



MANAGEMENT INFORMATION CIRCULAR
For the Annual General Meeting of Shareholders
To be held on Thursday, July 29, 2021

June 28, 2021

XXL ENERGY CORP.

**MANAGEMENT INFORMATION CIRCULAR
FOR THE 2021 ANNUAL GENERAL
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 meeting (the “**Meeting**”) of the shareholders of the Company (each a “**Shareholder**” and collectively, the “**Shareholders**”), to be held on Thursday, July 29, 2021 at 10:30 a.m. (Vancouver time) at the offices of Clark Wilson LLP located at 900 – 885 West Georgia Street, 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 to request the link for the Meeting before Wednesday, July 28, 2021. 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 June 28, 2021.

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, 8th 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, July 27, 2021, 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.

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 Wednesday, June 23, 2021 (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, July 27, 2021. 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:

Name of Shareholder	Number of Common Shares	Percentage of Issued and Outstanding
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 1st 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.

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	12/31/20	Nil	Nil	Nil	Nil	120,000 ⁽¹⁾	120,000
	12/31/19	Nil	Nil	Nil	Nil	120,000 ⁽²⁾	120,000
Alistair Palmer Director	12/31/20	\$6,000	Nil	Nil	Nil	Nil	\$6,000
	12/31/19	\$6,000	Nil	Nil	Nil	Nil	\$6,000
Fletcher FitzGibbon Director	12/31/20	\$6,000	Nil	Nil	Nil	Nil	\$6,000
	12/31/19	\$6,000	Nil	Nil	Nil	Nil	\$6,000
Scott R. Hislop ⁽³⁾ CFO and Secretary	12/31/20	\$6,000	Nil	Nil	Nil	Nil	\$6,000
	12/31/19	\$6,000	Nil	Nil	Nil	Nil	\$6,000

Notes:

- (1) In 2020, 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 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.
- (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 (the “**Board**”) or, if the Board so designates, a committee of the Board appointed to administer the Plan;
- ii. options granted under the Plan may 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 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 Mr. Hislop available to provide management services to the Company; Mr. 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 Mr. 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, 2020, 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.

Mr. 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 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:

Financial Year Ending	Audit Fees	Audit Related Fees ⁽¹⁾	Tax Fees ⁽²⁾	All Other Fees
December 31, 2020	\$32,000	\$390	\$Nil	\$Nil
December 31, 2019	\$32,000	\$390	\$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:

- 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, 2020, 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
John R. Hislop ⁽¹⁾ Hampshire, England President, CEO, Chairman of the Board and Director	Director, President, CEO and Chairman of the Board of the Company.	October 15, 2001	2,390,801
Alistair Palmer ⁽¹⁾ 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
Fletcher FitzGibbon ⁽¹⁾ British Columbia, Canada Director	Director of the Company; Principal at Arrowmaker Advisory & Accounting, a private financial and accounting consulting firm.	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

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. 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, 2020. 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 28th day of June, 2021.

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'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.

COMPOSITION

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.

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.
14. Meet with the Corporation's officers, external auditors, or outside counsel, as necessary.