to appoint an Audit Committee and a Corporate Governance and Compensation Committee, the proposed members of which are indicated in the table.

<u>Name, Municipality and Country of Residence</u>	<u>Number of Shares Beneficially Owned <sup>(3)</sup></u>	<u>Director Since</u>	<u>Principal Occupation</u>
Ivan Po Kwong Chan <sup>(1)(2)</sup> Hong Kong, Special Administrative District, China	50,400,000	October 16, 2017	President, MORAG Investments Ltd.
Peter Ho <sup>(2)</sup> Calgary, Alberta, Canada	1,373,764	September 6, 2011	Director & CEO of Bayshore Petroleum Corp.
Ellen Yu <sup>(1)(2)</sup> Hong Kong, Special Administrative District, China	Nil	August 7, 2018	Independent Accounting Consultant
Alex Falconer <sup>(1)</sup> Burlington, Ontario, Canada	Nil	November 20, 2018	Independent Financial Consultant

Notes:

- (1) Member of the Audit Committee
- (2) Member of Corporate Governance and Compensation Committee.
- (3) Does not include options

The directors and officers of the Corporation, as a group, own, directly or indirectly, or exercise control or direction over, an aggregate of 51,773,764 Common Shares, representing approximately 62.86% of the issued and outstanding Common Shares of the Corporation.

To the knowledge of the Corporation, no proposed director of the Corporation (a) is, as at the date hereof, or has been, within the 10 years before the date hereof, a director, chief executive officer or chief financial officer of any 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 in effect for a period of more than 30 consecutive days (an "Order") 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 an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer, (b) is, as at the date hereof, or has been within 10 years before the date hereof, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceeding, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, or (c) has, within the 10 years before the date hereof, 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 nominee.

## FINANCIAL STATEMENTS

The Board of Directors of the Corporation has approved all of the information in the audited financial statements of the Corporation for the year ended December 31, 2018 and the report of the Auditor thereon, enclosed herein and all of which may be reviewed on SEDAR at [www.sedar.com](http://www.sedar.com).

## APPOINTMENT OF AUDITORS

The shareholders of the Corporation will be asked to vote, by ordinary resolution, for the appointment of Kenway Mack Slusarchuk Stewart LLP, as auditors of the Corporation:

**IT IS RESOLVED** that:

1. Kenway Mack Slusarchuk Stewart LLP be, and is hereby appointed as, the auditors of the Corporation to hold office until the close of the next annual meeting of the Shareholders or until the firm of Kenway Mack Slusarchuk Stewart LLP is removed from office or resigns as provided by law or by the Corporation's by-laws;
2. The directors are authorized to fix the remuneration of Kenway Mack Slusarchuk Stewart LLP, as auditors; and
3. Any officer or director of the Corporation is authorized and directed to do all things and execute all instruments and documents necessary or desirable to carry out the foregoing.

The Board of Directors recommends that Shareholders vote IN FAVOUR of the above resolution at the Meeting. **The persons named in the enclosed form of proxy will vote IN FAVOUR of the appointment of Kenway Mack Slusarchuk Stewart LLP as auditors of the Corporation** until the end of the next annual meeting of the Shareholders and the authorization of the directors to fix their remuneration, unless a Shareholder has specified in the proxy that his or her shares are to be withheld from voting in respect thereof. Kenway Mack Slusarchuk Stewart LLP has served as auditors of the Corporation since March 25, 2009.

**ANNUAL APPROVAL OF STOCK OPTION PLAN**

Pursuant to Policy 4.4 (the “**Option Policy**”) of the TSX Venture Exchange (the “**Exchange**”) the Corporation is permitted to maintain a “rolling” stock option plan reserving a maximum of 10% of the issued and outstanding Common Shares for issuance pursuant to stock options. In accordance with the Option Policy, rolling option plans must receive Shareholder approval yearly at the Corporation’s annual meeting. The Shareholders of the Corporation approved such a stock option plan (the “**Stock Option Plan**”) on August 7, 2018. The Stock Option Plan is set out in Appendix A.

At the Meeting, Shareholders will be asked to consider and, if thought advisable, to ratify and approve the existing Stock Option Plan pursuant to an ordinary resolution in the following form:

**IT IS RESOLVED** that:

1. the Stock Option Plan of the Corporation, which provides for the rolling grant of options to acquire up to 10% of the number of issued and outstanding Common Shares of the Corporation, be and the same is hereby confirmed, ratified and approved;
2. any one director or officer of the Corporation be and is hereby authorized and directed to do all things and to execute and deliver all documents and instruments as may be necessary or desirable to carry out the terms of this resolution; and
3. notwithstanding that this resolution has been passed by the shareholders of the Corporation, the adoption of the proposed Stock Option Plan of the Corporation is conditional upon receipt of final approval from the TSX Venture Exchange and the directors of the Corporation are hereby authorized and empowered to revoke this resolution, without any further approval of the shareholders of the Corporation, at any time if such revocation is considered necessary or desirable by the directors.”

The Board of Directors recommends that the shareholders vote IN FAVOUR of the ordinary resolution approving the Stock Option Plan, and unless otherwise directed, it is management’s intention to vote the Common Shares represented by the Instruments of Proxy in favour of the above resolution.

**OTHER BUSINESS**

The management of the Corporation is not aware of any matters to come before the Meeting other than those set out in the Notice of Meeting. However, if other matters properly come before the Meeting, it is the intention of the persons

named in the form of proxy accompanying this Circular to vote the same in accordance with their best judgment in such matters.

## INFORMATION CONCERNING THE CORPORATION

### PRINCIPAL SHAREHOLDERS

To the best of the knowledge of the directors and executive officers of the Corporation, as at the date hereof, the following persons or companies beneficially owned, directly or indirectly, or exercised control or direction over, voting securities of the Corporation carrying more than 10% of the voting rights attached to the shares of the Corporation:

Name	Number of Common Shares as of the Record Date	Percentage of total issued and outstanding Common Shares as of the Record Date
MORAG Investments Ltd. <sup>(1)</sup>	50,400,000	61.19%

*(1) MORAG Investments Ltd. is owned and controlled by Mr. Ivan Po Kwong Chan, Chairman of Bayshore Petroleum Corp.*

### STATEMENT OF EXECUTIVE COMPENSATION

For the purposes of this section, "Named Executive Officers" means the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO") of the Corporation and each of the Corporation's three most highly compensated executive officers, other than the CEO and CFO, who were serving as executive officers at the end of the most recently completed financial year ended December 31, 2018 and whose compensation, in the aggregate, exceeded \$150,000.

#### Compensation Discussion and Analysis

The Corporation's approach to executive compensation is to provide appropriate compensation for executives that is internally equitable, externally competitive and reflects individual achievement. The Corporation attempts to maintain compensation arrangements that will attract and retain highly qualified individuals who are able and capable of carrying out the objectives of the Corporation. The Corporation's compensation arrangements for the Named Executive Officers may, in addition to salary, include compensation in the form of bonuses and, over a longer term, benefits arising from the grant of stock options.

#### Compensation Committee

The Corporate Governance and Compensation Committee (the "CGCC") establishes and reviews the Corporation's overall compensation philosophy and its general compensation policies with respect to executive officers, including the corporate goals and objectives and the annual performance objectives relevant to such officers. The CGCC evaluates each officer's performance in light these goals and objectives and, based on its evaluation, determines and approves the salary, bonus, options and other benefits for such officers. In determining compensation matters, the CGCC and the Board of Directors may consider a number of factors, including the Corporation's performance, the value of similar incentive awards to officers performing similar functions at comparable companies, the awards given in past years and other factors it considers relevant. The current overall objective of the Corporation's compensation strategy is to reward management for their efforts, while seeking to conserve cash given current market conditions. With respect to any bonuses or incentive plan grants which may be awarded to executive officers in the future, the Corporation has not currently set any objective criteria and will instead rely upon any recommendations and discussion at the CGCC level with respect to the above-noted considerations and any other matters which the CGCC and board may consider relevant on a going-forward basis, including the cash position of the Corporation. The CGCC is comprised of Mr. Chan, Mr. Ho and Madam Yu. See "Election of Directors".

### Components of Executive Compensation:

The components of the executive compensation program are described in the table below:

Compensation element	How it is paid	What it is designed to reward
Base salary	Cash	Rewards skills, capabilities, knowledge and experience, reflecting the level of responsibility, as well as the contribution expected from each executive.
Short-term Incentive	Cash Bonus	Rewards contribution to both department's performance and the Corporation's overall performance. Rewards for results within the current fiscal year.
Long-term Incentive	Stock Options	Provides alignment between the interests of executives and shareholders. Rewards contribution to the long-term performance of the Corporation and demonstrated potential for future contribution. Aligns with long-term corporate performance and provides added incentive for executives to enhance shareholder value.

#### **Base Salary**

The base salary provides an executive with basic compensation and reflects individual responsibility, knowledge and experience, market competitiveness and the contribution expected from each individual. At its discretion, the CGCC may compare each executive officer's salary with the base salaries for similar positions in the comparator group, and recommends appropriate adjustments, as needed.

#### **Short-term Incentive**

Short-term incentive compensation is based on annual results. The short-term incentive ensures that a significant portion of an executive's compensation varies with actual results in a given year, while providing financial incentives to executives to achieve short-term financial and strategic objectives. It communicates to executives the key accomplishments the CGCC wishes to reward and ensures that overall executive compensation correlates with corporate objectives. The short-term incentive component is structured to reward not only increased value for shareholders but also performance with respect to key operational factors and non-financial goals important to long-term success.

#### **Long-term Incentive**

The long-term incentive component of executive compensation is designed to ensure commonality of interests between management and shareholders. This is accomplished by connecting shareholder return and long-term compensation, motivating executives to achieve long-range objectives that directly benefit shareholders.

Stock options reward executives for growth in the value of the Corporation's stock over the long term. This is the high risk, high-return component of the executive total compensation program because stock options deliver value to an executive only if the share price is above the grant price. This long-term equity incentive includes both a corporate and personal component.

### **Summary of Compensation**

For the financial year ended December 31, 2018, the Corporation had two (2) Named Executive Officers:

Peter Ho, Director & Chief Executive Officer  
Lance Mierendorf, Chief Financial Officer

The following table sets forth information concerning the total compensation paid by the Corporation to its Named Executive Officers for the Corporation for the two most recent financial years ended December 31, 2018 and 2017, excluding compensation securities. If an executive's compensation is not shown it means that person received no compensation whatsoever:

<b>Name and principal position</b>	<b>Year</b>	<b>Salary, Consult fee, retainer, or commission (\$)</b>	<b>Bonus (\$)</b>	<b>Committee or meeting fees (\$)</b>	<b>Value of perquisites<sup>(1)</sup> (\$)</b>	<b>Value of all other compensation (\$)</b>	<b>Total compensation<sup>(2)</sup> (\$)</b>
Peter Ho <sup>(3)</sup> Director and CEO	2018	37,404	Nil	Nil	Nil	Nil	37,404
	2017	6,000	Nil	Nil	Nil	Nil	6,000
Lance Mierendorf <sup>(4)</sup> CFO	2018	17,938	Nil	Nil	Nil	Nil	17,938
	2017	n/a	n/a	n/a	n/a	n/a	n/a
Mark Roth <sup>(5)</sup> Director, President, and CFO)	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	3,000	Nil	Nil	Nil	Nil	3,000

Notes:

- (1) The value of perquisites received by each of the Named Executive Officers, including property or other personal benefits provided to the Named Executive Officers that are not generally available to all employees, were not in the aggregate greater than \$50,000 or 10% of the Named Executive Officer's total salary for the financial year.
- (2) Full disclosure requires compensation disclosure for each of the Issuer's three most highly compensated executive officers/directors in addition to the CEO and CFO, regardless of the amount of their compensation. There were no other Named Executive Officers other than the CEO and CFO. No compensation was paid to directors of the Corporation during 2017 and 2018.
- (3) Mr. Ho was Director and CEO during 2017. In addition to the Director and CEO roles, effective February 16, 2018 Mr. Ho assumed the role of CFO and held this position until October 30, 2018.
- (4) Mr. Mierendorf assumed the role of CFO effective October 30, 2018.
- (5) Mr. Roth was Director, President, and CFO during the period October 24, 2014 to February 16, 2018 at which time he resigned from holding these two positions.

### **Long Term Incentive - Stock Option Plan**

The purpose of the Stock Option Plan is to provide an incentive for directors, officers, key employees and consultants of the Corporation to directly participate in the Corporation's growth and development by providing them with the opportunity through options to purchase common shares to acquire an increased financial interest in the Corporation. The CGCC believes that granting of options is an effective way to support the achievement of the Corporation's long-term performance objectives, ensure executive and employee commitment to the longer-term interests of the Corporation and its shareholders, and provide compensation opportunities to attract, retain and motivate employees critical to the success of the Corporation. At its discretion, the CGCC grants options to individuals taking into account the Corporation's long-range objectives, comparing and matching in most cases option grants and holdings for similar positions in the comparator group, and previous grants to such individuals.

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights</b> <b>(a)</b>	<b>Weighted- average exercise price of outstanding options, warrants and rights (\$)</b> <b>(b)</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))</b> <b>(c)</b>
Equity compensation plans approved by security holders	780,000	0.16	7,456,082
Equity compensation plans not approved by security holders	N/A	N/A	N/A
Total	780,000	0.16	7,456,082

**Compensation Securities of NEO and Directors for year ended December 31, 2018:**

<b>Name and position</b>	<b>Type of compensation security <sup>(1)(2)</sup></b>	<b>Number of compensation securities, number of underlying securities, and % of class</b>	<b>Date of issue or grant</b>	<b>Issue, conversion or exercise price (\$)</b>	<b>Closing price of security or underlying security on date of grant (\$)</b>	<b>Closing price of security or underlying security at year end (\$)</b>	<b>Expiry date</b>
Peter Ho <sup>(3)</sup> Directors and CEO (NEO)	Option to purchase Common Share	Nil	N/A	N/A	N/A	N/A	N/A
Lance Mierendorf <sup>(4)</sup> CFO (NEO)	Option to purchase Common Share	Nil	N/A	N/A	N/A	N/A	N/A
Ivan Po Kwong Chan <sup>(5)</sup> Director and Chairman of the Board	Option to purchase Common Share	Nil	N/A	N/A	N/A	N/A	N/A
Ellen Yu <sup>(6)</sup> Director	Option to purchase Common Share	Nil	N/A	N/A	N/A	N/A	N/A
Alex Falconer <sup>(7)</sup> Director	Option to purchase Common Share	Nil	N/A	N/A	N/A	N/A	N/A

Notes:

- (1) There were no compensation securities granted during 2018.
- (2) Restrictions or conditions for converting, exercising, or exchanging the compensation securities: Options shall not be granted for a term exceeding ten years. The Shares to be purchased upon each exercise of any Option shall be paid for in full, in cash or certified cheque/wire transfer, at the time of such exercise. No Option granted under the Stock Option Plan shall be transferable or assignable by an Optionee otherwise than by will or by the laws of descent and distribution, and such Option shall be exercisable, during the Optionee's lifetime, only by him. Subject to the Provisions of the Stock Option Plan, an Option may be exercised from time to time by delivering to the Secretary of the Corporation at its registered office a written notice of exercise specifying the number of Shares with respect to which the Option is being exercised and accompanied by payment in full of the purchase price of the Shares then being purchased. Should the Corporation sell all or a substantial part of its assets, or that it should be purchased by a third party or merged, the Optionee will then have the right to exercise its Options for the total number of unexercised Shares within thirty (30) days following the date of the completion of such sale, purchase or merger. The Corporation may, at its discretion, reduce this thirty day period.
- (3) Mr. Ho held a total of 730,000 Options to purchase 730,000 Common Shares as of December 31, 2018.
- (4) Mr. Mierendorf was appointed Chief Financial Officer on October 30, 2018 and did not hold any Options as of December 31, 2018.
- (5) Mr. Chan was appointed director on October 16, 2017 and was appointed Chairman of the Board on September 13, 2018. Mr. Chan did not hold any Options as of December 31, 2018.
- (6) Madam Yu was appointed director on August 7, 2018. Madam Yu did not hold any Options as of December 31, 2018.

- (7) Mr. Falconer was appointed director on November 20, 2018. Mr. Falconer did not hold any Options as of December 31, 2018.

**Exercise of Compensation Securities by Directors and NEOs for year ended December 31, 2018:**

<b>Name and position</b>	<b>Type of compensation security</b>	<b>Number of underlying securities exercised</b>	<b>Exercise price per security (\$)</b>	<b>Date of exercise</b>	<b>Closing price per security on date of exercise (\$)</b>	<b>Difference between exercise price and closing price on date of exercise (\$)</b>	<b>Total value on exercise date (\$)</b>
Peter Ho Chief Executive Officer and Chairman (NEO)	Option to purchase Common Share	Nil	N/A	N/A	N/A	N/A	N/A
Lance Mierendorf Chief Financial Officer and Director (NEO)	Option to purchase Common Share	Nil	N/A	N/A	N/A	N/A	N/A
Ivan Po Kwong Chan Director and Chairman of the Board	Option to purchase Common Share	Nil	Nil	N/A	N/A	N/A	N/A
Ellen Yu Director	Option to purchase Common Share	Nil	N/A	N/A	N/A	N/A	N/A
Alex Falconer Director	Option to purchase Common Share	Nil	N/A	N/A	N/A	N/A	N/A

**Pension Plan Benefits**

The Corporation does not have a defined benefit, defined contribution or deferred compensation plan.

**Executive Compensation Agreements**

As of December 31, 2018, there is no compensation plan for the executives and directors for the Corporation.

**INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

None of the Directors or Executive Officers of the Corporation are indebted to the corporation for any reason.

**INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

Other than as disclosed in this Information Circular or in filings by the Corporation on SEDAR or as below, no informed person of the Corporation or any associate or affiliate of the foregoing had any material interest, direct or indirect, in any transaction or proposed transaction since December 31, 2018, which has materially affected or would materially affect the Corporation or any of its subsidiaries.

**MANAGEMENT CONTRACTS**

As at December 31, 2018, the management functions of the Corporation were substantially performed by directors and senior officers of the Corporation, and, not to any substantial degree, by any other person with whom the Corporation has contracted.

## AUDIT COMMITTEE

### The Audit Committee Charter

The following is the Corporation's "Audit Committee Charter" (the "**Charter**"):

#### Purpose

The primary function of the audit committee of the Corporation (the "**Committee**") is to assist the board of directors (the "**Board**") of the Corporation in fulfilling its responsibilities by reviewing the financial reports and other financial information provided by the Corporation to any regulatory body or the public, the Corporation's systems of internal controls regarding preparation of those financial statements and related disclosures that management and the Board have established and the Corporation's auditing, accounting and financial reporting processes generally. Consistent with this function, the Committee encourages continuous improvement of, and fosters adherence to, the Corporation's policies, procedures and practices at all levels. The Committee's primary objectives are to:

1. assist directors in meeting their responsibilities in respect of the preparation and disclosure of the financial statements of the Corporation and related matters;
2. provide for open communication between directors and external auditors;
3. enhance the external auditor's independence;
4. increase the credibility and objectivity of financial reports; and
5. strengthen the role of the outside or "independent" directors by facilitating in depth discussions between directors on the Audit Committee, management and external auditors.

#### **Composition**

The Committee is comprised of three or more directors as determined by the Board, if at all possible with the majority of whom shall be "independent" (as such term is used in National Instrument 52-110 Audit Committees ("**NI 52-110**")) unless the Board shall have determined that the exemption contained in section 3.6 of NI 52-110 would be applicable and is to be adopted by the Corporation.

All of the members of the committee shall be "financially literate" (as defined in NI 52-110) unless the Board shall determine that an exemption under NI 52-110 from such requirement in respect of any particular member would be applicable and is to be adopted by the Corporation in accordance with the provisions of NI 52-110.

The members of the Committee shall be elected by the Board at the annual organizational meeting of the Board and remain as members of the Committee until their successors shall be duly elected and qualified.

Unless a Chair is elected by the full Board, the members of the Committee may designate a Chair by majority vote of the full Committee membership.

#### **Meetings**

The Committee shall meet at least twice annually, or more frequently as circumstances dictate. As part of its mandate to foster open communication, the Committee should meet at least annually with management and the external auditors in separate executive sessions to discuss any matters that the Committee or each of these groups believe should be discussed privately. The Chief Financial Officer (if appointed) is required to be present at the meetings of the Committee and may be excused from all or part of any such meetings by the independent sitting members.

Minutes of all meetings of the Committee shall be taken and the Committee shall report the results of its meetings and reviews undertaken and any associated recommendations or resolutions to the Board. A written resolution signed by

all Committee members entitled to vote on that resolution at a meeting of the Committee shall be valid resolution of the Committee.

A quorum for meetings of the Committee shall be majority of its members, and the rules for calling, holding, conducting and adjourning meetings of the committee shall be the same as those governing the Board.

Members of the Committee may participate in a meeting of the Committee by means of telephone or other communication device or facilities that permit all persons participating in any such meeting to hear one another.

### **Responsibilities and Duties**

To fulfill its responsibilities and duties, the Committee shall:

1. Documents/Reports Review
  - a. Review and update this Charter, as conditions dictate.
  - b. Review the financial statements, prospectuses, MD&A, annual information forms and all public disclosures containing audited or unaudited financial information (including, without limitation, annual and interim press releases and any other press releases disclosing earnings or financial results) before release and prior to Board approval where required.
  - c. Review the reports to management prepared by the external auditors and management responses.
  - d. Established procedures for:
    - (i) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and
    - (ii) the confidential, anonymous submission by employees of the issuer of concerns regarding questionable accounting or auditing matters.
  - e. Review and approve the Corporation's hiring policies regarding employees and former employees of the present and former external auditors of the issuer.
  - f. Review of significant auditor findings during the year, including the status of previous audit recommendations.
  - g. Be satisfied with and periodically assess the adequacy of procedures for the review of corporate disclosure that is derived or extracted from the financial statements.
2. External Auditors
  - a. 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.
  - b. Recommend to the Board the external auditors to be nominated for appointment by the shareholders.
  - c. Recommend to the Board the terms of engagement of the external auditor, including their compensation and a confirmation that the external auditors shall report directly to the Committee.
  - d. On an annual basis, review and discuss with the auditors all significant relationships the auditors have with the Corporation to determine the auditors' independence.
  - e. Review the performance of the external auditors and approve any proposed discharge of the external auditors when circumstances warrant.

- f. When there is to be a change in auditors, review the issues related to the change and the information to be included in the required notice to securities regulators of such change.
  - g. Periodically consult with the external auditors, without the presence of management, about internal controls and the fullness and accuracy of the organization's financial statements.
  - h. Consider, in consultation with the external auditor, the audit scope and plan of the external auditor.
  - i. Pre-approved the completion of any non-audit services by the external auditors and determined which non-audit services the external auditor is prohibited from providing and the Committee may delegate to one or more independent members of the Committee the authority to pre-approve non-audit services, provided that such member(s) reports to the Committee at the next scheduled meeting such pre-approval and the members(s) complies with such other procedures as may be established by the Committee from time to time.
3. Financial Reporting Processes
- a. In consultation with the external auditors and management, review the integrity of the organization's financial reporting processes both internal and external. Consider judgments concerning the appropriateness of the Corporation's accounting policies.
  - b. Consider and approve, if appropriate, major changes to the Corporation's auditing and accounting principles and practices as suggested by the external auditors or management.
  - c. Review risk management policies and procedures of the Corporation (i.e., hedging, litigation and insurance).
4. Process Improvement
- a. Review with external auditors their assessment of internal controls, their written reports containing recommendations for improvement, and management's response and follow-up to any identified weaknesses. The Committee shall also review annually with the external auditors their plan for their audit, and upon completion of the audit, their reports upon the financial statements.
5. Ethical and Legal Compliance
- a. Ensure that management has the proper review system in place to ensure that the Corporation's financial statements, reports and other financial information disseminated to regulatory organizations and the public satisfy legal requirements.
  - b. Conduct and authorize investigations into any matters within the Committee's scope of responsibilities. The Committee shall be empowered to retain, and to set and pay compensation for any independent counsel and other professionals to assist in the conduct of any investigation, subject to the Board approving any expenditure in excess of \$10,000 in this regard.
  - c. Perform any other activities consistent with this Charter, the Corporation's by-laws and governing law, as the Committee or the Board deems necessary or appropriate.

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

The Committee consists of three members:

1. All three directors are considered to be independent:
  - a. Ivan Po Kwong Chan, director and Chairman of the Board;
  - b. Ellen Yu, director; and
  - c. Alex Falconer, director.

All are considered to be financially literate.

### **Relevant Education and Experience**

#### Mr. Po Kwong, Chan

Mr. Po Kwong, Chan is an experienced entrepreneur and financier with more than 25 years of experience in the Hong Kong and international real estate and leasing industry. Working mostly with his family group, Dutfield International Group Co. Ltd., Mr. Chan has helped many private and public international and Hong Kong companies achieve their financing objectives. Mr. Chan is currently sitting as an independent board member on a few Hong Kong/China private companies.

#### Madam Yu - MBA, CPA

Madam Yu is an experienced professional accountant and has worked as a controller for a large international conglomerate in Hong Kong. Madam Yu is currently working part-time as a professional accountant consultant and provides various advice and consulting services to companies in Hong Kong and overseas.

#### Mr. Falconer, CPA

Mr. Falconer is a Toronto based Chartered Public Accountant (CPA, CA) and has over 30 years of experience working with public and private companies operating in the oil & gas, minerals, and technology industries. He currently serves as the Chief Financial Officer of both a TSXV listed company and a CSE listed company and has been a director and audit committee member of many resource-based issuers. Mr. Falconer will be a member of the Audit Committee of Bayshore.

### **Audit Committee Oversight**

At no time since the commencement of the Corporation's most recently completed financial year were any Committee's recommendations to nominate or compensate an external auditor not adopted by the Board.

### **Reliance on Certain Exemptions**

At no time since the commencement of the Corporation's most recently completed financial year has it relied on any exemption under Part 8 of National Instrument 52-110.

### **Pre-Approval Policies and Procedures**

The Committee has not adopted any specific policies and procedures for the engagement of non-audit services.

### External Auditor Service Fees

The fees paid by the Corporation to its auditor in each of the last two fiscal years are:

Financial Year Ending December 31	Audit Fees	All Other Fees
2018	\$20,000	N/A
2017	\$10,000	N/A

### Venture Issuer Exemption

The Corporation, as a "Venture Issuer", is relying upon section 6.1 of National Instrument 52-110 exempting it from certain requirements relating to the composition of the audit committee requirements and reporting obligations.

## CORPORATE GOVERNANCE

Corporate governance relates to the activities of the board of directors (the "**Board**"), the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day to day management of the Corporation. The Board is committed to sound corporate governance practices, which are both in the interest of its shareholders and contribute to effective and efficient decision making.

Pursuant to National Instrument 58-101 Disclosure of Corporate Governance Practices ("**NI 58-101**") which came into effect for financial years ending on or after June 30, 2005, the Corporation is required to disclose its corporate governance practices in compliance with NI 58-101, as summarized below.

### Board of Directors

The Board facilitates its exercising of independent supervision over management through meetings of the Board and both directly and indirectly through its committees.

Peter Ho serves as management and is therefore not considered to be "independent" within the prescribed definition.

### Directorships

From time to time certain of the directors may be directors in one or more other reporting issuers.

<u>Director</u>	<u>Name of Reporting Issuer</u>	<u>Position Held</u>
Ivan Po Kwong Chan	n/a	n/a
Peter Ho	n/a	n/a
Ellen Yu	n/a	n/a
Alex Falconer	Spackman Equities Group Inc. Aylen Capital Inc.	Director Director

### **Orientation and Continuing Education**

Each new director brings a different skill set and professional background, and with this information, the Board is able to determine what orientation to the nature and operations of the Corporation's business will be necessary and relevant to each new director. The Corporation provides continuing education to its directors as such need arises and encourages open discussion at all meetings which format encourages learning by the directors.

### **Ethical Business Conduct**

The Corporation endeavours to select only people of the highest personal moral stature and expects them to follow a high ethical standard when exercising their authority or discretion in all of the Corporation's business dealings.

### **Nomination of Directors**

The Board determines new nominees to the Board, although no formal process has been adopted.

### **Compensation**

The Corporation has a Corporate Governance and Compensation Committee (the "CGCC") with a mandate including determination of (i) remuneration to directors and officers, (ii) allocation of incentive stock options, and (iii) monitor over-all Board activities to ensure compliance with NI 58-101.

The CGCC members are Mr. Chan, Mr. Ho and Madam Yu. See "Election of Directors".

### **Assessments**

The Corporation has contemplated a plan for the annual review of the performance of every director and officer, however to date no formal plan or procedure has been adopted.

## **APPROVAL AND CERTIFICATION**

The contents and the sending of the Notice of Meeting and this Circular have been approved by the Board of Directors of the Corporation.

**DATED** this 4<sup>th</sup> day of October, 2019.

**ON BEHALF OF THE BOARD OF DIRECTORS  
OF BAYSHORE PETROLEUM CORP.**

*Per: "Peter Ho"* \_\_\_\_\_

**Peter Ho  
Director and Chief Executive Officer**

**APPENDIX A  
STOCK OPTION PLAN**

**BAYSHORE PETROLEUM CORP.**

**STOCK OPTION PLAN**

1. PURPOSE

The purpose of this Stock Option Plan (the "Plan") is to authorize the grant to directors, officers, employees and consultants on an on-going basis of Bayshore Petroleum Corp. (the "Company") or any present or future subsidiary thereof of stock options ("Options") to purchase common shares ("Shares") of the Company's capital and thus benefit the Company by enabling it to attract, retain and motivate directors, officers, employees and consultants by providing them with the opportunity, through Options, to acquire an increased proprietary interest in the Company.

2. ADMINISTRATION

The Plan shall be administered by the board of directors (the "Board") of the Company. The Board may make grants, subject to the terms of the Plan, to such eligible persons referred to above (the "Optionees") and will determine the number of Shares in the share capital of the Company which will be the object of Options, in its sole discretion.

3. SHARES SUBJECT TO PLAN

Subject to adjustment under the provisions of paragraph 12 hereof, Options may be granted in respect of authorized and un-issued Shares of the Company provided that, subject to the receipt of the approval of the principal stock exchange on which the shares are then listed (the "Exchange") and the approval of the shareholders of the Company, the maximum number of shares which may be reserved for issuance pursuant to this Plan, and any other compensation mechanism, shall be set out in the attached **Schedule A**.

4. ISSUANCE LIMITS

- (a) **Insiders.** The aggregate number of Shares issuable pursuant to Options under the Plan, together with all of the Company's other previously established or proposed share compensation arrangements, will not result, in either: (i) the number of shares reserved for issuance pursuant to stock options granted to insiders of the Company ("Insiders") exceeding 10% of the outstanding issue, (ii) the issuance to Insiders, within a one-year period, of a number of shares exceeding 10% of the outstanding issue, or (iii) the issuance to any one Insider and such Insider's associates, within a one-year period, of a number of shares exceeding 5% of the outstanding issue;
- (b) **Consultants.** No more than 2% of the issued shares of the Company may be granted to anyone consultant to the company in any 12 month period;
- (c) **Employees.** No more than an aggregate of 2% of the issued shares of the Company may be granted to an employee of the company conducting investor relations activities, in any 12 month period;

- (d) General. Notwithstanding the provisions of subsections (a), (b) and (c) above, the total number of Shares which may be reserved for issuance to anyone Optionee under the Plan shall not exceed 5% of the total number of issued and outstanding Shares (on a non diluted basis) less Shares reserved for issuance under any stock option agreement.

## 5. ELIGIBILITY

Options shall be granted only to directors, officers, employees and consultants of the Company or any subsidiary. The term "subsidiary" as used in the Plan shall mean any company in which the Company owns, directly or indirectly, 50% or more of the total combined voting rights of all classes of stock.

Subject to the foregoing, the Board shall have full and final authority to determine the persons who are to be granted Options under the Plan and the number of Shares subject to each Option.

## 6. PRICE

The purchase price (the "Price") for the Shares of the Company under each Option shall be determined by the Board on the basis of the market price, where "market price" shall mean the prior trading day closing price of the Shares of the Company on the Exchange and where there is no such closing price, or if the Board of Directors determines that such closing price would not be representative of the market price of the Shares, then the exercise price shall be equal to the weighted average price per share for the Shares for the five (5) consecutive trading days ending on the last trading day preceding the date of grant.

## 7. PERIOD OF OPTION AND RIGHTS TO EXERCISE

Subject to the provisions of this paragraph and paragraphs 8, 9 and 10 below, Options will be exercisable in whole or in part, and from time to time, during the currency thereof. Options shall not be granted for a term exceeding ten (10) years. The Shares to be purchased upon each exercise of any Option shall be paid for in full, in cash or by certified cheque, at the time of such exercise. Except as provided in paragraphs 8 and 9 below, no Option which is held by a director, officer or employee may be exercised unless the Optionee is then director, officer or in the employ of the Company or any subsidiary. Absence on leave approved for an officer of the Company or any subsidiary authorized to give such approval shall not be considered an interruption of employment for any purpose under the Plan.

## 8. NON TRANSFERABILITY & NON ASSIGNABILITY OF OPTION

No Option granted under the Plan shall be transferable or assignable by an Optionee otherwise than by will or by the laws of descent and distribution, and such Option shall be exercisable, during the Optionee's lifetime, only by him, as provided in paragraph 10 below.

## 9. TERMINATION OF EMPLOYMENT

If any Optionee who is a director, officer or employee shall cease to be an officer, director or employee of the Company or any subsidiary for any reason (except as otherwise provided in paragraph 10), the Optionee may exercise his options, but only within the period of ninety (90) days succeeding such cessation and in no event after the expiry date of the Optionee's Option. Before the expiry date of such Option, the Board shall notify the Optionee of such expiry in writing. The entitlement of a Consultant to Options, including the entitlement to Options upon termination, shall be determined by the terms of the Consultant's agreement and the requirements of the Plan.

#### 10. DEATH OF OPTIONEE

In the event of the death of an Optionee during the currency of the Optionee's Option, the Option theretofore granted to him shall be exercisable within, but only within, the period of one year next succeeding the Optionee's death, and in no event after the expiry date of the Optionee's Option. Before expiry of an Option under this paragraph, the Board shall notify the Optionee's representatives in writing of such expiry.

#### 11. EXTENSION OF OPTION

Notwithstanding the provisions of paragraph 9 and 10, the Board may extend the period of time within which an Option held by a deceased Optionee may be exercised or within which an Option may be exercised by an Optionee who has ceased to be an officer, director or employee of the Company, but such an extension shall not be granted beyond a period of twelve (12) months in the case of officers and directors who are not also employees and thirty-six (36) months in the case of employees and, in any event, shall not extend beyond the original expiry date of the Option. Any extension of Options granted under this Plan are subject to regulatory approval.

#### 12. ADJUSTMENTS IN SHARES SUBJECT TO PLAN

The aggregate number and class of Shares available under the Plan shall be appropriately adjusted in the event of a reorganization, recapitalization, stock split, stock dividend, combination of Shares, merger, consolidation, share issuance pursuant to a rights offering or any other change in the corporate structure or Shares of the Company. The Option granted under the Plan shall contain such provisions as the Board may determine the appropriate adjustments to be made with respect to Options granted or to the granted relatively to the Option Price in the event of any such change. Any adjustment arising as a result of a stock dividend shall be subject to regulatory approval.

#### 13. AMENDMENT AND TERMINATION OF THE PLAN

The Board may at any time amend the other terms of a stock option agreement or plan upon requisite regulatory and Exchange approval, provided, however that:

- (a) if the Optionee is an insider of the Company at the time of the amendment, the Company obtains disinterested Shareholder approval;
- (b) the option exercise price can be amended only if at least six months have elapsed since the later of the date of commencement of the term, the date the Company shares commenced trading, or the date the option exercise price was last amended;
- (c) if the option price is amended to a discounted market price, the Exchange hold period will apply from the date of the amendment. If the option price is amended to the market price, the Exchange hold period will not apply;
- (d) disinterested Shareholder approval will be obtained for any reduction in the exercise price if the Optionee is an insider of the Company at the time of the proposed amendment;
- (e) any extension of the length of the term of the stock option is treated as a grant of a new option, which must comply with pricing and other requirements of the Exchange. The term of an option cannot be extended so that the effective term of the option, exceeds 10 years in total. An option must be outstanding for at least one year before the Company can extend its term; and

- (f) the Exchange must accept a proposed amendment before the amended option is exercised.

For the purposes of this Policy, if the Company cancels a stock option and within one year grants new options to the same individual, the new options will be subject to the requirements in sections (a) to (d) above.

An amendment to the terms of a stock option may be considered to be a new grant under Securities Laws. Acceptance for filing by the Exchange does not provide assurance that the Company is complying with Securities Laws.

The Board may at any time amend or terminate the Plan upon receipt of requisite regulatory approval, provided, however that no such amendment alter or impair any of the terms of Options previously granted under the Plan without the consent of the Optionee.

#### 14. EFFECTIVE DATE OF THE PLAN

The Plan is effective on August 7, 2018, and Options may be granted immediately thereafter. Amendments to the Plan are effective as set forth under Section 21 hereof "Approval" and as indicated on **Schedule "A"**.

#### 15. EVIDENCE OF OPTIONS

Each Option granted under the Plan shall be embodied in a written Option agreement between the Company and the Optionee which shall give the provisions of the Plan.

#### 16. EXERCISE OF OPTION

Subject to the Provisions of the Plan, an Option may be exercised from time to time by delivering to the Secretary of the Company at its registered office a written notice of exercise specifying the number of Shares with respect to which the Option is being exercised and accompanied by payment in full, in cash or by certified cheque, of the purchase price of the Shares then being purchased. Certificates for such Shares shall be issued and delivered to the Optionee within a reasonable period of time following the receipt of such notice.

Upon receipt of a certificate of an authorized officer directing the issue of Shares purchased under the Plan, the transfer agent is authorized and directed to issue and countersign share certificates for the Options exercised in the name of such Optionee or the Optionee's legal personal representative or as may be directed in writing by the Optionee's legal personal representative.

#### 17. NOTICE OF SALE OF ALL OR SUBSTANTIALLY ALL SHARES OR ASSETS

Should the Company sell all or a substantial part of its assets, or that it should be purchased by a third party or merged, the Optionee will then have the right to exercise its Options for the total number of unexercised Shares within thirty (30) days following the date of the completion of such sale, purchase or merger. The Company may, at its discretion, reduce this thirty day delay.

#### 18. RIGHTS PRIOR TO EXERCISE

The holder of an Option shall not have any rights as a shareholder of the Company with respect to any of the shares covered by such Option until such holder shall have exercised such Option in accordance with

the terms of the Plan (including tendering payment in full of the Option price of the Shares in respect of which the Option is being exercised) and the issuance of Shares by the Company.

19. GOVERNING LAW

This Agreement shall be construed in accordance with and be governed by the laws of the Province of Alberta and shall be deemed to have been made in said Province and shall be in accordance with all applicable securities laws.

20. EXPIRY OF OPTION

On the expiry date of any Option granted under the Plan, and pursuant to any extension of such expiry date permitted in accordance with the Plan, such Option hereby granted forthwith expires and terminate and be of no further force or effect whatsoever as to such of the optioned Shares in respect of which the Option has not been exercised.

21. APPROVAL

The Plan has been approved by the shareholders of the Company on August 7, 2018, and by the directors of the Company on August 7, 2018 and supersedes and replaces all prior stock option plans.

22. ENGAGEMENT OF THE COMPANY

The Company hereby acknowledges that the Company is required to pre-clear any amendment to the Plan or to any Option within or outside such Plan with the Exchange. Consequently, the Company hereby undertakes to obtain the approval of Exchange to any amendments it proposes to make to the Plan prior to the issuance of any Shares pursuant to such amendment.

**SCHEDULE A**

**THE PLAN**

The Plan was approved by the directors and shareholders of the Company, each on August 7, 2018, providing for the issuance of that number of Shares which does not exceed 10% of the Company's issued and outstanding common shares.

THIS PAGE INTENTIONALLY LEFT BLANK

