

# **TENTH AVENUE PETROLEUM CORP.**

## **NOTICE OF ANNUAL GENERAL MEETING OF THE SHAREHOLDERS**

**to be held at:**

**#1250, 639 – 5<sup>th</sup> Ave. SW  
Calgary, Alberta T2P 0M9**

**June 21, 2022  
10:00 a.m. (Calgary Time)**

## **MANAGEMENT INFORMATION CIRCULAR AND PROXY STATEMENT**

May 26, 2022

## TENTH AVENUE PETROLEUM CORP.

### NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

**TAKE NOTICE** that an Annual General Meeting ("Meeting") of holders of common shares of Tenth Avenue Petroleum Corp. (the "Corporation") will be held at #1250, 639 – 5<sup>th</sup> Ave. SW, Calgary, Alberta T2P 0M9 on June 21, 2022 at 10:00 a.m. (Calgary Time), for the following purposes:

1. to receive the audited financial statements of the Corporation for the fiscal year ended December 31, 2020 and December 31, 2021, together with the report of the auditors thereon;
2. to elect Cameron Macdonald, Ronald Hozjan, Brian Prokop and Scott Reeves as directors of the Corporation for the ensuing year;
3. to appoint Crowe MacKay LLP as the auditors of the Corporation for the ensuing year and to authorize the board of directors to fix the auditors' remuneration;
4. to consider and, if deemed advisable, to pass with or without variation, an ordinary resolution approving the stock option plan, as more particularly described in the accompanying Management Proxy Circular; and
5. to transact such other business as may be properly brought before the meeting or any adjournment thereof.

The accompanying Management Proxy Circular provides additional information relating to the matters to be dealt with at the Meeting and is supplemental to, and expressly made a part of, this Notice of Meeting.

As at the date of this Notice, the Corporation intends to hold the Meeting in person and by teleconference call. To participate or submit questions during the Meeting, shareholders can join by teleconference, using the dial in instructions below. The Corporation reserves the right to take any additional precautionary measures it deems appropriate in relation to the Meeting in response to further developments in respect of the COVID-19 outbreak.

#### **Dial in Details**

Toll-free dial-in number in Canada and the USA: 1-855-453-6957

Local dial-in number in Calgary: 403-410-3051

International dial-in numbers: <https://www.confsoolutions.ca/ILT?rls=8554536957A1>

Conference ID: 5774064

The Corporation's Board of Directors has fixed May 17, 2022 as the record date for the determination of shareholders entitled to notice of and to vote at the Meeting and at any adjournment or postponement thereof (the "Record Date"). Each registered shareholder at the close of business on the Record Date is entitled to such notice and to vote at the Meeting in the circumstances set out in the accompanying Circular. All Shareholders are reminded to review the Management Proxy Circular before voting.

If you are a registered shareholder of the Corporation and unable to attend the Meeting in person, please complete, date and sign the accompanying form of proxy and deposit it with the Corporation's transfer agent, Odyssey Trust Company: i) by mail using the enclosed return envelope or one addressed to Odyssey Trust Company, Trader's Bank Building, Suite 702, 67 Yonge St., Toronto, Ontario M5E 1J8; ii) by facsimile at 1-800-517-4553; iii) by email at [proxy@odysseytrust.com](mailto:proxy@odysseytrust.com) or iv) through the internet at <https://login.odysseytrust.com/pxlogin>, in accordance with the instructions provided in the form of proxy at least 48 hours (excluding Saturdays, Sundays and holidays recognized in the Province of Alberta) before the time and date of the Meeting or any adjournment or postponement thereof.

If you are a non-registered shareholder of the Corporation and received this Notice of Meeting and accompanying materials through a broker, a financial institution, a participant, a trustee or administrator of a self administered retirement savings plan, retirement income fund, education savings plan or other similar self administered savings or investment plan registered under the *Income Tax Act* (Canada), or a nominee of any of the foregoing that holds your securities on your behalf (an "Intermediary"), please complete and return the materials in accordance with the instructions provided to you by your Intermediary. Shareholders are encouraged to vote your proxy by mail, internet

or telephone. You will need the control number contained in the accompanying form of proxy in order to vote. To be valid, your proxy must be received by the Corporation's transfer agent, Odyssey Trust Company, no later than 48 hours (excluding Saturdays, Sundays and statutory holidays) prior to the date on which the Meeting or any postponement or adjournment thereof is held.

DATED at Calgary, Alberta, this 26<sup>th</sup> day of May, 2022.

**BY ORDER OF THE BOARD OF DIRECTORS**

*(signed) Cameron Macdonald*

Chief Executive Officer and Director

**SHAREHOLDERS ARE CAUTIONED THAT THE USE OF THE MAIL TO TRANSMIT PROXIES IS AT EACH SHAREHOLDER'S RISK.**

**TENTH AVENUE PETROLEUM CORP.**  
**MANAGEMENT INFORMATION CIRCULAR**

For the Annual General Meeting of Shareholders  
to be held on June 21, 2022

**As a shareholder, you have the right to vote your shares on all items that come before the meeting. Your vote is important and we facilitate voting by enabling you to vote by proxy prior to the meeting. We encourage you to do so and have arranged for voting on the Internet, by phone, by fax or by mail. You can also vote by attending the meeting.**

**PROXIES**

**Solicitation of Proxies**

This management information circular and proxy statement (the "Management Proxy Circular") is furnished in connection with the solicitation of proxies by the management of Tenth Avenue Petroleum Corp. (the "Corporation") for use at the Annual General Meeting of the holders (the "Shareholders") of common shares (the "Common Shares") of the Corporation to be held at #1250, 639 – 5<sup>th</sup> Ave. SW, Calgary, Alberta T2P 0M9 at 10:00 a.m. (Calgary Time) on June 21, 2022, and at any adjournment thereof (the "Meeting"), for the purposes set forth in the Notice of Meeting accompanying this Management Proxy Circular. Solicitation of proxies will be primarily by mail, but may also be undertaken by way of telephone, facsimile or oral communication by the directors, officers and regular employees of the Corporation, at no additional compensation. Costs associated with the solicitation of proxies will be borne by the Corporation.

**Appointment of Proxyholders**

Accompanying this Management Proxy Circular is an instrument of proxy for use at the Meeting. Shareholders who are unable to attend the Meeting in person and wish to be represented by proxy are required to date and sign the enclosed instrument of proxy and return it in the enclosed return envelope. **All properly executed instruments of proxy for Shareholders must be mailed so as to reach or be deposited at the offices of Odyssey Trust Company of Canada, Trader's Bank Building, Suite 702, 67 Yonge St., Toronto, Ontario M5E 1J8, not later than 48 hours (excluding Saturdays, Sundays and statutory holidays) prior to the time set for the Meeting or any adjournment thereof.**

The persons designated in the instrument of proxy are officers and/or directors of the Corporation. **A Shareholder has the right to appoint a person (who need not be a Shareholder) other than the persons designated in the accompanying instrument of proxy, to attend at and represent the Shareholder at the Meeting.** To exercise this right, a Shareholder should insert the name of the designated representative in the blank space provided on the instrument of proxy and strike out the names of management's nominees. Alternatively, a Shareholder may complete another appropriate instrument of proxy.

**Signing of Proxy**

The instrument of proxy must be signed by the Shareholder or the Shareholder's duly appointed attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal or by a duly authorized officer or attorney of the corporation. An instrument of proxy signed by a person acting as attorney or in some other representative capacity (including a representative of a corporate Shareholder) should indicate that person's capacity (following his or her signature) and should be accompanied by the appropriate instrument evidencing qualification and authority to act (unless such instrument has previously been filed with the Corporation).

**Revocability of Proxies**

A Shareholder who has submitted an instrument of proxy may revoke it at any time prior to the exercise thereof. In addition to any manner permitted by law, a proxy may be revoked by instrument in writing executed by the Shareholder or by his or her duly authorized attorney or, if the Shareholder is a corporation, under its corporate seal or executed by a duly authorized officer or attorney of the corporation and deposited either: (i) at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting, or any adjournments thereof, at which the instrument of proxy is to be used; or (ii) with the Chairman of the Meeting on the day of the Meeting, or any adjournment thereof. In addition, an instrument of proxy may be revoked: (i) by the Shareholder personally attending the Meeting and voting the securities represented thereby or, if the Shareholder is a

corporation, by a duly authorized representative of the corporation attending at the Meeting and voting such securities; or (ii) in any other manner permitted by law.

#### **Voting of Proxies and Exercise of Discretion by Proxyholders**

All Common Shares represented at the Meeting by properly executed proxies will be voted on any ballot that may be called for and, where a choice with respect to any matter to be acted upon has been specified in the instrument of proxy, the Common Shares represented by the instrument of proxy will be voted in accordance with such instructions. The management designees named in the accompanying instrument of proxy will vote or withhold from voting the Common Shares in respect of which they are appointed in accordance with the direction of the Shareholder appointing him or her on any ballot that may be called for at the Meeting. **Each Shareholder can vote for all of the nominated directors, vote for some of them and withhold for others, or withhold for all of them. In the absence of such direction, such Common Shares will be voted "FOR" the proposed resolutions at the Meetings, including the election of each of the nominated directors. The accompanying instrument of proxy confers discretionary authority upon the persons named therein with respect to amendments of or variations to the matters identified in the accompanying Notice and with respect to other matters that may properly be brought before the Meeting.** In the event that amendments or variations to matters identified in the Notice are properly brought before the Meeting or any further or other business is properly brought before the Meeting, it is the intention of the management designees to vote in accordance with their best judgment on such matters or business. At the time of printing this Management Proxy Circular, the management of the Corporation knows of no such amendment, variation or other matter to come before the Meeting other than the matters referred to in the accompanying Notice.

#### **INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED ON**

Except as disclosed in this Management Proxy Circular, none of the directors or executive officers of the Corporation at any time since the beginning of the Corporation's last financial year, nor any proposed nominee for election as a director of the Corporation, nor any associate or affiliate of any of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise in any matter to be acted on, other than the election of directors or the appointment of auditors.

#### **VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES**

##### **Voting of Common Shares – General**

The record date for the determination of Shareholders entitled to receive notice of and to vote at the Meeting is May 17, 2022 (the "Record Date"). Only Shareholders whose names are entered in the Corporation's register of shareholders at the close of business on that date and holders of Common Shares issued by the Corporation after such date and prior to the Meeting will be entitled to receive notice of and to vote at the Meeting, provided that, to the extent that: (i) a registered Shareholder has transferred the ownership of any Common Shares subsequent to the Record Date; and (ii) the transferee of those Common Shares produces properly endorsed share certificates, or otherwise establishes that he or she owns the Common Shares and demands, not later than ten days before the Meeting, that his or her name be included on the Shareholder list before the Meeting, in which case the transferee shall be entitled to vote his or her Common Shares at the Meeting.

The Corporation is authorized to issue an unlimited number of Common Shares without par value and an unlimited number of Preferred Shares. On the Record Date, of the Corporation's authorized Common Shares, 38,344,100 Common Shares were issued and outstanding as fully paid and non-assessable and no other shares were outstanding.

##### **Voting of Common Shares – Advice to Non-Registered Holders**

Only registered holders of Common Shares, or the persons they appoint as their proxies, are permitted to attend and vote at the Meeting. However, in many cases, Common Shares beneficially owned by a holder (a "Non-Registered Holder") are registered either:

- (a) in the name of an intermediary (an "Intermediary") that the Non-Registered Holder deals with in respect of the Common Shares. Intermediaries include banks, trust companies, securities dealers or brokers, and trustees or administrators of self-administered RRSPs, RRFs, RESPs and similar plans; or
- (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited or "CDS").

In accordance with the requirements of National Instrument 54-101 of the Canadian Securities Administrators, the Corporation has distributed copies of the Notice, this Management Proxy Circular and the instrument of proxy

(collectively, the "Meeting Materials") to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders.

Intermediaries are required to forward meeting materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Typically, Intermediaries will use a service company (such as ADP Investor Communications ("ADP")) to forward meeting materials to Non-Registered Holders.

Generally, Non-Registered Holders who have not waived the right to receive meeting materials will:

- (a) have received as part of the Meeting Materials a voting instruction form which must be completed, signed and delivered by the Non-Registered Holder in accordance with the directions on the voting instruction form; voting instruction forms sent by ADP permit the completion of the voting instruction form by telephone or through the Internet at <https://login.odysseytrust.com/pxlogin>; or
- (b) less typically, be given a proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature) which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Holder but which is otherwise uncompleted. This form of proxy need not be signed by the Non-Registered Holder. In this case, the Non-Registered Holder who wishes to submit a proxy should otherwise properly complete the form of proxy and deposit it with Computershare Trust Company of Canada at the address referred to above.
- (c) The purpose of these procedures is to permit Non-Registered Holders to direct the voting of the Common Shares they beneficially own. Should a Non-Registered Holder wish to attend and vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should strike out the names of the persons named in the proxy and insert the Non-Registered Holder's (or such other person's) name in the blank space provided or, in the case of a voting instruction form, follow the corresponding instructions on the form. **In either case, Non-Registered Holders should carefully follow the instructions of their Intermediaries and their service companies.**

Only registered Shareholders have the right to revoke a proxy. Non-Registered Holders who wish to change their vote must in sufficient time in advance of the Meeting, arrange for their respective Intermediaries to change their vote and if necessary, revoke their proxy in accordance with the revocation procedures set above.

#### **Voting by Internet**

Shareholders may use the internet site at <https://login.odysseytrust.com/pxlogin>, to transmit their voting instructions. Shareholders should have the form of proxy in hand when they access the web site and will be prompted to enter their Control Number, which is located on the form of proxy. If Shareholders vote by internet, their vote must be received not later than 48 hours prior to the time of any adjournment of the Meeting. The website may be used to appoint a proxyholder to attend and vote on a Shareholder's behalf at the Meeting and to convey a Shareholder's voting instructions. Please note that if a Shareholder appoints a proxyholder and submits their voting instructions and subsequently wishes to change their appointment, a Shareholder may resubmit their proxy and/or voting direction, prior to the deadline noted above. When resubmitting a proxy, the most recent submitted proxy will be recognized as the only valid one, and all previous proxies submitted will be disregarded and considered revoked, provided that the last proxy is submitted by the deadline noted above.

#### **Principal Holders of Common Shares**

To the best of the knowledge of the directors and executive officers of the Corporation, as at the date hereof, no persons, corporations or other entities (other than securities depositories) beneficially own, directly or indirectly, or exercise control or discretion over voting securities carrying more than 10% of the voting rights attached to the shares of the Corporation.

#### **Quorum**

Pursuant to the by-laws of the Corporation, a quorum of Shareholders is present at the Meeting irrespective of the number of persons actually present if two (2) persons present in person, each being a shareholder entitled to vote thereat or a duly appointed proxyholder or representative for a shareholder so entitled holding or representing not less than 5% of the issued and voting capital of the Corporation. Pursuant to the *Business Corporations Act* (Alberta) and the by-laws, if a quorum is present at the opening of the Meeting, the Shareholders present may proceed with the business of the Meeting notwithstanding that a quorum is not present throughout the Meeting. If a quorum is not



Craig Leggatt <sup>(2)</sup> <i>Former Director</i>	2021 2020	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
Tracy Zimmerman <sup>(2)</sup> <i>Former Director and Interim Chief Financial Officer</i>	2021 2020	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil

Notes:

- (1) Certain monies were paid to Mr. Leia in the form of legal fees billed by Wolff Leia LLP and are included in the sums recorded by Mr. Leia. The figures include fees, disbursements, other charges and GST. Actual fees billed by Wolff Leia were \$104,635 in 2020 and \$56,633 in 2021.
- (2) Mr. Leia, Mr. Roe, Mr. Leggatt and Ms. Zimmerman resigned and ceased to be directors and/or officers of the Corporation as of December 16, 2021.
- (3) Mr. Macdonald received a \$10,000 consulting fee as Chief Executive Officer for the year ended December 31, 2021.

### Stock options and other compensation securities

The following table sets forth details for all stock options outstanding for each of the NEO's and directors as at December 31, 2021. The closing price of the Common Shares on the TSX Venture Exchange on December 31, 2021 was \$0.27.

Compensation Securities					
Name and Position	Number of stock options	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of stock option on date of grant (\$)	Expiry date
Cameron Macdonald <i>President and Chief Executive Officer</i>	Nil	N/A	N/A	N/A	N/A
Scott Reeves <i>Director</i>	Nil	N/A	N/A	N/A	N/A
Brian Prokop <i>Director</i>	Nil	N/A	N/A	N/A	N/A
Ronald Hozjan <i>Director</i>	Nil	N/A	N/A	N/A	N/A
Greg Leia <i>Former Director and President and Chief Executive Officer</i>	Nil	N/A	N/A	N/A	N/A
Gerald Roe <i>Former Director</i>	Nil	N/A	N/A	N/A	N/A
Craig Leggatt <i>Former Director</i>	Nil	N/A	N/A	N/A	N/A
Tracy Zimmerman <i>Former Director and Interim Chief Executive Officer</i>	Nil	N/A	N/A	N/A	N/A

There were no exercises of stock options by NEO's nor directors of the Corporation during the years ended December 31, 2020 and December 31, 2021.

### Stock option plans and other incentive plans

The Corporation has no other incentive plans other than its stock option plan (the "**Plan**"). The Plan provides that the board of directors may from time to time, in its discretion grant to directors, officers and employees of the Corporation and to consultants retained by the Corporation, non-transferable options to purchase common shares ("**Common Shares**"), or such other shares as may be substituted therefore, in the capital of the Corporation for a period of up to five years from the date of the grant provided that the number of Common Shares reserved for issuance may not exceed 10% of the total issued and outstanding Common Shares of the Corporation at the date of the grant.

The purpose of this Plan is to advance the interests of the Corporation by encouraging the directors, officers and employees of the Corporation and consultants retained by the Corporation to acquire Common Shares, thereby: (i) increasing the proprietary interests of such persons in the Corporation; (ii) aligning the interests of such persons with the interests of the Corporation's shareholders generally; (iii) encouraging such persons to remain associated with the Corporation and (iv) furnishing such persons with an additional incentive in their efforts on behalf of the Corporation.

The following is a summary of the material terms of the Plan:

- The number of Common Shares to be reserved and authorized for issuance pursuant to options granted under the Plan shall not exceed ten percent (10%) of the total number of issued and outstanding shares in the Corporation.

- Under the Plan, the aggregate number of optioned Common Shares granted to any one optionee in a 12-month period must not exceed 5% of the Corporation's issued and outstanding shares. The number of optioned Common Shares granted to any one consultant in a 12-month period must not exceed 2% of the Company's issued and outstanding shares. The aggregate number of optioned Common Shares granted to an optionee who is employed to provide investor relations' services must not exceed 2% of the Company's issued and outstanding Common Shares in any 12-month period.
- The exercise price for options granted under the Plan will not be less than the market price of the Corporation's Common Shares at the time of the grant, less applicable discounts permitted by the policies of the TSX Venture Exchange.
- Options will be exercisable for a term of up to five years, subject to earlier termination in the event of the optionee's death or the cessation of the optionee's services to the Corporation.
- Options granted under the Plan are non-assignable, except by will or by the laws of decent and distribution.

The Corporation's current Plan was approved by shareholders at the Corporation's Annual General Meeting of the Shareholders held on May 21, 2021. The Plan will be subject for approval at the Corporation's at the Meeting. The Plan is attached hereto as Appendix "A".

#### **Employment, consulting and management agreements**

The Corporation has not entered into any employment, consulting or management agreements with any of its directors or officers.

#### ***Compensation of Gregory Leia, Former President and Chief Executive Officer***

Mr. Leia was not paid a salary by the Corporation. Mr. Leia practices law, through a professional corporation, in association with other lawyers and administrative staff under the trade name "Wolff Leia". Wolff Leia billed the Corporation the sum of \$56,633 inclusive of fees, disbursements, other charges and GST for the fiscal year ending December 31, 2020 (\$104,635 for the fiscal year ended December 31, 2020), almost all of which was billed by Mr. Leia at an hourly rate of \$250 plus GST for Mr. Leia's services to the Corporation for legal fees for the fiscal year ending December 31, 2021 and December 31, 2020. During the fiscal years ended December 31, 2021 and December 31, 2020, Mr. Leia did not receive any other compensation for his role as an officer of the Corporation nor did he receive compensation for his role as a director of the Corporation. For a summary of compensation paid to Mr. Leia in respect of the year ended December 31, 2021 and December 31, 2020 please refer to the compensation tables above (under *Director and NEO Compensation*).

#### ***Compensation of Craig Leggatt, Former Interim Chief Financial Officer***

Mr. Leggatt was not paid a salary by the Corporation nor did he receive any executive compensation as interim CFO or director. For a summary of compensation paid to Mr. Leggatt in respect of the year ended December 31, 2021 and December 31, 2020 please refer to the compensation tables above (under *Director and NEO Compensation*).

#### ***Compensation of Tracy Zimmerman, Former Interim Chief Financial Officer***

Ms. Zimmerman was not paid a salary by the Corporation nor did she receive any executive compensation as interim CFO or director. Oilrac Enterprises Inc., a related party, charged consulting fees of nil for the year ended December 31, 2021 and \$29,327 for the year ended December 31, 2020. For a summary of compensation paid to Ms. Zimmerman in respect of the year ended December 31, 2021 and December 31, 2020 please refer to the compensation tables above (under *Director and NEO Compensation*).

#### ***Compensation of Cameron Macdonald, Current Chief Executive Officer***

Mr. Macdonald was not paid a salary by the Corporation but did receive \$10,000 as a consulting fee as Chief Executive Officer. For a summary of compensation paid to Mr. Macdonald in respect of the year ended December 31, 2021 and December 31, 2020 please refer to the compensation tables above (under *Director and NEO Compensation*).

#### ***Termination and Change of Control Benefits***

There are no compensatory plans, contracts or arrangements with any Named Executive Officer (including payments to be received from the Corporation or any subsidiary), which result or will result from the resignation, retirement or any other termination of employment of such Named Executive Officer or from a change of control of the Corporation

or any subsidiary thereof or any change in such Named Executive Officer's responsibilities following a change in control, where the Named Executive Officer is entitled to payment or other benefits.

**Oversight and description of directors and NEO compensation**

The determination of director and NEO compensation and how and when such compensation is to be determined is subject to the consideration of the board of directors, as disclosed in more detail in Appendix "C" – Corporate Governance.

For the year ending December 31, 2021, the Corporation did not compensate its directors in their capacity as a director of the Corporation.

Each director is eligible to receive stock options of the Corporation. The Corporation has in the past compensated the directors with stock options.

For a summary of compensation paid to the directors of the Corporation in respect of the year ended December 31, 2021 please refer to the compensation tables above (under *Director and NEO Compensation*).

**Pension Disclosure**

The Corporation does not have any defined benefit or defined contribution pension plans in place which provide for payments or benefits at, following, or in connection with retirement.

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

The following table sets out information as at the end of the Corporation's most recently completed financial year with respect to compensation plans under which equity securities of the Corporation are authorized for issuance.

	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))</b>
<b>Plan Category</b>	<b>(a)</b>	<b>(b)</b>	<b>(c)</b>
<b>Equity compensation plans approved by securityholders</b>	1,050,000 <sup>(1)</sup>	\$0.075	982,910 <sup>(1)</sup>
<b>Equity compensation plans not approved by securityholders</b>	700,000	\$0.075	N/A
<b>Total</b>	1,750,000 <sup>(1)</sup>	N/A	982,910 <sup>(1)</sup>

Note:

- (1) The Corporation's shareholders approved a rolling Stock Option Plan reserving a maximum of 10% of the issued and outstanding Common Shares of the Corporation and must receive yearly shareholder approval of the Stock Option Plan. On December 31, 2021, the Corporation had 21,129,100 issued and outstanding Common Shares.

**INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

None of the directors and officers of the Corporation, any proposed management nominee for election as a director of the Corporation or any associate of any director, officer or proposed management nominee is or has been indebted to the Corporation at any time during the last completed financial year.

**INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

Except as disclosed in this Management Proxy Circular, none of the informed persons of the Corporation (as defined in National Instrument 51-102), nor any proposed nominee for election as a director of the Corporation, nor any person who beneficially owns, directly or indirectly, shares carrying more than 10% of the voting rights attached to the issued shares of the Corporation, nor any associate or affiliate of the foregoing persons has any material interest, direct or indirect, in any transaction since the commencement of the Corporation's most recently completed financial year or in any proposed transaction which, in either case, has or will materially affect the Corporation and none of such persons has any material interest in any transaction proposed to be undertaken by the Corporation that will materially affect the Corporation.

## MANAGEMENT CONTRACTS

Except as disclosed in this Management Proxy Circular, the Corporation does not have in place any management contracts between the Corporation and any directors or executive officers and there are no management functions of the Corporation that are to any substantial degree performed by a person or company other than the directors or executive officers (or private companies controlled by them, either directly or indirectly) of the Corporation.

### Audit Committee

Please see the attached Appendix "B" for information on the Audit Committee (Form 52-110F2).

### Corporate Governance Disclosure

Please see the attached Appendix "C" for information on the Corporation's Corporate Governance (Form 58-101F2).

## PARTICULARS OF MATTERS TO BE ACTED UPON

### Financial Statements

The financial statements of the Corporation for the year ended December 31, 2021 and the Auditors' Report thereon accompanying this Management Proxy Circular will be placed before the Shareholders at the Meeting for their consideration. No formal action will be taken at the Meeting to approve the financial statements, which have been approved by the board of directors of the Corporation in accordance with applicable corporate and securities legislation. Any questions regarding the financial statements may be brought forward at the Meeting.

Shareholders who wish to receive interim financial statements are encouraged to send the enclosed notice, in the addressed envelope to Computershare.

### Election of Directors

The term of office of each of the present directors expires at the Meeting. The number of directors to be elected at the Meeting is proposed to be fixed at four (4). Management of the Corporation proposes to nominate each of the persons named below for election as directors of the Corporation at the Meeting to serve until the next annual meeting of the Shareholders of the Corporation, unless his office is earlier vacated. The board of directors currently consists of four (4) directors and all of the nominees are currently members of the board of directors of the Corporation.

**Unless otherwise directed, the management designees named in the accompanying instrument of proxy intend to vote in favor of the election, as directors, of the nominees whose names are set forth below.** In the event that prior to the Meeting, any vacancies occur on the slate of nominees submitted herewith, it is intended that discretionary authority will be granted to vote proxies solicited by or on behalf of management for the election of any other person or persons as directors. Management is not currently aware that any such nominees would not be willing to serve as director if elected.

The following information concerning the proposed nominees has been furnished by each of them:

<u>Name, Residence and Office(s) held</u>	<u>Principal Occupation or Employment for the Last Five Years</u>	<u>Became a Director / Officer</u>	<u>Voting Securities Beneficially Owned<sup>(1)</sup></u>	<u>Percentage of Issued and Outstanding Voting Securities</u>
Cameron Macdonald <sup>(2)</sup> Calgary, Alberta <i>President, Chief Executive Officer and Director</i>	Chairman of Aurwest Resources Corp. since Feb 202, and is the President & CEO of Tendrel Group Inc. since April 2019.	December 16, 2021	1,505,815	3.9%
Ronald Hozjan <sup>(2)</sup> Calgary, Alberta <i>Director</i>	Vice President, Finance and Chief Financial Officer of Aureus Energy Services Inc. since January 2020. Prior thereto, Mr. Hozjan served as Vice President, Finance and Chief Financial Officer of Tamarack Valley Energy Ltd. (TSX: TVE) from June 2010 until January 2020.	December 16, 2021	806,000	2.1%

<u>Name, Residence and Office(s) held</u>	<u>Principal Occupation or Employment for the Last Five Years</u>	<u>Became a Director / Officer</u>	<u>Voting Securities Beneficially Owned<sup>(1)</sup></u>	<u>Percentage of Issued and Outstanding Voting Securities</u>
Brian Prokop <sup>(2)</sup> Calgary, Alberta <i>Director</i>	CEO, UDP, AR & COO at Link Plan Management Inc. (licensed Portfolio Manager), and Director of Aurwest Resources Corporation	December 16, 2021	805,000	2.1%

Scott Reeves Calgary, Alberta <i>Director</i>	Corporate securities lawyer and Partner at the law firm TingleMerrett LLP	December 16, 2021	294,000	0.77%
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Notes:

- (1) The information as to the number of Common Shares beneficially owned, not being within the knowledge of the Corporation, has been furnished by the respective nominees. These figures do not include any securities that are convertible into or exercisable for Common Shares.
- (2) The Corporation's audit committee is currently comprised of Messrs. Macdonald, Hozjan and Prokop.

*Corporate Cease Trade Orders or Bankruptcies*

Other than as set forth below, no director or proposed director of the Corporation is, or has been within the past ten years, a director or officer of any other company that, while such person was acting in that capacity:

- (i) was the subject of a cease trade or similar order or an order that denied the company access to any exemptions under securities legislation for a period of more than 30 consecutive days;
- (ii) was subject to an event that resulted, after that individual ceased to be a director or officer, in the company being the subject of a cease trade or similar order or an order that denied the company access to any exemptions under securities legislation for a period of more than 30 consecutive days; or
- (iii) within a year of that individual ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

On April 29, 2016, Edge Resources Inc., ("**Edge**"), of which Mr. Reeves was a director and corporate secretary, received an order of the Court of Queen's Bench of Saskatchewan appointing Grant Thornton as receiver over the company's Saskatchewan-based assets and, on September 2, 2016, received an order of the Court of Queen's Bench of Alberta appointing Grant Thornton as receiver over the company's Alberta-based assets. The receiver was discharged on the Alberta-based assets on December 19, 2016 and on the Saskatchewan-based assets on February 1, 2017. On August 5, 2016 Edge received a cease trade order from the Alberta Securities Commission for failure to file financial statements. Since a Receiver had been appointed for Edge on April 29, 2016, the officers and directors of Edge were no longer in control of the assets or undertaking of Edge, being replaced by Grant Thornton (the Receiver). This made it impossible, following such date, for the directors of Edge to affect the continuance of Edge's public filings. A copy of the order may be provided by request.

Mr. Reeves was a director and Corporate Secretary of Quattro Exploration and Production Ltd. ("**Quattro**") when, on May 3, 2016, due to the failure of Quattro to file its annual audited financial statements and management discussion and analysis for the year ended December 31, 2015, the Alberta Securities Commission issued a management cease trade order (the "**Quattro MCTO**") ordering the cessation of trading in the securities of Quattro by its senior management and directors, including Mr. Reeves. On June 20, 2016, the ASC, pursuant to the filing of the outstanding annual audited financial statements and management discussion and analysis of Quattro, revoked the Quattro MCTO. On September 8, 2016, Quattro received an order from the Court of Queen's Bench of Alberta granting creditor protection pursuant to the Companies' Creditors Arrangement Act (Alberta). The order was extended by the court until November 30, 2016 on October 7, 2016. On February 2, 2017, Quattro received an order of the Court of Queen's Bench of Alberta appointing Hardy & Kelly Inc. as receiver over the company's assets. On May 8, 2017, Quattro received a cease trade order from the Alberta Securities Commission for failure to file financial statements. Since a Receiver had been appointed for Quattro on February 2, 2017, the officers and directors of Quattro were no longer in control of the assets or undertaking of Quattro, being replaced by Hardy & Kelly Inc. (the Receiver). This made it impossible, following such date, for the directors of Quattro to affect the continuance of Quattro's public filings. A copy of the order may be provided by request.

Mr. Reeves was the Corporate Secretary of Perisson Petroleum Corporation (“**Perisson**”) on May 1, 2018, when the ASC issued an MCTO ordering the cessation of trading in the securities of Perisson by certain of its insiders, including Mr. Reeves, for its failure to file annual audited financial statements, annual management’s discussion and analysis, and certification of annual filings for the year ended December 31, 2017. The MCTO was lifted on June 18, 2018 upon filing of the annual audited financial statements.

Mr. Reeves was a director and Corporate Secretary of Optima Medical Innovations Corp. (formerly Tree of Knowledge International Corp.) on May 1, 2019, when the Ontario Securities Commission issued an MCTO ordering the cessation of trading in the securities of the Corporation by certain of its insiders, for its failure to file annual audited financial statements, management’s discussion and analysis, and certification of annual filings for the year ended December 31, 2017. The MCTO was lifted on June 4, 2019, upon completion of the filing. In addition, on June 25, 2020, the Ontario Securities Commission issued an MCTO ordering the cessation of trading in the securities of the Corporation by certain of its insiders, for its failure to file annual audited financial statements, management’s discussion and analysis, and certification of annual filings for the year ended December 31, 2019. The Ontario Securities Commission on July 15, 2020, converted the MCTO to a failure to file cease trade order (“**FFCTO**”) and on September 23, 2020. The FFCTO was lifted on upon completion of the filing.

Mr. Reeves was a director of CBD Global Sciences Inc. (“**CBD**”) and on June 18, 2020, the Alberta Securities Commission issued an MCTO ordering the cessation of trading in the securities of CBD by certain of its insiders, for its failure to file annual audited financial statements, management’s discussion and analysis, and certification of annual filings for the year ended December 31, 2019. The MCTO was lifted on August 6, 2020, upon completion of the filing.

Mr. Reeves is a director of Radiko Holdings Corp. (“**Radiko**”) and on June 17, 2020, the Alberta Securities Commission issued an MCTO ordering the cessation of trading in the securities of Radiko by certain of its insiders, for its failure to file annual audited financial statements, management’s discussion and analysis, and certification of annual filings for the year ended December 31, 2019 and the Alberta Securities Commission also issued a MCTO on July 17, 2020, for Radiko’s failure to file its interim financial statements, management discussion and analysis and certification of interim filing for the period ended March 31, 2020. The MCTO for the annual filings was lifted on August 10, 2020, upon completion of the annual filing and the MCTO for the interim filings was lifted on August 25, 2020, upon completion of the interim filings. On May 6, 2021, the Alberta Securities Commission and the Ontario Securities Commission issued a Cease Trade Order for Radiko’s failure to file its annual audited financial statements, management’s discussion and analysis, and certification of annual filings for the year ended December 31, 2020.

Mr. Reeves was a director and Corporate Secretary of Optima Medical Innovations Corp. (formerly Tree of Knowledge International Corp.) on May 6, 2022, when the Ontario Securities Commission issued a cease trade order (“**CTO**”) ordering the cessation of trading in the securities of the Corporation for its failure to file annual audited financial statements, management’s discussion and analysis, and certification of annual filings for the year ended December 31, 2021.

Mr. Hozjan was appointed as a director of Target Capital Inc. (“**Target Capital**”) on September 16, 2020. On September 15, 2020, the Alberta Securities Commission (“**ASC**”), as principal regulator, issued a management cease trade order against Target Capital’s CEO and CFO for failure to file the required period disclosure, being annual filings for the financial year ended March 31, 2020. On November 5, 2020, due to the continued delay in respect of such filings, the ASC issued a cease trade order against Target Capital, replacing the management cease trade order and at that time a refreshed board of directors, which included Mr. Hozjan, was appointed to restore public reporting. On April 18, 2022, Target Capital filed the outstanding period disclosure and submitted an application to the ASC to revoke the cease trade order. As of the date hereof, the cease trade order remains in effect pending the ASC’s review of the filings.

#### *Individual Bankruptcies*

No director or proposed director of the Corporation is or has, within the ten years prior to 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 that individual.

#### *Penalties or Sanctions*

No director or proposed director of the Corporation has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority. No director or proposed director of the Corporation has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

#### *Conflicts of Interest*

The directors and officers of the Corporation may, from time to time, be involved with the business and operations of other issuers, in which case a conflict of interest may arise between their duties as officers and directors of the Corporation and as officer and directors of such other companies. Such conflicts must be disclosed in accordance with, and are subject to such procedures and remedies, as applicable, under the *Business Corporations Act* (Alberta).

#### **Appointment of Auditors**

Unless otherwise directed, the management designees named in the accompanying instrument of proxy intend to vote in favour of the re-appointment of Crowe MacKay LLP, Chartered Accountants as auditors of the Corporation, to hold office until the close of the next annual meeting, at a remuneration to be determined by the board of directors of the Corporation. Crowe MacKay LLP were appointed as auditors of the Corporation in December 30, 2020. Approval of the appointment of the auditors will require the affirmative votes of the holders of not less than half of the votes cast in respect thereof by Shareholders present in person or by proxy at the Meeting. **Unless instructed otherwise, the management designees in the accompanying Instrument of Proxy intend to vote FOR the resolution.**

#### **Approval of Stock Option Plan**

Pursuant to Policy 4.4 of the TSX Venture Exchange (the "Policy"), Corporations that have a rolling stock option plan reserving a maximum of 10% of the issued and outstanding shares of the Corporation must receive yearly shareholder approval of the stock option plan. The directors of the Corporation have approved the Stock Option Plan in the form attached hereto as Appendix "A". The TSX Venture Exchange requires the Stock Option Plan to be approved by the shareholders of the Corporation.

Management of the Corporation will place before the Meeting the following resolution relating to the approval of the Stock Option Plan:

#### **"BE IT RESOLVED THAT:**

1. the Stock Option Plan of the Corporation be and is hereby ratified and approved in substantially the form attached as Appendix "A" to the Management Proxy Circular prepared for the purposes of this Meeting;
2. any director or officer be and is hereby authorized to amend the Stock Option Plan should such amendments be required by applicable regulatory authorities including, but not limited to, the TSX Venture Exchange;
2. any director or officer be and 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 effect 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 the Corporation pursuant to and in accordance with the provisions with the Stock Option Plan; and
3. notwithstanding the approval of the shareholders of the Corporation as herein provided, the board of directors of the Corporation may, in its sole discretion, revoke this resolution before it is acted upon, without further approval of the shareholders of the Corporation."

The approval by Shareholders requires a favourable vote of a majority of the Common Shares voted in respect thereof at the Meeting. The TSX Venture Exchange requires such approval before it will allow the adoption of the Stock Option Plan. Options to purchase Common Shares that were previously granted to directors, officers and employees of the Corporation will be deemed to be granted under the Plan. **Unless instructed otherwise, the management designees in the accompanying instrument of proxy intend to vote FOR the resolution to ratify, adopt and re-approve the Stock Option Plan.**

### **OTHER MATTERS**

As of the date of this Management Proxy Circular, the board of directors and management know of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Meeting. However, if any other matter properly comes before the Meeting, proxies in favour of management nominees will be voted on such matter in accordance with the best judgment of the person or persons voting the proxy.

### **ADDITIONAL INFORMATION**

Additional information relating to the Corporation is available through the internet on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) which can be accessed at [www.sedar.com](http://www.sedar.com). Financial information on the Corporation is provided in the comparative financial statements and management discussion and analysis of the Corporation which can also be accessed at [www.sedar.com](http://www.sedar.com) or which may be obtained upon request from the Corporation at our head office at 2003, 188 - 15th Avenue SW Calgary, Alberta T2R 1S4.

The delivery of this Management Proxy Circular has been approved by the directors of the Corporation.

## APPENDIX "A"

### STOCK OPTION PLAN

#### ARTICLE 1 – PURPOSE OF THE PLAN

##### 1.01 Purpose

The purpose of the Tenth Avenue Petroleum Corp. (the "Corporation") Stock Option Plan is to assist and encourage directors, officers, employees and Consultants of the Corporation and its Subsidiaries to work towards and participate in the growth and development of the Corporation and its Subsidiaries by providing such persons with the opportunity, through stock options, to acquire an ownership interest in the Corporation.

#### ARTICLE 2 – INTERPRETATION

##### 2.01 Definitions

"Board" means the board of directors of the Corporation.

"Cause" for the purpose of this Plan includes:

- (i) the continued failure by the Optionholder to substantially perform his or her duties in connection with his or her employment by, or service to, the Corporation (other than as a result of physical or mental illness) after the Corporation has given the Optionholder reasonable written notice of such failure and a reasonable opportunity to correct it;
- (ii) the engaging by the Optionholder in any way which is injurious to the Corporation or its reputation financially or otherwise;
- (iii) the engaging by the Optionholder in any act resulting or intended to result, directly or indirectly, in personal gain to the Optionholder at the expense of the Corporation;
- (iv) the conviction of the Optionholder by a court of competent jurisdiction on any charge involving fraud, theft, or moral turpitude by the Optionholder in connection with the business of the Corporation; or
- (v) any other conduct that constitutes cause at common law.

"Change of Control" includes:

- (i) the acquisition by any persons acting jointly or in concert (as determined by the *Securities Act (Alberta)*), whether directly or indirectly, of voting securities of the Corporation which, together with all other voting securities of the Corporation held by such persons, constitute in the aggregate more than 20% of all outstanding voting securities of the Corporation;
- (ii) an amalgamation, arrangement or other form of business combination of the Corporation with another corporation which results in the holders of voting securities of that other corporation holding, in the aggregate, more than 20% of all outstanding voting securities of the corporation resulting from the business combination; or
- (iii) the sale, lease, or exchange of all or substantially all of the property of the Corporation to another person or corporation, other than in the ordinary course of business of the Corporation, or to a Subsidiary.

"Common Shares" means common shares of the Corporation.

"Consultant" means a person other than a director or employee of the Corporation, engaged to provide on an ongoing *bona fide* basis, management, technical or consulting services for the Corporation or any Subsidiary.

"Corporation" means Tenth Avenue Petroleum Corp. and any successor corporation thereto.

**"Date of Termination"** means the actual date of termination of: (i) the office of the Optionholder; (ii) the employment of the Optionholder; or (iii) the provision of service by an Optionholder, as applicable, and does not include any period during which the Optionholder is in receipt of or is eligible to receive any statutory, contractual or common law notice or compensation in lieu thereof or severance payments following the actual date of termination or resignation.

**"Discounted Market Price"** has the meaning ascribed in TSX Venture Exchange – Policy 1.1 – *Interpretation* or such other applicable exchange policy *mutatis mutandis*.

**"Eligible Person"** means any *bona fide* director, officer, employee or Consultant of the Corporation or any Subsidiary.

**"Exchange"** means the TSX Venture Exchange or such other Exchange that the other Common Shares of the Corporation trade on at the applicable time.

**"Exercise Price"** means the price per Common Share at which Common Shares may be subscribed for by an Optionholder pursuant to a particular Option Agreement.

**"Expiry Date"** means the date on which an Option expires pursuant to the Option Agreement relating to that option.

**"Grant Date"** means the date on which an Option is granted, which date may be on or, if determined by the Board at the time of grant, after the date that the Board resolves to grant the Option.

**"Investor Relations Activities"** has the meaning ascribed in TSX Venture Exchange – Policy 1.1 – *Interpretation* or such other applicable exchange policy *mutatis mutandis*.

**"Notice of Exercise"** means a notice, substantially in the form of the notice set out in Schedule B, from an Optionholder to the Corporation giving notice of the exercise or partial exercise of an Option previously granted to the Optionholder.

**"Option"** means an option to purchase Common Shares granted to an Eligible Person pursuant to the terms of the Plan.

**"Option Agreement"** means an agreement, substantially in the form of the agreement set out in Schedule A to this Plan, between the Corporation and an Eligible Person setting out the terms of an Option granted to the Eligible Person.

**"Optioned Shares"** means the Common Shares that may be subscribed for by an Optionholder pursuant to an Option Agreement.

**"Optionholder"** means an Eligible Person to whom an Option has been granted.

**"Plan"** means the Tenth Avenue Petroleum Corp. Stock Option Plan, as amended from time to time.

**"Share Compensation Arrangement"** means any stock option, stock option plan, employee stock purchase plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Common Shares, including a share purchase from treasury which is financially assisted by the Corporation by way of a loan, guarantee or otherwise.

**"Subsidiary"** has the meaning attributed thereto in the *Securities Act* (Alberta).

## 2.02 Extended Meanings

In this Plan, words importing the singular number only include the plural and *vice versa*, words importing any gender include all genders and words importing persons include individuals, corporations, limited and unlimited liability companies, general and unlimited partnerships, associations, trusts, incorporated organizations, joint ventures and governmental authorities.

## ARTICLE 3 – GRANT OF OPTIONS

### 3.01 Authority of Board

Subject to the limitations of the Plan, the Board has the authority:

- (a) to determine which Eligible Persons are to be granted Options and to grant Options to those Eligible Persons:
  - (b) to determine the terms of such Options; and
- to prescribe the form of Option Agreement and Notice of Exercise with respect to a particular Option, if other than substantially as set forth in Schedules A and B to this Plan.

### **3.02           Shares Reserved**

- (1) The maximum number of Common Shares that may be reserved for issuance pursuant to Options granted under the Plan within a one-year period is ten percent (10%) of the issued and outstanding Common Shares of the Corporation from time to time.
- (2) The maximum number of Common Shares that may be reserved for issuance to any one Eligible Person within a one-year period pursuant to Options granted under the Plan is five percent (5%) of the number of Common Shares outstanding at the time of reservation, subject to Subsections 3.02(3) and 3.03(4).
- (3) The maximum number of Common Shares that may be reserved for issuance to any one Consultant within a one-year period may not exceed two percent (2%) of the common shares outstanding at the time of Reservation.
- (4) The maximum number of Common Shares that may be reserved for issuance to anyone engaged in Investor Relations Activities within a one-year period may not exceed two percent (2%) of the common shares outstanding at the time of Reservation.

In addition to the restrictions in Section 3.02, during the period that the Corporation is considered a Capital Pool Company, the Corporation may reserve for issuance Options under the Plan only in accordance with the requirements of TSX Venture Exchange Company Manual - Policy 2.4 - Capital Pool Companies - Sections 7.3

Any Common Shares subject to an Option that expires or terminates without having been fully exercised may be made the subject of a further Option. No fractional Common Shares may be issued under the Plan.

### **3.03           Eligibility**

Options may be granted by the Board to any Eligible Person, subject to the limitations set forth in Sections 3.02, prior to his or her Date of Termination.

## **ARTICLE 4 – TERMS OF OPTIONS**

### **4.01           Option Agreement**

As soon as practicable following the grant of an Option, the Corporation will deliver to the Optionholder an Option Agreement dated the Grant Date, containing the terms of the Option and executed by the Corporation, and upon delivery to the Corporation of the Option Agreement executed by the Optionholder such Optionholder will be a participant in the Plan and have the right to purchase the Optioned Shares on the terms set out in the Option Agreement and the Plan.

### **4.02           Exercise Price**

The Exercise Price of the Common Shares subject to an Option will be determined by the Board at the time of grant and shall in no event be less than the greater of: i) the closing market price of the Common Shares of the Corporation on the TSX Venture Exchange Inc. on the trading day immediately prior to the grant of the option (or, if no trades occurred on such day, then on the next previous day on which trading took place) less the maximum discount permitted under the regulations of the Exchange (the "Discounted Market Price") ; or ii) \$0.10 or such other Discounted Market Price minimum approved by the Exchange and as may be agreed to by the Corporation.

### **4.03           Time of Exercise**

- (1) The Board may determine at the time of grant that a particular Option will be exercisable in whole or in part on different dates and to determine after the Grant Date that a particular Option will be exercisable in whole or in part on earlier dates for any reason, including the occurrence of a proposal by the

Corporation or any other person to implement a transaction that would, if implemented, result in a Change of Control.

- (2) Notwithstanding anything herein to the contrary, if there occurs a Change of Control at any time when an Option granted under the Plan remains unvested with respect to any Optioned Shares, such unvested portion will vest and become fully exercisable, as to all the Optioned Shares in respect of which such Option was not previously exercisable, by the Optionee at any time up to and including a date 30 days following the consummation of such Change of Control.
- (3) Notwithstanding the provisions of Sections 4.03(1) and (2), no unvested portion of an Option will vest as a result of a Change in Control that occurs after the Date of Termination of an Optionholder.

#### 4.04

##### Expiry Date

- (1) The Expiry Date of an Option will be five years after the Grant Date, subject to:
  - (a) the right of the Board to determine at the time of grant that a particular Option will have a shorter or longer term, in accordance with applicable Exchange requirements and securities laws and not to exceed 10 years from the Grant Date; and
  - (b) the provisions of Section 4.05 relating to early expiry.

#### 4.05

##### Early Expiry

- (1) An Option will expire before its Expiry Date in the following events and manner:
  - (a) if an Optionholder dies, only the portion of the Option that is exercisable at the date of death of the Optionholder may be exercised by the personal representatives of the Optionholder during the period ending six (6) months after the death of the Optionholder, after which period all Options terminate;
  - (b) if an Optionholder resigns his or her office or employment (other than as provided for in Section 4.05(e)), or an Optionholder's contract as a Consultant terminates at its normal termination date, only the portion of the Option that is exercisable at the date of resignation or termination may be exercised by the Optionholder during the period ending ninety (90) days after the date of resignation or termination, after which period all Options terminate;
  - (c) if an Optionholder is terminated without Cause, including a constructive dismissal, or an Optionholder's contract as a Consultant is terminated by the Corporation before its normal termination date without Cause, only the portion of the Option that is exercisable at the Date of Termination may be exercised by the Optionholder during the period ending ninety (90) days after the Date of Termination, after which period all Options terminate, subject to Subsection 4.05(1)(d);
  - (d) if an Optionholder who is engaged in Investor Relations Activities on behalf of the Corporation is terminated without Cause, including a constructive dismissal, or the contract with such Optionholder is terminated by the Corporation before its normal termination date without Cause, only the portion of the Option that is exercisable at the Date of Termination may be exercised by the Optionholder during the period ending ninety (30) days after the Date of Termination, after which period all Options terminate.
  - (e) if an Optionholder attains the mandatory retirement age established by the Corporation from time to time or an Optionholder's employment or service ceases due to permanent disability, only the portion of the Option that is exercisable at the date of retirement or cessation may be exercised by the Optionholder during the period ending six (6) months after the date of retirement or cessation, after which period all Options terminate; and
  - (f) an Option will expire immediately upon the Optionholder ceasing to be an Eligible Person as a result of being dismissed from his or her office or employment for Cause or an Optionholder's contract as a Consultant being terminated before its normal termination date for Cause, including where an Eligible Person resigns his or her office or employment or terminates his or

her contract as a Consultant after being requested to do so by the Corporation as an alternative to being dismissed or terminated by the Corporation for Cause subject in all cases to the earlier expiration of an Option on its applicable Expiry Date.

**4.06**            **Non-Assignable**

Except as provided in Section 4.05(a), an Option may be exercised only by the Optionholder and is not assignable in law or in equity, and any purported assignment is void and of no force and effect whatsoever.

**4.07**            **No Rights as Shareholder or to Remain an Eligible Person**

- (1) An Optionholder will only have rights as a shareholder of the Corporation with respect to Optioned Shares that the Optionholder acquires through the exercise of an Option in accordance with its terms.
- (2) Nothing in this Plan or in any Option Agreement will confer on any Optionholder any right to remain as a director, officer, employee or Consultant of the Corporation or any Subsidiary.

**4.08**            **Adjustment to Common Shares**

- (1) The number of Common Shares delivered to an Optionholder upon exercise of an Option will be adjusted as determined by the Board in the following events and manner, subject to the right of the Board to make such additional or other adjustments as are appropriate in the circumstances:
  - (a) upon a subdivision of the Common Shares into a greater number of Common Shares, a consolidation of the Common Shares into a lesser number of Common Shares or the issue of a stock dividend to holders of the Common Shares (other than dividends in the ordinary course), the Corporation will deliver upon the exercise of an Option, in addition to or in lieu of the number of Optioned Shares in respect of which the right to purchase is being exercised and without the Optionholder making any additional payment, such greater or lesser number of Common Shares as results from the subdivision, consolidation or stock dividend;
  - (b) upon the distribution by the Corporation to holders of the Common Shares of shares of any class (whether of the Corporation or another corporation, but other than Common Shares), rights, options or warrants, evidences of indebtedness or cash (other than dividends in the ordinary course), other securities or other assets, the Corporation will deliver upon exercise of an Option, in addition to the number of Optioned Shares in respect of which the right to purchase is being exercised and without the Optionholder making any additional payment, such other securities, evidence of indebtedness or assets as result from such distribution: and
  - (c) upon a capital reorganization, reclassification or change of the Common Shares, a consolidation, amalgamation, arrangement or other form of business combination of the Corporation with another corporation or a sale, lease or exchange of all or substantially all of the assets of the Corporation, the Corporation will deliver upon exercise of an Option, in lieu of the Optioned Shares in respect of which the right to purchase is being exercised, the kind and amount of shares or other securities or assets as result from such event.

The purpose of such adjustments is to ensure that any Optionholder exercising an Option after any such event will be in the same position as such Optionholder would have been in if he or she had exercised the Option prior to such event.

- (2) An adjustment will take effect at the time of the event giving rise to the adjustment, and the adjustments provided for in this Section are cumulative.
- (3) The Corporation will not be required to issue fractional Common Shares or other securities under the Plan and any fractional interest in a Common Share or other security that would otherwise be delivered upon the exercise of an Option will be cancelled.

**ARTICLE 5 – EXERCISE OF OPTIONS**

**5.01**            **Manner of Exercise**

An Optionholder (or the personal representatives of a deceased Optionholder) who wishes to exercise an Option may do so by delivering the following to the Corporation on or before the Expiry Date of the Option:

- (a) a completed Notice of Exercise; and
- (b) subject to the provisions of Section 5.03, a certified cheque, cash or bank draft payable to the Corporation for the aggregate Exercise Price for the Optioned Shares being acquired.

If the Optionholder is deceased, the personal representatives of the Optionholder must also deliver to the Corporation evidence of their status.

**5.02**            **Delivery of Share Certificate**

Not later than five business days after receipt of the Notice of Exercise and payment in full for the Optioned Shares being acquired, the Corporation will direct its transfer agent to issue a certificate in the name of the Optionholder (or, if deceased, the Optionholder's estate) for the number of Optioned Shares purchased by the Optionholder (or the Optionholder's estate), which will be issued as fully paid and non-assessable Common Shares.

**5.03**            **Withholding**

The Corporation will withhold taxes to the extent required by applicable law in respect of any amounts under this Plan.

**ARTICLE 6 – ADMINISTRATION**

**6.01**            **Administration**

- (1) The Plan will be administered by the Board or, if determined by the Board, by a compensation committee of the Board consisting of not less than three directors. If a compensation committee is appointed to administer the Plan, all references in this Plan to the Board will be deemed to be references to the compensation committee.
- (2) The Board may interpret the Plan and determine all questions arising out of the Plan and any Option granted pursuant to the Plan, which interpretations and determinations will be conclusive and binding on the Corporation and all other affected persons.

**6.02**            **Amendment of Plan and Options**

- (1) The Board may amend, suspend or terminate the Plan at any time, provided that no such amendment, suspension or termination may:
  - (a) be made without obtaining any required Exchange, regulatory or shareholder approvals; or
  - (b) prejudice the rights of any Optionholder under any Option previously granted to the Optionholder without the consent or deemed consent of the Optionholder.
- (2) The Board may amend the terms of any outstanding Option (including, without limitation, the cancellation of an Option or an amendment to the date or dates on which an Option or a portion thereof vests and so becomes exercisable), provided that:
  - (a) any required regulatory, Exchange and shareholder approvals are obtained;
  - (b) the Board would have had the authority to initially grant the Option under terms as so amended: and
  - (c) the consent or deemed consent of the Optionholder is obtained if the amendment would prejudice the rights of the Optionholder under the Option.

**6.03**            **Compliance with Laws and Exchange Rules**

The Plan, the grant and exercise of Options under the Plan and the Corporation's obligation to issue Common Shares on exercise of Options will be subject to all applicable federal, provincial and foreign laws, rules and regulations and the rules of any stock exchange on which the Common Shares are listed for trading. No Option will be granted and no Common Shares will be issued under the Plan where such grant or issue would require registration

of the Plan or of such Common Shares under the securities laws of any foreign jurisdiction and any purported grant of any Option or issue of Common Shares in violation of this provision will be void. Common Shares issued to Optionholders pursuant to the exercise of Options may be subject to limitations on sale or resale under applicable securities laws.

**6.04            Decreasing Exercise Price for Insider Options**

Options.            Disinterested shareholder approval is required when decreasing the exercise price of Insider

## APPENDIX "B"

### AUDIT COMMITTEE CHARTER

1. **Establishment of Audit Committee:** The directors of the Corporation (the “**Directors**”) hereby establish an audit committee (the “**Audit Committee**”).
2. **Membership:** The membership of the Audit Committee shall be as follows:
  - (a) The Audit Committee shall be composed of three members or such greater number as the Directors may from time to time determine.
  - (b) The majority of the members of the Audit Committee shall be independent Directors.
  - (c) Each member of the Audit Committee shall be financially literate. For purposes hereof “financially literate has the meaning set forth under NI 52-110 (as amended from time to time) and currently means the ability to read and understand a set of financial statements that present the breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can be reasonably be expected to be raised by the Corporation’s financial statements.
  - (d) Members shall be appointed annually from among members of the Directors. A member of the Audit Committee shall *ipso facto* cease to be a member of the Audit Committee upon ceasing to be a Director of the Corporation.
3. **Oversight Responsibility:** The external auditor is ultimately accountable to the Directors and the Audit Committee, as representatives of the shareholders and such shareholders representatives have the ultimate authority and responsibility to select, evaluate, and where appropriate, replace the external auditors (or to nominate the external to be proposed for shareholder approval in any management information circular and proxy statement). The external auditor shall report directly to the Audit Committee and shall have the responsibilities as set forth herein.
4. **Mandate:** The Audit Committee shall have responsibility for overseeing:
  - (a) the accounting and financial reporting processes of the Corporation; and
  - (b) audits of the financial statements of the Corporation

In addition to any other duties assigned to the Audit Committee by the Directors, from time to time, the role of the Audit Committee shall include meeting with the external auditor and the senior financial management of the Corporation to review all financial statements of the Corporation which require approval by the Directors, including year end audited financial statements. Specifically, the Audit Committee shall have authority and responsibility for:

- (a) reviewing the Corporation’s financial statements, MD&A and earnings press releases before the information is publicly disclosed;
- (b) overseeing the work of the external auditors engaged for purpose of preparing or issuing, an audit report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditors regarding financial reporting;
- (c) reviewing annually and recommending to the directors:
  - (i) the external auditors to be nominated for purposes of preparing or issuing an audit report or performing other audit, review or attest services for the Corporation; and
  - (ii) the compensation of the external auditors.
- (d) discussing with the external auditor:

- (i) the scope of the audit, in particular their view of the quality of the Corporation's accounting principles as applied in the financials in terms of disclosure quality and evaluation methods, inclusive of the clarity of the Corporation's financial disclosure and reporting, degree of conservatism or aggressiveness of the Corporation's accounting principles and underlying estimates and other significant decisions made by management in preparing the financial disclosure and reviewed by the auditors;
  - (ii) significant changes in the Corporation's accounting principles, practices, or policies; and
  - (iii) new developments in accounting principles, reporting matters or industry practices which may materially affect the Corporation.
- (e) reviewing with the external auditor and the Corporation's senior financial management the results of the annual audit regarding:
  - (i) the financial statements;
  - (ii) MD&A and related financial disclosure contained in continuous disclosure documents;
  - (iii) significant changes, if any, to the initial audit plan;
  - (iv) accounting and reporting decisions relating to significant current year events and transactions;
  - (v) the management letter, if any, outlining the auditor's findings and recommendations, together with management's response, with respect to internal controls and accounting procedures; and
  - (vi) any other matters relating to the conduct of the audit, including such other matters which should be communicated to the Audit Committee under Canadian generally accepted auditing standards.
- (f) reviewing and discussing with the Corporation's senior financial management and, if requested by the Audit Committee, the external auditor:
  - (i) the interim financial statements;
  - (ii) the interim MD&A; and
  - (iii) any other material matters relating to the interim financial statements, including, inter alia, any significant adjustments, management judgements or estimates, new or amended accounting policies.
- (g) receipt from external auditor of formal written statement delineating all relationships between the auditor and the Corporation and considering whether the advisory services performed by the external auditor during the course of the year have impacted their independence, and also ensuring that no relationship or services between the external auditor and the Corporation is in existence which may affect the objectivity and independence of the auditor or recommending appropriate action to ensure the independence of the external auditor.
- (h) pre-approval of all non-audit services to be provided to the Corporation or its subsidiary entities by the external auditors or the external auditors of the Corporation's subsidiary entities, unless such pre-approval is otherwise appropriately delegated or if appropriate specific policies and procedures for the engagement of non-audit services have been adopted by the Audit Committee.
- (i) reviewing and discussing with the external auditors and senior financial management: the adequacy of procedures for review of disclosure of financial information extracted or derived from financial statements, other than the disclosure referred to in subparagraph (a) above.
- (j) establishing and reviewing procedures for:

- (i) receipt, retention and treatment of complaints received by the Corporation and its subsidiary entities regarding internal accounting controls, or auditing matters;
  - (ii) anonymous submission by employees of the Corporation and its subsidiary entities of concerns regarding questionable accounting or auditing matters; and
  - (iii) hiring policies regarding employees and former employees of present and former external auditors of the Corporation and its subsidiary entities.
- (k) reviewing with the external auditor, the adequacy of management's internal control over financial reporting relating to financial information and management information systems and inquiring of management and the external auditor about significant risks and exposures to the Corporation that may have a material adverse impact on the Corporation's financial statements, and inquiring of the external auditor as to the efforts of management to mitigate such risks and exposures.
- (l) reviewing and/or considering that, with regard to the previous fiscal year:
- management has reviewed the Corporation's audited financial statements with the Audit Committee, including a discussion of the quality of the accounting principles as applied and significant judgements affecting the financial statements;
  - the external auditors and the Audit Committee have discussed the external auditors' judgments of the quality of the accounting principles applied and the type of judgements made with respect to the Corporation's financial statements;
  - the Audit Committee, on its own (without management or the external auditors present), has considered and discussed all the information disclosed to the Audit Committee from the Corporation's management and the external auditor; and
  - in reliance on review and discussions conducted with senior financial management and the external auditors, the Audit Committee believes that the Corporation's financial statements are fairly presented in conformity with the Canadian Generally Accepted Accounting Principles (GAAP) in all material respects and that the financial statements fairly reflect the financial condition of the Corporation.

5. **Administrative Matters:** The following general provisions shall have application to the Audit Committee:

- (a) A quorum of the Audit Committee shall be the attendance of a majority of the members thereof. No business may be transacted by the Audit Committee except at a meeting of its members at which a quorum of the Audit Committee is present or by a resolution in writing signed by all the members of the Audit Committee.
- (b) Any member of the Audit Committee may be removed or replaced at any time by resolution of the Directors of the Corporation. If and whenever a vacancy shall exist on the Audit Committee, the remaining members may exercise all of its powers so long as a quorum remains. Subject to the foregoing, each member of the Audit Committee shall hold such office until the close of the annual meeting of shareholders next following the date of appointment as a member of the Audit Committee or until a successor is duly appointed.
- (c) The Audit Committee may invite such Directors, directors, officers and employees of the Corporation or affiliates thereof as it may see fit from time to time to attend at meetings of the Audit Committee and to assist thereat in the discussion of matters being considered by the Audit Committee. The external auditors are to appear before the Audit Committee when requested to do so by the Audit Committee.
- (d) The time and place for the Audit Committee meetings, the calling and the procedure at such meetings shall be determined by the Audit Committee having regard to the Articles and By-Laws of the Corporation.

- (e) The Chair shall preside at all meetings of the Audit Committee and shall have a second and deciding vote in the event of a tie. In the absence of the Chair, the other members of the Audit Committee shall appoint a representative amongst them to act as Chair for that particular meeting.
- (f) Notice of meetings of the Audit Committee may be given to the external auditors and shall be given in respect of meetings relating to the annual audited financial statements. The external auditors have the right to appear before and to be heard at any meeting of the Audit Committee. Upon the request of the external auditors, the Chair of the Audit Committee shall convene a meeting of the Audit Committee to consider any matters which the external auditors believes should be brought to the attention of the Directors or shareholders of the Corporation.
- (g) The Audit Committee shall report to the Directors of the Corporation on such matters and questions relating to the financial position of the Corporation or any affiliates of the Corporation as the Directors of the Corporation may from time to time refer to the Audit Committee.
- (h) The members of the Audit Committee shall, for the purpose of performing their duties, have the right to inspect all the books and records of the Corporation and its affiliates, and to discuss such books and records that are in any way related to the financial position of the Corporation with the Directors, directors, officers, employees and external auditors of the Corporation and its affiliates.
- (i) Minutes of the Audit Committee meetings shall be recorded and maintained. The Chair of the Audit Committee will report to the Directors on the activities of the Audit Committee and/or the minutes of the Audit Committee meetings will be promptly circulated to the Directors or otherwise made available at the next meeting of Directors.
- (j) The Audit Committee shall have the authority to:
  - (i) engage independent counsel and other advisors or consultants as it determines necessary to carry out its duties;
  - (ii) set and pay the compensation for any advisors employed by the Audit Committee; and
  - (iii) communicate directly with the internal (if any) and external auditors and qualified reserves evaluators or auditors.

## APPENDIX "C"

### CORPORATE GOVERNANCE DISCLOSURE (FORM 58-101F2) CORPORATE GOVERNANCE POLICY

1. **Board of Directors** — Disclose how the board of directors (the "Board") facilitates its exercise of independent supervision over management, including

- (i) the identity of directors that are independent, and

*Ronald Hozjan and Brian Prokop*

- (ii) the identity of directors who are not independent, and the basis for that determination.

*Cameron Macdonald and Scott Reeves are not independent as they are members of the management of the Corporation.*

*In determining whether a director is independent, the Corporation chiefly considers whether the director has a relationship which could, or could be perceived to interfere with the director's exercise of independent judgement.*

2. **Directorships** — If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.

Name of Director, Officer or Promoter	Name of Reporting Issuer
Cameron Macdonald	Aurwest Resources Corporation (CSE: AWR)
Ronald Hozjan	Target Capital Inc. (NEX: TCI) Carbeeza Inc. (TSXV: AUTO) Nova Cannabis Inc. (TSX: NOVC)
Brian Prokop	Aurwest Resources Corporation (CSE: AWR)
Scott Reeves	Optima Medical Innovations Corp. (CSE) Radiko Holdings Corp. (CSE) Doseology Sciences Inc. (TSXV) Starrex International Ltd. (CSE) Navion Capital Inc. (TSXV: NAVN.P)

3. **Orientation and Continuing Education** — Describe what steps, if any, the Board takes to orient new Board members, and describe any measures the Board takes to provide continuing education for directors.

*The Corporation has not developed an official orientation or training program for new directors as required, new directors will have the opportunity to become familiar with the Corporation by meeting with other directors and its officers and employees. Orientation activities will be tailored to the particular needs and expertise of each director and the overall needs of the Board.*

4. **Ethical Business Conduct** — Describe what steps, if any, the board takes to encourage and promote a culture of ethical business conduct.

*The Corporation does not currently have a formal code of business conduct or policy in place for its directors, officers, employees and consultants. The Board believes that the Corporation's size facilitates informal review of and discussions with employees and consultants. The Board monitors ethical conduct of the Corporation and ensures that it complies with applicable legal and regulatory requirements, such as those*

*of relevant securities commissions and stock exchanges. The Board has found that the fiduciary duties placed on individual directors by the Corporation's governing corporate legislation and the common law, as well as the restrictions placed by applicable corporate legislation on the individual director's participation in decisions of the Board in which the director has an interest, have been sufficient to ensure that the Board operates independently of management and in the best interest of the Corporation.*

5. **Nomination of Directors** — Disclose what steps, if any, are taken to identify new candidates for Board nomination, including:

- (i) who identifies new candidates, and
- (ii) the process of identifying new candidates.

*The Board has not appointed a nominating committee as the Board fulfills these functions. When the Board identifies the need to fill a position on the Board, the Board requests that current Directors forward potential candidates for consideration.*

6. **Compensation** — Disclose what steps, if any, are taken to determine compensation for the directors and CEO, including:

- (i) who determines compensation; and
- (ii) the process of determining compensation.

*Management of the Corporation is responsible for making recommendations to the Board with respect to compensation for directors and the chief executive officer. The Board has the ability to adjust and approve such compensation.*

4. **Other Board Committees** — If the Board has standing committees other than the audit and compensation identify the committees and describe their function.

*There are no other standing committees.*

5. **Assessments** — Disclose what steps, if any, that the board takes to satisfy itself that the board, its committees, and its individual directors are performing effectively.

*The Board takes responsibility for monitoring and assessing its effectiveness and the performance of individual directors, its committees, including reviewing the Board's decision making processes and the quality of information provided by management.*