



**MANAGEMENT INFORMATION CIRCULAR**

**For the Annual General and Special Meeting of Shareholders**

**To be held on Thursday, August 6, 2020**

*July 8, 2020*

## XXL ENERGY CORP.

### MANAGEMENT INFORMATION CIRCULAR FOR THE 2020 ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

#### SOLICITATION OF PROXIES

This information circular (the “**Information Circular**”) is furnished in connection with the solicitation of proxies by the management (“**Management**”) of XXL Energy Corp. (the “**Company**”) for use at the annual general and special meeting (the “**Meeting**”) of the shareholders of the Company (each a “**Shareholder**” and collectively, the “**Shareholders**”), to be held on Thursday, August 6, 2020 at 10:30 a.m. (Vancouver time) at the offices of New Look Business Centre Ltd. located at 1275 West 6<sup>th</sup> Avenue, Vancouver, British Columbia, Canada for the purposes set forth in the accompanying notice of meeting (the “**Notice**”) and at any adjournment thereof. This Information Circular and other proxy-related materials are not provided to registered or beneficial owners of the Company’s shares under the notice and access provisions of National Instrument 54-101.

**In an effort to mitigate the risks associated with the COVID-19 pandemic, and to preserve the health and safety of our communities, Shareholders, directors, officers, and other stakeholders, we highly recommend all Shareholders vote their common shares prior to the meeting. We encourage Shareholders NOT to attend the meeting in person due to risks related to COVID-19. Shareholders wishing to participate in the Meeting via audio/video conferencing are asked to please contact to Company at [info@xxlenergy.com](mailto:info@xxlenergy.com) to request the link for the Meeting before Wednesday, August 5<sup>th</sup>, 2020. Shareholders who do not complete and deliver a form of proxy or voting instruction form, as applicable, will be unable to vote on audio/video conferencing. We will also take additional precautionary measures in relation to the physical Meeting, limiting access to essential personnel, registered shareholders and proxyholders entitled to attend and vote at the meeting. Everyone attending the Meeting in person will be required to wear a face mask.**

Except as otherwise indicated, the information herein is given as of July 8, 2020.

In this Information Circular, all references to dollar amounts are to Canadian dollars, unless otherwise specified.

#### PERSONS OR COMPANIES MAKING THE SOLICITATION

**The enclosed instrument of proxy (the “Proxy”) is solicited by Management.** Solicitations will be made by mail and possibly supplemented by telephone or other personal contact to be made without special compensation by officers and employees of the Company. The Company may reimburse Shareholders’ nominees or agents (including brokers holding shares on behalf of clients) for the cost incurred in obtaining authorization from their principals to execute the Proxy. No solicitation will be made by specifically engaged employees or soliciting agents. The cost of solicitation will be borne by the Company. None of the directors of the Company (each a “**Director**” and collectively, the “**Directors**”) have advised Management in writing that they intend to oppose any action intended to be taken by Management as set forth in this Information Circular.

## APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the accompanying Proxy are Directors and Shareholders of the Company.

**A SHAREHOLDER HAS THE RIGHT TO APPOINT A PERSON OR CORPORATION (WHO NEED NOT BE A SHAREHOLDER) TO ATTEND AND ACT FOR AND ON BEHALF OF THAT SHAREHOLDER AT THE MEETING, OTHER THAN THE DESIGNATED PERSONS IN THE ENCLOSED FORM OF PROXY.**

**THE SHAREHOLDER MAY EXERCISE THIS RIGHT BY INSERTING THE NAME OF SUCH OTHER PERSON AND, IF DESIRED, AN ALTERNATE TO SUCH PERSON IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY. SUCH SHAREHOLDER SHOULD NOTIFY THE NOMINEE OF THE APPOINTMENT, OBTAIN THE NOMINEE'S CONSENT TO ACT AS PROXY AND SHOULD PROVIDE INSTRUCTION TO THE NOMINEE ON HOW THE SHAREHOLDER'S COMMON SHARES SHOULD BE VOTED. THE NOMINEE SHOULD BRING PERSONAL IDENTIFICATION TO THE MEETING.**

In either case, as a registered Shareholder you can choose from three different ways to vote your shares by proxy: (a) by mail or delivery in the addressed envelope provided or deposited at the offices of Computershare, Proxy Department, 8<sup>th</sup> Floor, 100 University Avenue, Toronto, Ontario, Canada M5J 2Y1, or by facsimile at 1-866-249-7775 (toll free for North America) or 416-263-9524 (outside North America), so as to arrive not later than 10:30 a.m. (Vancouver time) on Tuesday, August 4, 2020, or if the Meeting is adjourned, at the latest 48 hours (excluding Saturdays, Sundays and holidays) before the time set for any reconvened meeting at which the Proxy is to be used; (b) by telephone (toll free) at 1-866-732-VOTE (8683); or (c) on the internet at [www.investorvote.com](http://www.investorvote.com).

The Proxy must be signed by the Shareholder or by its duly authorized attorney. If signed by a duly authorized attorney, the Proxy must be accompanied by the power of attorney or a notarially certified copy thereof. If the Shareholder is a corporation, the Proxy must be signed by a duly authorized attorney, officer, or corporate representative.

**In addition to revocation in any other manner permitted by law, a Shareholder may revoke a proxy by: (a) signing a proxy bearing a later date and depositing it at the place and within the time aforesaid; (b) signing and dating a written notice of revocation (in the same manner as the instrument of proxy is required to be executed as set out in the notes to the instrument of proxy) and either depositing it with Computershare at the place and within the time aforesaid or with the Chairman of the Meeting on the day of the Meeting or on the day of any adjournment thereof; or (c) registering with the scrutineer at the Meeting as a Shareholder present in person, whereupon such proxy shall be deemed to have been revoked.**

## VOTING OF SHARES AND EXERCISE OF DISCRETION OF PROXIES

The persons named in the Proxy will vote for, withhold from voting or vote against, as the case may be, the common shares in the capital of the Company in respect of which they are appointed as proxyholder in accordance with the direction of the Shareholder appointing them. **In the event that a Shareholder does not specify in its Proxy that the persons named in the Proxy are required to vote for, to withhold from voting or vote against, as applicable, in respect of the matters to be considered at the Meeting, the common shares represented by such proxy shall be voted FOR each of the matters referred to therein.**

The Proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice and with respect to other matters which may properly come before the Meeting. At the time of printing this Information Circular, neither Management nor the Directors are aware of any amendments, variations or other matters intended to come before the Meeting other than those items of business set forth in the attached Notice. However, if any such amendment, variation or other matter properly comes before the Meeting, it is the intention of the persons named in the Proxy to vote on such other business in accordance with its judgement.

### **ADVICE TO BENEFICIAL HOLDERS OF SHARES**

The following information is of significant importance to shareholders who do not hold shares in their own name. Beneficial shareholders should note that the only proxies that can be recognized and acted upon at the Meeting are those deposited by registered shareholders (those whose names appear on the records of the Company as the registered holders of shares).

If shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those shares will not be registered in the shareholder's name on the records of the Company. Such shares will most likely be registered under the names 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 Limited, which acts as nominee for many Canadian brokerage firms), and in the United States, under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks).

Intermediaries are required to seek voting instructions from beneficial shareholders in advance of shareholders' meetings. Every intermediary has its own mailing procedures and provides its own return instructions to clients. There are two kinds of beneficial owners - those who object to their name being made known to the issuers of securities which they own (called "**OBOs**" for "Objecting Beneficial Owners") and those who do not object to the issuers of the securities they own knowing who they are (called "**NOBOs**" for "Non-Objecting Beneficial Owners").

The Company is taking advantage of the provisions of National Instrument 54-101 of the Canadian Securities Administrators, which permit it to directly deliver proxy-related materials to its NOBOs. As a result, NOBOs can expect to receive a scannable Voting Instruction Form (a "**VIF**") from Computershare. These VIFs are to be completed and returned to Computershare in the envelope provided or by facsimile. In addition, Computershare provides both telephone and internet voting options as described on the VIF. Computershare will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions with respect to the shares represented by the VIFs they receive.

These securityholder materials are being sent to both registered and certain non-registered owners of the securities of the Company. If you are a non-registered owner, and the Company 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 shares on your behalf.

By choosing to send these materials to you directly, the Company (and not the intermediary holding on your behalf) has assumed responsibility for delivering these materials to you and executing your proper voting instructions. Please return your voting instructions by completing and returning the enclosed VIF in accordance with the instructions contained in the VIF.

Beneficial shareholders who are OBOs will not receive the materials unless their intermediary assumes the costs of delivery. In the event that voting instructions are requested from OBOs, such instructions will typically be sought by the shareholder receiving either a form of proxy or a voting instruction form. If a form of proxy is supplied to you by your broker, it will be similar to the proxy provided to registered shareholders by the Company. However, its purpose is limited to instructing the intermediary on how to vote on your behalf. Most brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”) in Canada and the United States. Broadridge obtains voting instructions by mailing a voting instruction form (the “**Broadridge VIF**”) which appoints the same persons as the Company’s proxy to represent you at the Meeting. You have the right to appoint a person (who need not be a beneficial shareholder of the Company), other than the persons designated in the Broadridge VIF, to represent you at the Meeting. To exercise this right, you should insert the name of the desired representative in the blank space provided in the Broadridge VIF. The completed Broadridge VIF must then be returned to Broadridge by mail or facsimile or given to Broadridge by phone or over the internet, in accordance with Broadridge’s instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting.

If you plan to vote in person at the Meeting:

- nominate yourself as the appointee to attend and vote at the Meeting by printing your name in the space provided on the enclosed voting instruction form. Your vote will be counted at the Meeting so do NOT complete the voting instructions on the form;
- sign and return the form, following the instructions provided by your nominee; and
- register with the Scrutineer when you arrive at the Meeting.

You may also nominate yourself as appointee online, if available, by typing your name in the “Appointee” section on the electronic ballot.

If you bring your voting instruction form to the Meeting without following the instructions above, your vote will not count. Your vote can only be counted if you have completed, signed and returned your voting instruction form in accordance with the instructions above and attend the Meeting and vote in person.

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

The record date for the determination of Shareholders entitled to receive notice of the Meeting has been fixed as the close of business on Thursday, July 2, 2020 (the “**Record Date**”). As of the Record Date, 7,252,943 common shares were issued and outstanding, each share carrying the right to one vote at the Meeting. The Company will prepare a list of holders of common shares as of the Record Date. Each Shareholder named in the list will be entitled to one vote per common share shown opposite its name on the said list.

Your vote is important regardless of the number of shares you own. Whether or not you are able to attend, if you are a registered holder, we urge you to complete the enclosed Proxy and return it in the envelope provided so as to be received by no later than 10:30 a.m. (Vancouver time) on Tuesday, August 4, 2020. Voting by Proxy will not prevent you from voting in person if you attend the Meeting but will ensure that your vote will be counted if you are unable to attend. If you hold your shares through a broker or an Intermediary, we urge you to complete the applicable proxy authorization form or provide your Voting Instruction Form by other acceptable methods.

To the knowledge of the Directors and Management, the following persons beneficially own, directly or indirectly, or exercise control or direction over, common shares carrying more than 10% of the voting rights attached to all outstanding common shares:

<b>Name of Shareholder</b>	<b>Number of Common Shares</b>	<b>Percentage of Issued and Outstanding</b>
John R. Hislop	2,390,801	32.96%
Mark Wolverton	1,344,000	18.53%

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

Other than as disclosed elsewhere in this Information Circular, none of the Directors or executive officers of the Company, no proposed nominee for election as a director of the Company, none of the persons who have been Directors or executive officers of the Company since the commencement of the Company's last completed financial year and no 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 upon at the Meeting.

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

For the purposes of this Information Circular, "informed person" means:

- (a) a director or executive officer of the Company;
- (b) a director or executive officer of a person or company that is itself an informed person or subsidiary of the Company;
- (c) any person or company who beneficially owns, directly or indirectly, voting securities of the Company or who exercises control or direction over voting securities of the Company, or a combination of both, carrying more than 10% of the voting rights attached to all outstanding voting securities of the Company, other than voting securities held by the person or company as underwriter in the course of a distribution; and
- (d) the Company if it has purchased, redeemed or otherwise acquired any of its own securities, for so long as it holds any of its securities.

Other than as disclosed below and elsewhere in this Information Circular, no informed person, no proposed director of the Company and no associate or affiliate of any such informed person or proposed director, has any material interest, direct or indirect, in any material transaction since the commencement of the Company's last completed financial year or in any proposed transaction, which, in either case, has materially affected or will materially affect the Company or any of its subsidiaries.

## **Farmout Agreement with Standard Energy**

The Company's wholly-owned subsidiary, Exxel Energy (USA), Inc. ("**Exxel**"), entered into a Farmout Agreement with Standard Energy ("**Standard**") dated effective the 1<sup>st</sup> day of July, 2017, and executed on October 30, 2017 (the "**Farmout Agreement**"). Under the Farmout Agreement which closed on September 20, 2018, Exxel acquired the right to earn working interests ranging from 18.75% to 21.25% in to up to 70 wells to be drilled on oil and gas leases on approximately 1,794.6 net acres located in the Warbonnet area of Pinedale Field, Sublette County, Wyoming (the "**Transaction**"). To earn the interests, Exxel agreed to bear the entire cost of drilling, testing, completing and operating the wells on a well-by-well basis. Upon testing and completion of a well as a commercial producer, Standard will assign 100% of its interest in the well and appurtenant lease rights to Exxel. With respect to each well assigned to Exxel, Standard will retain a 3% overriding royalty interest, subject to its right to convert the royalty on a well-by-well basis to a 25% working interest upon the successful completion of the well and the return to Exxel of its actual costs of drilling, completing and operating the well. Should Exxel determine that any well is incapable of production and should be plugged and abandoned, Standard may elect to have Exxel plug and abandon the well at Exxel's cost, or receive a re-assignment of its interest in that well. Under the Farmout Agreement, Standard has agreed to fund Exxel's initial costs of each well, secured against title to the wells. Funds borrowed by Exxel under this arrangement bear interest at the rate of 10.0% per annum.

Standard is wholly owned by John R. Hislop, the Company's President, CEO, a director and a significant shareholder. The Transaction was approved by the Company's shareholders at an Annual General and Special Meeting held February 23, 2018 (the "2018 Meeting"). Further particulars of the Transaction are contained in Company news releases dated October 4, 2017, February 9, 2018 and March 7, 2018, and in the Information Circular circulated in connection with the 2018 Meeting, all of which have been filed on SEDAR at [www.sedar.com](http://www.sedar.com).

## **STATEMENT OF EXECUTIVE COMPENSATION**

### **General**

For the purpose of this Information Circular:

"**CEO**" of the Company means each individual who acted as chief executive officer of the Company or acted in a similar capacity for any part of the most recently completed financial year;

"**CFO**" of the Company means each individual who acted as chief financial officer of the Company or acted in a similar capacity for any part of the most recently completed financial year;

"**compensation securities**" includes stock options, convertible securities, exchangeable securities and similar instruments, including stock appreciation rights, deferred share units and restricted stock units, granted or issued by the Company or any of its subsidiaries for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries;

"**Named Executive Officer**" or "**NEO**" means each of the following individuals:

- (a) a CEO;
- (b) a CFO;

- (c) the most highly compensated executive officer, or the most highly compensated individual acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation exceeded \$150,000 calculated as prescribed; or
- (d) any individual who would be a Named Executive Officer under paragraph (c) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of the most recently completed financial year;

### Compensation Excluding Compensation Securities

Particulars of compensation, excluding compensation securities, paid to each NEO and Director in the two most recently completed financial years is set out in the table below:

Name and position	Year ending	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
John R. Hislop President, CEO & Director	12/31/19	Nil	Nil	Nil	Nil	120,000 <sup>(1)</sup>	120,000
	12/31/18	Nil	Nil	Nil	Nil	120,000 <sup>(2)</sup>	120,000
Alistair Palmer Director	12/31/19	\$6,000	Nil	Nil	Nil	Nil	\$6,000
	12/31/18	\$6,000	Nil	Nil	Nil	Nil	\$6,000
Fletcher FitzGibbon Director	12/31/19	\$6,000	Nil	Nil	Nil	Nil	\$6,000
	12/31/18	\$6,000	Nil	Nil	Nil	Nil	\$6,000
Scott R. Hislop <sup>(3)</sup> CFO and Secretary	12/31/19	\$6,000	Nil	Nil	Nil	Nil	\$6,000
	12/31/18	\$6,000	Nil	Nil	Nil	Nil	\$6,000

**Notes:**

- (1) In 2019, the Company paid to Caravel Management Corp., a private external management company wholly owned by John R. Hislop, \$120,000 in administration fees. See "Employment, Consulting and Management Agreements" below.
- (2) In 2018, the Company accrued to Caravel Management Corp, a private external management company wholly owned by John R. Hislop, \$120,000 in administration fees. See "Employment, Consulting and Management Agreements" below.
- (3) Scott R. Hislop was appointed as Chief Financial Officer and Secretary effective January 1, 2017. Scott R. Hislop is also an employee of Caravel Management Corp. since September 4, 2018.

### Stock Options and Other Compensation Securities

Particulars of compensation securities granted or issued to each NEO and Director in the most recently completed financial year for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries is set out in the table below:



Name and Position	Type of compensation on security	Number of underlying securities exercised	Exercise price per security (\$)	Date of exercise (\$)	Closing price per security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date (\$)
Fletcher FitzGibbon Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A

### Stock Option Plan

The Company has adopted a Stock Option Plan pursuant to which stock options may be granted to employees, directors and officers of the Company and other persons providing ongoing services to the Company (the “Plan”). The purpose of the Plan is to attract, retain and motivate management, staff, consultants and other qualified individuals by providing them with the opportunity, through share options, to acquire a proprietary interest in the Company and benefit from its growth. The material terms of the Plan are as follows:

- i. the Plan is administered by the Company’s Board of Directors or, if the Board so designates, a committee of the Board appointed to administer the Plan;
- ii. options granted under the Plan may be have a term not exceeding that permitted by the TSX Venture Exchange (the “Exchange”), currently limited to ten years;
- iii. the maximum number of common shares in respect of which options may be outstanding under the Plan at any given time, including any options granted under any previous plan, is 1,450,588 common shares;
- iv. upon an optionee ceasing to hold any position with the Company which would qualify a person to receive an option under the terms of the Plan, the optionee’s option shall terminate upon the expiry of such reasonable period of time following termination as has been determined by the plan administrator. Where such termination is due to the death of the optionee, the termination period may not exceed one year from the date of death. These provisions do not have the effect of extending the term of an option that would have expired earlier in accordance with its terms, and do not apply to any portion of an option which had not vested at the date of termination;
- v. as long as required by Exchange policy, no consultant or person employed to provide investor relations services may receive, in any 12-month period, options exercisable on more than 2% of the issued and outstanding shares of the Company;
- vi. the exercise price of options is subject to the discretion of the plan administrator, provided however that options may not be granted at prices that are less than the Discounted Market Price as defined in Exchange policy. Discounted Market Price generally means, subject to certain exceptions, the most recent closing price of the

Company's common shares on the Exchange, less a discount of between 15% to 25% depending on the trading value of the shares;

- vii. any amendment of the terms of an option shall be subject to any required regulatory and shareholder approvals; and
- viii. options granted under the Plan are not assignable, negotiable or otherwise transferable other than by will or the laws of descent and distribution and, subject to the terms of the Plan, are exercisable only by the optionee and its legal heirs or personal representatives.

The Plan does not provide for any financial assistance or support to be provided to optionees by the Company or any affiliated entity of the Company to facilitate the purchase of shares under the Plan.

The Company currently has no stock options outstanding.

### **Employment, Consulting and Management Agreements**

The Company is party to a management services agreement (the "**Management Agreement**") with Caravel Management Corp. ("**Caravel**"), a privately held management company, of RPO Box 60610 Granville Park, Vancouver, British Columbia, Canada V6H 4B9. Pursuant to the Management Agreement, the Company is invoiced by Caravel \$10,000 per month plus out-of-pocket expenses for management and administrative services provided to the Company as well as certain specific specialized management services. Caravel is wholly owned by John R. Hislop ("**Hislop**") of PO Box 7814, Ringwood, United Kingdom, BH24 9FF, who is an informed person of Caravel as a director, executive officer and greater than 10% shareholder of the Company.

Pursuant to the Management Agreement, Caravel makes Hislop available to provide management services to the Company; Hislop acted as President, CEO and director of the Company during the most recently completed financial year. Pursuant to the Management Agreement, Caravel provides a variety of services to the Company, as required, including administering the Company's day to day affairs, liaising with auditors, accountants and legal counsel, developing financial plans for the exploration of the Company's oil and gas properties, assisting with the negotiation of acquisitions of additional resource properties, negotiating financings, coordinating the dissemination of material information respecting the Company to the public and the Company's shareholders in accordance with securities laws, and ensuring regulatory compliance by coordinating all appropriate regulatory filings with the Company's auditors and legal counsel.

Caravel also provides standard office and administrative services to the Company pursuant to the Management Agreement, including the provision of head office space, telephone, fax, copying and other standard office services. Provided that Caravel is not in default under the Management Agreement, the agreement will automatically renew for additional monthly terms unless Caravel or the Company gives 30 days' notice to the other party that it does not intend to renew the agreement. Otherwise, the Management Agreement contains no provisions with respect to change of control, severance, termination or constructive dismissal. The Management Agreement contains confidentiality provisions which prohibit Caravel, except as authorized or required by its duties, from divulging any trade secrets, secret or confidential operations, processes or dealings or any information concerning the organization, business, finances, transactions or other affairs of the Company.

During the Company's most recently completed financial year, Caravel invoiced a total of \$120,000 for administration services provided. Since the end of the most recently completed financial year, Caravel has continued to invoice the Company at the rate of \$10,000 per month for administration services provided. Other than as disclosed elsewhere in this Information Circular, neither Hislop nor his associates or affiliates was indebted to the Company or its subsidiaries or party to any other transaction or arrangement with the Company or its subsidiaries, at any time since the commencement of the last completed financial year.

### **Oversight and Description of Director and Named Executive Officer Compensation**

The Company does not have a Compensation Committee. All decisions relating to compensation of the Company's directors and executive officers are made by the full Board. Compensation is determined based on factors considered relevant and appropriate, including the level of service provided, the background and expertise of the individual director or officer, amounts paid by other companies in similar industries at similar stages of development, and compensation levels necessary to attract, retain and develop management of a high calibre. Decisions as to compensation are not made at any regularly scheduled interval but are reviewed on an ad hoc basis as the need arises.

The Company's compensation structure has two primary components, cash compensation and share-based compensation in the form of incentive stock options. For the most recently completed financial year, John R. Hislop, the Company's President and CEO, was paid \$10,000 per month, being \$120,000 for the year, to his wholly owned company, Caravel. The amounts paid to Caravel are based on the Board's subjective assessment of the value to the Company of the range of services provided by Caravel. See "Employment, Consulting and Management Agreements" for further particulars of the Company's agreement with Caravel. For the most recently completed financial year, Scott R. Hislop, the Company's CFO, received \$500 per month, being \$6,000 for the year, again based on the Board's subjective assessment of fair compensation for the services provided. Otherwise, the compensation paid to NEOs is not based on any specific performance criteria or goals.

The Company may pay bonuses or grant stock options to directors and officers on an ad hoc basis, based on the same subjective performance criteria referred to in the foregoing and other performance criteria considered relevant by the Board. No bonuses or stock options were paid or granted during the most recently completed financial year.

Although it does not currently have stock options issued and outstanding in favour of its directors or officers, the Company regards the strategic use of incentive stock options as a significant component of its compensation structure. In evaluating option grants, the Board evaluates a number of factors including, but not limited to: (i) the number of options already held by an individual; (ii) a fair balance between the number of options held by an individual and those held by other directors or officers, in light of their responsibilities and objectives; and (iii) the value of the options (generally determined using a Black-Scholes analysis) as a component of the individual's overall compensation.

No significant events occurred during the most recently completed financial year that significantly affected compensation. While the Board considers amounts paid by other companies in similar industries at similar stages of development in determining compensation, no specifically selected peer group has been identified as a comparable. No significant changes were made to the Company's compensation policies since the commencement of the most recently completed financial year.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth details of the Company's compensation plans as of December 31, 2019, under which common shares are authorized for issuance, aggregated as follows:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by securityholders	Nil	N/A	1,450,588
Equity compensation plans not approved by securityholders	Nil	N/A	N/A
Total	Nil	N/A	1,450,588

### INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No executive officer, director, employee, former executive officer, former director, former employee, proposed nominee for election as a director, or associate of any such person has been indebted to the Company or its subsidiaries at any time since the commencement of the Company's last completed financial year. No guarantee, support agreement, letter of credit or other similar arrangement or understanding has been provided by the Company or its subsidiaries at any time since the beginning of the most recently completed financial year with respect to any indebtedness of any such person.

### AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR

#### Audit Committee Charter

National Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators (“NI 52-110”) requires the Company, as a venture issuer, to disclose annually in its Information Circular certain information concerning the constitution of its audit committee (the “**Audit Committee**”) and its relationship with its independent auditor.

The Company's Audit Committee is governed by an Audit Committee charter (the “**Charter**”), the text of which is attached as Schedule A to this Information Circular.

#### Composition of the Audit Committee

The Company's Audit Committee is comprised of three Directors: John R. Hislop, Alistair Palmer and Fletcher FitzGibbon. Two of the three Directors meet the independence requirement set out in NI 52-110. John R. Hislop is not independent by virtue of being an executive officer of the Company, while Alistair Palmer and Fletcher FitzGibbon are independent.

All of the Audit Committee members are “financially literate” within the meaning of NI 52-110 and have the ability to understand and evaluate financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements.

## **Relevant Education and Experience**

Mr. Hislop is a Chartered Professional Accountant, Canada, with a Bachelor of Commerce from the University of British Columbia and McGill University. Mr. Hislop has been serving as an officer and director on various emerging growth companies in the natural resource and technology sector.

Mr. Palmer has a Bachelor of Arts degree from the University of Victoria. Mr. Palmer is currently the President and owner of J. A. Palmer and Associates Inc., a consulting and marketing, graphic design and branding company. Mr. Palmer is currently a director of Strikewell Energy Corp., a TSX Venture Exchange listed company, and has served as a director of Patriot Petroleum Corp. and NRG Investments Inc. Mr. Palmer also worked as a sales and account manager for Detroit Creative Design, a graphic design company.

Fletcher FitzGibbon is a Chartered Professional Accountant, Canada, with experience in the energy, greenhouse gas, and emerging technology sectors. Mr. FitzGibbon is currently a consultant with clients in both the public and private sectors. Previous roles held by Mr. FitzGibbon include Director of Finance at AYO Energy Solutions, a Vancouver-based energy firm, and Manager at KPMG LLP, an international accounting firm. Mr. FitzGibbon has a Masters of Professional Accounting from the University of Saskatchewan and a Bachelor of Commerce from the University of Victoria.

## **Audit Committee Oversight**

Since the commencement of the Company's most recently completed financial year, the Company's board of directors (the "**Board**") has not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

## **Reliance on Certain Exemptions**

Since the commencement of the Company's most recently completed financial year, the Company has not relied on exemptions in relation to "*De Minimis Non-Audited Services*" or any exemptions provided in Part 8 of NI 52-110.

## **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 Company's Board, and where applicable the Audit Committee, on a case-by-case basis.

## **External Auditor Service Fees**

In the following table, "audit fees" are fees billed by the Company's external auditor for services provided in auditing the Company's annual financial statements for the subject year. "Audit-related fees" are fees not included in audit fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements. "Tax fees" are fees billed by the auditor for professional services rendered for tax compliance, tax advice and tax planning. "All other fees" are fees billed by the auditor for products and services not included in the foregoing categories.

The fees billed by the Company's auditor in each of the last two fiscal years, by category, are as follows:

<b>Financial Year Ending</b>	<b>Audit Fees</b>	<b>Audit Related Fees<sup>(1)</sup></b>	<b>Tax Fees<sup>(2)</sup></b>	<b>All Other Fees</b>
December 31, 2019	\$32,000	\$390	\$Nil	\$Nil
December 31, 2018	\$39,000	\$468	\$3,000	\$Nil

**Notes:**

(1) Canadian Public Accounting Board fees.

(2) Preparation of T2 corporation income tax returns and related schedules.

### **Exemption**

The Company is relying on the exemption provided by section 6.1 of NI 52-110 which provides that the Company, as a venture issuer, is not required to comply with Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

## **CORPORATE GOVERNANCE DISCLOSURE**

Under National Instrument 58-101 - *Disclosure of Corporate Governance Practices* ("**NI 58-101**"), the Company is required to disclose information relating to its corporate governance practices. The following is a summary of the Company's Corporate Governance Practices.

### **Board of Directors**

The Board has determined that two (2) out of three (3) of the current Directors are independent for the purposes of NI 58-101. The Company's independent Directors are Alistair Palmer and Fletcher FitzGibbon, as they have no direct or indirect material relationship with the Company. John R. Hislop is not considered to be independent Director by virtue of being an executive officer of the Company.

### **Directorships**

In addition to serving as Director, the following Directors are also directors of the reporting issuers or equivalent, as set out beside such Director's name:

- John R. Hislop – Nation Energy Inc.
- Alistair Palmer – Strikewell Energy Corp.

### **Orientation and Continuing Education**

Due to the size of the Company's current Board, the Board does not have a formal process of orientation or education program for the new members of the Board.

### **Ethical Business Conduct**

The Board currently has a written Code of Business Conduct for its directors, officers and employees and views good corporate governance as an integral component to the success of the Company. Additionally, the Board has found that the fiduciary duties placed on individual directors of the Company's governing corporate legislation and the common law and the restrictions placed by the applicable corporate legislation on an individual directors' participation in decisions of the

Board in which the director has an interest also ensures that the Board operates independently of management and in the best interests of the Company.

In considering a transaction in which a director or executive officer has a material interest, the director or executive officer is required to disclose the nature and extent of his interest to the Board and to abstain from voting on any resolution pertaining to the transaction. The Company will not proceed with a proposed transaction unless it is first approved by a majority of its directors that do not have a conflict of interest with respect to the transaction.

The Board may establish an independent committee from time-to-time to consider transactions or agreements in respect of which a director or executive officer has a material interest.

### **Compensation and Nomination of Directors**

All decisions relating to compensation and nominations are made by the Board. The Board undertakes an annual review of compensation issues and practices as they affect the Company during each calendar year.

### **Other Board Committees**

The Board has an Audit Committee which is comprised of John R. Hislop as the Chairman of the Committee, Alistair Palmer and Fletcher FitzGibbon. The Company's Audit Committee is governed by an Audit Committee Charter.

### **Assessments**

Due to the size of the Company's current Board, the Board does not formally review individual members of the Board or committee members and their contributions. However, the Company does have a Board Effectiveness Survey in place.

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

### **RECEIPT OF FINANCIAL STATEMENTS**

The directors will place before the Meeting the audited consolidated financial statements for the financial year ended December 31, 2019 together with the auditors' reports thereon.

### **ELECTION OF DIRECTORS**

Management intends to propose for adoption an ordinary resolution that the number of directors of the Company be fixed at three, subject to such increase as may be permitted by the articles of the Company.

Each director of the Company is elected annually and holds office until the next Annual General Meeting of the shareholders unless that person ceases to be a director before then. In the absence of instructions to the contrary, the shares represented by proxy will, on a poll, be voted for the nominees herein listed. Management does not contemplate that any of the nominees will be unable to serve as a director.

The following table sets out the names of the persons to be nominated for election as directors, the positions and offices which they presently hold with the Company, their respective principal

occupations and the number of common shares which each beneficially owns, directly or indirectly, or over which control or direction is exercised, as of the date of this Information Circular:

Name of Nominee, Residence and Present Positions Held	Principal Occupation	Director Since	Number of Common Shares Beneficially Owned or Controlled
<b>John R. Hislop</b> <sup>(1)</sup> Hampshire, England  President, CEO, Chairman of the Board and Director	Director, President, CEO and Chairman of the Board of the Company; Chairman & Secretary of Nation Energy Inc. (OTCQB: NEGY), a public resource company, from June 1999 to May 2017, Vice-President of Nation Energy Inc. from September 2015 to May 2017; President and CEO of Nation Energy Inc. from March 2016 to May 2017; and Director of Nation Energy Inc. since December 1999.	October 15, 2001	2,390,801
<b>Alistair Palmer</b> <sup>(1)</sup> British Columbia, Canada  Director	Director of the Company; Director of Strikewell Energy Corp. (TSX-V: SKK) since June 2011; President and Owner of J.A. Palmer & Associates Inc., a consulting marketing, graphic design and branding company since May 1989.	September 8, 2010	Nil
<b>Fletcher FitzGibbon</b> <sup>(1)</sup> British Columbia, Canada  Director	Director of the Company; Principal at Arrowmaker Advisory & Accounting, a private financial and accounting consulting firm; Director of Finance at AYO Energy Solutions from 2015 to 2016; Manager at KPMG LLP from 2008 to 2015.	October 24, 2014	Nil

**Note:**

(1) Member of the Audit Committee.

The terms of office of those nominees who are presently Directors will expire as of the date of the Meeting. All of the Directors who are elected at the Meeting will have their term of office expire at the next annual general meeting of the Company.

To the best of the Company's knowledge, no proposed director of the Company is, or within the 10 years before the date of this Information Circular has been, a director, chief executive officer or chief financial officer of any company that:

- (a) was subject to 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 of director, chief executive officer or chief financial officer.

For the purposes of the preceding paragraph, "order" means a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, and which, in each case, was in effect for a period of more than 30 consecutive days.

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

No proposed director of the Company or personal holding company of a proposed director has, within the 10 years before the date of this 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.

No proposed director of the Company, or personal holding company of a 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.

The above information was provided by management of the Company.

## **APPOINTMENT OF AUDITOR**

Management recommends that Smythe LLP ("**Smythe**"), 1700 – 475 Howe Street, Vancouver, BC, V6C 2B3, which has served as auditor of the Company since February 20, 2006, be re-appointed to serve as the auditor of the Company until the close of the next annual general meeting of the Shareholders.

In the absence of instructions to the contrary, the shares represented by proxy will, on a poll, be voted for the re-appointment of Smythe, as auditor of the Company to hold office until the next annual general meeting of Shareholders.

## **OTHER MATTERS TO BE ACTED UPON**

### **1. Adoption of New Articles**

The Board proposes to replace the Company's current Articles (the "**Existing Articles**") with new Articles, in substantially the form attached hereto as Schedule "B" (the "**New Articles**"). The primary reason for replacing the Existing Articles with the New Articles is to provide the Company with modernized Articles which provide greater flexibility to the Board in carrying out the business of the Company.

### ***Comparison of Existing Articles to New Articles***

The main difference between the Existing Articles and the New Articles are that the New Articles provide for each of the following provision, whereas the Existing Articles do not: (i) uncertificated shares; (ii) flexibility to the Board to make certain alterations to the Company's authorized share structure by way of directors' resolutions as opposed to the Company having to incur additional cost of obtaining Shareholder approval; (iii) new quorum requirements; and (iv) allowing for a change of the Company's name by directors' resolution instead of by an ordinary resolution of the Shareholders.

Under the New Articles, subject to the provisions of the BCBCA, the Company may, by resolution of the Board:

- i. create one more classes or series of shares or, if none of the shares of a class or series of shares are allotted or issued, eliminate that class or series of shares;
- ii. increase, reduce or eliminate the maximum number of shares that the Company is authorized to issue out of any class or series of shares or establish a maximum number of shares that the Company is authorized to issued out of any class or series of shares for which no maximum is established;
- iii. if the Company is authorized to issue shares of a class of shares with par value:
  - a. decrease the par value of those shares
  - b. if none of the shares of that class of shares are allotted or issued, increase the par value of those shares;
  - c. subdivide all or any of its unissued or fully paid issued shares with par value into shares of smaller value; or
  - d. consolidate all or any of its unissued or fully paid issued shares with par value into shares or larger par value;
- iv. subdivide all or any of its unissued or fully paid issued shares without par value;
- v. change all or any of its unissued or fully paid issued shares with par value into shares without par valued or all or any of its unissued shares without par value into shares with par value;
- vi. alter the identifying name of any of its shares;
- vii. consolidate all or any of its unissued or fully paid issued shares without par value; or
- viii. otherwise alter its shares or authorized share structure when required or permitted to do so by the BCBCA.

Under the Existing Articles, certain of the alterations described above require approval of the shareholders or special resolution. The New Articles allow the Company to make these alterations by directors' resolution without the Company having to incur the costs of calling and holding a meeting of the Shareholders for this purpose.

A copy of the New Articles is attached hereto as Schedule "B" and will also be available for inspection by Shareholders during normal business hours at any time up to the Meeting of the Company's by emailing a request to [info@xxlenergy.com](mailto:info@xxlenergy.com).

### ***Shareholder Approval***

Under the BCBCA and the Existing Articles, the replacement of the Existing Articles with the New Articles requires approval by special resolution of the Shareholders and, as such, an affirmative vote of not less than two-thirds of the votes cast at the Meeting.

At the Meeting, Shareholders will be asked to pass the following special resolutions to adopt the New Articles for the Company in replacement of the Existing Articles (the "**New Articles Resolution**"):

"BE IT RESOLVED, as a special resolution of the shareholders of the Company that:

- a. The existing Articles of the Company be terminated;
- b. The form of Articles presented to the Meeting, and attached as Schedule "B" to the Company's Information Circular dated July 8, 2020, be adopted as the Articles of the Company in substitution for, and to the exclusion of, the existing articles for the Company;
- c. The board of directors of the Company be authorized, at any time in its absolute discretion, to determine whether or not to proceed with the foregoing resolutions, without further approval, ratification or confirmation by the shareholders of the Company; and
- d. Any director or officer of the Company be and is hereby authorized and directed to do all such acts and things and to execute and deliver for and on behalf of the Company, under the corporate seal of the Company or otherwise, all such certificates, instruments, agreements, notices and other documents as in such person's opinion may be necessary or desirable for the purpose of giving effect to the foregoing resolutions."

The New Articles Resolution must be approved by at least two-thirds of the votes cast by Shareholders who, being entitled to do so, vote in person or by proxy at the Meeting in respect of the New Articles Resolution.

The form of the New Articles Resolution set forth above is subject to such amendments as management may propose at the Meeting but which do not materially affect the substance of the New Articles Resolution.

**Management of the Company recommends that Shareholders vote in favour of the New Articles Resolution. It is the intention of the Designated Persons named in the enclosed Form of Proxy, if not expressly directed otherwise in such Form of Proxy, to vote such proxy FOR the New Articles Resolution.**

## **2. Adoption of Advance Notice Provision**

The Board proposes to add an advance notice provision, the full text of which is set out in Section 12.11 of the New Articles attached hereto as Schedule “B” (the “**Advance Notice Provision**”), to the Company’s Articles. The Board has determined that it is in the best interests of the Company to adopt and include the Advance Notice Provision in the Company’s Articles as it (i) facilitates orderly and efficient annual general or, where the need arises, special meetings; (ii) ensures that all Shareholders receive adequate notice of director nominations and sufficient information with respect to all nominees; and (iii) allows Shareholders to make an informed vote.

At the Meeting, Shareholders will be asked to consider, and if thought advisable, to pass a special resolution, the full text of which is set out below, to adopt the Advanced Notice Provision and to amend the Company’s Articles to include the text of the Advance Notice Provision. In the event that the New Articles Resolution is not approved, but the Advance Notice Resolution is approved, the Advanced Notice will be added to the Existing Articles.

### ***Purpose of the Advance Notice Provision***

The purpose of the Advance Notice Provision is to provide Shareholders, directors and management of the Company with director on the procedure for shareholder nomination of directors. The Advance Notice Provision is in the framework by which the Company seeks to fix a deadline by which Shareholders of the Company must submit director nominations to the Company prior to any annual or special meeting of Shareholders and set forth the information that a Shareholder must include in the notice of the Company for the notice to be in proper written form.

### ***Effect of the Advance Notice Provision***

Subject only to the BCBCA and the Company’s Articles, only persons who are nominated in accordance with the procedures set out in the Advance Notice Provision shall be eligible for election as directors of the Company. Nominations of persons for election to the Board may be made at any annual meeting of Shareholders, or at any special meeting of Shareholders (if one of the purposes for which the special meeting was called was the election of directors): (a) by or at the direction of the Board, including pursuant to a notice of meeting; (b) by or at the direction or request of one or more Shareholders pursuant to a proposal made in accordance with the provisions of the BCBCA, or a requisition of the Shareholders made in accordance with the provisions of the BCBCA; or (c) by any person (a “**Nominating Shareholder**”): (i) who, at the close of business on the date of giving of the notice provided for in the Advance Notice Provision and on the record date for notice of such meeting, is entered in the securities register as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting; and (ii) who complies with the notice procedures set forth in the Advance Notice Provision.

In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given timely notice thereof in proper written form to the Secretary of the Company at the principal executive offices of the Company.

To be timely, a Nominating Shareholder's notice to the Secretary of the Company must be given:

- (a) In the case of an annual meeting of Shareholders, not less than 30 and not more than 65 days prior to the date of the annual meeting of Shareholders; provided, however, that in the event that the annual meeting of Shareholders is to be held on a date that is less than 50 days after the date (the "**Notice Date**") on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Shareholder is to be given not later than the close of business on the 10<sup>th</sup> day after the Notice Date in respect of such meeting; and
- (b) In the case of a special meeting (which is not also an annual meeting) of Shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the 15<sup>th</sup> day following the day on which the first public announcement of the date of the special meeting of Shareholders was made. In no event shall any adjournment or postponement of a meeting of Shareholders or the announcement thereof commence a new time-period for the giving a Nominating Shareholder's notice as described above.

To be in proper written form, a Nomination Shareholder's notice to the Secretary of the Company must set forth:

- (a) as to each person whom the Nominating Shareholder proposes to nominate for election as a director: (i) the name, age, business address and residential address of the person; (ii) the principal occupation or employment for the person during the past five years; (iii) the class or series and numbers of shares in the capital of the Company which are controlled or which are owned beneficially or of record by the person as of the record date for the meeting of Shareholders (if such date shall then have been made publicly available and share have occurred) and as of the date of such notice; (iv) a statement as to whether such person would be "independent" of the Company (as such term is defined under applicable securities legislation) if elected as a director at such meeting and the reasons and basis for such determination; (v) a description of all direct and indirect compensation and other material monetary agreements, arrangements and understandings during the past three years, and any other material relationships, between or among such Nominating Shareholder and beneficial owner, if any, and their respective affiliates and associates, or others acting jointly or in concert therewith, on the one hand, and such nominee, and his or her respective associates, or other acting jointly or in concert therewith, on the other hand; and (vii) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the BCBCA and Applicable Securities Laws (as defined below);
- (b) as to the Nominating Shareholder giving the notice: (i) any proxy, contract, arrangement, understanding or relationship pursuant to which such Nominating Shareholder has a right to vote any shares of the Company; (ii) the class or series and number of shares in the capital of the Company which are controlled or which are owned beneficially or of the record by the Nominating Shareholder as of the record date for the meeting of Shareholders (if such date shall then have been made publicly

available and shall have occurred) and as of the date of such notice; and (iii) any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the BCBCA and Applicable Securities Laws (as defined below);

The Company may require any proposed nominee to furnish such other information as may reasonably be required by the Company to determine the eligibility of such proposed nominee to serve as an independent director of the Company or that could be material to a reasonable Shareholder's understanding of the independence, or lack thereof, of such proposed nominee.

The chair of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the Advance Notice Provision and, if any proposed nomination is not in compliance with the Advance Notice Provision, to declare that such defective nomination shall be disregarded.

For purposes of the Advance Notice Provision: (a) "**public announcement**" shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Company under its profile on SEDAR at [www.sedar.com](http://www.sedar.com); and (b) "**Applicable Securities Laws**" means the applicable securities legislation of each relevant province and territory of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission and similar regulatory authority of each province and territory of Canada.

Notwithstanding any other provision of the Advance Notice Provision, notice given to the Secretary of the Company pursuant to the Advance Notice Provision may only be given by personal delivery or facsimile transmission, and shall be deemed to have been given and made only at the time it is served by personal delivery or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) to the Secretary at the address of the principal executive offices of the Company; provided that if such delivery or electronic communication is made on a day which is not a business day or later than 5:00 p.m. (Vancouver time) on a day which is a business day, then such deliver or electronic communication shall be deemed to have been made on the subsequent day that is a business day.

Notwithstanding the foregoing, the Board may, in its sole discretion, waive any requirements of the Advance Notice Provision.

### ***Shareholder Approval***

Under the BCBCA and the Existing Articles, the adoption of the Advanced Notice Provision and related amendments to the Existing Articles or the New Articles (as applicable) requires approval by special resolution of the Shareholders and, as such, an affirmative vote of not less than two-thirds of the votes cast at the Meeting.

At the Meeting, Shareholders will be asked to pass the following special resolution to adopt the Advance Notice Provision and include the Advance Notice Provision in the Company's articles (the "**Advance Notice Resolution**"):

“BE IT RESOLVED, as a special resolution of the shareholders of the Company, that:

1. The Advance Notice Provision, as defined and more particularly described in the Company’s Information Circular dated July 8, 2020 be and is hereby authorized, approved and adopted, subject to, if required, the approval of the TSX Venture Exchange;
2. The amendment of the articles of the Company to include the Advance Notice Provision be and is hereby authorized and approved;
3. The board of directors of the Company is hereby authorized, at any time in its absolute discretion, to determine whether or not to proceed with the foregoing resolutions, without further approval, ratification or confirmation by the shareholders of the Company; and
4. Any director or officer of the Company be and is hereby authorized and directed to do all such acts and things and to execute and deliver for and on behalf of the Company, under the corporate seal of the Company or otherwise, all such certificates, instruments, agreements, notices and other documents as in their opinion may be necessary or desirable for the purpose of giving effect to these resolutions.”

The Advanced Notice Resolution must be approved by at least two-thirds of the votes cast by Shareholders who, being entitled to do so, vote in person or by proxy at the Meeting in respect of the Advance Notice Resolution.

The form of the Advance Notice Resolution set forth above is subject to such amendments as management may propose at the Meeting, but which do not materially affect the substance of the Advance Notice Resolution.

**Management of the Company recommends that Shareholders vote in favour of the Advance Notice Resolution. It is the intention of the Designated Persons named in the enclosed Form of Proxy, if not expressly directed otherwise in such Form of Proxy, to vote such proxy FOR the Advance Notice Resolution.**

The Company will consider and transact such other business as may properly come before the Meeting or any adjournment thereof. The Management of the Company knows of no other matters to come before the Meeting other than those referred to in the Notice. Should any other matters properly come before the Meeting, the shares represented by the Proxy solicited hereby will be voted on such matter in accordance with the best judgement of the persons voting by Proxy.

#### **ADDITIONAL INFORMATION**

Additional Information concerning the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com). Financial Information concerning the Company is provided in the Company’s comparative financial statements and Management’s Discussion and Analysis for the financial year ended December 31, 2019. Shareholders wishing to obtain a copy of the Company’s financial statements and Management’s Discussion and Analysis may contact the Company as follows:

XXL Energy Corp.  
RPO Box 60610 Granville Park  
Vancouver, British Columbia  
Canada, V6H 4B9  
Telephone: (604) 331-3396  
Fax: (604) 688-4712  
E-mail: info@xxlenergy.ca

### **BOARD APPROVAL**

*The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.*

The contents of this Information Circular have been approved and its delivery to the Shareholders has been authorized by the Directors.

**DATED** at Vancouver, British Columbia, the 8<sup>th</sup> day of July, 2020.

**By Order of the Board**

**"John R. Hislop"**

John R. Hislop  
President, CEO and Chairman of the Board

## **SCHEDULE A**

### **XXL ENERGY CORP. (the “Corporation”)**

#### **Audit committee charter**

#### **PURPOSE OF THE COMMITTEE**

The purpose of the Audit Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of the Corporation is to provide an open avenue of communication between management, the Corporation’s independent auditor and the Board and to assist the Board in its oversight of:

- the integrity, adequacy and timeliness of the Corporation’s financial reporting and disclosure practices;
- the Corporation’s compliance with legal and regulatory requirements related to financial reporting; and
- the independence and performance of the Corporation’s independent auditor.

The Committee shall also perform any other activities consistent with this Charter, the Corporation’s articles and governing laws as the Committee or Board deems necessary or appropriate.

The Committee shall consist of at least three directors. Members of the Committee shall be appointed by the Board and may be removed by the Board in its discretion. The members of the Committee shall elect a Chairman from among their number. A majority of the members of the Committee must not be officers or employees of the Corporation or of an affiliate of the Corporation. The quorum for a meeting of the Committee is a majority of the members who are not officers or employees of the Corporation or of an affiliate of the Corporation. With the exception of the foregoing quorum requirement, the Committee may determine its own procedures.

The Committee’s role is one of oversight. Management is responsible for preparing the Corporation’s financial statements and other financial information and for the fair presentation of the information set forth in the financial statements in accordance with International Financial Reporting Standards (“**IFRS**”). Management is also responsible for establishing internal controls and procedures and for maintaining the appropriate accounting and financial reporting principles and policies designed to assure compliance with accounting standards and all applicable laws and regulations.

The independent auditor’s responsibility is to audit the Corporation’s financial statements and provide its opinion, based on its audit conducted in accordance with generally accepted auditing standards, that the financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of the Corporation in accordance with IFRS.

The Committee is responsible for recommending to the Board the independent auditor to be nominated for the purpose of auditing the Corporation’s financial statements, preparing or issuing an auditor’s report or performing other audit, review or attest services for the Corporation, and for reviewing and recommending the compensation of the independent auditor. The Committee is also directly responsible for the evaluation of and oversight of the work of the independent auditor. The independent auditor shall report directly to the Committee.

## **AUTHORITY AND RESPONSIBILITIES**

In addition to the foregoing, in performing its oversight responsibilities, the Committee shall:

1. Monitor the adequacy of this Charter and recommend any proposed changes to the Board.
2. Review the appointments of the Corporation's Chief Financial Officer and any other key financial executives involved in the financial reporting process.
3. Review with management and the independent auditor the adequacy and effectiveness of the Corporation's accounting and financial controls and the adequacy and timeliness of its financial reporting processes.
4. Review with management and the independent auditor the annual financial statements and related documents and review with management the unaudited quarterly financial statements and related documents, prior to filing or distribution, including matters required to be reviewed under applicable legal or regulatory requirements.
5. Where appropriate and prior to release, review with management any news releases that disclose annual or interim financial results or contain other significant financial information that has not previously been released to the public.
6. Review the Corporation's financial reporting and accounting standards and principles and significant changes in such standards or principles or in their application, including key accounting decisions affecting the financial statements, alternatives thereto and the rationale for decisions made.
7. Review the quality and appropriateness of the accounting policies and the clarity of financial information and disclosure practices adopted by the Corporation, including consideration of the independent auditor's judgement about the quality and appropriateness of the Corporation's accounting policies. This review may include discussions with the independent auditor without the presence of management.
8. Review with management and the independent auditor significant related party transactions and potential conflicts of interest.
9. Pre-approve all non-audit services to be provided to the Corporation by the independent auditor.
10. Monitor the independence of the independent auditor by reviewing all relationships between the independent auditor and the Corporation and all non-audit work performed for the Corporation by the independent auditor.
11. Establish and review the Corporation's procedures for the:
  - receipt, retention and treatment of complaints regarding accounting, financial disclosure, internal controls or auditing matters; and
  - confidential, anonymous submissions by employees regarding questionable accounting, auditing and financial reporting and disclosure matters.
12. Conduct or authorize investigations into any matters that the Committee believes is within the scope of its responsibilities. The Committee has the authority to retain independent counsel, accountants or other advisors to assist it, as it considers necessary, to carry out its duties, and to set and pay the compensation of such advisors at the expense of the Corporation.
13. Perform such other functions and exercise such other powers as are prescribed from time to time for the audit committee of a reporting company in Parts 2 and 4 of Multilateral Instrument 52-110 of the Canadian Securities Administrators, the *Business Corporations Act* (British Columbia) and the articles of the Corporation.

**SCHEDULE B**

**Incorporation No. BC0328131**

BUSINESS CORPORATIONS ACT

**ARTICLES**

OF

**XXL ENERGY CORP.**

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BUSINESS CORPORATIONS ACT

ARTICLES

**XXL ENERGY CORP.**

(the “Company”)

**PART 1– INTERPRETATION**

**1.1 Definitions**

Without limiting Article 1.2, in these Articles, unless the context requires otherwise:

- (a) “**adjourned meeting**” means the meeting to which a meeting is adjourned under Article 8.6 or 8.9;
- (b) “**board**” and “**directors**” mean the board of directors of the Company for the time being;
- (c) “**Business Corporations Act**” means the *Business Corporations Act*, S.B.C. 2002, c.57, and includes its regulations;
- (d) “**Company**” means XXL Energy Corp.;
- (e) “**Interpretation Act**” means the *Interpretation Act*, R.S.B.C. 1996, c. 238; and
- (f) “**trustee**”, in relation to a shareholder, means the personal or other legal representative of the shareholder, and includes a trustee in bankruptcy of the shareholder.

**1.2 Business Corporations Act definitions apply**

The definitions in the *Business Corporations Act* apply to these Articles.

**1.3 Interpretation Act applies**

The *Interpretation Act* applies to the interpretation of these Articles as if these Articles were an enactment.

**1.4 Conflict in definitions**

If there is a conflict between a definition in the *Business Corporations Act* and a definition or rule in the *Interpretation Act* relating to a term used in these Articles, the definition in the *Business Corporations Act* will prevail in relation to the use of the term in these Articles.

**1.5 Conflict between Articles and legislation**

If there is a conflict between these Articles and the *Business Corporations Act*, the *Business Corporations Act* will prevail.

## PART 2 – SHARES AND SHARE CERTIFICATES

### 2.1 Form of share certificate

Each share certificate issued by the Company must comply with, and be signed as required by, the *Business Corporations Act*.

### 2.2 Shareholder Entitled to Certificate or Acknowledgement

Unless the shares are uncertificated shares, each shareholder is entitled, without charge, to (a) one share certificate representing the shares of each class or series of shares registered in the shareholder's name or (b) a non-transferable written acknowledgement of the shareholder's right to obtain such a share certificate, provided that in respect of a share held jointly by several persons, the Company is not bound to issue more than one share certificate and delivery of a share certificate for a share to one of several joint shareholders or to one of the shareholders' duly authorized agents will be sufficient delivery to all.

### 2.3 Sending of share certificate

Any share certificate to which a shareholder is entitled may be sent to the shareholder by mail and neither the Company nor any agent is liable for any loss to the shareholder because the certificate sent is lost in the mail or stolen.

### 2.4 Replacement of worn out or defaced certificate

If the directors are satisfied that a share certificate is worn out or defaced, they must, on production to them of the certificate and on such other terms, if any, as they think fit:

- (a) order the certificate to be cancelled; and
- (b) issue a replacement share certificate.

### 2.5 Replacement of lost, stolen or destroyed certificate

If a share certificate is lost, stolen or destroyed, a replacement share certificate must be issued to the person entitled to that certificate if the directors receive:

- (a) proof satisfactory to them that the certificate is lost, stolen or destroyed; and
- (b) any indemnity the directors consider adequate.

### 2.6 Splitting share certificates

If a shareholder surrenders a share certificate to the Company with a written request that the Company issue in the shareholder's name 2 or more certificates, each representing a specified number of shares and in the aggregate representing the same number of shares as the certificate so surrendered, the Company must cancel the surrendered certificate and issue replacement share certificates in accordance with that request.

### 2.7 Shares may be uncertificated

Notwithstanding any other provisions of this Part, the directors may, by resolution, provide that:

- (a) the shares of any or all of the classes and series of the Company's shares may be uncertificated shares; or
- (b) any specified shares may be uncertificated shares.

### **PART 3 – ISSUE OF SHARES**

#### **3.1 Directors authorized to issue shares**

The directors may, subject to the rights of the holders of the issued shares of the Company, issue, allot, sell, grant options on or otherwise dispose of the unissued shares, and issued shares held by the Company, at the times, to the persons, including directors, in the manner, on the terms and conditions and for the issue prices that the directors, in their absolute discretion, may determine.

#### **3.2 Company need not recognize unregistered interests**

Except as required by law or these Articles, the Company need not recognize or provide for any person's interests in or rights to a share unless that person is the shareholder of the share.

### **PART 4 – SHARE TRANSFERS**

#### **4.1 Recording or registering transfer**

A transfer of a share of the Company must not be registered

- (a) unless a duly signed instrument of transfer in respect of the share has been received by the Company and the certificate (or acceptable documents pursuant to Article 2.5 hereof) representing the share to be transferred has been surrendered and cancelled; or
- (b) if no certificate has been issued by the Company in respect of the share, unless a duly signed instrument of transfer in respect of the share has been received by the Company.

#### **4.2 Form of instrument of transfer**

The instrument of transfer in respect of any share of the Company must be either in the form, if any, on the back of the Company's share certificates or in any other form that may be approved by the directors from time to time.

#### **4.3 Signing of instrument of transfer**

If a shareholder, or his or her duly authorized attorney, signs an instrument of transfer in respect of shares registered in the name of the shareholder, the signed instrument of transfer constitutes a complete and sufficient authority to the Company and its directors, officers and agents to register the number of shares specified in the instrument of transfer, or, if no number is specified, all the shares represented by share certificates deposited with the instrument of transfer:

- (a) in the name of the person named as transferee in that instrument of transfer; or
- (b) if no person is named as transferee in that instrument of transfer, in the name of the person on whose behalf the share certificate is deposited for the purpose of having the transfer registered.

#### **4.4 Enquiry as to title not required**

Neither the Company nor any director, officer or agent of the Company is bound to inquire into the title of the person named in the instrument of transfer as transferee or, if no person is named as transferee in the instrument of transfer, of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered or is liable for any claim related to registering the transfer by the shareholder or by any intermediate owner or holder of the shares, of any interest in the shares, of any share certificate representing such shares or of any written acknowledgment of a right to obtain a share certificate for such shares.

#### **4.5 Transfer fee**

There must be paid to the Company, in relation to the registration of any transfer, the amount determined by the directors from time to time.

### **PART 5 – ACQUISITION OF SHARES**

#### **5.1 Company authorized to purchase shares**

Subject to the special rights and restrictions attached to any class or series of shares, the Company may, if it is authorized to do so by the directors, purchase or otherwise acquire any of its shares.

#### **5.2 Company authorized to accept surrender of shares**

The Company may, if it is authorized to do so by the directors, accept a surrender of any of its shares.

#### **5.3 Company authorized to convert fractional shares into whole shares**

The Company may, if it is authorized to do so by the directors, convert any of its fractional shares into whole shares in accordance with, and subject to the limitations contained in, the *Business Corporations Act*.

### **PART 6 – BORROWING POWERS**

#### **6.1 Powers of directors**

The directors may from time to time on behalf of the Company:

- (a) borrow money in the manner and amount, on the security, from the sources and on the terms and conditions that they consider appropriate;
- (b) issue bonds, debentures and other debt obligations either outright or as security for any liability or obligation of the Company or any other person, and at any discount or premium and on such other terms as they consider appropriate;
- (c) guarantee the repayment of money by any other person or the performance of any obligation of any other person; and
- (d) mortgage or charge, whether by way of specific or floating charge, or give other security on the whole or any part of the present and future assets and undertaking of the Company.

### **PART 7 – GENERAL MEETINGS**

#### **7.1 Annual general meetings**

Unless an annual general meeting is deferred or waived in accordance with section 182(2)(a) or (c) of the *Business Corporations Act*, the Company must hold its first annual general meeting within 18 months after the date on which it was incorporated or otherwise recognized, and after that must hold an annual general meeting at least once in each calendar year and not more than 15 months after the last annual general meeting.

#### **7.2 When annual general meeting is deemed to have been held**

If all of the shareholders who are entitled to vote at an annual general meeting consent by a unanimous resolution under the *Business Corporations Act* to all of the business that is required to be transacted at that annual general meeting, the annual general meeting is deemed to have been held on the date of the unanimous resolution. The shareholders must, in any unanimous resolution passed under this Article

7.2, select as the Company's annual reference date a date that would be appropriate for the holding of the applicable annual general meeting.

**7.3 Calling of shareholder meetings**

The directors may, whenever they think fit, call a meeting of shareholders.

**7.4 Notice for meetings of shareholders**

The Company must send notice of the date, time and location of any meeting of shareholders, in the manner provided in these Articles, or in such other manner, if any, as may be prescribed by ordinary resolution (whether previous notice of the resolution has been given or not), to each shareholder entitled to attend the meeting and to each director, unless these Articles otherwise provide, at least the following number of days before the meeting:

- (a) if and for so long as the Company is a public company, 21 days;
- (b) otherwise, 10 days.

**7.5 Record date for notice**

The directors may set a date as the record date for the purpose of determining shareholders entitled to notice of any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the *Business Corporations Act*, by more than four months. The record date must not precede the date on which the meeting is held by fewer than:

- (a) if and for so long as the Company is a public company, 21 days;
- (b) otherwise, 10 days.

If no record date is set, the record date is 5 p.m. on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

**7.6 Record date for voting**

The directors may set a date as the record date for the purpose of determining shareholders entitled to vote at any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the *Business Corporations Act*, by more than four months. If no record date is set as provided above, the record date for determining the shareholders entitled to vote at the meeting shall be 5:00 p.m. the day before the meeting.

**7.7 Failure to give notice and waiver of notice**

The accidental omission to send notice of any meeting to, or the non-receipt of any notice by, any of the persons entitled to notice does not invalidate any proceedings at that meeting. Any person entitled to notice of a meeting of shareholders may, in writing or otherwise, waive or reduce the period of notice of such meeting.

**7.8 Notice of special business at meetings of shareholders**

If a meeting of shareholders is to consider special business within the meaning of Article 8.1, the notice of meeting must:

- (a) state the general nature of the special business; and

- (b) if the special business includes considering, approving, ratifying, adopting or authorizing any document or the signing of or giving of effect to any document, have attached to it a copy of the document or state that a copy of the document will be available for inspection by shareholders:
  - (i) at the Company's records office, or at such other reasonably accessible location in British Columbia as is specified in the notice, and
  - (ii) during statutory business hours on any one or more specified days before the day set for the holding of the meeting.

## **PART 8 – PROCEEDINGS AT MEETINGS OF SHAREHOLDERS**

### **8.1 Special business**

At a meeting of shareholders, the following business is special business:

- (a) at a meeting of shareholders that is not an annual general meeting, all business is special business except business relating to the conduct of or voting at the meeting or the election or appointment of directors;
- (b) at an annual general meeting, all business is special business except for the following:
  - (i) business relating to the conduct of or voting at the meeting,
  - (ii) consideration of any financial statements of the Company presented to the meeting,
  - (iii) consideration of any reports of the directors or auditor,
  - (iv) the setting or changing of the number of directors,
  - (v) the election or appointment of directors,
  - (vi) the appointment of an auditor,
  - (vii) the setting of the remuneration of an auditor,
  - (viii) business arising out of a report of the directors not requiring the passing of a special resolution or an exceptional resolution, and
  - (ix) any other business which, under these Articles or the *Business Corporations Act*, may be transacted at a meeting of shareholders without prior notice of the business being given to the shareholders.

### **8.2 Special resolution**

The votes required for the Company to pass a special resolution at a meeting of shareholders is two-thirds of the votes cast on the resolution.

### **8.3 Quorum**

Subject to the special rights and restrictions attached to the shares of any affected class or series of shares, the quorum for the transaction of business at a meeting of shareholders is one or more persons, present in person or by proxy.

#### **8.4 Other persons may attend**

The directors, the president, if any, the secretary, if any, and any lawyer or auditor for the Company are entitled to attend any meeting of shareholders, but if any of those shareholders do attend a meeting of shareholders, that person is not to be counted in the quorum, and is not entitled to vote at the meeting, unless that person is a shareholder or proxy holder entitled to vote at the meeting.

#### **8.5 Requirement of quorum**

No business, other than the election of a chair of the meeting and the adjournment of the meeting, may be transacted at any meeting of shareholders unless a quorum of shareholders entitled to vote at the meeting is present at the commencement of the meeting.

#### **8.6 Lack of quorum**

If, within 1/2 hour from the time set for the holding of a meeting of shareholders, a quorum is not present:

- (a) in the case of a general meeting convened by requisition of shareholders, the meeting is dissolved; and
- (b) in the case of any other meeting of shareholders, the shareholders entitled to vote at the meeting who are present, in person or by proxy, at the meeting may adjourn the meeting to a set time and place.

#### **8.7 Chair**

The following individual is entitled to preside as chair at a meeting of shareholders:

- (a) the chair of the board, if any;
- (b) if the chair of the board is absent or unwilling to act as chair of the meeting, the president, if any.

#### **8.8 Alternate chair**

At any meeting of shareholders, the directors present must choose one of their number to be chair of the meeting if: (a) there is no chair of the board or president present within 15 minutes after the time set for holding the meeting; (b) the chair of the board and the president are unwilling to act as chair of the meeting; or (c) if the chair of the board and the president have advised the secretary, if any, or any director present at the meeting, that they will not be present at the meeting. If, in any of the foregoing circumstances, all of the directors present decline to accept the position of chair or fail to choose one of their number to be chair of the meeting, or if no director is present, the shareholders present in person or by proxy must choose any person present at the meeting to chair the meeting.

#### **8.9 Adjournments**

The chair of a meeting of shareholders may, and if so directed by the meeting must, adjourn the meeting from time to time and from place to place, but no business may be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

#### **8.10 Notice of adjourned meeting**

It is not necessary to give any notice of an adjourned meeting or of the business to be transacted at an adjourned meeting of shareholders except that, when a meeting is adjourned for 30 days or more, notice of the adjourned meeting must be given as in the case of the original meeting.

**8.11 Motion need not be seconded**

No motion proposed at a meeting of shareholders need be seconded unless the chair of the meeting rules otherwise, and the chair of any meeting of shareholders is entitled to propose or second a motion.

**8.12 Manner of taking a poll**

Subject to Article 8.13, if a poll is duly demanded at a meeting of shareholders:

- (a) the poll must be taken
  - (i) at the meeting, or within 7 days after the date of the meeting, as the chair of the meeting directs, and
  - (ii) in the manner, at the time and at the place that the chair of the meeting directs;
- (b) the result of the poll is deemed to be a resolution of, and passed at, the meeting at which the poll is demanded; and
- (c) the demand for the poll may be withdrawn.

**8.13 Demand for a poll on adjournment**

A poll demanded at a meeting of shareholders on a question of adjournment must be taken immediately at the meeting.

**8.14 Demand for a poll not to prevent continuation of meeting**

The demand for a poll at a meeting of shareholders does not, unless the chair of the meeting so rules, prevent the continuation of a meeting for the transaction of any business other than the question on which a poll has been demanded.

**8.15 Poll not available in respect of election of chair**

No poll may be demanded in respect of the vote by which a chair of a meeting of shareholders is elected.

**8.16 Casting of votes on poll**

On a poll, a shareholder entitled to more than one vote need not cast all the votes in the same way.

**8.17 Chair must resolve dispute**

In the case of any dispute as to the admission or rejection of a vote given on a poll, the chair of the meeting must determine the same, and his or her determination made in good faith is final and conclusive.

**8.18 Chair has no second vote**

In case of an equality of votes, the chair of a meeting of shareholders does not, either on a show of hands or on a poll, have a casting or second vote in addition to the vote or votes to which the chair may be entitled as a shareholder.

**8.19 Declaration of result**

The chair of a meeting of shareholders must declare to the meeting the decision on every question in accordance with the result of the show of hands or the poll, as the case may be, and that decision must be entered in the minutes of the meeting.

## **8.20 Meetings by telephone or other communications medium**

A shareholder or proxy holder who is entitled to participate in a meeting of shareholders may do so in person, or by telephone or other communications medium, if all shareholders and proxy holders participating in the meeting are able to communicate with each other; provided, however, that nothing in this Section shall obligate the Company to take any action or provide any facility to permit or facilitate the use of any communications medium at a meeting of shareholders. If one or more shareholders or proxy holders participate in a meeting of shareholders in a manner contemplated by this Article 8.20:

- (a) each such shareholder or proxy holder shall be deemed to be present at the meeting; and
- (b) the meeting shall be deemed to be held at the location specified in the notice of the meeting.

## **PART 9 – ALTERATIONS AND RESOLUTIONS**

### **9.1 Alteration of Authorized Share Structure**

Subject to Article 9.2 and the *Business Corporations Act*, the Company may by resolution of the directors:

- (a) create one or more classes or series of shares or, if none of the shares of a class or series of shares are allotted or issued, eliminate that class or series of shares;
- (b) increase, reduce or eliminate the maximum number of shares that the Company is authorized to issue out of any class or series of shares or establish a maximum number of shares that the Company is authorized to issue out of any class or series of shares for which no maximum is established;
- (c) if the Company is authorized to issue shares of a class of shares with par value:
  - (i) decrease the par value of those shares,
  - (ii) if none of the shares of that class of shares are allotted or issued, increase the par value of those shares,
  - (iii) subdivide all or any of its unissued or fully paid issued shares with par value into shares of smaller par value, or
  - (iv) consolidate all or any of its unissued or fully paid issued shares with par value into shares of larger par value;
- (d) subdivide all or any of its unissued or fully paid issued shares without par value;
- (e) change all or any of its unissued or fully paid issued shares with par value into shares without par value or all or any of its unissued shares without par value into shares with par value;
- (f) alter the identifying name of any of its shares;
- (g) consolidate all or any of its unissued or fully paid issued shares without par value; or
- (h) otherwise alter its shares or authorized share structure when required or permitted to do so by the *Business Corporations Act*.

### **9.2 Change of Name**

The Company may by resolution of the directors authorize an alteration to its Notice of Articles in order to change its name or adopt or change any translation of that name.

### **9.3 Other Alterations or Resolutions**

If the *Business Corporations Act* does not specify:

- (a) the type of resolution and these Articles do not specify another type of resolution, the Company may by resolution of the directors authorize any act of the Company, including without limitation, an alteration of these Articles; or
- (b) the type of shareholders' resolution and these Articles do not specify another type of shareholders' resolution, the Company may by ordinary resolution authorize any act of the Company.

## **PART 10 – VOTES OF SHAREHOLDERS**

### **10.1 Voting rights**

Subject to any special rights or restrictions attached to any shares and to the restrictions imposed on joint registered holders of shares under Article 10.3:

- (a) on a vote by show of hands, every person present who is a shareholder or proxy holder and entitled to vote at the meeting has one vote; and
- (b) on a poll, every shareholder entitled to vote has one vote in respect of each share held by that shareholder that carries the right to vote on that poll and may exercise that vote either in person or by proxy.

### **10.2 Trustee of shareholder may vote**

A person who is not a shareholder may vote on a resolution at a meeting of shareholders, whether on a show of hands or on a poll, and may appoint a proxy holder to act at the meeting in relation to that resolution, if, before doing so, the person satisfies the chair of the meeting at which the resolution is to be considered, or satisfies all of the directors present at the meeting, that the person is a trustee for a shareholder who is entitled to vote on the resolution.

### **10.3 Votes by joint shareholders**

If there are joint shareholders registered in respect of any share:

- (a) any one of the joint shareholders, but not both or all, may vote at any meeting, either personally or by proxy, in respect of the share as if that joint shareholder were solely entitled to it; or
- (b) if more than one of the joint shareholders is present at any meeting, personally or by proxy, the joint shareholder present whose name stands first on the central securities register in respect of the share is alone entitled to vote in respect of that share.

### **10.4 Trustees as joint shareholders**

Two or more trustees of a shareholder in whose sole name any share is registered are, for the purposes of Article 10.3, deemed to be joint shareholders.

### **10.5 Representative of a corporate shareholder**

If a corporation that is not a subsidiary of the Company is a shareholder, that corporation may appoint a person to act as its representative at any meeting of shareholders of the Company, and:

- (a) for that purpose, the instrument appointing a representative must

- (i) be received at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least 2 business days before the day set for the holding of the meeting, or
  - (ii) unless the notice of the meeting provides otherwise, be provided, at the meeting, to the chair of the meeting; and
- (b) if a representative is appointed under this Article 10.5,
- (i) the representative is entitled to exercise in respect of and at that meeting the same rights on behalf of the corporation that the representative represents as that corporation could exercise if it were a shareholder who is an individual, including, without limitation, the right to appoint a proxy holder, and
  - (ii) the representative, if present at the meeting, is to be counted for the purpose of forming a quorum and is deemed to be a shareholder present in person at the meeting.

#### **10.6 When proxy provisions do not apply**

Articles 10.7 to 10.13 do not apply to the Company if and for so long as it is a public company.

#### **10.7 Appointment of proxy holder**

Every shareholder of the Company, including a corporation that is a shareholder but not a subsidiary of the Company, entitled to vote at a meeting of shareholders of the Company may, by proxy, appoint a proxy holder to attend and act at the meeting in the manner, to the extent and with the powers conferred by the proxy.

#### **10.8 Alternate proxy holders**

A shareholder may appoint one or more alternate proxy holders to act in the place of an absent proxy holder.

#### **10.9 When proxy holder need not be shareholder**

A person must not be appointed as a proxy holder unless the person is a shareholder, although a person who is not a shareholder may be appointed as a proxy holder if:

- (a) the person appointing the proxy holder is a corporation or a representative of a corporation appointed under Article 10.5;
- (b) the Company has at the time of the meeting for which the proxy holder is to be appointed only one shareholder entitled to vote at the meeting; or
- (c) the shareholders present in person or by proxy at and entitled to vote at the meeting for which the proxy holder is to be appointed, by a resolution on which the proxy holder is not entitled to vote but in respect of which the proxy holder is to be counted in the quorum, permit the proxy holder to attend and vote at the meeting.

#### **10.10 Form of proxy**

A proxy, whether for a specified meeting or otherwise, must be either in the following form or in any other form approved by the directors or the chair of the meeting:

(Name of Company)

The undersigned, being a shareholder of the above named Company, hereby appoints ..... or, failing that person, ....., as proxy holder for the undersigned to attend, act and vote for and on behalf of the undersigned at the meeting of shareholders to be held on the day of and at any adjournment of that meeting.

Signed this ..... day of ....., .....

.....  
Signature of shareholder

**10.11 Provision of proxies**

A proxy for a meeting of shareholders must:

- (a) be received at the registered office of the Company or at any other place specified in the notice calling the meeting for the receipt of proxies, at least the number of business days specified in the notice or, if no number of days is specified, 2 business days before the day set for the holding of the meeting; or
- (b) unless the notice of the meeting provides otherwise, be provided at the meeting to the chair of the meeting.

**10.12 Revocation of proxies**

Subject to Article 10.13, every proxy may be revoked by an instrument in writing that is:

- (a) received at the registered office of the Company at any time up to and including the last business day before the day set for the holding of the meeting at which the proxy is to be used; or
- (b) provided at the meeting to the chair of the meeting.

**10.13 Revocation of proxies must be signed**

An instrument referred to in Article 10.12 must be signed as follows:

- (a) if the shareholder for whom the proxy holder is appointed is an individual, the instrument must be signed by the shareholder or his or her trustee; or
- (b) if the shareholder for whom the proxy holder is appointed is a corporation, the instrument must be signed by the corporation or by a representative appointed for the corporation under Article 10.5.

**10.14 Validity of proxy votes**

A vote given in accordance with the terms of a proxy is valid despite the death or incapacity of the shareholder giving the proxy and despite the revocation of the proxy or the revocation of the authority under which the proxy is given, unless notice in writing of that death, incapacity or revocation is received:

- (a) at the registered office of the Company, at any time up to and including the last business day before the day set for the holding of the meeting at which the proxy is to be used; or
- (b) by the chair of the meeting, before the vote is taken.

**10.15 Production of evidence of authority to vote**

The chair of any meeting of shareholders may, but need not, inquire into the authority of any person to vote at the meeting and may, but need not, demand from that person production of evidence as to the existence of the authority to vote.

**10.16 Chair May Determine Validity of Proxy**

Unless prohibited by applicable law, the chair of any meeting of shareholders may determine whether or not a proxy deposited for use at the meeting, which may not strictly comply with the requirements of this Article 10 as to form, execution, accompanying documentation, time of filing or otherwise, shall be valid for use at the meeting and any such determination made in good faith shall be final, conclusive and binding upon the meeting.

**PART 11 – DIRECTORS**

**11.1 First directors; number of directors**

The first directors are the persons designated as directors of the Company in the Notice of Articles that applies to the Company when it is recognized under the *Business Corporations Act*. The number of directors, excluding additional directors appointed under Article 12.7, is set at:

- (a) subject to paragraphs (b) and (c), the number of directors that is equal to the number of the Company's first directors;
- (b) if the Company is a public company, the greater of three and the number most recently elected by ordinary resolution (whether or not previous notice of the resolution was given); and
- (c) if the Company is not a public company, the number most recently elected by ordinary resolution (whether or not previous notice of the resolution was given).

**11.2 Change in number of directors**

If the number of directors is set under Articles 11.1(b) or 11.1(c):

- (a) the shareholders may elect or appoint the directors needed to fill any vacancies in the board of directors up to that number;
- (b) if, contemporaneously with setting that number, the shareholders do not elect or appoint the directors needed to fill vacancies in the board of directors up to that number, then the directors may appoint, or the shareholders may elect or appoint, directors to fill those vacancies.

**11.3 Directors' acts valid despite vacancy**

An act or proceeding of the directors is not invalid merely because fewer directors have been appointed or elected than the number of directors set or otherwise required under these Articles.

**11.4 Qualifications of directors**

A director is not required to hold a share in the capital of the Company as qualification for his or her office but must be qualified as required by the *Business Corporations Act* to become, act or continue to act as a director.

**11.5 Remuneration of directors**

The directors are entitled to the remuneration, if any, for acting as directors as the directors may from time to time determine. If the directors so decide, the remuneration of the directors will be determined

by the shareholders. That remuneration may be in addition to any salary or other remuneration paid to a director in such director's capacity as an officer or employee of the Company.

**11.6 Reimbursement of expenses of directors**

The Company must reimburse each director for the reasonable expenses that he or she may incur in and about the business of the Company.

**11.7 Special remuneration for directors**

If any director performs any professional or other services for the Company that in the opinion of the directors are outside the ordinary duties of a director, or if any director is otherwise specially occupied in or about the Company's business, he or she may be paid remuneration fixed by the directors, or, at the option of that director, fixed by ordinary resolution, and such remuneration may be either in addition to, or in substitution for, any other remuneration that he or she may be entitled to receive.

**11.8 Gratuity, pension or allowance on retirement of director**

Unless otherwise determined by ordinary resolution, the directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any director who has held any salaried office or place of profit with the Company or to his or her spouse or dependants and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

**PART 12 – ELECTION AND REMOVAL OF DIRECTORS**

**12.1 Election at annual general meeting**

At every annual general meeting and in every unanimous resolution contemplated by Article 7.2:

- (a) the shareholders entitled to vote at the annual general meeting for the election of directors may elect, or in the unanimous resolution appoint, a board of directors consisting of up to the number of directors for the time being set under these Articles; and
- (b) all the directors cease to hold office immediately before the election or appointment of directors under paragraph (a), but are eligible for re-election or re-appointment.

**12.2 Consent to be a director**

No election, appointment or designation of an individual as a director is valid unless:

- (a) that individual consents to be a director in the manner provided for in the *Business Corporations Act*;
- (b) that individual is elected or appointed at a meeting at which the individual is present and the individual does not refuse, at the meeting, to be a director; or
- (c) with respect to first directors, the designation is otherwise valid under the *Business Corporations Act*.

**12.3 Failure to elect or appoint directors**

If:

- (a) the Company fails to hold an annual general meeting, and all the shareholders who are entitled to vote at an annual general meeting fail to pass the unanimous resolution contemplated by Article 7.2, on or before the date by which the annual general meeting is required to be held under the *Business Corporations Act*; or

- (b) the shareholders fail, at the annual general meeting or in the unanimous resolution contemplated by Article 7.2, to elect or appoint any directors;

then each director in office at such time continues to hold office until the earlier of:

- (c) the date on which his or her successor is elected or appointed; and
- (d) the date on which he or she otherwise ceases to hold office under the *Business Corporations Act* or these Articles.

#### **12.4 Directors may fill casual vacancies**

Any casual vacancy occurring in the board of directors may be filled by the remaining directors.

#### **12.5 Remaining directors' power to act**

The directors may act notwithstanding any vacancy in the board of directors, but if the Company has fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the directors may only act for the purpose of appointing directors up to that number or for the purpose of summoning a meeting of shareholders to fill any vacancies on the board of directors or for any other purpose permitted by the *Business Corporations Act*.

#### **12.6 Shareholders may fill vacancies**

If the Company has no directors or fewer directors in office than the number set pursuant to these Articles as the quorum of directors, and the directors have not filled the vacancies pursuant to Article 12.5 above, the shareholders may elect or appoint directors to fill any vacancies on the board of directors.

#### **12.7 Additional directors**

Notwithstanding Articles 11.1 and 11.2, between annual general meetings or unanimous resolutions contemplated by Article 7.2, the directors may appoint one or more additional directors, but the number of additional directors appointed under this Article 12.7 must not at any time exceed:

- (a) one-third of the number of first directors, if, at the time of the appointments, one or more of the first directors have not yet completed their first term of office; or
- (b) in any other case, one-third of the number of the current directors who were elected or appointed as directors other than under this Article 12.7.

Any director so appointed ceases to hold office immediately before the next election or appointment of directors under Article 12.1(a), but is eligible for re-election or re-appointment.

#### **12.8 Ceasing to be a director**

A director ceases to be a director when:

- (a) the term of office of the director expires;
- (b) the director dies;
- (c) the director resigns as a director by notice in writing provided to the Company or a lawyer for the Company; or
- (d) the director is removed from office pursuant to Articles 12.9 or 12.10.

### 12.9 Removal of director by shareholders

The Shareholders may, by special resolution, remove any director before the expiration of his or her term of office, and may, by ordinary resolution, elect or appoint a director to fill the resulting vacancy. If the shareholders do not contemporaneously elect or appoint a director to fill the vacancy created by the removal of a director, then the directors may appoint, or the shareholders may elect or appoint by ordinary resolution, a director to fill that vacancy.

### 12.10 Removal of director by directors

The directors may remove any director before the expiration of his or her term of office if the director is convicted of an indictable offence, or if the director ceases to be qualified to act as a director of a company and does not promptly resign, and the directors may appoint a director to fill the resulting vacancy.

### 12.11 Nominations of directors

- (a) Only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Company.
- (b) Nominations of persons for election to the board may be made at any annual meeting of shareholders or at any special meeting of shareholders (if one of the purposes for which the special meeting was called was the election of directors):
  - (i) by or at the direction of the board, including pursuant to a notice of meeting;
  - (ii) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the *Business Corporations Act*, or a requisition of the shareholders made in accordance with the provisions of the *Business Corporations Act*; or
  - (iii) by any person (a “**Nominating Shareholder**”): (A) who, at the close of business on the date of the giving of the notice provided for below in this Article 12.11 and on the record date for notice of such meeting, is entered in the securities register as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting; and (B) who complies with the notice procedures set forth below in this Article 12.11.
- (c) In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given timely notice thereof (as provided for in Article 12.11(d)) in proper written form to the secretary of the Company at the principal executive offices of the Company.
- (d) To be timely, a Nominating Shareholder’s notice to the secretary of the Company must be given:
  - (i) in the case of an annual meeting of shareholders, not less than 30 nor more than 65 days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is to be held on a date that is less than 50 days after the date (the “**Notice Date**”) on which the first public announcement (as defined below) of the date of the annual meeting was made, notice by the Nominating Shareholder may be given not later than the close of business on the tenth (10th) day after the Notice Date in respect of such meeting; and

- (ii) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of shareholders was made.

In no event shall any adjournment or postponement of a meeting of shareholders or the announcement thereof commence a new time period for the giving of a Nominating Shareholder's notice as described above.

- (e) To be in proper written form, a Nominating Shareholder's notice to the secretary of the Company must set forth:
  - (i) as to each person whom the Nominating Shareholder proposes to nominate for election as a director: (A) the name, age, business address and residential address of the person; (B) the principal occupation or employment of the person during the past five years; (C) the class or series and number of shares in the capital of the Company which are controlled or which are owned beneficially or of record by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; (D) a statement as to whether such person would be "independent" of the Company (as such term is defined under Applicable Securities Laws (as defined below)) if elected as a director at such meeting and the reasons and basis for such determination; (E) a description of all direct and indirect compensation and other material monetary agreements, arrangements and understandings during the past three years, and any other material relationships, between or among such Nominating Shareholder and beneficial owner, if any, and their respective affiliates and associates, or others acting jointly or in concert therewith, on the one hand, and such nominee, and his or her respective associates, or others acting jointly or in concert therewith, on the other hand; and (F) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the *Business Corporations Act* and Applicable Securities Laws (as defined below); and
  - (ii) as to the Nominating Shareholder giving the notice: (A) any proxy, contract, arrangement, understanding or relationship pursuant to which such Nominating Shareholder has a right to vote any shares of the Company; (B) the class or series and number of shares in the capital of the Company which are controlled or which are owned beneficially or of the record by the Nominating Shareholder as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice, and (C) any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the *Business Corporations Act* and Applicable Securities Laws (as defined below).
- (f) The Company may require any proposed nominee to furnish such other information as may reasonably be required by the Company to determine the eligibility of such proposed nominee to serve as an independent director of the Company or that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such proposed nominee.

- (g) The chair of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the provisions set forth in this Article 12.11 and, if any proposed nomination is not in compliance with such provisions, to declare that such defective nomination shall be disregarded.
- (h) For purposes of this Article 12.11:
- (i) **“Affiliate”**, when used to indicate a relationship with a person, means a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such specified person;
  - (ii) **“Applicable Securities Laws”** means the applicable securities legislation of each relevant province and territory of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission and similar regulatory authority of each province and territory of Canada;
  - (iii) **“Associate”**, when used to indicate a relationship with a specified person, means:
    - A. any corporation or trust of which such person beneficially owns, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all voting securities of such corporation or trust for the time being outstanding,
    - B. any partner of that person,
    - C. any trust or estate in which such person has a substantial beneficial interest or as to which such person serves as trustee or in a similar capacity,
    - D. a spouse of such specified person,
    - E. any person of either sex with whom such specified person is living in a conjugal relationship outside marriage, or
    - F. any relative of such specified person or of a person mentioned in clauses D or E of this definition if that relative has the same residence as the specified person;
  - (iv) **“Derivatives Contract”** means a contract between two parties (the **“Receiving Party”** and the **“Counterparty”**) that is designed to expose the Receiving Party to economic benefits and risks that correspond substantially to the ownership by the Receiving Party of a number of shares in the capital of the Company or securities convertible into such shares specified or referenced in such contract (the number corresponding to such economic benefits and risks, the **“Notional Securities”**), regardless of whether obligations under such contract are required or permitted to be settled through the delivery of cash, shares in the capital of the Company or securities convertible into such shares or other property, without regard to any short position under the same or any other Derivatives Contract. For the avoidance of doubt, interests in broad-based index options, broad-based index futures and broad-based publicly traded market baskets of stocks approved for trading by the appropriate governmental authority shall not be deemed to be Derivatives Contracts;
  - (v) **“owned beneficially”** or **“owns beneficially”** means, in connection with the ownership of shares in the capital of the Company by a person:

- A. any such shares as to which such person or any of such person's Affiliates or Associates owns at law or in equity, or has the right to acquire or become the owner at law or in equity, where such right is exercisable immediately or after the passage of time and whether or not on condition or the happening of any contingency or the making of any payment, upon the exercise of any conversion right, exchange right or purchase right attaching to any securities, or pursuant to any agreement, arrangement, pledge or understanding whether or not in writing,
  - B. any such shares as to which such person or any of such person's Affiliates or Associates has the right to vote, or the right to direct the voting, where such right is exercisable immediately or after the passage of time and whether or not on condition or the happening of any contingency or the making of any payment, pursuant to any agreement, arrangement, pledge or understanding whether or not in writing,
  - C. any such shares which are beneficially owned, directly or indirectly, by a Counterparty (or any of such Counterparty's Affiliates or Associates) under any Derivatives Contract (without regard to any short or similar position under the same or any other Derivatives Contract) to which such person or any of such person's Affiliates or Associates is a Receiving Party; provided, however, that the number of shares that a person owns beneficially pursuant to this clause in connection with a particular Derivatives Contract shall not exceed the number of Notional Securities with respect to such Derivatives Contract; provided, further, that the number of securities owned beneficially by each Counterparty (including their respective Affiliates and Associates) under a Derivatives Contract shall for purposes of this clause be deemed to include all securities that are owned beneficially, directly or indirectly, by any other Counterparty (or any of such other Counterparty's Affiliates or Associates) under any Derivatives Contract to which such first Counterparty (or any of such first Counterparty's Affiliates or Associates) is a Receiving Party and this proviso shall be applied to successive Counterparties as appropriate, and
  - D. any such shares which are owned beneficially within the meaning of this definition by any other person with whom such person is acting jointly or in concert with respect to the Company or any of its securities; and
- (vi) **"public announcement"** shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Company under its profile on the System of Electronic Document Analysis and Retrieval at [www.sedar.com](http://www.sedar.com).
- (i) Notwithstanding any other provision of this Article 12.11, notice given to the secretary of the Company pursuant to this Article 12.11 may only be given by personal delivery, facsimile transmission or by email (at such email address as stipulated from time to time by the secretary of the Company for purposes of this notice), and shall be deemed to have been given and made only at the time it is served by personal delivery, email (at the address as aforesaid, provided that receipt of confirmation of such transmission has been received) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) to the secretary at the address of the principal executive offices of the Company; provided that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. (Vancouver time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day.

- (j) Notwithstanding the foregoing, the board may, in its sole discretion, waive any requirement in this Article 12.11.

## **PART 13 – PROCEEDINGS OF DIRECTORS**

### **13.1 Meetings of directors**

The directors may meet together for the conduct of business, adjourn and otherwise regulate their meetings as they think fit, and meetings of the board held at regular intervals may be held at the place and at the time that the board may by resolution from time to time determine.

### **13.2 Chair of meetings**

Meetings of directors are to be chaired by:

- (a) the chair of the board, if any;
- (b) in the absence of the chair of the board, the president, if any, if the president is a director; or
- (c) any other director chosen by the directors if:
  - (i) neither the chair of the board nor the president, if a director, is present at the meeting within 15 minutes after the time set for holding the meeting,
  - (ii) neither the chair of the board nor the president, if a director, is willing to chair the meeting, or
  - (iii) the chair of the board and the president, if a director, have advised the secretary, if any, or any other director, that they will not be present at the meeting.

### **13.3 Voting at meetings**

Questions arising at any meeting of directors are to be decided by a majority of votes and, in the case of an equality of votes, the chair of the meeting does not have a second or casting vote.

### **13.4 Meetings by telephone or other communications medium**

A director may participate in a meeting of the directors or of any committee of the directors in person, or by telephone or other communications medium, if all directors participating in the meeting are able to communicate with each other. A director may participate in a meeting of the directors or of any committee of the directors by a communications medium other than telephone if all directors participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other and if all directors who wish to participate in the meeting agree to such participation. A director who participates in a meeting in a manner contemplated by this Article 13.4 is deemed for all purposes of the *Business Corporations Act* and these Articles to be present at the meeting and to have agreed to participate in that manner.

### **13.5 Who may call extraordinary meetings**

A director may call a meeting of the board at any time. The secretary, if any, must on request of a director, call a meeting of the board.

### **13.6 Notice of extraordinary meetings**

Subject to Articles 13.7 and 13.8, if a meeting of the board is called under Article 13.5, reasonable notice of that meeting, specifying the place, date and time of that meeting, must be given to each of the directors:

- (a) by mail addressed to the director's address as it appears on the books of the Company or to any other address provided to the Company by the director for this purpose;
- (b) by leaving it at the director's prescribed address or at any other address provided to the Company by the director for this purpose; or
- (c) orally, by delivery of written notice or by telephone, voice mail, e-mail, fax or any other method of legibly transmitting messages.

**13.7 When notice not required**

It is not necessary to give notice of a meeting of the directors to a director if:

- (a) the meeting is to be held immediately following a meeting of shareholders at which that director was elected or appointed or is the meeting of the directors at which that director is appointed;
- (b) the director has filed a waiver under Article 13.9; or
- (c) the director attends such meeting.

**13.8 Meeting valid despite failure to give notice**

The accidental omission to give notice of any meeting of directors to any director, or the non-receipt of any notice by any director, does not invalidate any proceedings at that meeting.

**13.9 Waiver of notice of meetings**

Any director may file with the Company a notice waiving notice of any past, present or future meeting of the directors and may at any time withdraw that waiver with respect to meetings of the directors held after that withdrawal.

**13.10 Effect of waiver**

After a director files a waiver under Article 13.9 with respect to future meetings of the directors, and until that waiver is withdrawn, notice of any meeting of the directors need not be given to that director unless the director otherwise requires in writing to the Company.

**13.11 Quorum**

The quorum necessary for the transaction of the business of the directors may be set by the directors and, if not so set, is a majority of the directors.

**13.12 If only one director**

If, in accordance with Article 11.1, the number of directors is one, the quorum necessary for the transaction of the business of the directors is one director, and that director may constitute a meeting.

**PART 14 – COMMITTEES OF DIRECTORS**

**14.1 Appointment of committees**

The directors may, by resolution:

- (a) appoint one or more committees consisting of the director or directors that they consider appropriate;
- (b) delegate to a committee appointed under paragraph (a) any of the directors' powers, except:

- (i) the power to fill vacancies in the board,
  - (ii) the power to change the membership of, or fill vacancies in, any committee of the board, and
  - (iii) the power to appoint or remove officers appointed by the board; and
- (c) make any delegation referred to in paragraph (b) subject to the conditions set out in the resolution.

#### **14.2 Obligations of committee**

Any committee formed under Article 14.1, in the exercise of the powers delegated to it, must:

- (a) conform to any rules that may from time to time be imposed on it by the directors; and
- (b) report every act or thing done in exercise of those powers to the earliest meeting of the directors to be held after the act or thing has been done.

#### **14.3 Powers of board**

The board may, at any time:

- (a) revoke the authority given to a committee, or override a decision made by a committee, except as to acts done before such revocation or overriding;
- (b) terminate the appointment of, or change the membership of, a committee; and
- (c) fill vacancies in a committee.

#### **14.4 Committee meetings**

Subject to Article 14.2(a):

- (a) the members of a directors' committee may meet and adjourn as they think proper;
- (b) a directors' committee may elect a chair of its meetings but, if no chair of the meeting is elected, or if at any meeting the chair of the meeting is not present within 15 minutes after the time set for holding the meeting, the directors present who are members of the committee may choose one of their number to chair the meeting;
- (c) a majority of the members of a directors' committee constitutes a quorum of the committee; and
- (d) questions arising at any meeting of a directors' committee are determined by a majority of votes of the members present, and in case of an equality of votes, the chair of the meeting has no second or casting vote.

### **PART 15 – OFFICERS**

#### **15.1 Appointment of officers**

The board may, from time to time, appoint a president, secretary or any other officers that it considers necessary or desirable, and none of the individuals appointed as officers need be a member of the board.

#### **15.2 Functions, duties and powers of officers**

The board may, for each officer:

- (a) determine the functions and duties the officer is to perform;
- (b) entrust to and confer on the officer any of the powers exercisable by the directors on such terms and conditions and with such restrictions as the directors think fit; and
- (c) from time to time revoke, withdraw, alter or vary all or any of the functions, duties and powers of the officer.

### **15.3 Remuneration**

All appointments of officers are to be made on the terms and conditions and at the remuneration (whether by way of salary, fee, commission, participation in profits or otherwise) that the board thinks fit and are subject to termination at the pleasure of the board.

## **PART 16 – CERTAIN PERMITTED ACTIVITIES OF DIRECTORS**

### **16.1 Other office of director**

A director may hold any office or place of profit with the Company (other than the office of auditor of the Company) in addition to his or her office of director for the period and on the terms (as to remuneration or otherwise) that the directors may determine.

### **16.2 No disqualification**

No director or intended director is disqualified by his or her office from contracting with the Company either with regard to the holding of any office or place of profit the director holds with the Company or as vendor, purchaser or otherwise.

### **16.3 Professional services by director or officer**

Subject to compliance with the provisions of the *Business Corporations Act*, a director or officer of the Company, or any corporation or firm in which that individual has an interest, may act in a professional capacity for the Company, except as auditor of the Company, and the director or officer or such corporation or firm is entitled to remuneration for professional services as if that individual were not a director or officer.

### **16.4 Remuneration and benefits received from certain entities**

A director or officer may be or become a director, officer or employee of, or may otherwise be or become interested in, any corporation, firm or entity in which the Company may be interested as a shareholder or otherwise, and, subject to compliance with the provisions of the *Business Corporations Act*, the director or officer is not accountable to the Company for any remuneration or other benefits received by him or her as director, officer or employee of, or from his or her interest in, such other corporation, firm or entity.

## **PART 17 – INDEMNIFICATION**

### **17.1 Indemnification of directors**

The directors must cause the Company to indemnify its directors and former directors, and their respective heirs and personal or other legal representatives to the greatest extent permitted by Division 5 of Part 5 of the *Business Corporations Act*.

**17.2 Deemed contract**

Each director is deemed to have contracted with the Company on the terms of the indemnity referred to in Article 17.1.

**PART 18 – AUDITOR**

**18.1 Remuneration of an auditor**

The directors may set the remuneration of the auditor of the Company without the prior approval of the shareholders.

**18.2 Waiver of appointment of an auditor**

The Company shall not be required to appoint an auditor if all of the shareholders of the Company, whether or not their shares otherwise carry the right to vote, resolve by a unanimous resolution to waive the appointment of an auditor. Such waiver may be given before, on or after the date on which an auditor is required to be appointed under the *Business Corporations Act*, and is effective for one financial year only.

**PART 19 – DIVIDENDS**

**19.1 Declaration of dividends**

Subject to the rights, if any, of shareholders holding shares with special rights as to dividends, the directors may from time to time declare and authorize payment of any dividends the directors consider appropriate.

**19.2 No notice required**

The directors need not give notice to any shareholder of any declaration under Article 19.1.

**19.3 Directors may determine when dividend payable**

Any dividend declared by the directors may be made payable on such date as is fixed by the directors.

**19.4 Dividends to be paid in accordance with number of shares**

Subject to the rights of shareholders, if any, holding shares with special rights as to dividends, all dividends on shares of any class or series of shares must be declared and paid according to the number of such shares held.

**19.5 Manner of paying dividend**

A resolution declaring a dividend may direct payment of the dividend wholly or partly by the distribution of specific assets or of paid up shares or fractional shares, bonds, debentures or other debt obligations of the Company, or in any one or more of those ways, and, if any difficulty arises in regard to the distribution, the directors may settle the difficulty as they consider expedient, and, in particular, may set the value for distribution of specific assets.

**19.6 Dividend bears no interest**

No dividend bears interest against the Company.

**19.7 Fractional dividends**

If a dividend to which a shareholder is entitled includes a fraction of the smallest monetary unit of the currency of the dividend, that fraction may be disregarded in making payment of the dividend and that payment represents full payment of the dividend.

**19.8 Payment of dividends**

Any dividend or other distribution payable in cash in respect of shares may be paid by cheque, made payable to the order of the person to whom it is sent, and mailed:

- (a) subject to paragraphs (b) and (c), to the address of the shareholder;
- (b) subject to paragraph (c), in the case of joint shareholders, to the address of the joint shareholder whose name stands first on the central securities register in respect of the shares;  
or
- (c) to the person and to the address as the shareholder or joint shareholders may direct in writing.

**19.9 Receipt by joint shareholders**

If several persons are joint shareholders of any share, any one of them may give an effective receipt for any dividend, bonus or other money payable in respect of the share.

**PART 20 – ACCOUNTING RECORDS**

**20.1 Recording of financial affairs**

The board must cause adequate accounting records to be kept to record properly the financial affairs and condition of the Company and to comply with the provisions of the *Business Corporations Act*.

**PART 21 – EXECUTION OF INSTRUMENTS**

**21.1 Who may attest seal**

The Company's seal, if any, must not be impressed on any record except when that impression is attested by the signature or signatures of:

- (a) any 2 directors;
- (b) any officer, together with any director;
- (c) if the Company has only one director, that director; or
- (d) any one or more directors or officers or persons as may be determined by resolution of the directors.

**21.2 Sealing copies**

For the purpose of certifying under seal a true copy of any resolution or other document, the seal must be impressed on that copy and, despite Article 21.1, may be attested by the signature of any director or officer.

**21.3 Execution of documents not under seal**

Any instrument, document or agreement for which the seal need not be affixed may be executed for and on behalf of and in the name of the Company by any one director or officer of the Company, or by any other person appointed by the directors for such purpose.

## PART 22 – NOTICES

### 22.1 Method of giving notice

Unless the *Business Corporations Act* or these Articles provides otherwise, a notice, statement, report or other record required or permitted by the *Business Corporations Act* or these Articles to be sent by or to a person may be sent by any one of the following methods:

- (a) mail addressed to the person at the applicable address for that person as follows:
  - (i) for a record mailed to a shareholder, the shareholder's registered address,
  - (ii) for a record mailed to a director or officer, the prescribed address for mailing shown for the director or officer in the records kept by the Company or the mailing address provided by the recipient for the sending of that record or records of that class, or
  - (iii) in any other case, the mailing address of the intended recipient;
- (b) delivery at the applicable address for that person as follows, addressed to the person:
  - (i) for a record delivered to a shareholder, the shareholder's registered address,
  - (ii) for a record delivered to a director or officer, the prescribed address for delivery shown for the director or officer in the records kept by the Company or the delivery address provided by the recipient for the sending of that record or records of that class,
  - (iii) in any other case, the delivery address of the intended recipient;
- (c) sending the record by fax to the fax number provided by the intended recipient for the sending of that record or records of that class;
- (d) sending the record by email to the email address provided by the intended recipient for the sending of that record or records of that class;
- (e) physical delivery to the intended recipient; or
- (f) such other manner of delivery as is permitted by applicable legislation governing electronic delivery.

### 22.2 Deemed receipt of mailing

A record that is mailed to a person by ordinary mail to the applicable address for that person referred to in Article 22.1 is deemed to be received by the person to whom it was mailed on the day, Saturdays, Sundays and holidays excepted, following the date of mailing.

### 22.3 Certificate of sending

A certificate signed by the secretary, if any, or other officer of the Company or of any other corporation acting in that behalf for the Company stating that a notice, statement, report or other record was addressed as required by Article 22.1, prepaid and mailed or otherwise sent as permitted by Article 22.1 is conclusive evidence of that fact.

### 22.4 Notice to joint shareholders

A notice, statement, report or other record may be provided by the Company to the joint registered shareholders of a share by providing the notice to the joint registered shareholder first named in the central securities register in respect of the share.

**22.5 Notice to trustees**

A notice, statement, report or other record may be provided by the Company to the persons entitled to a share in consequence of the death, bankruptcy or incapacity of a shareholder by:

- (a) mailing the record, addressed to them:
  - (i) by name, by the title of the legal personal representative of the deceased or incapacitated shareholder, by the title of trustee of the bankrupt shareholder or by any similar description, and
  - (ii) at the address, if any, supplied to the Company for that purpose by the persons claiming to be so entitled; or
- (b) if an address referred to in Article 22.5(a)(ii) has not been supplied to the Company, by giving the notice in a manner in which it might have been given if the death, bankruptcy or incapacity had not occurred.

**PART 23 – RESTRICTION ON SHARE TRANSFER**

**23.1 Application**

Article 23.2 does not apply to the Company if and for so long as it is a public company.

**23.2 Consent required for transfer**

No shares may be sold, transferred or otherwise disposed of without the consent of the directors and the directors are not required to give any reason for refusing to consent to any such sale, transfer or other disposition.

**PART 24 - SPECIAL RIGHTS AND RESTRICTIONS**

**24.1 Preferred shares issuable in series**

The Preferred shares may include one or more series and, subject to the *Business Corporations Act*, the directors may, by resolution, if none of the shares of that particular series are issued, alter the Articles of the Company and authorize the alteration of the Notice of Articles of the Company, as the case may be, to do one or more of the following:

- (a) determine the maximum number of shares of that series that the Company is authorized to issue, determine that there is no such maximum number, or alter any such determination;
- (b) create an identifying name for the shares of that series, or alter any such identifying name; and
- (c) attach special rights or restrictions to the shares of that series, or alter any such special rights or restrictions.

John Hislop, Director	Date of Signing
Per: _____ Authorized Signatory	August 6, 2020