



# INTERNATIONAL FRONTIER RESOURCES CORPORATION

## ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON WEDNESDAY, OCTOBER 14, 2020

### NOTICE OF MEETING AND MANAGEMENT PROXY AND INFORMATION CIRCULAR

*THIS NOTICE OF MEETING AND MANAGEMENT INFORMATION CIRCULAR IS FURNISHED IN CONNECTION WITH THE SOLICITATION BY THE MANAGEMENT OF INTERNATIONAL FRONTIER RESOURCES CORPORATION OF PROXIES TO BE VOTED AT THE ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS OF INTERNATIONAL FRONTIER RESOURCES CORPORATION TO BE HELD ON WEDNESDAY, OCTOBER 14, 2020.*

**COVID-19 NOTICE:** IN LIGHT OF THE PUBLIC HEALTH EMERGENCY ASSOCIATED WITH THE COVID-19 PANDEMIC, THE CORPORATION IS REQUESTING ALL SHAREHOLDERS TO REFRAIN FROM ATTENDING THE MEETING IN PERSON AND, INSTEAD, TO VOTE BY PROXY, BY MAIL, BY TELEPHONE OR ON THE INTERNET, RATHER THAN ATTENDING THE MEETING IN PERSON. THE CORPORATION WILL LIMIT ATTENDEES AS REQUIRED BY THE MASS GATHERING RESTRICTIONS IMPLEMENTED BY THE GOVERNMENT OF ALBERTA AT THE TIME OF THE MEETING. See the COVID-19 Notice in the Notice of Meeting and Management Information Circular.

TO BE HELD AT:

The Offices of International Frontier Resources Corporation  
18<sup>th</sup> Floor, Livingston Place, South Tower  
222 – 3<sup>rd</sup> Avenue SW, Calgary, Alberta T2P 0B4

At 10:00 a.m.

Dated: September 8, 2020

## INTERNATIONAL FRONTIER RESOURCES CORPORATION

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

NOTICE IS HEREBY GIVEN THAT AN ANNUAL GENERAL AND SPECIAL MEETING (the “Meeting”) of holders of common shares (“Common Shares”) of International Frontier Resources Corporation (the “Corporation”) will be held at the offices of the Corporation, Suite 1800, Livingston Place South 222, 3rd Ave SW Calgary AB, on Wednesday, October 14, 2020 at 10:00 a.m. for the following purposes:

1. to receive and consider the audited financial statements of the Corporation for the financial year ended December 31, 2019 and the report of the auditor thereon, as well as the unaudited financial statements of the Corporation for the interim period ended June 30, 2020;
2. to fix the number of directors of the Corporation to be elected at the Meeting at four (4);
3. to elect the Board of Directors of the Corporation for the ensuing year;
4. to appoint the auditor of the Corporation for the ensuing year and to authorize the Board of Directors to set the auditor’s remuneration;
5. to consider, and if thought fit, approve the ordinary resolution, as more particularly set forth in the accompanying Management Information Circular prepared for the purpose of the Meeting, relating to the re-approval of the stock option plan of the Corporation;
6. to consider, and if thought fit, approve the special resolution, as more particularly set forth in the accompanying Management Information Circular, authorizing and approving the consolidation of the issued and outstanding Common Shares on the basis of one (1) new Common Share for up to every existing thirty (30) Common Shares issued and outstanding immediately prior to the consolidation; and
7. to transact such other business as may be properly brought before the meeting or any adjournment thereof.

DATED this 8<sup>th</sup> day of September, 2020.

**BY ORDER OF THE BOARD OF DIRECTORS**

*signed “Steve Hanson”*

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**Steve Hanson**

**President, Chief Executive Officer and Director**

**COVID-19 NOTICE:** Due to the public health restrictions implemented to combat the spread of the COVID-19 pandemic, including restrictions on mass gatherings implemented by the Government of Alberta and taking into account the health and safety of our employees, shareholders, service providers and other stakeholders, **THE CORPORATION IS REQUESTING ALL SHAREHOLDERS TO REFRAIN FROM ATTENDING THE MEETING IN PERSON AND, INSTEAD, TO VOTE BY PROXY OR BY VOTING INSTRUCTION FORM, BY MAIL, BY FACSIMILE OR BY EMAIL, RATHER THAN ATTENDING THE MEETING IN PERSON TO VOTE.** Further restrictions with regard to the Meeting may be implemented by the Corporation as required in accordance with applicable laws and to comply with public health restrictions. At the Meeting, the Corporation may adopt screening or other measures for identifying COVID-19 symptoms or risk factors as may be recommended or required by applicable health authorities. These measures may include requiring registered shareholders or duly appointed proxy holders still wishing to attend the Meeting in person to sign a confirmation letter at the Meeting that they are not a confirmed case of COVID-19 or a close contact of a confirmed case of

COVID-19, they are not experiencing cold or flu-like symptoms, including fever, cough, difficulty breathing, muscle aches, fatigue, headache, sore throat or runny nose, and that they have not travelled outside of Canada for a period of two weeks preceding the Meeting date. The Corporation reserves the right to refuse admission to a shareholder or proxyholder seeking to attend the Meeting if the Corporation believes the shareholder or proxyholder poses a health risk to attendees at the Meeting or that admission to the Meeting would otherwise breach public health restrictions. **THE CORPORATION WILL LIMIT ATTENDEES AS REQUIRED BY THE MASS GATHERING RESTRICTIONS IMPLEMENTED BY THE GOVERNMENT OF ALBERTA AT THE TIME OF THE MEETING.** In addition, any attendees will be required to practice social distancing at the Meeting.

**ALL SHAREHOLDERS AND PROXYHOLDERS ARE ENCOURAGED TO LISTEN TO THE MEETING IN REAL TIME VIA TELECONFERENCE AT TOLL-FREE 1-888-668-5478.**

**Shareholders will not be able to vote through the teleconference line. In light of the public health restrictions, the Corporation will not be providing a corporate presentation or question and answer session at the Meeting.**

**As the COVID-19 outbreak continues to be a rapidly evolving situation, and in light of changing public health restrictions and recommendations related to COVID-19, there may be changes to the date, time and location of the Meeting, or the Corporation may adjourn or postpone the Meeting. The Corporation will continue to monitor and review provincial and federal governmental guidance in order to assess and implement measures to reduce the risk of spreading the virus at the Meeting. Any such changes will be communicated by news release which will be made available under the Corporation's profile on SEDAR at [www.sedar.com](http://www.sedar.com).**

**WE STRONGLY ENCOURAGE ALL SHAREHOLDERS TO VOTE BY PROXY OR BY VOTING INSTRUCTION FORM RATHER THAN ATTENDING THE MEETING IN PERSON.**

All proxies, to be valid, must be received by Computershare Trust Company of Canada, Proxy Department, 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1, at least forty-eight (48) hours, excluding Saturdays, Sundays and holidays, before the Meeting or any adjournment thereof. Late proxies may be accepted or rejected by the Chairman of the Meeting in his discretion, and the Chairman is under no obligation to accept or reject any particular late proxy.

**INTERNATIONAL FRONTIER RESOURCES CORPORATION**  
**MANAGEMENT INFORMATION CIRCULAR**  
**SOLICITATION OF PROXIES**

**THIS MANAGEMENT INFORMATION CIRCULAR (“MANAGEMENT INFORMATION CIRCULAR”) IS PROVIDED IN CONNECTION WITH THE SOLICITATION BY MANAGEMENT, OR ITS AGENTS, ADVISORS OR REPRESENTATIVES, OF INTERNATIONAL FRONTIER RESOURCES CORPORATION (THE “CORPORATION”) of proxies from the holders of common shares (the “Common Shares”) for the annual general and special meeting of the shareholders of the Corporation (the “Meeting”) to be held on Wednesday, October 14<sup>th</sup> at 10:00 a.m. at the offices of the Corporation, Suite 1800, Livingston Place South 222 3rd Ave SW Calgary AB, or at any adjournment thereof for the purposes set out in the accompanying notice of meeting (“Notice of Meeting”).**

Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally or by telephone, facsimile or other proxy solicitation services. In accordance with National Instrument 54-101, arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of the Common Shares held of record by such persons and the Corporation may reimburse such persons for reasonable fees and disbursements incurred by them in doing so. The costs thereof will be borne by the Corporation.

**COVID 19 NOTICE**

Due to the public health restrictions implemented to combat the spread of the COVID-19 pandemic, including restrictions on mass gatherings implemented by the Government of Alberta and taking into account the health and safety of our employees, shareholders, service providers and other stakeholders, **THE CORPORATION IS REQUESTING ALL SHAREHOLDERS TO REFRAIN FROM ATTENDING THE MEETING IN PERSON AND, INSTEAD, TO VOTE BY PROXY OR BY VOTING INSTRUCTION FORM, BY MAIL, BY FACSIMILE OR BY EMAIL, RATHER THAN ATTENDING THE MEETING IN PERSON TO VOTE.** Further restrictions with regard to the Meeting may be implemented by the Corporation as required in accordance with applicable laws and to comply with public health restrictions. At the Meeting, the Corporation may adopt screening or other measures for identifying COVID-19 symptoms or risk factors as may be recommended or required by applicable health authorities. These measures may include requiring registered shareholders or duly appointed proxy holders still wishing to attend the Meeting in person to sign a confirmation letter at the Meeting that they are not a confirmed case of COVID-19 or a close contact of a confirmed case of COVID-19, they are not experiencing cold or flu-like systems, including fever, cough, difficulty breathing, muscle aches, fatigue, headache, sore throat or runny nose, and that they have not travelled outside of Canada for a period of two weeks preceding the Meeting date. The Corporation reserves the right to refuse admission to a shareholder or proxyholder seeking to attend the Meeting if the Corporation believes the shareholder or proxyholder poses a health risk to attendees at the Meeting or that admission to the Meeting would otherwise breach public health restrictions. **THE CORPORATION WILL LIMIT ATTENDEES AS REQUIRED BY THE MASS GATHERING RESTRICTIONS IMPLEMENTED BY THE GOVERNMENT OF ALBERTA AT THE TIME OF THE MEETING.** In addition, any attendees will be required to practice social distancing at the Meeting.

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date, time and location of the Meeting, or the Corporation may adjourn or postpone the Meeting. The Corporation will continue to monitor and review provincial and federal governmental guidance in order to assess and implement measures to reduce the risk of spreading the virus at the Meeting. Any such changes will be communicated by news release which will be made available under the Corporation's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

**WE STRONGLY ENCOURAGE ALL SHAREHOLDERS TO VOTE BY PROXY OR BY VOTING INSTRUCTION FORM RATHER THAN ATTENDING THE MEETING IN PERSON.**

### **APPOINTMENT AND REVOCATION OF PROXIES**

The persons named (the "Management Designees") in the enclosed instrument of proxy ("Instrument of Proxy") have been selected by the directors of the Corporation and have indicated their willingness to represent as proxy the shareholder who appoints them. A shareholder has the right to designate a person (whom need not be a shareholder) other than the Management Designees to represent him or her at the Meeting. Such right may be exercised by inserting in the space provided for that purpose on the Instrument of Proxy the name of the person to be designated and by deleting therefrom the names of the Management Designees, or by completing another proper form of proxy and delivering the same to the transfer agent of the Corporation. Such shareholder should notify the nominee of the appointment, obtain the nominee's consent to act as proxy and should provide instructions on how the shareholder's shares are to be voted. The nominee should bring personal identification with him to the Meeting. In any case, the form of proxy should be dated and executed by the shareholder or an attorney authorized in writing, with proof of such authorization attached (where an attorney executed the proxy form). In addition, a proxy may be revoked by a shareholder personally attending at the Meeting and voting his shares.

A form of proxy will not be valid for the Meeting or any adjournment thereof unless it is completed and delivered to the Corporation's transfer agent, Computershare Trust Company of Canada, 9<sup>th</sup> Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1, at least forty-eight (48) hours, excluding Saturdays, Sundays and holidays, before the Meeting or any adjournment thereof. Late proxies may be accepted or rejected by the Chairman of the Meeting in his discretion, and the Chairman is under no obligation to accept or reject any particular late proxy.

A shareholder who has given a proxy may revoke it as to any matter upon which a vote has not already been cast pursuant to the authority conferred by the proxy. In addition to revocation in any other manner permitted by law, a proxy may be revoked by depositing an instrument in writing executed by the shareholder or by his authorized attorney in writing, or, if the shareholder is a corporation, under its corporate seal by an officer or attorney thereof duly authorized, either at the registered office of the Corporation or with Computershare Trust Company of Canada, 9<sup>th</sup> Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1, at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof at which the proxy is to be used, or by depositing the instrument in writing with the Chairman of such Meeting on the day of the Meeting, or at any adjournment thereof. In addition, a proxy may be revoked by the shareholder personally attending the Meeting and voting his or her shares.

### **ADVICE TO BENEFICIAL SHAREHOLDERS**

The information set forth in this section is of significant importance to many shareholders, as a substantial number of shareholders do not hold Common Shares in their own name. Shareholders who hold their Common Shares through their brokers, intermediaries, trustees or other persons, or who otherwise do not hold their Common Shares in their own name (referred to in this Management Information Circular as "Beneficial Shareholders") should note that only proxies deposited by shareholders who appear on the records maintained by the Corporation's registrar and transfer agent as registered holders of Common Shares will be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Beneficial Shareholder by a broker, those Common Shares will, in all likelihood, not be registered in the shareholder's name. 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 shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities, which acts as nominee for many Canadian brokerage firms). Common Shares held by brokers (or their agents or nominees) on behalf of a broker's client can only be voted (for or against resolutions) at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker's clients. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.**

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is substantially similar to the Instrument of Proxy provided directly to registered shareholders by the Corporation. However, its purpose is limited to instructing the registered shareholder (i.e., the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The vast majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**") in Canada. Broadridge typically prepares a machine-readable voting instruction form, mails those forms to Beneficial Shareholders and asks Beneficial Shareholders to return the forms to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the Internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. **A Beneficial Shareholder who receives a Broadridge voting instruction form cannot use that form to vote Common Shares directly at the Meeting. The voting instruction forms must be returned to Broadridge (or instructions respecting the voting of Common Shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the Common Shares voted. If you have any questions respecting the voting of Common Shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance.**

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

All references to shareholders in this Management Information Circular and the accompanying Instrument of Proxy and Notice of Meeting are to registered shareholders unless specifically stated otherwise.

This Management Information Circular and the accompanying Instrument of Proxy and Notice of Meeting may have been sent directly by the Corporation (including through the services of its transfer agent), rather than through an intermediary, to non-objecting beneficial owners under National Instrument 54-101. These securityholder materials are being sent to both registered and non-registered owners of the securities. If you are a non-registered owner, and the Corporation or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf. By choosing to send these materials to you directly, the Corporation (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

## **VOTING OF PROXIES**

Each shareholder may instruct his proxy how to vote his Common Shares by completing the blanks on the Instrument of Proxy. All Common Shares represented at the Meeting by properly executed proxies will be voted or withheld from voting (including the voting on any ballot), 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 proxy will be voted in accordance with such specification. **In the absence of any such specification as to voting on the Instrument of Proxy, the Management Designees, if named as proxy, will vote in favour of the matters set out therein. In the absence of any specification as to voting on any other form of proxy, the Common Shares represented by such form of proxy will be voted in favour of the matters set out therein.**

**The enclosed Instrument of Proxy confers discretionary authority upon the Management Designees, or other persons named as proxy, with respect to amendments to or variations of matters identified in the Notice of Meeting and any other matters which may properly come before the Meeting. As of the date hereof, the Corporation is not aware of any amendments to, variations of or other matters which may come before the Meeting. In the event that other matters come before the Meeting, then the Management Designees intend to vote in accordance with the judgment of management of the Corporation.**

## **QUORUM**

The by-laws of the Corporation provide that a quorum of shareholders is present at a meeting of shareholders of the Corporation if a holder or holders of not less than five (5%) percent of the outstanding shares of the Corporation entitled to vote at the Meeting are present in person or by proxy.

## **VOTING SHARES AND PRINCIPAL HOLDERS THEREOF**

The Corporation is authorized to issue an unlimited number of Common Shares, an unlimited number of preferred shares, issuable in series and up to 4,999,000 restricted shares. As at the effective date of this Information Circular (the “**Effective Date**”), which is September 8, 2020, 243,391,939 Common Shares are issued and outstanding as fully paid and non-assessable. No other shares of any other class are issued or outstanding. The Common Shares are the only shares entitled to be voted at the Meeting and holders of Common Shares are entitled to one vote for each Common Share held.

Holders of Common Shares of record at the close of business on September 8, 2020 (the “**Record Date**”) are entitled to vote such Common Shares at the Meeting on the basis of one vote for each Common Share held except to the extent that, (a) the holder has transferred the ownership of any of his or her Common Shares after the Record Date, and (b) 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 (10) days before the day of the Meeting that his or her name be included in the list of persons entitled to vote at the Meeting, in which case the transferee will be entitled to vote his or her Common Shares at the Meeting.

To the knowledge of the directors and the executive officers of the Corporation, as at the Effective Date, no person or company beneficially owns, directly or indirectly, or controls or directs, voting securities carrying 10% or more of the voting rights attached to any class of voting securities of the Corporation.

## **EXECUTIVE COMPENSATION**

### **Compensation Discussion and Analysis**

#### **General**

The compensation program of the Corporation is designed to attract, motivate, reward and retain knowledgeable and skilled executives required to achieve the Corporation’s corporate objectives and increase shareholder value. The main objective of the compensation program is to recognize the

contribution of the executive officers to the overall success and strategic growth of the Corporation. The compensation program is designed to reward management performance by aligning a component of the compensation with the Corporation's business performance and share value. The philosophy of the Corporation is to pay executives a total compensation amount that is competitive with other Canadian junior oil and gas companies and is consistent with the experience and responsibility level of such executives. The purpose of executive compensation is to reward the executives for their contributions to the achievements of the Corporation on both an annual and long term basis.

The compensation program provides incentives to its executive officers and directors to achieve long term objectives through grants of stock options under the Corporation's stock option plan. Increasing the value of the Corporation's Common Shares increases the value of the stock options. This incentive closely links the interests of the Named Executive Officers and directors to shareholders of the Corporation.

Because the Corporation is a high-risk venture, its compensation is distinct from that of many conventional western Canadian based oil and gas companies. The Corporation is unique in that its major assets are located in Mexico. The individuals whom the Corporation needs to attract and retain are those with experience operating in international areas, who have skills in over-seeing multi-million dollar capital programs, in a business usually entertained only by larger multinational oil and gas companies.

The Compensation Committee (discussed below) considers a variety of factors when determining both compensation policies and programs and individual compensation levels. These factors include the long-range interests of the Corporation and its shareholders, overall financial and operating performance of the Corporation, and the Compensation Committee's assessment of each executive's individual performance and contribution toward meeting corporate objectives. Superior performance is recognized through the Corporation's incentive policy and programs. Because the Corporation's share price is reflected in compensation in terms of stock options, the Compensation Committee does take into consideration the historical and future drilling results in establishing the issuance of stock options. Given the risks inherent in drilling frontier exploration wells in the NWT and in bidding for assets in Mexico, the Compensation Committee has not established a targeted amount of resource additions as a corporate goal.

The Corporation has entered into consulting or employment agreements with certain executive officers of the Corporation. See "*EXECUTIVE COMPENSATION - Termination and Change of Control Benefits*" below.

### **Base Salary and Consulting Fees**

As a general rule for establishing base salaries or consulting fees, the Compensation Committee reviews competitive market data for each of the executive positions and determines placement at an appropriate level within a range. Compensation levels are negotiated with the candidate for the position prior to his or her selection as an executive officer or consultant. Salaries or consulting fees for the executive officers are reviewed annually or as needed by the Compensation Committee to reflect competitive salaries or consulting fees, external factors such as inflation as well as the overall corporate performance and the results of internal performance reviews.

### **Option-based Awards**

The Corporation has a stock option plan (the "**Plan**") previously approved by the shareholders of the Corporation on April 30, 2019. The significant terms of the Plan are disclosed in this Management Information Circular under "*Particulars OF MATTERS TO BE ACTED UPON - Re-approval of Stock Option Plan*".

The allocation of options under the Plan is determined by the Compensation Committee which, in determining such allocations, considers such factors as overall Corporation performance, peer company performance, share price performance, the business environment and labour market, the role and performance of the individual in question, the level of relative cash compensation and, in the case of grants to non-executive directors, the amount of time directed to the Corporation's affairs and time spent on the Corporation's Audit, Reserve and Compensation Committees. In addition, the Corporation took into account the number of outstanding options in determining the grant of stock options in the financial

year ended December 31, 2019. The Corporation granted 6,150,000 stock options to directors during the year ended December 31, 2019. See “*Incentive Plan Awards*” below and “*DIRECTOR COMPENSATION - Incentive Plan Awards*” below.

### **Risk Considerations**

The Compensation Committee reviews from time to time and at least once annually, the risks, if any, associated with the Corporation’s compensation policies and practices at such time. Such a review occurred at the time of preparation of this Compensation Discussion and Analysis. Implicit in the Compensation Committee’s mandate is that the Corporation’s policies and practices respecting compensation, including those applicable to the Corporation’s executives, be designed in a manner which is in the best interests of the Corporation and its shareholders and risk implications is one of many considerations which are taken into account in such design.

It is anticipated that a portion (set at a level consistent with its industry peers) of the Corporation’s executive compensation will consist of options granted under the Plan. Such compensation is both “long term” and “at risk” and, accordingly, is directly linked to the achievement of long term value creation. As the benefits of such compensation, if any, are generally not realized by the executive until a significant period of time has passed, the ability of executives to take inappropriate or excessive risks that are beneficial to them from the standpoint of their compensation at the expense of the Corporation and its shareholders is reduced.

Due to the small size of the Corporation, and the current level of the Corporation’s activity, the Board and the Compensation Committee are able to closely monitor and consider any risks which may be associated with the Corporation’s compensation policies and practices. The Board of Directors is satisfied that there were not any identified risks arising from the Corporation’s compensation plans or policies that would have had any negative or material impact on the Corporation.

There are no policies in place pursuant to which an Named Executive Officer or director is permitted to purchase financial instruments including for greater certainty, prepaid variable forward contracts, equity swaps, collars, units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by an Named Executive Officer or director.

### **Compensation Governance**

The following are the members of the Compensation Committee, as at the date hereof:

Gary Lyons	Independent
Steve Hanson	Not Independent

All members of the Compensation Committee are knowledgeable about the Corporation’s compensation programs and possess an understanding of compensation theory and practice, personnel management and development, succession planning and executive development. In addition, all members are “financially literate” within the meaning of National Instrument 52-110 and have accounting or related financial management experience or expertise.

The Compensation Committee’s role and philosophy is to ensure that the Corporation’s goals and objectives, as applied to the actual compensation paid to the Corporation’s executive officers are aligned with the Corporation’s overall business objectives and with shareholders’ interests. All tasks related to developing and monitoring the Corporation’s approach to the compensation of the Corporation’s executive officers and directors are performed by the Compensation Committee. The compensation of the executive officers, directors, employees or consultants, if any, is reviewed, recommended and approved by the Compensation Committee without reference to any specific formula or criteria. Compensation Committee members disclose their interests in and abstain from voting on compensation decisions relating to them, as applicable, in accordance with the applicable corporate legislation and terms of reference for the committee.

The Compensation Committee has unrestricted access to the Corporation’s personnel and documents and is provided with the resources necessary, including, as required, the engagement and compensation of outside advisors, to carry out its responsibilities.

### Summary Compensation Table

The following table sets forth all annual and long term compensation for the three most recently completed financial years for services in all capacities to the Corporation and its subsidiaries, if any, in respect of individual(s) who were acting as, or were acting in a capacity similar to, a chief executive officer or chief financial officer and the three most highly compensated executive officers whose total compensation exceeded \$150,000 per annum (the “**Named Executive Officers**”).

Name and Principal Position	Year Ended December 31	Consulting Fees/Salary (\$)	Share-Based Awards (\$) <sup>(1)</sup>	Option-Based Awards (\$) <sup>(2)</sup>	Non-Equity Incentive Plan Compensation (\$)		Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$) <sup>(3)</sup>
					Annual Incentive Plans	Long-Term Incentive Plans			
Steve Hanson President and Chief Executive Officer	2019	123,000	Nil	35,754	Nil	Nil	Nil	2,922(4)	125,922
	2018	168,000	Nil	Nil	Nil	Nil	Nil	Nil	168,000
	2017	168,000	Nil	187,638	Nil	Nil	Nil	Nil	178,410
Tony Kinnon VP Business Development, Chairman of the Board	2019	123,000	Nil	35,754	Nil	Nil	Nil	4,512	127,512
	2018	168,000	Nil	Nil	Nil	Nil	Nil	Nil	168,000
	2017	168,000	Nil	187,638	Nil	Nil	Nil	Nil	178,410
Andrew Fisher Chief Operating Officer	2019	123,000	Nil	35,754	Nil	Nil	Nil	4,512(4)	127,512
	2018	168,000	Nil	Nil	Nil	Nil	Nil	Nil	168,000
	2017	168,000	Nil	187,638	Nil	Nil	Nil	Nil	178,410
Margaret Souleles Chief Financial Officer and Secretary	2019	85,666	Nil	31,043	Nil	Nil	Nil	1,738(4)	87,404
	2018	104,000	Nil	Nil	Nil	Nil	Nil	Nil	104,000
	2017	99,500	Nil	56,291	Nil	Nil	Nil	4,265(5)	102,625

#### Notes:

- (1) “**Share-Based Award**” means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units and stock.
- (2) “**Option-Based Award**” means an award under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights and similar instruments that have option-like features. The “grant date fair value” has been determined by using the Black-Scholes option pricing model. See discussion below.
- (3) Mr. Hanson, Mr. Fisher and Mr. Kinnon did not receive any additional compensation for serving as a director of the Corporation.
- (4) These amounts represent payments made pursuant to the Corporation’s health care benefits plan.
- (5) These amounts represent payments made pursuant to the Corporation’s Royalty Compensation Program and for medical/hospital and extended health care benefits. The Royalty Compensation Program was terminated in April, 2017.

#### Narrative Discussion

Calculating the value of stock options using the Black-Scholes option pricing model is very different from a simple “in-the-money” value calculation. In fact, stock options that are well out-of-the-money can still

have a significant “grant date fair value” based on a Black-Scholes option pricing model, especially where, as in the case of the Corporation, the price of the share underlying the option is highly volatile. Accordingly, caution must be exercised in comparing grant date fair value amounts with cash compensation or an in-the-money option value calculation.

### **Incentive Plan Awards**

#### **Outstanding Share-Based Awards and Option-Based Awards**

The following table sets forth details of all awards outstanding for each Named Executive Officer of the Corporation as of the most recent financial year end, including awards granted before the most recently completed financial year.

		Option-Based Awards			Share-Based Awards		
Name and Title	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised in-the-money Option <sup>(1)(2)</sup> (\$)	Number of Shares or Units of Shares that have not vested (#)	Market or Payout Value of Share-Based Awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
<b>Steve Hanson</b> President and Chief Executive Officer	250,000	0.13	11-Dec-20	-	N/A	N/A	N/A
	200,000	0.14	4-Jul-21	-	N/A	N/A	
	1,000,000	0.22	4-Dec-22	-	-	-	
	1,600,000	0.08	10-Jun-24	-	1,066,667	-	
<b>Tony Kinnon</b> VP Business Development, Chairman of the Board	250,000	0.13	11-Dec-20	-	N/A	N/A	N/A
	125,000	0.14	4-Jul-21	-	N/A	N/A	
	1,000,000	0.22	4-Dec-22	-	-	-	
	1,600,000	0.08	10-Jun-24	-	1,066,667	-	
<b>Andrew Fisher</b> Chief Operating Officer	650,000	0.13	11-Dec-20	-	N/A	N/A	N/A
	300,000	0.15	4-Jul-21	-	N/A	N/A	
	1,000,000	0.22	4-Dec-22	-	-	-	
	1,600,000	0.08	10-Jun-24	-	1,066,667	-	
<b>Margaret Souleles</b> Chief Financial Officer	125,000	0.14	4-Jul-21	-	N/A	N/A	N/A
	300,000	0.22	4-Dec-22	-	-	-	
	1,100,000	0.08	10-Jun-24	-	633,333	-	

**Notes:**

- (1) Unexercised “in-the-money” options refer to the options in respect of which the market value of the underlying securities as at the financial year end exceeds the exercise or base price of the option.
- (2) The aggregate of the difference between the market value of the Common Shares as at December 31, 2019 (the last day the Common Shares traded in the most recently completed financial year), being \$0.01 per Common Share, and the exercise price of the options.

None of the awards disclosed in the table above have been transferred at other than fair market value.

### Incentive Plan Awards - Value Vested or Earned During the Year

The following table sets forth the value of option-based awards and share-based awards which vested or were earned during the most recently completed financial year for each Named Executive Officer.

Name and Title	Option-Based Awards - Value vested during the year (\$) <sup>(1)</sup>	Share-Based Awards - Value vested during the year (\$)	Non-Equity Incentive Plan Compensation - Value earned during the year (\$)
<b>Steve Hanson</b> President and Chief Executive Officer	Nil	N/A	N/A
<b>Tony Kinnon</b> VP Business Development, Chairman of the Board	Nil	N/A	N/A
<b>Andrew Fisher</b> Chief Operating Officer	Nil	N/A	N/A
<b>Margaret Souleles</b> Chief Operating Officer	Nil	N/A	N/A

**Note:**

- (1) Based on the difference between the market price of the Common Shares at the vesting date and the exercise price.

### Pension Plan Benefits

The Corporation does not have in place any deferred compensation plan or pension plan that provides for payments or benefits at, following or in connection with retirement.

### Termination and Change of Control Benefits

The Corporation is not a party to any contract, agreement, plan or arrangement that provides for payments to a Named Executive Officer at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Corporation, its subsidiaries or affiliates or a change in a Named Executive Officer's responsibilities other than the following:

During the fiscal year ended December 31, 2019, there were certain employment or consulting agreements in place with each of the below-noted officers of Corporation, all of which expired, according to their terms, on January 31, 2020. Each agreement provided for a payment in the event of a change in control of the Corporation as follows:

- (a) The President and Chief Executive Officer will receive the lump sum equivalent of 18 months' salary plus the value of employee benefits, if applicable, and the Corporation shall also, at the option of the Chief Executive Officer, pay to the Chief Executive Officer the value of any in-the-money, outstanding stock options held by the Chief Executive Officer, as at the date of the notice of a change in control.
- (b) The VP Business Development will receive the lump sum equivalent of 18 months' salary plus the value of employee benefits, if applicable, and the Corporation shall also, at the option of the VP, pay to the VP the value of any in-the-money, outstanding stock options held by the VP, as at the date of the notice of a change in control.
- (c) The Chief Operations Officer will have received the lump sum equivalent of 18 months' salary plus the value of employee benefits, if applicable, and Corporation shall also, at the option of the Chief Operations Officer, pay to the Chief Operations Officer the value of any in-the-money, outstanding stock options held by the Chief Operations Officer, as at the date of the notice of a change in control.

(d) The Chief Financial Officer will receive the lump sum equivalent of 18 months' salary plus the value of employee benefits, if applicable, and the Corporation shall also, at the option of the Chief Financial Officer, pay to the Chief Financial Officer the value of any in-the-money, outstanding stock options held by the Chief Financial Officer, as at the date of the notice of a change in control.

As noted above, each of the above described employment and consulting agreements expired on January 31, 2020, and were replaced with new agreements that do not provide for any payment in the event of a change of control of the Corporation.

### **DIRECTOR COMPENSATION**

During the financial year ended December 31, 2019, the Corporation had up to seven (7) directors, three (3) of which were also Named Executive Officers. For a description of the compensation paid to the Named Executive Officers of the Corporation who also act as a director of the Corporation, see "*EXECUTIVE COMPENSATION*".

#### **Director Compensation Table**

The following table sets forth all compensation provided to directors who are not also Named Executive Officers ("**Outside Directors**") of the Corporation for the financial year ended December 31, 2019.

<b>Name</b>	<b>Fees Earned (\$)</b>	<b>Share-Based Awards (\$)<sup>(1)</sup></b>	<b>Option-Based Awards (\$)<sup>(2)</sup></b>	<b>Non-Equity Incentive Plan Compensation (\$)</b>	<b>Pension Value (\$)</b>	<b>All Other Compensation (\$)</b>	<b>Total (\$)</b>
<b>R. Glenn Dawson</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Dr. Gary Lyons <sup>(3)</sup></b>	Nil	Nil	16,700	Nil	Nil	Nil	16,700
<b>Ignacio Quesada-Morales <sup>(3)</sup></b>	Nil	Nil	9,810	Nil	Nil	Nil	9,810
<b>Colin Mills <sup>(3)</sup></b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil

**Notes:**

- (1) "**Share-Based Award**" means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units and stock.
- (2) "**Option-Based Award**" means an award under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights and similar instruments that have option-like features. The "grant date fair value" has been determined by using the Black-Scholes option pricing model.
- (3) Dr. Gary Lyons resigned as a director of the Corporation effective August 26, 2020. Ignacio Quesada-Morales resigned as a director of the Corporation effective May 24, 2019. Colin Mills resigned as a director of the Corporation effective July 22, 2019.

## Incentive Plan Awards

### **Outstanding Share-Based Awards and Option-Based Awards**

The following table sets forth details of all awards outstanding for each Outside Director of the Corporation as of the most recent financial year end, including awards granted before the most recently completed financial year.

Name	Number of Securities Underlying Unexercised Options  (#)	Option-Based Awards			Share-Based Awards		
		Option Exercise Price  (\$)	Option Expiration Date	Value of Unexercised in-the-money Option <sup>(1)</sup> <sub>(2)</sub>  (\$)	Number of Shares or Units of Shares that have not vested  (#)	Market or Payout Value of Share-Based Awards that have not vested  (\$)	Market or payout value of vested share-based awards not paid out or distributed  (\$)
Dr. Gary Lyons	250,000	0.14	4-Jul-21	Nil	N/A	N/A	N/A
	75,000	0.22	4-Dec-22	Nil			
	250,000	0.08	10-June-24	Nil			
R. Glenn Dawson	300,000	0.16	27-Aug-23	Nil	N/A	N/A	N/A
Ignacio Quesada-Morales	Nil	N/A	N/A	N/A	N/A	N/A	N/A
Colin Mills	Nil	N/A	N/A	N/A	N/A	N/A	N/A

**Notes:**

- (1) Unexercised “in-the-money” options refer to the options in respect of which the market value of the underlying securities as at the financial year end exceeds the exercise or base price of the option.
- (2) The aggregate of the difference between the market value of the Common Shares as at December 29, 2019 (the last day the Common Shares traded in the most recently completed financial year), being \$0.01 per Common Share, and the exercise price of the options.

None of the awards disclosed in the table above have been transferred at other than fair market value.

### **Incentive Plan Awards - Value Vested or Earned During the Year**

The following table sets forth the value of option-based awards and share-based awards which vested or were earned during the most recently completed financial year for Outside Directors of the Corporation.

Name	Option-Based Awards - Value vested during the year (\$) <sup>(1)</sup>	Share-Based Awards - Value vested during the year (\$)	Non-Equity Incentive Plan Compensation - Value earned during the year (\$)
Dr. Gary Lyons	Nil	N/A	N/A
R. Glenn Dawson	Nil	N/A	N/A
Ignacio Quesada-Morales	Nil	N/A	N/A
Colin Mills	Nil	N/A	N/A

**Note:**

- (1) Based on the difference between the market price of the Common Shares at the vesting date and the exercise price.

## **Narrative Discussion**

The significant terms of the Plan are disclosed in this Management Information Circular under “*PARTICULARS OF MATTERS TO BE ACTED UPON - Re-approval of Stock Option Plan*”.

## **Other Compensation**

Other than as set forth herein, the Corporation did not pay any other compensation to executive officers or directors (including personal benefits and securities or properties paid or distributed which compensation was not offered on the same terms to all full time employees) during the last completed financial year other than benefits and perquisites which did not amount to \$10,000 or greater per individual.

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

The following table sets forth securities of the Corporation that are authorized for issuance under equity compensation plans as at the end of the Corporation’s most recently completed financial year.

<b>Plan Category</b>	<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 outstanding securities reflected in Column 1)<sup>(1)</sup></b>
Equity compensation plans approved by securityholders	14,525,000 Common Shares	\$0.13 per Common Share	2,860,139 Common Shares
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
<b>Total</b>	<b>14,525,000 Common Shares</b>	<b>\$0.13 per Common Share</b>	<b>2,860,139 Common Shares</b>

### **Note:**

- (1) The aggregate number of Common Shares that may be reserved for issuance under the Plan shall not exceed 10% of the Corporation’s issued and outstanding shares.

## **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

No director, executive officer, employee or former director, executive officer or employee of the Corporation nor any of their associates or affiliates, is, or has been at any time since the beginning of the last completed financial year, indebted to the Corporation nor has any such person been indebted to any other entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding, provided by the Corporation.

## **INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

Other than as set forth herein, or as previously disclosed, the Corporation is not aware of any material interests, direct or indirect, by way of beneficial ownership of securities or otherwise, of any director or executive officer, proposed nominee for election as a director or any shareholder holding more than 10% of the voting rights attached to the Common Shares or any associate or affiliate of any of the foregoing in any transaction in the preceding financial year or any proposed or ongoing transaction of the Corporation which has or will materially affect the Corporation.

## **MANAGEMENT CONTRACTS**

Other than as set forth herein, during the most recently completed financial year, no management functions of the Corporation were 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.

### **INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON**

Except as otherwise set out herein, no director or executive officer of the Corporation or any proposed nominee of management of the Corporation for election as a director of the Corporation, nor any associate or affiliate of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in matters to be acted upon at the Meeting.

## **AUDIT COMMITTEE**

### **Audit Committee Terms of Reference**

The text of the Corporation's Audit Committee charter is set out as Schedule "A" to the Corporation's Management Information Circular dated April 30, 2019 and filed on SEDAR at [www.sedar.com](http://www.sedar.com) on April 30, 2019, which is incorporated by reference herein.

### **Audit Committee Composition**

The following are the members of the Audit Committee, as at the date hereof:

Glenn Dawson	Independent <sup>(1)</sup>	Financially literate <sup>(1)</sup>
Tony Kinnon	Not Independent <sup>(1)(2)</sup>	Financially literate <sup>(1)</sup>
Steve Hanson	Not Independent <sup>(1)</sup>	Financially literate <sup>(1)</sup>

#### **Notes:**

- (1) As defined by National Instrument 52-110 ("NI 52-110").
- (2) Chairman of the Audit Committee.

### **Relevant Education and Experience**

All of the members of the Audit Committee have been either directly or indirectly involved in the preparation of the financial statements, filing of quarterly and annual financial statements, dealing with auditors, or as a member of the Audit Committee. All members of the Audit Committee have the ability to read, analyze and understand the complexities surrounding the issuance of financial statements. In addition to the foregoing:

- Glenn Dawson is the President and CEO of CUDA Energy Inc.
- Tony Kinnon is the former Managing Director of Energy Banking at PI Financial Corp.
- Steve Hanson was the former President of Discovery Management Services Ltd a venture capital consulting firm assisting early-stage companies in the development of short and long-term financing strategies and has served on numerous private and public company boards.

### **Audit Committee Oversight**

At no time since the commencement of the Corporation's most recently completed financial year was a recommendation of the Audit 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 NI 52-110 (De Minimis Non-audit Services), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110 (securities regulatory authority exemption).

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

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by the Board of Directors, and where applicable the audit committee, on a case-by-case basis.

### **External Auditor Service Fees**

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

<b>Financial Year Ending December 31</b>	<b>Audit Fees <sup>(1)</sup></b>	<b>Audit Related Fees <sup>(2)</sup></b>	<b>Tax Fees <sup>(3)</sup></b>	<b>All Other Fees <sup>(4)</sup></b>
2019	\$102,720	Nil	Nil	Nil
2018	\$88,000	Nil	Nil	Nil

**Notes:**

<sup>(1)</sup> Represents fees billed by external auditors for audit services that are reasonably related to the performance of the audit.

<sup>(2)</sup> Represents fees billed for assurance related services that are reasonably related to the performance of the audit.

<sup>(3)</sup> Represents fees billed for professional services rendered for tax compliance, tax advice and tax planning.

<sup>(4)</sup> Represents fees billed for products and services provided by auditors other than the other services reported.

### **Exemption**

The Corporation is relying upon the exemption in section 6.1 of NI 52-110, the exemption for Venture issuers in relation to the requirement that every audit committee member be independent.

## **CORPORATE GOVERNANCE**

Corporate governance relates to the activities of the Board of Directors, the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board of Directors and who are charged with the day to day management of the Corporation. The Board of Directors is committed to sound corporate governance practices which are both in the interest of its shareholders and contribute to effective and efficient decision making. In part to achieve this goal, the Corporation has implemented a Corporate Policies and Procedure Manual which includes the Corporations Policies, including: Corporate Guidelines, a Code of Business Conduct and Ethics, an Anti-Bribery and Anti-Corruption Policy, a Timely Disclosure, Confidentiality and Insider Trading Policy, a Whistle Blower Policy, and an Audit Committee Charter.

Pursuant to National Instrument 58-101 Disclosure of Corporate Governance Practices ("NI 58-101"), the Corporation is required to disclose its corporate governance practices as summarized below.

## **Board of Directors**

The Board of Directors is currently comprised of four members. All of these individuals are nominated for re-election at the Meeting, Mr. Glenn Dawson is the independent directors of the Corporation.

Mr. Steve Hanson, the Chief Executive Officer and President of the Corporation, Mr. Andrew Fisher, the Chief Operating Officer of the Corporation and Mr. Tony Kinnon, the VP Business Development and Chairman of the Board, are current members of management and, as a result, not independent directors.

NI 58-101 suggests that the board of directors of a public company should be constituted with a majority of individuals who qualify as “independent” directors. An “independent” director is a director who has no direct or indirect material relationship with the Corporation. A material relationship is a relationship which could, in the view of the board of directors, reasonably interfere with the exercise of a director’s independent judgement. As disclosed above, the Board of Directors is not comprised of a majority of independent directors. During the ensuing year, the Board may consider to seek one or more suitable candidates for appointment to the Board of Directors who meet the independence criteria in NI 58-101 to increase the number of independent directors. The independent judgement of the Board of Directors in carrying out its responsibilities is the responsibility of all directors. The Board of Directors of the Corporation facilitates independent supervision of management through meetings of the Board of Directors and through frequent informal discussions among independent members of the Board of Directors and management. In addition, the Board of Directors have free access to the Corporation’s external auditors, legal counsel and to any of the Corporation’s officers.

## **Directorships**

None of the directors of the Corporation are presently directors of any other reporting issuers.

## **Orientation and Continuing Education**

Each new director is given an outline of the nature of the Corporation’s business, its corporate strategy and current issues with the Corporation. New directors are also provided a copy of the Corporate Policies and Procedure Manual. New directors are also expected to meet with management of the Corporation to discuss and better understand the Corporation’s business and are advised by counsel to the Corporation of their legal obligations as directors of the Corporation. New directors are also given copies of the Corporation’s policies.

The introduction and education process will be reviewed on an annual basis by the Board of Directors and will be revised as necessary.

## **Ethical Business Conduct**

The Board of Directors has adopted a written Code of Business Conduct and Ethics and an Anti-Bribery and Anti-Corruption Policy, both of which apply to all directors, officers, employees and consultants of the Corporation. The Code of Business Conduct and Ethics addresses such matters: as ethical, honest and fair conduct of the Corporation’s directors, officers, employees and consultants; deterring wrongdoing, bribery and corruption; the environment and safety; personal gain, entertainment and gifts; dealings with public officials; confidentiality and privacy; conflicts of interest; respect in the workplace and social responsibility; and accounting and auditing requirements and the protection and proper use of the Corporation’s assets. The Corporation’s Anti-Bribery and Anti-Corruption Policy’s purpose is to reiterate the Corporation’s commitment to full compliance by the Corporation, its subsidiaries and affiliates, and its officers, directors, employees and agents with Canada’s *Corruption of Foreign Public Officials Act* (“CFPOA”) and any local anti-bribery or anti-corruption laws that may be applicable. The Anti-Bribery and Anti-Corruption Policy supplements the Code of Business Conduct and Ethics and all applicable laws and provides guidelines for compliance with the CFPOA and Corporation’s policies applicable to the Corporation’s operations world-wide.

The Board of Directors has established a Whistle Blower Policy, which establishes the complaint procedure for concerns about any aspect of the Corporation's activities and operations without fear of victimization, subsequent discrimination or disadvantage. The Corporation has also adopted on Timely Disclosure, Confidentiality and Insider Trading Policy which establishes procedures for: adequate disclosure and compliance with disclosure requirements; confidentiality and communicating to market participants; and when insiders may trade securities of the Corporation.

The Board of Directors has found that the fiduciary duties placed on individual directors by the Corporation's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board of Directors in which the director has an interest have been sufficient to ensure that the Board of Directors operates independently of management and in the best interests of the Corporation.

Under corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Corporation and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. In addition, as the directors of the Corporation also serve as directors and officers of other companies engaged in similar business activities, directors must comply with the conflict of interest provisions of the *Business Corporations Act* (Alberta), as well as the relevant securities regulatory instruments, in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or officer has a material interest. Any interested director would be required to declare the nature and extent of his interest and would not be entitled to vote at meetings of directors which evoke such a conflict.

### **Nomination of Directors**

The Board of Directors has established a Nominations Committee comprised of Steve Hanson (Chair), Tony Kinnon and Glenn Dawson. The Nominations Committee is responsible for identifying individuals qualified to become new Board members and recommending to the Board new director nominees for the next annual meeting of the shareholders.

New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Corporation, the ability to devote the time required, shown support for the Corporation's mission and strategic objectives, and a willingness to serve..

### **Compensation**

The Corporation has a Compensation Committee. See "*EXECUTIVE COMPENSATION - Compensation Governance*" above.

### **Other Board of Directors Committees**

The Corporation has no standing Committees at this time other than the Audit Committee (discussed above), the Corporate Governance Committee, the Nominations Committee (as discussed above), the Compensation Committee (as discussed above) and the Reserve/Technical Committee.

The members of the Corporate Governance Committee are listed under "*PARTICULARS OF MATTERS TO BE ACTED UPON - Election of Directors*". The responsibilities of the Corporate Governance Committee includes: the oversight and implementation of the Corporate Policies and Procedure Manual of the Corporation, addressing all governance issues identified by securities regulators and any additional issues as they arise by virtue of the operations and growth of the Corporation as being emerging progressive issues of corporate governance.

The members of the Reserve/Technical Committee are listed under "*PARTICULARS OF MATTERS TO BE ACTED UPON - Election of Directors*". The responsibilities of the Reserve/Technical Committee includes reviewing the procedures relating to the disclosure of information with respect to oil and gas

activities, reviewing the appointment of the independent evaluator and reviewing the annual filings required by National Instrument 51-101.

### **Assessments**

The Board of Directors have not implemented a formal process for assessing its effectiveness or the effectiveness of its individual members or its committees. As a result of the Corporation's size, its stage of development and the limited number of individuals on the Board of Directors, the Board of Directors consider a formal assessment process to be unnecessary at this time. The Board of Directors plans to continue evaluating its own effectiveness on an ad hoc basis.

### **PARTICULARS OF MATTERS TO BE ACTED UPON**

To the knowledge of the Board of Directors of the Corporation, the only matters to be brought before the meeting are those matters set forth in the accompanying Notice of Meeting.

#### **1. Report and Financial Statements**

The Board of Directors of the Corporation has approved all of the information in the audited financial statements of the Corporation for the year ended December 31, 2019 and the report of the auditor thereon, as well as the unaudited financial statements of the Corporation for the interim period ended June 30, 2020, copies of which are delivered herewith.

#### **2. Fix Number of Directors to be Elected at the Meeting**

Shareholders of the Corporation will be asked to consider and, if thought appropriate, to approve and adopt an ordinary resolution fixing the number of directors to be elected at the Meeting. In order to be effective, an ordinary resolution requires the approval of a majority of the votes cast by shareholders who vote in respect of the resolution.

At the Meeting, it will be proposed that four (4) directors be elected to hold office until the next annual general meeting or until their successors are elected or appointed. **Unless otherwise directed, it is the intention of the Management Designees, if named as proxy, to vote in favour of the ordinary resolution fixing the number of directors to be elected at the Meeting at four (4).**

#### **3. Election of Directors**

The Corporation currently has four (4) directors and all of these directors are being nominated for re-election. The following table sets forth the name of each of the persons proposed to be nominated for election as a director, all positions and offices in the Corporation presently held by such nominee, the nominee's municipality of residence, principal occupation at the present and during the preceding five years, the period during which the nominee has served as a director, and the number and percentage of Common Shares of the Corporation that the nominee has advised are beneficially owned by the nominee, directly or indirectly, or over which control or direction is exercised, as of the Effective Date.

**Unless otherwise directed, it is the intention of the Management Designees, if named as proxy, to vote for the election of the persons named in the following table to the Board of Directors.** Management does not contemplate that any of such nominees will be unable to serve as directors; however, if for any reason any of the proposed nominees do not stand for election or are unable to serve as such, **proxies held by Management Designees will be voted for another nominee in their discretion unless the shareholder has specified in his form of proxy that his Common Shares are to be withheld from voting in the election of directors.** Each director elected will hold office until the next annual general meeting of shareholders or until his successor is duly elected, unless his office is earlier vacated in accordance with the by-laws of the Corporation or the provisions of the Business Corporations Act to which the Corporation is subject.

Name, Municipality of Residence, Office and Date Became a Director	Present Occupation and Positions Held During the Last Five Years	Number and Percentage of Common Shares Held or Controlled as at the Date of this Management Information Circular <sup>(1)</sup>
<b>Steve Hanson</b> <sup>(2)(3)(5)(6)</sup> North Vancouver, BC November 6, 2013	President and CEO of the Corporation; previously Mr. Hanson was the President of Discovery Management Services Ltd a venture capital consulting firm assisting early-stage companies in the development of short and long-term financing strategies. Mr. Hanson served as President and CEO of PanAsian Petroleum, an Oil and Gas Company that during his tenure was acquired by Ivanhoe Energy. In 2011/2012 Mr. Hanson was a Director of Lion Petroleum Corp., a private Oil and Gas Company focused on East Africa bought by Taipan Resources. He has served on numerous private and public company boards.	20,964,389 (8.61%)
<b>Andrew Fisher</b> <sup>(4)</sup> Calgary, AB November 15, 2016	Chief Operating Officer of the Corporation; formerly founder and Executive Vice President of Arcan Resources; formerly Vice President International Contracts and Negotiation at Pacalta Resources Ltd.	7,124,000 (2.93%)
<b>Tony Kinnon</b> <sup>(2)(5)</sup> Calgary, AB September 30, 2014	VP Business Development and Chairman of the Board of the Corporation; Mr. Kinnon has 19 years of finance experience in the oil and gas sector. Most recently he was Vice President of Macquarie Private Wealth/Richardson GMP from 2009 until September 2014. Mr. Kinnon has been actively involved in public venture capital his entire career which has included corporate finance, retail and institutional sales.	10,518,966 (4.32%)
<b>R. Glenn Dawson</b> <sup>(2)(4)(6)</sup> Calgary, AB August 27, 2018	Mr. Dawson holds a Bachelor of Science in Geology from Weber State College and attended the Masters of Science program at the University of Calgary. He served as President of Bakken Hunter LLC, a division of Magnum Hunter Resources Corp. (2011 to 2014), President of NuLoch Resources Inc. (2005-2011) and as the Vice President of Exploration at several energy companies including TriLoch Resources, Inc. (2001-2005), PanAtlas Energy Inc. (1998-2000) and Summit Resources where he held successive positions as a geologist and within exploration during his 13-year tenure. Mr. Dawson is currently the President and CEO of CUDA Energy Inc	Nil (0%)

**Notes:**

- (1) The information as to shares beneficially owned, not being within the knowledge of the Corporation, has been furnished by the respective directors.
- (2) Members of the Corporation's Audit Committee.
- (3) Members of the Compensation Committee.
- (4) Members of the Reserve/Technical Committee.
- (5) Members of the Nominations Committee.
- (6) Members of the Corporate Governance Committee.

*Cease Trade Orders*

No proposed director, within 10 years before the date of this Management Information Circular, has been a director, chief executive officer or chief financial officer of any company that:

- (a) was subject to: (i) a cease trade order; (ii) an order similar to a cease trade order; or (iii) an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days (collectively, an "Order") that was

issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or

(b) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

### *Bankruptcies*

No proposed director, within 10 years before the date of this Management Information Circular, has been a director or executive officer of any company that, while the proposed director was acting in that capacity, or within a year of the proposed director 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.

### *Personal Bankruptcies*

No proposed director has, within 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 such proposed director.

### *Penalties and Sanctions*

No proposed director has been subject to:

(a) 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

(b) 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,

other than a settlement agreement entered into before December 31, 2000 that would likely not be important to a reasonable securityholder in deciding whether to vote for a proposed director.

## **4. Appointment of Auditor**

The shareholders of the Corporation will be asked to vote for the appointment of KPMG LLP as auditor of the Corporation. **Unless directed otherwise by a proxy holder, or such authority is withheld, the Management Designees, if named as proxy, intend to vote the Common Shares represented by any such proxy in favour of a resolution appointing KPMG LLP, as auditor of the Corporation,** to hold office until the close of the next annual general meeting of shareholders or until KPMG LLP is removed from office or resigns as provided by the Corporation's by-laws, and the Management Designees also intend to vote the Common Shares represented by any such proxy in favour of a resolution authorizing the Board of Directors to fix the compensation of the auditor. KPMG LLP has been the auditor of the Corporation since October 16, 2017.

## **5. Re-approval of Stock Option Plan**

The Corporation has a stock option plan (the “**Plan**”) previously approved by the shareholders of the Corporation on April 30, 2019. A copy of the Plan is attached as Exhibit II to the Corporation’s

Management Information Circular dated April 30, 2018 and filed on SEDAR at www.sedar.com on May 8, 2018. The Stock Option Plan is incorporated herein by reference.

The Plan shall be administered by the Board of Directors of the Corporation, or if appointed, by a special committee of directors appointed from time to time by the Board of Directors (the “**Board**”). The aggregate number of Common Shares which may be reserved for issuance under the Plan shall not exceed 10% of the Corporation’s issued and outstanding Common Shares. The number of Common Shares subject to an option to a participant shall be determined by the Board, but no participant shall be granted an option which exceeds the maximum number of shares permitted by any stock exchange on which the Common Shares are then listed, or other regulatory body having jurisdiction. The exercise price of the Common Shares covered by each option shall be determined by the Board, provided however, that the exercise price shall not be less than the price permitted by any stock exchange on which the Common Shares are then listed, or other regulatory body having jurisdiction. The maximum length any option shall be ten (10) years from the date the option is granted, provided that participant’s options expire ninety (90) days after a participant ceases to act for the Corporation, subject to extension at the discretion of the Board, except upon the death of a participant, in which case the participant’s estate shall have one year in which to exercise the outstanding options. The Plan includes a provision that should an option expiration date fall within a blackout period or immediately following a blackout period, the expiration date will automatically be extended for ten (10) business days following the end of the blackout period. The Board of Directors have the absolute discretion to amend or terminate the Plan, subject to any required regulatory and shareholder approvals.

Policy 4.4 of the TSX Venture Exchange Inc. (the “**Exchange**”) requires that rolling stock option plans must receive shareholder approval yearly, at an issuer’s annual general meeting. In accordance with Policy 4.4, shareholders will be asked to consider and if thought fit, approve an ordinary resolution re-approving, adopting and ratifying the Plan as the Corporation’s stock option plan.

The text of the ordinary resolution to be considered at the Meeting will be substantially as follows:

**“Be it resolved as an ordinary resolution of the Corporation that:**

- 1. the stock option plan of the Corporation be approved substantially in the form attached as Exhibit II to the 2018 Management Information Circular of the Corporation dated April 30, 2018 (the “Plan”) and the Plan be and is hereby ratified, approved and adopted as the stock option plan of the Corporation;**
- 2. the form of the Plan may be amended in order to satisfy the requirements or requests of any regulatory authorities without requiring further approval of the shareholders of the Corporation;**
- 3. the issued and outstanding stock options previously granted shall be continued under and governed by the Plan;**
- 4. the shareholders of the Corporation hereby expressly authorize the board of directors to revoke this resolution before it is acted upon without requiring further approval of the shareholders in that regard; and**
- 5. any one (or more) director or officer of the Corporation is authorized and directed, on behalf of the Corporation, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things (whether under corporate seal of the Corporation or otherwise) that may be necessary or desirable to give effect to this ordinary resolution.”**

## 6. Common Share Consolidation

Management of the Corporation believes that it is in the best interests of the Corporation to consolidate the Corporation's Common Shares on the basis of one (1) new Common Share for up to every thirty (30) Common Shares issued and outstanding immediately prior to the consolidation (the "**Consolidation**"). As a result, the shareholders of the Corporation will be asked to consider, and, if thought advisable, to approve the Consolidation of the Corporation's Common Shares. The exact ratio of the Consolidation, up to thirty (30) Common Shares, will be determined by the Board of Directors of the Corporation. All outstanding options and any other securities granting rights to acquire Common Shares of the Corporation will be affected by the Consolidation in accordance with the adjustment provisions contained in the instruments giving rise to the issuance of such securities. Management would like the consent of the shareholders to not proceed with the Consolidation in the event that the special resolution is passed by the shareholders at the Meeting and management subsequently concludes that it would not be in the best interests of the Corporation to proceed with the Consolidation. The Consolidation is subject to the approval of the TSX Venture Exchange.

The shareholders of the Corporation will be asked to consider, and if thought advisable, to approve a special resolution to amend the Articles of the Corporation with respect to the Consolidation.

The board of directors believes that the Consolidation is in the best interests of the Corporation and therefore unanimously recommends that Shareholders vote in favour of the special resolution.

The text of the special resolution to be voted on at the Meeting by the Shareholders is set forth below.

**"Be it resolved as a special resolution of the Corporation that:**

1. **the Corporation's Common Shares be consolidated on the basis of one (1) new Common Share for up to every thirty (30) Common Shares issued and outstanding immediately prior to the consolidation, (the "Consolidation"); the exact ratio to be determined by the Board of Directors;**
2. **shareholders shall not receive fractional shares as a result of the Consolidation and the number of Common Shares held by each shareholder at the time of the Consolidation shall be rounded to the nearest whole number of Common Shares;**
3. **the Articles of the Corporation be amended with respect to the Consolidation;**
4. **the Board of Directors may, at its sole discretion, decide to not act on this special resolution without further approval or authorization from the shareholders of the Corporation; and**
5. **any one (or more) director or officer of the Corporation is authorized and directed, on behalf of the Corporation, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things (whether under corporate seal of the Corporation or otherwise) that may be necessary or desirable to give effect to this special resolution."**

**Unless otherwise directed, it is the intention of the Management Designees to vote proxies in favour of the special resolution approving the Consolidation.** In order to be effective, the special resolution in respect of the approval of the Consolidation requires approval of not less than two thirds (2/3) of the votes cast by Shareholders who vote in respect of such special resolution.

### **OTHER BUSINESS**

While there is no other business other than that business mentioned in the Notice of Meeting to be presented for action by the shareholders at the Meeting, **it is intended that the proxies hereby solicited will be exercised upon any other matters and proposals that may properly come before the Meeting or any adjournment or adjournments thereof, in accordance with the discretion of the persons authorized to act thereunder.**

### **GENERAL**

**Unless otherwise directed, it is management's intention to vote proxies in favour of the resolutions set forth herein.** All special resolutions to be brought before the Meeting require, for the passing of the same, a two-thirds majority of the votes cast at the Meeting by the holders of Common Shares. All ordinary resolutions require, for the passing of the same, a simple majority of the votes cast at the Meeting by the holders of Common Shares. All approvals by disinterested shareholders require the approval of the shareholders not affected by, or interested in, the matter to be approved.

### **ADDITIONAL INFORMATION**

Additional information relating to the Corporation is available on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information of the Corporation's most recently completed financial year is provided, or will be provided, in the Corporation's comparative financial statements and management discussion and analysis available on SEDAR. A shareholder may contact the Corporation at:

International Frontier Resources Corporation  
Suite 2410, 520 – 5<sup>th</sup> Avenue S.W.  
Calgary, Alberta  
T2P 3R7  
Telephone: 403-618-7346  
E-mail: [shanson@internationalfrontier.com](mailto:shanson@internationalfrontier.com)

to obtain a copy of the Corporation's most recent financial statements and management discussion and analysis.

### **BOARD APPROVAL**

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