

NOTICE OF MEETING

AND

MANAGEMENT INFORMATION CIRCULAR

ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

OF

PETROX RESOURCES CORP.

to be held on

September 25, 2023

at 10:00 AM (Calgary time)

**at the Conference Centre,
First Floor, 639 - 5th Avenue SW
Calgary, Alberta**

This Management Information Circular and Proxy Statement is furnished in connection with the solicitation of proxies by the management of Petrox Resources Corp. to be voted at the Annual General and Special Meeting to be held on September 25, 2023 at the time and place and for the purposes set out in the accompanying Notice of Annual General and Special Meeting and at any adjournments thereof.

PETROX RESOURCES CORP.

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF THE SHAREHOLDERS

TAKE NOTICE THAT an Annual General and Special Meeting (the “Meeting”) of the shareholders of PETROX RESOURCES CORP. (the “Corporation”) will be held at 10:00 AM on September 25, 2023. (Calgary time) at the Conference Centre, First Floor, 639 - 5th Avenue SW, Calgary, Alberta, for the following purposes:

1. to receive the financial statements of the Corporation as at and for the year ended December 31, 2022, together with the report of the auditors thereon, and the financial statements of the Corporation as at and for the six months ended June 30, 2023;
2. to fix the number of directors of the Corporation to be elected at the Meeting at five;
3. to elect the board of directors of the Corporation to serve until the next annual meeting of the shareholders or until their successors are duly elected or appointed;
4. to appoint the auditors of the Corporation for the ensuing year and to authorize the directors of the Corporation to determine the remuneration to be paid to the auditors;
5. to consider and, if deemed advisable, to pass a special resolution, the full text of which is set forth in the accompanying Management Information Circular and Proxy Statement (the “Management Information Circular”), approving the consolidation of the Common Shares of the Corporation on an up to five to one (5:1) basis;
6. to consider and, if deemed advisable, to pass an ordinary resolution, the full text of which is set forth in the accompanying Management Information Circular approving the stock option plan of the Corporation in the form set out in Schedule “C” to the Management Information Circular; and
7. to transact such other business as may properly come before the Meeting.

Information relating to matters to be acted upon by the shareholders at the Meeting is set forth in the accompanying Management Information Circular.

A shareholder may attend the Meeting in person or may be represented at the Meeting by proxy. Shareholders who are unable to attend the Meeting in person and wish to be represented by proxy are requested to date, sign and return the accompanying Instrument of Proxy, or other appropriate form of proxy, in accordance with the instructions set forth in the accompanying Management Information Circular and Instrument of Proxy. An Instrument of Proxy will not be valid unless it is deposited with the Corporate Secretary of the Corporation, c/o Odyssey Trust Company, Trader’s Bank Building, Suite 702, 67 Yonge ST. Toronto, ON M5E 1J8 Attention: Proxy Department in the enclosed self-addressed envelope, not less than 48 hours (excluding Saturdays, Sundays and statutory holidays) before the time of the Meeting, or any adjournment thereof. A person appointed as proxy holder need not be a shareholder of the Corporation.

The Corporation is continuously monitoring the current coronavirus (COVID-19) outbreak. In light of public health guidelines related to COVID-19 that currently permit indoor gatherings, the Corporation has decided to host the Meeting in person; however, 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. Changes to the Meeting date and/or means of holding the Meeting may be announced by way of press release. Shareholders are encouraged to monitor the Corporation’s SEDAR profile at www.sedar.com, where copies of such press releases, if any, will be posted. You are advised to check the Corporation’s website one week prior to the Meeting date for the most current information. The Corporation does not intend to prepare an amended Circular in the event of changes to the Meeting format. **All Shareholders are strongly encouraged to vote prior to the Meeting by any of the means described under the heading “Completion of Proxies” below, in the event that in-person voting at the time of the Meeting becomes impossible.**

Only shareholders of record as at the close of business on August 25, 2023 (the “Record Date”) are entitled to receive notice of the Meeting.

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

DATED at Calgary, Alberta as of the 25th day of August 2023

BY ORDER OF THE BOARD OF DIRECTORS

(Signed) "*Edwin S.L Tam*"

Edwin S.L. Tam
President, Chief Executive Officer and a Director

PETROX RESOURCES CORP.

MANAGEMENT INFORMATION CIRCULAR

(Unless otherwise stated, information contained herein is given as of August 25, 2023)

INFORMATION REGARDING PROXIES AND VOTING AT THE MEETING

Solicitation of Proxies

This Management Information Circular is furnished in connection with the solicitation of proxies by the management of Petrox Resources Corp. (the “Corporation”) for use at the Annual General and Special Meeting of the holders (the “Shareholders”) of common shares (“Common Shares”) of the Corporation to be held at 10:00 AM on September 25, 2023 (Calgary time) (the “Meeting”), for the purposes set forth in the Notice of Annual General and Special Meeting (the “Notice”) accompanying this Management Information 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.

Record Date

The record date for the Meeting is August 25, 2023 (the “Record Date”). Any Shareholder of record at the close of business on the Record Date who either attends the Meeting or has completed and delivered a form of proxy in the manner and subject to the provisions described below will be entitled to vote or to have his or her Common Shares voted at the Meeting. To the extent that a registered Shareholder has transferred the ownership of any Common Shares subsequent to the Record Date, the transferee of such Common Shares shall not be entitled to vote such Common Shares unless the transferee produces properly endorsed share certificates, or otherwise establishes that they own the Common Shares and requests, not later than 10 days before the Meeting, that their name be included on the Shareholder list before the Meeting, in which case the transferee shall be entitled to vote their Common Shares at the Meeting.

Completion of Proxies

The form of proxy affords Shareholders or intermediaries an opportunity to specify that the Common Shares registered in their name shall be voted for or against or withheld from voting in respect of: (i) fixing the number of directors for the ensuing year; (ii) the election of directors; (iii) the appointment of the auditor of the Corporation; (iv) the approval of the Corporation’s stock option plan; and (v) any other matter which may properly come before the Meeting.

The persons named in the enclosed form of proxy are the Chief Executive Officer and the Chief Financial Officer, respectively, of the Corporation.

A REGISTERED SHAREHOLDER OR AN INTERMEDIARY HOLDING COMMON SHARES ON BEHALF OF AN UNREGISTERED SHAREHOLDER HAS THE RIGHT TO APPOINT A PERSON, WHO NEED NOT BE THE SHAREHOLDER, TO ATTEND AND ACT ON THEIR BEHALF AT THE MEETING, IN THE PLACE OF THE PERSONS DESIGNATED IN THE INSTRUMENT OF PROXY FURNISHED BY THE CORPORATION. TO EXERCISE THIS RIGHT, THE SHAREHOLDER OR INTERMEDIARY SHOULD STRIKE OUT THE NAMES OF THE PERSONS NAMED IN THE INSTRUMENT OF PROXY AND INSERT THE NAME OF THEIR NOMINEE IN THE BLANK SPACE PROVIDED OR SUBMIT ANOTHER APPROPRIATE PROXY.

The Instrument of Proxy must be dated and signed by the registered Shareholder, or by his or her attorney authorized in writing or by the intermediary. In the case of a Shareholder that is a corporation, the Instrument of

Proxy must be executed under its corporate seal or signed by a duly authorized officer or attorney for the corporation with proof of authority accompanying the Instrument of Proxy.

In order to be effective, the Instrument of Proxy, together with the power of attorney or other authority, if any, under which it was signed or a notarially certified copy thereof, must be: (i) mailed so as to be deposited at the office of the Corporation's transfer agent, Odyssey Trust Company, Trader's Bank Building, Suite 702, 67 Yonge St. Toronto, ON, M5E 1J8, Attention: Proxy Department; or (ii) completed online at <https://login.odysseytrust.com/pxlogin>, not later than 48 hours preceding the time of the Meeting or deposited with the Chairman of the Meeting on the day of the Meeting via email at proxy@odysseytrust.com prior to the commencement of the Meeting. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date of its execution. If an Instrument of Proxy is not dated, it will be deemed to bear the date on which it was mailed to Shareholders by management of the Corporation.

Exercise of Discretion by Proxyholders

A Shareholder or intermediary may indicate the manner in which the persons named in the enclosed Instrument of Proxy are to vote with respect to any matter by checking the appropriate space. On any poll, those persons will vote or withhold from voting the Common Shares in respect of which they are appointed in accordance with the directions, if any, given in the Instrument of Proxy. If the Shareholder or intermediary wishes to confer a discretionary authority with respect to any matter, the space should be left blank. IN SUCH INSTANCE, THE PERSONS NAMED IN THE ENCLOSED INSTRUMENT OF PROXY INTEND TO VOTE THE COMMON SHARES REPRESENTED BY THE PROXY IN FAVOUR OF EACH MOTION.

The enclosed Instrument of Proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting. As of the date hereof, management of the Corporation knows of no such amendment, variation or other matter. However, if any other matters which are not now known to management should properly come before the Meeting, the proxies in favour of management nominees will be voted on such matters in accordance with the best judgment of the management nominees.

Revocation of Proxies

A Shareholder or intermediary who has submitted an Instrument of Proxy may revoke it by instrument in writing executed by the Shareholder or intermediary or his or her attorney authorized in writing, or, if the Shareholder is a corporation, under its corporate seal and executed by a director, officer or attorney thereof duly authorized, and deposited either with the Corporation at its offices as aforesaid at any time prior to the close of business on the second last business day preceding the day of the Meeting, or deposited with the Chairman of the Meeting prior to the commencement of the Meeting on the day of the Meeting at proxy@odysseytrust.com, and upon such deposit the previous Instrument of Proxy is revoked.

Advice to Beneficial Holders of Securities

The information set forth in this section is of significant importance to many public Shareholders of the Corporation, as a substantial number of the public Shareholders of the Corporation do not hold Common Shares in their own name. Shareholders who do not hold their Common Shares in their own name (referred to in this 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 Common Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those Common Shares will not be registered in the Shareholder's name on the records of the Corporation. Such Common 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 Common Shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc. which acts as nominee for many Canadian brokerage firms). Common Shares held by brokers or their nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, brokers and nominees are prohibited from voting Common Shares for their clients. The directors and officers of the Corporation do not know

for whose benefit the Common Shares registered in the name of CDS & Co. are held. Therefore, Beneficial Shareholders cannot be recognized at the Meeting for the purposes of voting the Common Shares in person or by way of proxy, except as set forth below.

Applicable regulatory policy requires intermediaries and brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary and broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. Often, the form of proxy supplied to a Beneficial Shareholder by its broker is identical to the Instrument of Proxy provided to registered Shareholders. However, its purpose is limited to instructing the registered Shareholder how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("Broadridge"). Broadridge typically prepares its own proxy forms, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the proxy forms to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. A Beneficial Shareholder receiving a proxy from Broadridge cannot use that proxy to vote Common Shares directly at the Meeting - the proxy must be returned to Broadridge well in advance of the Meeting in order to have the Common Shares voted.

IF YOU ARE A BENEFICIAL SHAREHOLDER AND WISH TO VOTE AT THE TIME OF THE MEETING, PLEASE CONTACT YOUR BROKER OR AGENT WELL IN ADVANCE OF THE MEETING TO DETERMINE HOW YOU CAN DO SO.

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

Except as disclosed in this Management Information 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 Shares and Record Date

The authorized share capital of the Corporation consists of an unlimited number of Common Shares. The record date for the determination of Shareholders entitled to receive notice of and to vote at the Meeting is August 25, 2023 (the "Record Date"). As at the Record Date, there were 55,132,258 Common Shares issued and outstanding as fully paid and non-assessable.

Common Shares

The holders of Common Shares are entitled to notice of and to vote at all Annual General and Special meetings of shareholders and are entitled to one vote per Common Share. The holders of Common Shares are entitled, upon dissolution, to receive the remaining property of the Corporation.

Principal Holders of Common Shares

To the knowledge of the directors and executive officers of the Corporation, as at the date hereof, no single shareholder beneficially owns, directly or indirectly, or exercises control or direction over 10% or more of the votes attached to the shares of the Corporation.

STATEMENT OF EXECUTIVE COMPENSATION - VENTURE ISSUERS

The following information is provided in accordance with Form 51-102F6V - *Statement of Executive Compensation - Venture Issuers*, for the financial year ended December 31, 2019.

General

The purpose of the following is to provide information about the Corporation's philosophy, objectives and processes regarding compensation of the Corporation's directors and for the following executive officers of the Corporation (referred to herein as "**Named Executive Officers**"):

- (a) each individual who, in respect of the Corporation, during any part of the most recently completed financial year, served as chief executive officer, including an individual performing functions similar to a chief executive officer;
- (b) each individual who, in respect of the Corporation, during any part of the most recently completed financial year, served as chief financial officer, including an individual performing functions similar to a chief financial officer;
- (c) in respect of the Corporation and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5) of Form 51-102F6V, for that financial year;
- (d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the Corporation, and was not acting in a similar capacity, at the end of that financial year.

The Named Executive Officers of the Corporation during the last completed fiscal year of the Corporation commencing January 1, 2022 and ending on December 31, 2022 ("**Fiscal 2022**") were Edwin S. L. Tam, the President, Chief Executive Officer and Chairman of the Board of the Corporation and Alan P. Chan, the Chief Financial Officer of the Corporation. There were no other Named Executive Officers during Fiscal 2022.

The following individuals served as directors of the Corporation during Fiscal 2022: Edwin S. L. Tam, Alan P. Chan, Garry Lohuis, Yunyan Zheng and Hui Yu.

The description of the Corporation's compensation philosophy and objectives and the elements of such compensation during Fiscal 2022 are set forth below.

Director and Named Executive Officer Compensation

Director and Named Executive Officer Compensation, Excluding Stock Options and Other Compensation Securities

The following table sets forth information concerning the total compensation (other than the compensation disclosed in Item 2.3 hereof) paid during Fiscal 2022 to all persons who were Named Executive Officers or directors during Fiscal 2022. The following table sets forth information concerning the total compensation (other than the compensation disclosed in Item 2.3 hereof) paid during Fiscal 2022 to all persons who were Named Executive Officers or directors during the past two fiscal years.

TABLE OF COMPENSATION EXCLUDING COMPENSATION SECURITIES

<u>Name and Position</u>	<u>Fiscal Year Ended December 31</u>	<u>Salary, Consulting Fee, Retainer or Commission⁽¹⁾</u> <u>(\$)</u>	<u>Bonus</u> <u>(\$)</u>	<u>Committee or Meeting Fees</u> <u>(\$)</u>	<u>Value of Perquisites</u> <u>(\$)</u>	<u>Value of all Other Compensation</u> <u>(\$)</u>	<u>Total Compensation⁽¹⁾</u> <u>(\$)</u>
Edwin S. L. Tam	2021	44,625 ⁽²⁾	Nil	Nil	Nil	Nil	44,625 ⁽²⁾
<i>Director, President, Chief Executive Officer and Chairman of the Board of Directors</i>	2022	59,500 ⁽²⁾	Nil	Nil	Nil	Nil	59,500 ⁽²⁾
Alan P. Chan	2021	34,425 ⁽³⁾	Nil	Nil	Nil	Nil	34,425 ⁽³⁾
<i>Director and Chief Financial Officer</i>	2022	45,900 ⁽³⁾	Nil	Nil	Nil	Nil	45,900 ⁽³⁾
Garry Lohuis	2021	Nil	Nil	Nil	Nil	Nil	Nil
<i>Director</i>	2022	Nil	Nil	Nil	Nil	Nil	Nil
Yunyan Zheng	2021	Nil	Nil	Nil	Nil	Nil	Nil
<i>Director</i>	2022	Nil	Nil	Nil	Nil	Nil	Nil
Hui Yu	2021	Nil	Nil	Nil	Nil	Nil	Nil
<i>Director</i>	2022	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) Without GST.
- (2) Mr. Tam is paid through his consulting company, E. Tam Consulting Inc. pursuant to a consulting agreement dated January 1, 2020, which provides for remuneration in the amount of \$59,500 annually, subject to termination upon provision of notice of 90 days to E. Tam Consulting Inc. or payment in lieu thereof. The agreement had an original term of one year, subject to yearly extensions. The agreement was extended in 2020 and 2021 and has been further extended until December 31, 2022. Consulting fees under the agreement were waived for three and a half months during the year ended December 31, 2020 and for three months of Fiscal 2021 as a result of the Covid pandemic.
- (3) Mr. Chan is paid through his consulting company, AC Capital Inc. pursuant to a consulting agreement dated January 1, 2020, which provides for remuneration in the amount of \$45,900 annually, subject to termination upon provision of notice of 90 days to AC Capital Inc. or payment in lieu thereof. The agreement had an original term of one year, subject to yearly extensions. The agreement was extended in 2020 and 2021 and has been further extended until December 31, 2022. Consulting fees under the agreement were waived for three and a half months during the year ended December 31, 2020 and for three months of Fiscal 2021 as a result of the Covid pandemic.

External Management Companies

Mr. Tam and Mr. Chan are not employees of the Corporation. They provide executive management services through the companies described in the notes to the table above.

Stock Options and Other Compensation Securities

The Corporation issued no stock options or other compensation securities during Fiscal 2022.

No stock options or other compensation securities were exercised during Fiscal 2022.

The Corporation has no stock options outstanding as at the end of Fiscal 2022 and the Corporation has no other compensation securities issued or outstanding as at the end of Fiscal 2022.

Stock Option Plans and Other Incentive Plans

The Corporation has established a stock option plan (the “**Plan**”) to provide an incentive to the directors, officers, employees, consultants and other personnel of the Corporation to achieve the longer-term objectives of the Corporation, to give suitable recognition to the ability and industry of such persons who contribute materially to the success of the Corporation and to attract to and retain in the employ of the Corporation, persons of experience and ability, by providing them with the opportunity to acquire an increased proprietary interest in the Corporation.

The Corporation does not issue stock options outside of the Plan and has no other plan for the grant of stock appreciation rights, deferred share units or restricted stock units and any other incentive plan or portion of a plan under which awards are granted.

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 together with any 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 Corporation’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 Corporation’s issued and outstanding Common Shares in any 12-month period.
- The maximum aggregate number of Shares that are issuable pursuant to all Security Based Compensation (as such term is defined under the policies of the TSX Venture Exchange) granted or issued to insiders of the Corporation (as a group) must not exceed 10% of the Shares issued and outstanding at any point in time unless the Corporation has obtained disinterested shareholder approval.
- 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 ten 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 descent and distribution.

Employment, Consulting and Management Agreements

There are no management functions of the Corporation that are to any substantial degree performed by a person or Corporation other than the directors or executive officers (or private companies controlled by them, either directly or indirectly) of the Corporation other than those referred to in Notes 2 and 3 of the Table of Compensation Excluding Compensation Securities and under the heading entitled “*External Management Companies*”, above.

Oversight and Description of Directors and Named Executive Officers Compensation

Compensation of Named Executive Officers:

The Board of Directors sets the compensation received by Named Executive Officers so as to be generally competitive with the compensation received by persons with similar qualifications and responsibilities who are engaged by other companies of corresponding size, stage of development, having similar assets, number of employees, market capitalization and profit margin. In setting such levels, the Board of Directors will rely primarily on their own experience and knowledge.

The executive compensation program adopted by the Corporation and applied to its executive officers is designed to attract and retain qualified and experienced executives who will contribute to the success of the Corporation. The

executive compensation program attempts to ensure that the compensation of the senior executive officers provides a competitive base compensation package and a strong link between corporate performance and compensation. Senior executive officers are motivated through the program to enhance long-term shareholder value.

Compensation provided to Named Executive Officers consists of two principal components: salary (including potential bonuses) and stock options granted under the Corporation’s stock option plan, described below. In addition to base salary, the Board of Directors may from time to time pay a bonus to Named Executive Officers for either the accomplishment of specific performance criteria or for exceptional performance. Currently, compensation is not tied any performance criteria or goals. Pursuant to the Corporation’s stock option plan, the Board of Directors, at its discretion, determines all grants of stock options to Named Executive Officers and Directors. Such grants are considered incentives intended to align the Named Executive Officers’, Directors’ and Shareholders’ interests in the long term.

Compensation of Directors:

The Board of Directors sets the compensation received by directors. Currently, the Corporation does not compensate its directors in their capacity as directors of the Corporation except that each director is eligible to receive stock options granted pursuant to the Corporation’s stock option plan. The Corporation has compensated the directors with stock options in the past, but did not issue stock options during Fiscal 2022; consequently, no compensation was paid to the directors of the Corporation, in their capacity as directors, during Fiscal 2022.

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.

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

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 Information 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 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.

CORPORATE GOVERNANCE

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

AUDIT COMMITTEE

Audit Committee Charter

The Charter of the Corporation's Audit Committee is attached to this Management Information Circular as Schedule "B".

Composition of the Audit Committee

The following are the members of the Audit Committee:

Alan P. Chan	-	Non-Independent*; Financially Literate*
Garry Lohuis	-	Independent*; Financially Literate*
Hui Yu	-	Independent*; Financially Literate*

* As defined by Multilateral Instrument 52-110 – *Audit Committees* ("MI 52-110").

Education and Experience

Alan Chan is a Director of the Corporation and currently serves as the Chief Financial Officer of the Corporation. Mr. Chan is a professional engineer and an entrepreneur. He graduated from the University of Saskatchewan with a Bachelor of Science Degree in 1973. Since graduation, he worked in a number of industries and held various senior technical and management positions. In 1994, he founded China Pacific Industrial Corp. to pursue joint venture projects in China, and subsequently established two joint ventures in China. Since the late 1990s, Mr. Chan has been involved in the establishment of a number of public companies and assisted them in completing a number of financings, mergers and acquisitions. Currently, he is also a director of China Keli Electric Company Ltd., listed on the Exchange.

Garry Lohuis is a Director of the Corporation. He graduated from the Montana College of Mineral Science and Technology in 1982 with a Bachelor of Science Degree in Petroleum Engineering. From 2009 to 2011, he was the President and Chief Executive Officer and a director of Lift Resources Inc., a private oil and gas company with operating assets in Alberta and Saskatchewan, until it was sold to Gear Energy Ltd. From 2006 to 2008, Mr. Lohuis was the President and Chief Executive Officer and a director of Athlone Energy Ltd., a public oil and gas issuer that was listed on the TSXV, which company was eventually sold to Daylight Resources Trust. From 1998 to 2005, Mr. Lohuis was the Vice President, Operations and a Director of Geocan Energy Inc., a public oil and gas issuer that was listed on the Toronto Stock Exchange until its subsequent sale to Arsenal Energy Inc.

Hui Yu is a Director of the Corporation. Mr. Yu graduated from Hunan Normal University with a Bachelor degree in 1989. Mr. Yu has been an entrepreneur in various industries in China from 1992 to 2010. Since 2011, he has become involved in the natural gas midstream distribution business and various business ventures in China as an advisor and investor.

Audit Committee Oversight

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

Reliance on Certain Exemptions

At no time since the commencement of the Corporation’s most recently completed financial year has the Corporation relied on the exemption in Section 2.4 of MI 52-110 (*De Minimis Non-Audit Services*), or an exemption from MI 52-110, in whole or in part, granted under Part 8 of Multilateral Instrument 52-110.

Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services. The Audit Committee will review the engagement of non-audit services as required.

External Auditor Service Fees (by Category)

The aggregate fees billed by the Corporation’s external auditors in each of the last two fiscal years for audit fees are as follows:

Financial Year Ending	Audit Fees ⁽¹⁾	Audit Related Fees ⁽²⁾	Tax Fees ⁽³⁾	All Other Fees
2022	\$27,500	\$0	\$2,500	\$0
2021	\$25,000	\$0	\$2,000	\$0

Notes:

- (1) Represents fees paid for professional services rendered by the auditors for the audit of the Corporation’s annual financial statements and services provided in connection with statutory and regulatory filings.
- (2) Represents fees incurred in connection with the International Financial Reporting Standard compliance.
- (3) Represents additional audit fees paid to the Corporation’s external auditor in relation to additional audit time spent on the impairment of exploration and evaluation (E&E) assets, decommissioning obligations and producing asset impairment.

Exemption

The Corporation is relying on the exemption provided in Section 6.1 of MI 52-110 and, as such, the Corporation is exempt from Parts 3 (*Composition of the Audit Committee*) and 5 (*Reporting Obligations*) of MI 52-110.

PARTICULARS OF MATTERS TO BE ACTED UPON

1. Financial Statements

The financial statements of the Corporation for Fiscal 2022 and the auditors’ report thereon, and the financial statements of the Corporation as at and for the six months ended June 30, 2023, which financial statements accompany this Management Information Circular, will be placed before the Shareholders at the Meeting. Shareholders who wish to receive interim financial statements are encouraged to send the enclosed notice, in the addressed envelope to Computershare Trust Company.

2. Election of Directors

The term of office of each of the present directors expires at the Meeting. At the Meeting, the Shareholders will be asked to fix the number of directors of the Corporation to be elected at five members. Management of the Corporation proposes to nominate the persons named below for election as directors of the Corporation at the

Meeting, each to serve until the next annual meeting of the Shareholders of the Corporation, unless his office is earlier vacated.

Approval of the election of each director 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. Shareholders can vote for all of the proposed directors set forth herein, vote for some of them and withhold from voting for others, or withhold for all of them. **Unless otherwise instructed, the named proxyholders intend to vote “FOR” the election of each of the proposed nominees set forth below as Directors of the Corporation.** If, prior to the Meeting, any vacancies occur in the list of proposed nominees herein submitted, the persons named in the enclosed form of proxy intend to vote FOR the election of any substitute nominee or nominees recommended by management of the Corporation and FOR the remaining proposed nominees. Management has been informed that each of the proposed nominees listed below is willing to serve as a director if elected.

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

Name, Residence and Present Office Held	Principal Occupation or Employment	Director Since	Number of Common Shares Beneficially Owned or Controlled⁽¹⁾ and percentage of total issued and outstanding
EDWIN S. L. TAM Calgary, Alberta, Canada <i>President, Chief Executive Officer, Chairman of the Board and Director</i>	President and principal of E. Tam Consulting Inc., a private oil and gas consulting company.	May 2011	818,000 (1.48%)
ALAN P. CHAN ⁽²⁾ Calgary, Alberta, Canada <i>Chief Financial Officer and Director</i>	President and principal of AC Capital Inc., a private financial consulting company.	May 2011	1,121,667 (2.03%)
GARRY LOHUIS ⁽²⁾ Calgary, Alberta, Canada <i>Director</i>	From January 2009 to September 2011, President, CEO and a Director of Lift Resources Inc., a private heavy oil producer in Western Canada.	June 2012	1,479,000 (2.68%)
HUI YU ⁽²⁾ Montreal, QC, Canada <i>Director</i>	Advisor and investor of various Chinese companies related to natural gas midstream distribution business in China.	November 22, 2013	5,333,333 (9.67%)
GERRY A. PEACOCK Calgary, Alberta, Canada <i>Director</i>	Barrister and Solicitor since 1992.	Proposed Director	374,800 (0.68%)

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) Member of the Audit Committee.

Corporate Cease Trade Orders or Bankruptcies

No director or proposed director of the Corporation:

- (a) is, as at the date of this Management Information Circular, or has been, within 10 years before the date of this Management Information Circular, a director, chief executive officer or chief financial officer of any company (including the Corporation) that,

- (i) was subject to a cease trade or similar order or an order that denied the company access to any exemptions under securities legislation, that was in effect for a period of more than 30 consecutive days that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
 - (ii) was subject to a cease trade or similar order or an order that denied the company access to any exemptions under securities legislation, that was in effect for a period of more than 30 consecutive days 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 of this Management Information Circular, or has been within 10 years before the date of this Management Information Circular, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) has, within the 10 years before the date of this Management Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Penalties or Sanctions

No director or proposed director of the Corporation is or has been the subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or 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.

3. Appointment of Auditors

Unless otherwise directed, the management designees named in the accompanying instrument of proxy intend to vote in favour of the appointment of MNP LLP, Chartered Accountants, as auditors of the Corporation. MNP LLP has served as the Corporation's auditors since June 2012. 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.**

4. Approval of Share Consolidation

The policies of the TSX Venture Exchange may require that an issuer consolidate its common shares in the event that the issuer completes a private placement at an issue price of less than \$0.05 per share. In anticipation of the possibility that the Corporation will complete such a private placement, Shareholders at the Meeting will be asked to consider, and, if deemed advisable, to pass with or without variation, a special resolution approving the consolidation (the "Consolidation") of all of the issued and outstanding Common Shares on an up to a five to one (5:1) basis.

The Corporation believes that, while the Consolidation should have no economic effect on the aggregate market value of the Common Shares, it expected that the post-Consolidation market price per share would increase in roughly the inverse proportion to the consolidation ratio. As the market price of the Common Shares may fluctuate

between the time that the Management Information Circular is mailed to Shareholders and the Meeting, the directors may determine to employ an actual consolidation ratio that is less than five to one (5:1).

No fractional Common Shares will be issued in connection with the Consolidation. If, as a result of the Consolidation, a Shareholder would otherwise be entitled to a fraction of a Common Share, an adjustment will be made to the next higher whole number of Common Shares and the Shareholder will not be entitled to any further consideration.

For each ten Common Shares currently held by a Shareholder (or such lesser number as may be applicable in the event that directors determine to employ a Consolidation ratio that is less than five to one (5:1) basis), each Shareholder will, as a result of the Consolidation, receive one Common Share after the Consolidation takes effect. The Consolidation will not materially affect the percentage ownership in the Corporation of Shareholders even though such ownership will be represented by a smaller number of Common Shares. The Consolidation will merely proportionally reduce the number of Common Shares held by Shareholders.

The Corporation intends to complete the Consolidation if it is required to pursuant to the policies of the TSX Venture Exchange.

At the Meeting Shareholders shall be asked to pass a resolution in the following form:

“BE IT RESOLVED as a special resolution of the Corporation that:

- 1. subject to the receipt of any necessary regulatory approval, the articles of the Corporation be amended to consolidate the issued and outstanding common shares of the Corporation (“Common Shares”) on an up to five to one (5:1) basis (the “Consolidation”), provided that:**
 - (a) no fractional Common Shares will be issued in connection with the Consolidation of the Common Shares; and**
 - (b) this resolution shall expire 15 months from the date hereof;**
- 2. any director or officer of the Corporation be and is hereby authorized to do all things and execute all instruments necessary or desirable to give effect to this special resolution including, without limitation, to deliver Articles of Amendment, in duplicate, to the Registrar under the *Business Corporations Act* (Alberta); and**
- 3. notwithstanding that this special resolution has been duly passed by the holders of Common Shares, the directors of the Corporation be, and they are hereby authorized and empowered to revoke this resolution at any time prior to the issue of a Certificate of Amendment giving effect to the amendment to the Articles of the Corporation set forth above and to determine not to proceed with the amendment without further approval of the holders of Common Shares, or to complete the Consolidation at a ratio that is less than five to one (5:1).”**

Approval of the Consolidation will require the affirmative votes of the holders of not less than of 66 $\frac{2}{3}$ % of the votes cast in respect thereof by Shareholders present in person or by proxy at the Meeting and will require the approval of regulatory authorities. Notwithstanding whether the special resolution is passed by Shareholders, the directors of the Corporation may revoke it at any time prior to the issuance of a Certificate of Amendment giving effect to the Consolidation. **Unless instructed otherwise, the management designees in the accompanying Instrument of Proxy intend to vote “FOR” the special resolution approving the Consolidation.**

5. Ratification and Approval of Stock Option Plan

In accordance with the TSXV's Policy 4.4 governing stock options, all issuers 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 Corporation's Plan is a rolling stock option plan (see "*Stock Option Plans and Other Incentive Plans*" under the heading, Statement of Executive Compensation - Venture Issuers, above). The Board of Directors of the Corporation approved the Plan on August 22, 2023 in the form attached hereto as Schedule "C". The TSXV requires the Plan to be approved by the Shareholders of the Corporation. The Plan is subject to TSXV acceptance. If the TSXV finds the disclosure to Shareholders to be inadequate, shareholder approval provided hereunder may not be accepted by the TSXV.

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

"BE IT RESOLVED, AS AN ORDINARY RESOLUTION, THAT:

- 1. The Corporation's Stock Option Plan (the "Plan") be and is hereby confirmed, ratified and approved in substantially the form attached as Schedule "C" to the Information Circular prepared for the purposes of this Meeting, subject to acceptance by the TSX Venture Exchange;**
- 2. The Corporation be and is hereby authorized to grant stock options for up to 10% of the Common Shares of the Corporation outstanding from time to time pursuant and subject to the terms and conditions of the Plan;**
- 3. The previous existing stock options granted to directors, officers, employees and others be and are hereby ratified, confirmed and approved; and that all existing stock options becoming subject to the provisions of the Plan upon adoption by the Corporation;**
- 4. The Board of Directors be and is hereby authorized, on behalf of the Corporation, to make any amendments to the Plan as may be required by regulatory authorities, without further approval of the shareholders of the Corporation, in order to ensure adoption of the Plan;**
- 5. Notwithstanding that this resolution has been duly passed by the shareholders of the Corporation, without further resolution of shareholders, approval is hereby given to the Board of Directors of the Corporation, in their sole discretion, to revoke this resolution at any time and to refrain from implementing the Plan; and**
- 6. Any one director or officer of the Corporation be and is hereby authorized and directed to do all such acts and things and to execute and deliver under the corporate seal or otherwise all such deeds, documents, instruments and assurances as in his opinion may be necessary or desirable to give effect to this resolution."**

The approval by Shareholders requires a favourable vote of a majority of the Common Shares voted in respect thereof at the Meeting. The TSXV requires such approval before it will allow the adoption of the 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 foregoing resolution.**

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. 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 or which may be obtained upon request from the Corporation at Suite 3001, 505 - 6th Street SW, Calgary, Alberta, T2P 1X5.

SCHEDULE “A”

PETROX RESOURCES CORP.

CORPORATE GOVERNANCE POLICY

CORPORATE GOVERNANCE DISCLOSURE (FORM 58-101F2)

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 or, upon election, will be, independent, and

Yunyan Zheng, Hui Yu, and Garry Lohuis are the independent directors of the Corporation. At the conclusion of the Meeting, Gerry A. Peacock, Hui Yu, and Garry Lohuis will be the independent directors of the Corporation.

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

Edwin S. L. Tam and Alan P. Chan are not independent as they are officers 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 judgment.

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.

The following current and proposed directors of the Corporation presently serve as directors of other reporting issuers as follows:

Name	Name of Reporting Issuer	Exchange or Market
Alan P. Chan	China Keli Electric Company Ltd.	TSXV

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 decision 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 interests 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

The Board of Directors sets the compensation received by the directors and executive officers.

- (ii) the process of determining compensation.

Market comparisons as well as evaluation of similar positions in different industries in the same geography are the criteria used in determining compensation, the objective being to set compensation levels to attract and retain individuals of high calibre to serve as officers of the Corporation, to motivate their performance in order to achieve the Corporation's strategic objectives and to align the interests of executive officers with the long-term interests of the Shareholders, while at the same time preserving cash flows. The Board of Directors will set the compensation so as to be generally competitive with the compensation received by persons with similar qualifications and responsibilities who are engaged by other companies of corresponding size, stage of development, having similar assets, number of employees, market capitalization and profit margin. In setting such levels, the Board of Directors will rely primarily on their own experience and knowledge.

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

At present, the Board has no committees other than the audit committee.

8. 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.

SCHEDULE "B"

PETROX RESOURCES CORP.

AUDIT COMMITTEE CHARTER

The Audit Committee shall:

- recommend to the board of directors the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation;
- recommend to the board of directors the compensation of the external auditor;
- assume direct responsibility for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditor regarding financial reporting;
- pre-approve all non-audit services to be provided to the Corporation or its subsidiary entities by the Corporation's external auditor;
- review the Corporation's financial statements, Management Discussion & Analysis and annual and interim earnings press releases before the Corporation publicly discloses this information;
- be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, other than the disclosure stated immediately above and periodically assess the adequacy of those procedures;
- establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters; and
- review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Corporation.

SCHEDULE “C”

PETROX RESOURCES CORP.

STOCK OPTION PLAN

(2023 - 2024)

1. Purpose

The purpose of the Stock Option Plan (the “Plan”) of PETROX RESOURCES CORP. (the “Corporation”) is to advance the interests of the Corporation and each Affiliate of the Corporation by encouraging the Directors, Consultants and Employees of the Corporation and its Affiliates to acquire shares in the Corporation, thereby increasing their proprietary interest in the Corporation, encouraging them to remain associated with the Corporation and its Affiliates and furnishing them with additional incentive in their efforts on behalf of the Corporation and its Affiliates.

2. Definitions

Unless otherwise defined in this Plan, all capitalized words shall have the meanings ascribed thereto in the policies of the TSX Venture Exchange Inc. (the “Exchange”) as such policies are from time to time amended or varied (the “Policies”).

3. Administration

The Plan shall be administered by the board of directors of the Corporation. A majority of the board of directors shall constitute a quorum, and the acts of a majority of the directors present at any meeting at which a quorum is present, or acts unanimously approved in writing, shall be the acts of the directors.

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

Notwithstanding the foregoing or any other provision contained herein, the board of directors shall have the right to delegate the administration and operation of the Plan, in whole or in part, to a committee of the board of directors or to the President or any other officer of the Corporation. Whenever used herein, the term “board of directors” shall be deemed to include any committee or officer to which the board of directors has, fully or partially, delegated responsibility and/or authority relating to the Plan or the administration and operation of the Plan pursuant to this Section 3.

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

4. Shares Subject to Plan

Subject to adjustment as provided in Section 15 hereof, the shares to be offered under the Plan shall consist of shares of the Corporation’s authorized but unissued common shares (the “Shares”). The aggregate number of Shares to be delivered upon the exercise of all options granted under the Plan shall not exceed 10% of the issued Shares of the Corporation as at time of granting of options. If any option granted hereunder shall expire or terminate for any reason without having been exercised in full, the unpurchased Shares subject thereto shall again be available for the purpose of the Plan.

5. Maintenance of Sufficient Capital

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

6. Eligibility and Participation

Directors, Employees and Consultants of the Corporation and its Affiliates shall be eligible for selection to participate in the Plan. The board of directors shall determine to whom options shall be granted, the terms and provisions of the respective option agreements, the time or times at which such options shall be granted, and the number of Shares to be subject to each option. An Optionee may, if he is otherwise eligible, and if permitted under the Policies, be granted an additional option or options if the directors shall so determine.

For options granted to Employees, Consultants or Management Company Employees, the Corporation shall represent in the agreement granting the option that the Optionee is a bona fide Employee, Consultant or Management Company Employee, as the case may be.

7. Exercise Price

The exercise price of the Shares covered by each option shall be determined by the directors. The exercise price shall be not less than the price permitted by the Policies.

8. Number of Optioned Shares

The number of Shares subject to an option to an Optionee shall be determined in the resolution of the board of directors, provided that:

- (a) unless the Corporation has obtained disinterested shareholder approval as provided for in the Policies, the maximum aggregate number of Shares that are issuable pursuant to all Security Based Compensation (as such term is defined by the Exchange) (“SBC”) granted or issued to Insiders (as a group) must not exceed 10% of the issued and outstanding Shares of the Corporation at any point in time;
- (b) unless the Corporation has obtained disinterested shareholder approval as provided for in the Policies, the maximum aggregate number of Shares that are issuable pursuant to all SBC granted or issued in any 12-month period to Insiders (as a group) must not exceed 10% of the issued and outstanding Shares of the Corporation, calculated as at the date any SBC is granted or issued to any Insider;
- (c) unless the Corporation has obtained disinterested shareholder approval as provided for in the Policies, the maximum aggregate number of Shares issuable pursuant to SBC grants to any one person in any 12-month period must not exceed 5% of the issued and outstanding Shares of the Corporation, calculated on the date the SBC is granted or issued to the person;
- (d) the maximum aggregate number of Listed Shares issuable pursuant to SBC granted to any one Consultant in any 12 month period must not exceed 2% of the issued and outstanding shares, calculated on the date of grant or issuance; and
- (e) the aggregate number of options granted to all persons retained to provide Investor Relations Activities, including any Consultant that performs Investor Relations Activities and any Employee or Director whose role and duties primarily consist of Investor Relations Activities (each such person being referred to herein as an “Investor Relations Provider”), must not exceed 2% of the issued and outstanding Shares of the Corporation, during any 12 month period, calculated at the date an option is granted to any such person. In addition, options issued to Investor Relations Providers must vest in stages over a period of not less than 12 months with no more than ¼ of the options vesting in any three month period.

9. Duration of Option

Each option and all rights thereunder shall be expressed to expire on the date set out in the option agreements and shall be subject to earlier termination as provided in Sections 11, 12 and 15.

10. Option Period, Consideration and Payment

The period within which such option shall be exercised (the "Option Period") shall be a period of time fixed by the board of directors, not to exceed ten (10) years from the date the option is granted, provided that the Option Period shall be reduced with respect to any option as provided in Sections 11, 12 and 15.

An option shall vest and may be exercised (in each case to the nearest full share) during the Option Period in such manner as the board of directors may fix by resolution. Options which have vested may be exercised in whole or in part at any time and from time to time during the Option Period.

The exercise of any option shall be contingent upon receipt by the Corporation at its head office of a written notice of exercise, specifying the number of Shares with respect to which the option is being exercised, accompanied by cash payment, certified cheque, bank draft, or such other form of payment as shall be accepted by the Corporation, for the full purchase price of such Shares with respect to which the option is exercised. No Optionee or his legal representatives, legatees or distributees shall be, or shall be deemed to be, a holder of any Shares subject to an option under the Plan, unless and until the certificates for such Shares are issued to him or them under the terms of the Plan.

11. Ceasing To Be a Director, Employee or Consultant

- (a) If an Optionee ceases to be a Director, Employee, Consultant or Management Company Employee of the Corporation or any of its Affiliates for any reason (other than death), the Optionee may, but only within a reasonable period fixed by the board of directors (to a maximum of 12 months), next succeeding the Optionee's ceasing to be in at least one of the foregoing categories, exercise the Optionee's option to the extent that the Optionee was entitled to exercise such option at the date of such cessation.
- (b) If the Optionee who has been engaged in Investor Relations Activities shall cease to be employed to provide Investor Relations Activities for any reason (other than death), the Optionee may, but only within a reasonable period, as fixed by the board of directors, next succeeding the Optionee's ceasing to be employed to provide Investor Relations Activities, exercise the Optionee's option to the extent that the Optionee was entitled to exercise such option at the date of such cessation.
- (c) Nothing contained in the Plan, nor in any option granted pursuant to the Plan, shall as such confer upon any Optionee any right with respect to continuance as a Director, Employee, Consultant or Management Company Employee of the Corporation or of any of its Affiliates.

12. Death of Optionee

In the event of the death of an Optionee, the Optionee's option shall be exercisable only within one year next succeeding such death and then only:

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

13. Rights of Optionee

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

14. Proceeds from Sale of Shares

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

15. Adjustments

In the event that the outstanding Shares of the Corporation are changed into or exchanged for a different number or kind of shares or other securities of the Corporation, or in the event that there is a reorganization, amalgamation, consolidation, subdivision, reclassification, dividend payable in capital stock or other change in the capital stock of the Corporation, then each Optionee shall thereafter upon the exercise of the option granted to him, be entitled to receive, in lieu of the number of Shares to which the Optionee was theretofore entitled upon such exercise, the kind and amount of shares or other securities or property which the Optionee would have been entitled to receive as a result of any such event if, on the effective date thereof, the Optionee had been the holder of the Shares to which he was theretofore entitled upon such exercise.

In the event the Corporation proposes to amalgamate, merge or consolidate with any other corporation (other than with a wholly-owned subsidiary of the Corporation) or to liquidate, dissolve or wind-up, or in the event an offer to purchase the Shares of the Corporation or any part thereof shall be made to all holders of Shares of the Corporation, the Corporation shall have the right, upon written notice thereof to each Optionee, to require the exercise of the option granted within the thirty (30) day period next following the date of such notice and to determine that upon the expiry of such thirty (30) day period, all rights of the Optionee to exercise same (to the extent not theretofore exercised) shall ipso facto terminate and cease to have any further force or effect whatsoever.

Notwithstanding the foregoing, any adjustment to options in accordance with this Section 15, other than in connection with a share consolidation or subdivision, must be subject to the prior acceptance of the Exchange, including adjustments related to an amalgamation, merger, arrangement, reorganization, spin-off, dividend or recapitalization.

16. Transferability

All benefits, rights and options accruing to any Optionee in accordance with the terms and conditions of the Plan shall not be transferable or assignable unless specifically provided herein. During the lifetime of an Optionee any benefits, rights and options may only be exercised by the Optionee.

17. Amendment and Termination of Plan

The board of directors may, at any time, suspend or terminate the Plan. The board may also at any time amend or revise the terms of the Plan subject to the Policies; provided that no such amendment or revision shall alter the terms of any options theretofore granted under the Plan.

18. Reduction of Exercise Price

If the Corporation agrees to amend any option agreement by reducing of the exercise price of an option or extending the term of an option, and if the Optionee is an Insider at the time of the amendment, such amendment shall be subject to disinterested shareholder approval in accordance with the Policies.

19. Necessary Approvals

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

20. Effective Date of Plan

The Plan has been adopted by the board of directors of the Corporation subject to the approval of the Exchange and, if so approved, the Plan shall become effective upon such approval being obtained, subject to disinterested shareholder approval being obtained in accordance with the Policies.

21. Interpretation

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