



**MANAGEMENT INFORMATION CIRCULAR**

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

**To be held on Tuesday, August 2, 2022**

*June 30, 2022*

**XXL ENERGY CORP.**

**MANAGEMENT INFORMATION CIRCULAR  
FOR THE 2022 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 Tuesday, August 2, 2022 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](mailto:info@xxlenergy.com) to request the link for the Meeting before Thursday, July 28, 2022. 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 30, 2022.

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 Thursday, July 28, 2022, 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 Tuesday, June 28, 2022 (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 Thursday, July 28, 2022. 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 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. 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	12/31/21 12/31/20	Nil Nil	Nil Nil	Nil Nil	Nil Nil	120,000 <sup>(1)</sup> 120,000 <sup>(2)</sup>	120,000 120,000
Alistair Palmer Director	12/31/21 12/31/20	6,000 6,000	Nil Nil	Nil Nil	Nil Nil	Nil Nil	6,000 6,000
Fletcher FitzGibbon Director	12/31/21 12/31/20	6,000 6,000	Nil Nil	Nil Nil	Nil Nil	Nil Nil	6,000 6,000
Scott R. Hislop <sup>(3)</sup> CFO and Secretary	12/31/21 12/31/20	5,250 6,000	Nil Nil	Nil Nil	Nil Nil	Nil Nil	5,250 6,000

**Notes:**

- (1) In 2021, 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 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.
- (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 security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date (\$)
John R. Hislop President, CEO and Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Scott R. Hislop CFO and Secretary	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Alistair Palmer Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Fletcher FitzGibbon Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A

**Notes:**

- (1) No compensation securities were held by any NEO or Director on the last day of the most recently completed financial year.
- (2) No compensation securities were re-priced, cancelled or replaced, extended, or otherwise materially modified during the most recently completed financial year.

### Exercise of Compensation Securities by Directors and NEO's

Particulars of compensation securities exercised by each NEO and Director in the most recently completed financial year is set out in the table below:

Name and Position	Type of compensation 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 (\$)
John R. Hislop President, CEO and Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Scott R. Hislop CFO and Secretary	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Alistair Palmer Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A
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 Company currently has no stock options outstanding.

At the Meeting, Shareholders will be asked to approve the 2022 Plan (as defined herein). See Particulars of Matters To Be Acted Upon – Approval of Stock Option Plan. If approved the 2022 Plan would replace the current Plan.

## **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 (excluding 1.5 months in 2021), being \$5,250 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, 2021, 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 <sup>(1)</sup> (\$)	Tax Fees <sup>(2)</sup> (\$)	All Other Fees (\$)
December 31, 2021	33,000	403	Nil	Nil
December 31, 2020	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, 2021, 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.	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.	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 and the authorization of directors of the Company to fix the auditor's remuneration.

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 and the authorization of the directors of the Company to fix the auditor's remuneration.

## **APPROVAL OF STOCK OPTION PLAN**

At the Company's 2008 Annual General and Special Meeting, the Shareholders approved the 2008 Option Plan, a 20% fixed stock option plan which enabled the board of directors to grant stock options, including options granted prior to the implementation of the 2008 Option Plan, to directors, officers, and other qualified persons.

At the Meeting, the shareholders of the Company will be asked to consider and, if thought advisable, pass an ordinary resolution approving a new 20% fixed stock option plan, a copy of which is attached to this Information Circular as Schedule "B" (the "**2022 Plan**"). The Board adopted the 2022 Plan on June 30, 2022, subject to approval of the shareholders at the Meeting and final acceptance of the TSX Venture Exchange (the "**TSXV**"). With the adoption of the 2022 Plan, the Company seeks to provide for other changes to comply with the new Policy 4.4 Security Based Compensation of the TSXV which became effective on November 24, 2021. The maximum number of Shares reserved for issuance on the exercise of stock options granted pursuant to the Stock Option Plan will remain at 1,450,588. If the 2022 Plan is approved by the shareholders at the Meeting, no further stock options will be granted under the 2008 Plan.

Upon request, the Company will provide a copy of the 2022 Plan free of charge to a shareholder. A shareholder may contact the Company at its registered and records office at Suite 800 - 885 West Georgia Street Vancouver, BC V6C 3H1, to request a copy during normal business hours up to and including the date of the Meeting.

The following information is intended as a brief description of the 2022 Plan and is qualified in its entirety by the full text of the 2022 Plan.

### ***Purpose of the 2022 Plan***

The purpose of the 2022 Plan is to promote the long-term success of the Company and the creation of shareholder value by: (i) encouraging the attraction and retention of eligible persons; (ii) encouraging such eligible persons to focus on critical long-term objectives; and (iii) promoting greater alignment of the interests of such eligible persons with the interests of the Company by providing opportunities for such eligible persons to acquire an ownership interest in the Company.

### ***Shares Subject to the 2022 Plan***

The 2022 Plan is a “fixed” stock option plan, whereby the aggregate number of Shares reserved for issuance, together with any other Shares reserved for issuance under any other plan or agreement of the Company, shall not exceed 1,450,588 being 20% of the total number of issued Shares (calculated on a non-diluted basis) on the Record Date. A total of 1,450,588 stock options are expected to be available for grant under the 2022 Plan, being the maximum number of options permitted for grant under the 2022 Plan less any options that are outstanding as of the date hereof under the Option Plan. In the event that a stock option granted under the Option Plan or the 2022 Plan expires unexercised, is terminated or is otherwise lawfully cancelled prior to the exercise of the stock option, the Shares that were issuable thereunder will be returned to the 2022 Plan and will be available again for an option grant under the 2022 Plan.

### ***Administration of the 2022 Plan***

The 2022 Plan shall be administered by the Board and the Board has full authority to administer the 2022 Plan, including the authority to interpret and construe any provision of the 2022 Plan and to adopt, amend and rescind such rules and regulations for administering the 2022 Plan as the Board may deem necessary in order to comply with the requirements of the 2022 Plan and applicable TSXV Policies. The 2022 Plan provides that the Board may, from time to time, in its discretion, grant to directors, officers, employees, consultants, other personnel of the Company and its subsidiaries or affiliates and such other Participants (as that term is defined in the policies of the TSXV), options to purchase Shares.

### ***Eligible Persons Under the 2022 Plan***

The 2022 Plan provides that directors, officers, employees, consultants, and other Eligible Persons (as defined in the 2022 Plan) of the Company and its subsidiaries or affiliates are eligible to be granted stock options pursuant to the 2022 Plan.

### ***Type of Award - Stock Options***

The 2022 Plan only provides for the grant of stock options. All stock options granted by the Board are subject to the conditions, limitations, restrictions, exercise price, vesting and other terms, determined by the Board in its sole discretion at the time of grant, subject to such limitations provided in the 2022 Plan and TSXV Policies, and will generally be evidenced by a stock option agreement. The following is a brief description of some of the key terms of stock option grants made pursuant to the 2022 Plan and is qualified in its entirety by the full text of the 2022 Plan.

**Exercise Price:** An option entitles a holder thereof to purchase a prescribed number of Shares at an exercise price determined by the Board at the time of grant, provided that the exercise price of an option granted under the 2022 Plan shall be subject to the following conditions:

- (a) if the Shares are listed on the TSXV, the exercise price will not be less than the minimum prevailing price permitted by TSXV policies;
- (b) if the Shares are not listed, posted and trading on any stock exchange or bulletin board, then the exercise price will be determined by the Board at the time of granting;

- (c) if an option is granted within 90 days of a distribution by a prospectus by the Company, the exercise price will not be less than the price that is the greater of the minimum prevailing price permitted by TSXV policies and the per Share price paid by public investors for Shares acquired under the distribution by the prospectus, with the 90-day period beginning on the date a final receipt is issued for the prospectus; and
- (d) in all other cases, the exercise price shall be determined in accordance with the rules and regulations of any applicable regulatory bodies.

The 2022 Plan permits cashless or net exercises of options, subject to TSXV policies, in limited circumstances as more particularly described in the 2022 Plan.

**Term:** No option granted under the 2022 Plan may have an expiry date exceeding ten years from the date on which the option is granted (unless automatically extended as a result of a blackout period as described in the 2022 Plan).

**Blackout Period and Extension of Term:** The expiry date of each option will be automatically extended if the expiry date falls within a period during which the Company prohibits optionees from exercising their options, provided that:

- (a) the blackout period has been formally imposed by the Company pursuant to its internal trading policies as a result of the bona fide existence of undisclosed Material Information (as defined in the policies of the TSXV). For greater certainty, in the absence of the Company formally imposing a blackout period, the expiry date of any options will not be automatically extended in any circumstances;
- (b) the blackout period expires upon the general disclosure of the undisclosed Material Information (as defined in the 2022 Plan) and the expiry date of the affected options is extended to no later than ten (10) business days after the expiry of the blackout period;
- (c) the automatic extension will not be permitted where the optionee or the Company is subject to a cease trade order (or similar order under applicable securities laws) in respect of the Company's securities; and
- (d) the automatic extension is available to all eligible Optionees under the Plan under the same terms and conditions.

**Non-Transferable:** Options granted under the 2022 Plan shall not be assignable or transferable by an option holder.

**Vesting:** No option shall be exercisable until it has vested. The Board shall establish a vesting period or periods at the time each Option is granted to Eligible Persons. If no vesting schedule is specified at the time of grant and the Optionee is not performing Investor Relations Activities (as defined in the 2022 Plan), the Option shall vest as to 25% on each of the 6-, 12-, 18- and 24-month anniversaries of its grant. Options granted to Investor Relations Service Providers will vest in stages over 12 months with no more than one quarter of the options vesting in any three-month period. If there is a Change of Control (as defined in the 2022 Plan), then all outstanding options (other than options held by Investor Relations Service Providers) whether fully vested and

exercisable or remaining subject to vesting provisions or other limitations on exercise, shall be exercisable in full to enable the options Shares subject to such options to be issued and tendered to such bid. No acceleration of the vesting of any options shall be permitted without prior TSXV review and acceptance for options issued to Investor Relations Service Providers.

Participation Limits Under the 2022 Plan: Options granted pursuant to the 2022 Plan are subject to certain limits on participation.

- (a) Individuals. The aggregate number of Optioned Shares that may be reserved for issuance pursuant to Options granted to any one individual, together with Common Shares reserved for issuance to such Optionee (and to Companies wholly-owned by that Optionee) under all of the Company's other Security Based Compensation Arrangements, if any, must not exceed 5% of the issued Common Shares of the Company (determined as at the Grant Date) in a 12-month period, unless the Company has obtained Disinterested Shareholder Approval.
- (b) Insiders. The maximum aggregate number of Common Shares of the Company that are issuable pursuant to the Plan and all of the Company's other Security Based Compensation Arrangements granted or issued:
  - (i) to Insiders (as a group) must not exceed 10% of the issued and outstanding Common Shares of the Company at any point in time (unless the Company has obtained Disinterested Shareholder Approval; and
  - (ii) in any 12-month period, to Insiders (as a group) must not exceed 10% of issued and outstanding Common Shares of the Company, calculated as at the date any Security Based Compensation is granted or issued to any Insider (unless the Company has obtained Disinterested Shareholder Approval.
- (c) Investor Relations Service Provider. The aggregate number of Options granted to all Investor Relations Service Providers, together with Common Shares issuable to Persons performing Investor Relations Activities under all of the Company's other Security Based Compensation Arrangements, if any, in a 12-month period must not exceed 2% of the issued Common Shares of the Company (determined as at the Grant Date) without the prior consent of TSXV. Persons performing Investor Relations Activities are only eligible to receive Options under this Plan, and are not eligible to receive any other type of securities based compensation under any other Security Based Compensation Arrangement that may be adopted by the Company.
- (d) Consultants. The aggregate number of Options granted to any one Consultant, together with Common Shares reserved for issuance to such Optionee under all of the Company's other Security Based Compensation Arrangements, if any, in a 12-month period must not exceed 2% of the issued Common Shares of the Company (determined as at the Grant Date) without the prior consent of TSXV.

Termination of Options: Unless the Board determined otherwise, options will terminate in the following circumstances:

- (a) *Termination of Services for Cause:* If the engagement of the Optionee as a Director, Employee or Consultant is terminated for cause (as determined by common law), any Option granted hereunder to such Optionee shall terminate and cease to be exercisable immediately upon the Optionee ceasing to be a Director, Employee or Consultant by reason of termination for cause.
- (b) *Termination of Services Without Cause or Upon Resignation:* If the engagement of the Optionee as a Director, Employee or Consultant of the Company is terminated for any reason other than cause (as determined by common law), disability or death, or if such Director, Employee, or Consultant resigns, as the case may be, the Optionee may exercise any Option granted hereunder to the extent that such Option was exercisable and had vested on the date of termination until the date that is the earlier of (i) the Expiry Date, and (ii) the date that is 90 days after the effective date of the Optionee ceasing to be a Director, Employee or Consultant for that other reason.
- (c) *Termination of Investor Relations Services:* If the engagement of the Optionee as an Investor Relations Services Provider is terminated for any reason other than cause, disability or death, the Optionee may exercise any Option granted hereunder to the extent that such Option was exercisable and had vested on the date of termination until the date that is the earlier of (i) the Expiry Date, and (ii) the date that is 30 days after the effective date of the Optionee ceasing to be an Eligible Person.
- (d) *Death:* If the Optionee dies, the Optionee's lawful personal representatives, heirs or executors may exercise any Option granted hereunder to the Optionee to the extent such Option was exercisable and had vested on the date of death until the earlier of (i) the Expiry Date, and (ii) one year after the date of death of such Optionee.
- (e) *Disability:* If the Optionee ceases to be an Eligible Person, due to his Disability, or, in the case of an Optionee that is a company, the Disability of the person who provides management or consulting services to the Company or to an Affiliate of the Company, the Optionee may exercise any Option granted hereunder to the extent that such Option was exercisable and had vested on the Date of Disability until the earlier of (i) the Expiry Date, and (ii) the date that is one year after the Date of Disability.
- (f) *Changes in Status of Eligible Person:* If the Optionee ceases to be one type of Eligible Person but concurrently is or becomes one or more other type of Eligible Person, the Option will not terminate but will continue in full force and effect and the Optionee may exercise the Option until the earlier of (i) the Expiry Date, and (ii) the applicable date set forth in accordance with the 2022 Plan where the Optionee ceases to be any type of Eligible Person. If the Optionee is an Employee, the Option will not be affected by any change of the Optionee's employment where the Optionee continues to be employed by the Company or an Affiliate of the Company.

Cashless Exercise: Subject to the provisions of the 2022 Plan and upon prior approval of the Board, once an Option has vested and become exercisable, an Optionee may elect to exercise such Option by either a “net exercise” procedure or a broker assisted “cashless exercise”. In the event of a cashless exercise or net exercise, the number of Common Shares actually issued by the Company, must be included in calculating the limits set forth in the 2022 Plan.

Withholding Obligations: The Company may withhold from any amount payable to an optionee, either under the 2022 Plan or otherwise, such amount as it reasonably believes is necessary to enable the Company to comply with applicable tax and withholding obligations, and to take such actions as permitted in this regard by the 2022 Plan.

Amendments to the Plan: The Board may at any time or from time to time, in its sole and absolute discretion and without the approval of shareholders of the Company, amend, suspend, terminate or discontinue the 2022 Plan and may amend the terms and conditions of any options granted thereunder, subject to:

- (a) any required disinterested shareholder approval to reduce the exercise price of or extend the expiry date of an option issued to an insider in accordance with the policies of the TSXV while the Shares are listed on the TSXV;
- (b) any required approval of any applicable regulatory authority or the TSXV; and
- (c) any approval of shareholders of the Company as required by the rules of the TSXV or applicable law, provided that shareholder approval shall not be required for the following amendments and the Board may make any changes which may include but are not limited to:
  - (i) amendments of a “housekeeping nature”;
  - (ii) amendments for the purpose of curing any ambiguity, error or omission in this Plan or to correct or supplement any provision of the 2022 Plan that is inconsistent with any other provision of the 2022 Plan;
  - (iii) amendments which are necessary to comply with applicable law or the requirements of the TSXV;
  - (iv) amendments respecting administration and eligibility for participation under the 2022 Plan;
  - (v) amendments to the terms and conditions on which options may be or have been granted pursuant to the 2022 Plan including amendments to the vesting provisions and terms of any options;
  - (vi) with the exception of options granted to Investor Relations Service Providers, amendments which alter, extend or accelerate the terms of vesting applicable to any options; and
  - (vii) changes to the termination provisions of an option or the 2022 Plan which do not entail an extension beyond the original fixed term.

If the 2022 Plan is terminated, prior options shall remain outstanding and in effect in accordance with their applicable terms and conditions.

### ***Shareholder Approval of the 2022 Plan***

At the Meeting, shareholders will be asked consider and if thought fit, approve an ordinary resolution ratifying the adoption of the 2022 Plan (the “**2022 Plan Resolution**”). In order to be effective, the 2022 Plan Resolution requires approval by a majority of the votes cast by shareholders for such resolution. The text of the proposed resolution is set forth below.

Unless otherwise directed, the persons named in the enclosed proxy intend to vote IN FAVOR of the 2022 Plan Resolution to consider and, if thought fit, approve the 2022 Plan as described in this Information Circular.

“RESOLVED, as an ordinary resolution, that:

1. the Company’s 2022 20% Fixed Stock Option Plan (the “**2022 Plan**”), in the form attached as Schedule “B” to the Company’s Information Circular dated June 30, 2022, including the reservation for issuance under the Stock Option Plan of a maximum of 1,450,588 common shares of the Company for issuance on the due exercise of stock options, be and is hereby ratified, confirmed and approved and the Company has the ability to grant stock options under the 2022 Plan;
2. the board of directors of the Company (the “**Board**”) be authorized in its absolute discretion to administer the 2022 Plan and to make such amendments to the 2022 Plan from time to time, as may be required by the applicable regulatory authorities or the TSXV, or as may be considered appropriate by the Board, in its sole discretion, provided always that such amendments be subject to the approval of regulatory authorities, if applicable, and in certain cases, in accordance with the terms of the 2022 Plan, the approval of the shareholders; and
3. any one director or officer of the Company is hereby authorized and directed, acting for, in the name of and on behalf of the Company, to execute or cause to be executed, under the seal of the Company or otherwise and to deliver or to cause to be delivered, all such other deeds, documents, instruments and assurances and to do or cause to be done all such other acts as, in the opinion of such director or officer of the Company, may be necessary or desirable to carry out the terms of the foregoing resolutions.”

The form of the 2022 Plan 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 2022 Plan Resolution.

**Management of the Company recommends that shareholders vote in favour of the 2022 Plan Resolution at the Meeting. 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 2022 Plan Resolution.**

### **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](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, 2021. 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](mailto: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 30<sup>th</sup> day of June, 2022.

**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.

## SCHEDULE B

XXL ENERGY CORP.  
(the "Company")

### 2022 FIXED STOCK OPTION PLAN

June 30, 2022

#### 1. PURPOSE

The purpose of this Plan is to advance the interests of the Company by encouraging equity participation in the Company through the acquisition of Common Shares of the Company. It is the intention of the Company that, if and so long as the Company's shares are listed on the TSXV (as defined herein), at the discretion of the Board (as defined herein), this Plan will at all times be in compliance with the TSXV Policies (as defined herein) and unless the Board determines otherwise, any inconsistencies between this Plan and the TSXV Policies whether due to inadvertence or changes in TSXV Policies will be resolved in favour of the TSXV Policies.

#### 2. INTERPRETATION

##### 2.1 Definitions

For the purposes of this Plan, the following terms have the respective meanings set forth below, and any capitalized terms used but not otherwise defined in this Plan shall have the meaning ascribed to the term in the TSXV Policies:

- (a) **"Affiliate"** has the same meaning ascribed to that term
- (b) as set out in the TSXV Policies;
- (c) **"Associate"** has the same meaning as ascribed to that term as set out in the TSXV Policies;
- (d) **"Board"** means the board of directors of the Company or any committee thereof duly empowered or authorized to grant options under this Plan;
- (e) **"Change of Control"** means the occurrence of any one of the following events:
  - (i) there is a report filed with any securities commission or securities regulatory authority in Canada, disclosing that any offeror (as the term "offeror" is defined in Section 1.1 of Multilateral Instrument 62-104 *Take-Over Bids and Issuer Bids*) has acquired beneficial ownership of, or the power to exercise control or direction over, or securities convertible into, any shares of capital stock of any class of the Company carrying voting rights under all circumstances (the **"Voting Shares"**), that, together with the offeror's securities would constitute Voting Shares of the Company representing more than 50% of the total voting power attached to all Voting Shares of the Company then outstanding,

- (ii) there is consummated any amalgamation, consolidation, statutory arrangement, merger, business combination or other similar transaction involving the Company: (1) in which the Company is not the continuing or surviving corporation, or (2) pursuant to which any Voting Shares of the Company would be reclassified, changed or converted into or exchanged for cash, securities or other property, other than (in each case) an amalgamation, consolidation, statutory arrangement, merger, business combination or other similar transaction involving the Company in which the holders of the Voting Shares of the Company immediately prior to such amalgamation, consolidation, statutory arrangement, merger, business combination or other similar transaction have, directly or indirectly, more than 50% of the Voting Shares of the continuing or surviving corporation immediately after such transaction,
- (iii) any person or group of persons shall succeed in having a sufficient number of its nominees elected as directors of the Company such that such nominees, when added to any existing directors of the Company, will constitute a majority of the directors of the Company, or
- (iv) there is consummated a sale, transfer or disposition by the Company of all or substantially all of the assets of the Company,

provided that an event shall not constitute a Change of Control if its sole purpose is to change the jurisdiction of the Company's organization or to create a holding company, partnership or trust that will be owned in substantially the same proportions by the persons who held the Company's securities immediately before such event;

- (f) **"Common Shares"** means the common shares in the capital of the Company as constituted on the Grant Date, provided that, in the event of any adjustment pursuant to Section 4.9, "Common Shares" shall thereafter mean the shares or other property resulting from the events giving rise to the adjustment;
- (g) **"Company"** means XXL Energy Corp. and includes, unless the context otherwise requires, all of its subsidiaries or Affiliates and successors according to law;
- (h) **"Consultant"** means, in relation to the Company, an individual or Consultant Company, other than an Employee or a Director of the Company, that:
  - (i) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Company or to an Affiliate of the Company, other than services provided in relation to a Distribution,
  - (ii) provides the services under a written contract between the Company or the Affiliate and the individual or the Consultant Company,
  - (iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or an Affiliate of the Company, and

- (iv) has a relationship with the Issuer or an Affiliate of the Company that enables the individual to be knowledgeable about the business and affairs of the Company;
- (i) **“Consultant Company”** means for an individual consultant, a company or partnership of which the individual is an employee, shareholder or partner;
- (j) **“Director”** has the same meaning ascribed to that term as set out in the TSXV Policies;
- (k) **“Disability”** means any disability with respect to an Optionee which the Board in its sole and unfettered discretion, considers likely to prevent permanently the Optionee from:
  - (i) being employed or engaged by the Company, its subsidiaries or another employer, in a position the same as or similar to that in which he was last employed or engaged by the Company or its subsidiaries, or
  - (ii) acting as a director or officer of the Company or its subsidiaries,and **“Date of Disability”** means the effective date of the Disability as determined by the Board in its sole and unfettered discretion;
- (l) **“Disinterested Shareholder Approval”** means approval by a majority of the votes cast by all the Company’s shareholders at a duly constituted shareholders’ meeting, excluding votes attached to shares beneficially owned by Insiders, and their Associates, to whom Options may be granted under this Plan;
- (m) **“Distribution”** has the same meaning ascribed to that term as set out in the TSXV Policies;
- (n) **“Eligible Person”** means, from, time to time, any bona fide Director, Employee or Consultant of the Company or an Affiliate of the Company and any other eligible Optionee pursuant to TSXV policies;
- (o) **“Employee”** has the same meaning ascribed to that term as set out in the TSXV Policies;
- (p) **“Exercise Price”** means the amount payable per Common Share on the exercise of an Option, as determined in accordance with the terms hereof;
- (q) **“Expiry Date”** means 5:00 p.m. (Vancouver time) on the day on which an Option expires as specified in the Option Agreement therefor or in accordance with the terms of this Plan;
- (r) **“Grant Date”** for an Option means the date of grant thereof by the Board, whether or not the grant is subject to any Regulatory Approval;

- (s) **“Insider”** means:
  - (i) an insider as defined in the TSXV Policies or as defined in securities legislation applicable to the Company, and
  - (ii) an Associate of any person who is an Insider by virtue of Section 2.1(s)(i) above;
- (t) **“Investor Relations Activities”** has the same meaning ascribed to that term as set out in the TSXV Policies;
- (u) **“Investor Relations Service Provider”** includes any Consultant that performs Investor Relations Activities and any Director, Officer, Employee or Management Company Employee whose role and duties primarily consist of Investor Relations Activities;
- (v) **“Management Company Employee”** has the same meaning ascribed to that term as set out in the TSXV Policies;
- (w) **“Notice of Exercise”** means a written notice in substantially the form attached as Exhibit A1 hereto or as Exhibit B1 thereto, as applicable;
- (x) **“Option”** means the right to purchase Common Shares granted hereunder to an Eligible Person;
- (y) **“Option Agreement”** means the stock option agreement between the Company and an Eligible Person whereby the Company provides notice of grant of an Option to such Eligible Person substantially in the form of Schedule “A” hereto for Eligible Persons not engaged in Investor Relations Activities and substantially in the form of Schedule “B” hereto for Eligible Persons engaged in Investor Relations Activities;
- (z) **“Optioned Shares”** means Common Shares that may be issued in the future to an Eligible Person upon the exercise of an Option;
- (aa) **“Optionee”** means the recipient of an Option hereunder, their heirs, executors and administrators;
- (bb) **“Person”** means a corporation or an individual;
- (cc) **“Plan”** means this Stock Option Plan, the terms of which are set out herein or as may be amended and/or restated from time to time;
- (dd) **“Plan Shares”** means the total number of Common Shares which may be reserved for issuance as Optioned Shares under the Plan as provided in Section 3.2;
- (ee) **“Regulatory Approval”** means the approval of the TSXV and any other securities regulatory authority that may have lawful jurisdiction over the Plan and any Options issued hereunder, as may be required;
- (ff) **“Security Based Compensation”** has the same meaning ascribed to that term as set out in the TSXV Policies;

- (gg) “**Security Based Compensation Arrangement**” means any Option under this Plan but also includes any other stock option, stock option plan, employee stock purchase plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Common Shares, including a share purchase from treasury which is financially assisted by the Company by way of a loan, guarantee or otherwise, in compliance with TSXV Policies;
- (hh) “**Tier 1 Issuer**” has the same meaning ascribed to that term as set out in the TSXV Policies;
- (ii) “**Tier 2 Issuer**” has the same meaning ascribed to that term as set out in the TSXV Policies;
- (jj) “**TSXV**” means the TSX Venture TSXV and any successor thereto;
- (kk) “**TSXV Policies**” means the rules and policies of the TSXV, as amended from time to time; and
- (ll) “**VWAP**” means the volume weighted average trading price of the Company’s Common Shares on the TSX Venture calculated by dividing the total value by the total volume of such securities traded for the five trading days immediately preceding the exercise of the subject Option.

2.2 Currency. Unless otherwise indicated, all dollar amounts referred to in this Plan are in Canadian funds.

2.3 Gender. As used in this Plan and any Schedules hereto, words importing the masculine gender shall include the feminine and neuter genders and words importing the singular shall include the plural and vice versa, unless the context otherwise requires.

2.4 Interpretation. This Plan will be governed by and construed in accordance with the laws of the Province of British Columbia without giving effect to any choice or conflict of law provision or rule that would cause the application of the domestic substantive laws of any other jurisdiction.

### **3. STOCK OPTION PLAN**

3.1 Establishment of Plan. This Plan is hereby established to recognize contributions made by Eligible Persons and to create an incentive for their continuing assistance to the Company and its Affiliates.

3.2 Maximum Number of Plan Shares. Subject to adjustment as provided in this Plan, the aggregate number of Plan Shares reserved for issuance under the Plan, including any other Common Shares which may be issued pursuant to any other stock options granted by the Company outside of this Plan, shall not exceed twenty percent (20%) of the total number of issued Common Shares of the Company (calculated on a non-diluted basis) as at the date of implementation of the stock option plan by the Company, being 1,450,588 Plan Shares. The number of Optioned Shares granted under the Plan cannot exceed the number of Plan Shares.

- 3.3 Eligibility. Options to purchase Common Shares may be granted hereunder to Eligible Persons from time to time by the Board. If and when the Company's shares are listed on the TSXV, Eligible Persons that are corporate entities will be required to agree in writing not to effect or permit any transfer of ownership or option of any of its shares, nor issue more of its shares to any other individual or entity as long as such Options remain outstanding, unless the written permission of the TSXV and the Company is obtained. The Company represents that Eligible Persons who are granted Options will be bona fide Directors, Employees or Consultants of the Company or a subsidiary of the Company at the time of grant of such Options.
- 3.4 Options Granted Under the Plan. All Options granted under the Plan will be evidenced by an Option Agreement in substantially the form attached hereto as Schedule "A" (or such other form determined by the Board) in the case of Optionees not engaged in Investor Relations Activities or Schedule "B" (or such other form determined by the Board) in the case of Optionees engaged in Investor Relations Activities, as applicable, showing the number of Optioned Shares, the term of the Option, a reference to vesting terms, if any, and the Exercise Price.
- 3.5 Terms Incorporated. Subject to specific variations approved by the Board, all terms and conditions set out herein will be deemed to be incorporated into and form part of an Option Agreement made hereunder. In the event of any discrepancy between this Plan and an Option Agreement, the provisions of this Plan shall govern.
- 3.6 Limitations on Option Grants. If the Common Shares are listed on the TSXV, the following restrictions on the granting of Options are applicable under the Plan:
- (a) Individuals. The aggregate number of Optioned Shares that may be reserved for issuance pursuant to Options granted to any one individual, together with Common Shares reserved for issuance to such Optionee (and to Companies wholly-owned by that Optionee) under all of the Company's other Security Based Compensation Arrangements, if any, must not exceed 5% of the issued Common Shares of the Company (determined as at the Grant Date) in a 12-month period, unless the Company has obtained Disinterested Shareholder Approval pursuant to Section 3.11(b).
  - (b) Insiders. The maximum aggregate number of Common Shares of the Company that are issuable pursuant to the Plan and all of the Company's other Security Based Compensation Arrangements granted or issued:
    - (i) to Insiders (as a group) must not exceed 10% of the issued and outstanding Common Shares of the Company at any point in time (unless the Company has obtained Disinterested Shareholder Approval pursuant to Section 3.11(a)); and
    - (ii) in any 12-month period, to Insiders (as a group) must not exceed 10% of issued and outstanding Common Shares of the Company, calculated as at the date any Security Based Compensation is granted or issued to any Insider (unless the Company has obtained Disinterested Shareholder Approval pursuant to Section 3.11(b)).

- (c) Investor Relations Service Provider. The aggregate number of Options granted to all Investor Relations Service Providers, together with Common Shares issuable to Persons performing Investor Relations Activities under all of the Company's other Security Based Compensation Arrangements, if any, in a 12-month period must not exceed 2% of the issued Common Shares of the Company (determined as at the Grant Date) without the prior consent of TSXV. For the avoidance of doubt, Persons performing Investor Relations Activities are only eligible to receive Options under this Plan, and are not eligible to receive any other type of securities based compensation under any other Security Based Compensation Arrangement that may be adopted by the Company.
  - (d) Consultants. The aggregate number of Options granted to any one Consultant, together with Common Shares reserved for issuance to such Optionee under all of the Company's other Security Based Compensation Arrangements, if any, in a 12-month period must not exceed 2% of the issued Common Shares of the Company (determined as at the Grant Date) without the prior consent of TSXV.
- 3.7 Options Not Exercised. In the event an Option granted under the Plan expires unexercised, is terminated or is otherwise lawfully cancelled prior to exercise of the Option, the Optioned Shares that were issuable thereunder will be returned to the Plan and will be available again for an Option grant under this Plan.
- 3.8 Acceleration of Unvested Options.
- (a) Unless the Optionee is an Investors Relations Services Provider, if there is a Change of Control, then all outstanding Options, whether fully vested and exercisable or remaining subject to vesting provisions or other limitations on exercise, shall be exercisable in full to enable the Optioned Shares subject to such Options to be issued and tendered to such bid.
  - (b) If the Optionee is an Investors Relations Services Provider and there is a Change of Control, then the Company must receive approval from the TSXV before the Options may become fully exercisable in the same manner as described in Section 3.8(a).
- 3.9 Powers of the Board. The Board will be responsible for the general administration of the Plan and the proper execution of its provisions, the interpretation of the Plan and the determination of all questions arising hereunder. Without limiting the generality of the foregoing, the Board has the power to:
- (a) allot Common Shares for issuance in connection with the exercise of Options;
  - (b) grant Options hereunder;
  - (c) subject to appropriate shareholder and Regulatory Approval, amend, suspend, terminate or discontinue the Plan, or revoke or alter any action taken in connection therewith, except that no general amendment or suspension of the Plan will, without the written consent of all Optionees, alter or impair any Option previously granted under the Plan unless as a result of a change in TSXV Policies or the Company's tier classification thereunder;

- (d) delegate all or such portion of its powers hereunder as it may determine to one or more committees of the Board, either indefinitely or for such period of time as it may specify, and thereafter each such committee may exercise the powers and discharge the duties of the Board in respect of the Plan so delegated to the same extent as the Board is hereby authorized so to do; and
  - (e) may in its sole discretion amend this Plan (except for previously granted and outstanding Options) to reduce the benefits that may be granted to Eligible Persons (before a particular Option is granted) subject to the other terms hereof.
- 3.10 No Liability. No Director shall be personally liable for any action taken or determination or interpretation made or approved in good faith in connection with this Plan and the Directors shall, in addition to their rights as Directors, be fully protected, indemnified and held harmless by the Company with respect to any such action taken or determination or interpretation made. The appropriate officers of the Company are hereby authorized and empowered to do all things and execute and deliver all instruments, undertakings and applications and writings as they, in their absolute discretion, consider necessary for the implementation of this Plan and of the rules and regulations established for administering this Plan. All costs incurred in connection with this Plan shall be for the account of the Company.
- 3.11 Terms Requiring Disinterested Shareholder Approval. If the Common Shares are listed on the TSXV and if required by the TSXV Policies, the Company must obtain Disinterested Shareholder Approval of Options if the Options, together with any other Share Compensation Arrangement, could result at any time in:
- (a) the grant to Insiders, within a 12-month period, of stock options exceeding 10% of the issued Common Shares of the Company; or
  - (b) the issuance to any one Optionee, within a 12-month period, of a number of shares exceeding 5% of the issued Common Shares of the Company.
- 3.12 Effective Date of Plan. This Plan is effective as of the date first written above, subject to applicable Regulatory Approval and approval of the shareholders of the Company if required by the TSXV Policies.

#### **4. TERMS AND CONDITIONS OF OPTIONS**

- 4.1 Exercise Price. The Board shall establish the Exercise Price at the time each Option is granted, subject to the following conditions:
- (a) if the Common Shares are listed on the TSXV, then the Exercise Price for the Options granted will not be less than the minimum prevailing price permitted by the TSXV Policies;
  - (b) if the Common Shares are not listed, posted and trading on any stock exchange or quoted on any quotation system, then the Exercise Price for the Options granted will be determined by the Board at the time of granting;

- (c) if an option is granted within 90 days of a distribution by a prospectus by the Company, the exercise price will not be less than the price that is the greater of the minimum prevailing price permitted by TSXV policies and the per Share price paid by public investors for Shares acquired under the distribution by the prospectus, with the 90-day period beginning on the date a final receipt is issued for the prospectus; and
- (d) in all other cases, the Exercise Price shall be determined in accordance with the rules and regulations of any applicable regulatory bodies.

The Exercise Price shall be subject to adjustment in accordance with the provisions of Section 4.9.

4.2 Term of Option. The Board shall establish the Expiry Date for each Option at the time such Option is granted, subject to the following conditions:

- (a) the Option will expire upon the occurrence of any event set out in Section 4.8 and at the time period set out therein; and
- (b) subject to Section 4.3, the Expiry Date cannot be longer than the maximum exercise period as determined by the TSXV Policies, which is currently 10 years.

4.3 Automatic Extension of Term of Option. The Expiry Date will be automatically extended if the Expiry Date falls within a blackout period during which the Company prohibits Optionees from exercising their Options, provided that:

- (a) the blackout period has been formally imposed by the Company pursuant to its internal trading policies as a result of the bona fide existence of undisclosed Material Information (as defined in the policies of the TSXV). For greater certainty, in the absence of the Company formally imposing a blackout period, the expiry date of any options will not be automatically extended in any circumstances;
- (b) the blackout period expires upon the general disclosure of the undisclosed Material Information and the expiry date of the affected options is extended to no later than ten (10) business days after the expiry of the blackout period;
- (c) the automatic extension will not be permitted where the Optionee or the Company is subject to a cease trade order (or similar order under applicable securities laws) in respect of the Company's securities; and
- (d) the automatic extension is available to all eligible Optionees under the Plan under the same terms and conditions.

4.4 Hold Period.

- (a) If required by applicable securities laws, any Optioned Shares will be subject to a hold period expiring on the date that is four months and a day after the Grant Date, and the certificates representing any Optioned Shares issued prior to the expiry of such hold period will bear a legend in substantially the following form:

“UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THE SECURITIES REPRESENTED HEREBY MUST NOT TRADE THE SECURITIES BEFORE *[INSERT THE DATE THAT IS FOUR MONTHS AND ONE DAY AFTER THE DATE OF GRANT]*”

- (b) If the Exercise Price of any Option granted hereunder is based on the Discounted Market Price (as defined in TSXV Policies) rather than the Market Price (as defined in TSXV Policies), all such Options and any Optioned Shares issuable upon exercise of such Options will be subject to a four month and one day hold period commencing on the Grant Date, and the certificates representing any Optioned Shares issued prior to the expiry of such hold period will bear a legend in substantially the following form:

“WITHOUT PRIOR WRITTEN APPROVAL OF THE TSX VENTURE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT *UNTIL [INSERT THE DATE THAT IS 4 MONTHS AND ONE DAY AFTER THE DATE OF GRANT].*”

#### 4.5 Vesting of Options.

- (a) No Option shall be exercisable until it has vested. The Board shall establish a vesting period or periods at the time each Option is granted to Eligible Persons, provided that Options granted to Investor Relations Service Providers are required to vest in stages over at least 12 months such that:
- (i) no more than 1/4 of the Options vest no sooner than three months after the Options were granted;
  - (ii) no more than another 1/4 of the Options vest no sooner than six months after the Options were granted;
  - (iii) no more than another 1/4 of the Options vest no sooner than nine months after the Options were granted; and
  - (iv) the remainder of the Options vest no sooner than 12 months after the Options were granted.
- (b) If no vesting schedule is specified at the time of grant and the Optionee is not performing Investor Relations Activities, the Option shall vest as to 25% on each of the 6-, 12-, 18- and 24-month anniversaries of its grant.

#### 4.6 Non-Assignable. Subject to Section 4.9(e), all Options will be exercisable only by the Optionee to whom they are granted and will not be assignable or transferable.

#### 4.7 Option Amendment.

- (a) Exercise Price. The Board may amend the Exercise Price of any Options provided that, subject to Section 4.1, and if the Common Shares are traded on the TSXV, the Exercise Price of an Option may be amended only if at least six (6) months have elapsed since the later of:
  - (i) the Grant Date;
  - (ii) the date the Company's shares commenced trading on the TSXV; or
  - (iii) the date of the last amendment of the Exercise Price.
- (b) Disinterested Shareholder Approval. If the Common Shares are listed on the TSXV, any proposed reduction in the exercise price or extension of the Expiry Date of Options for Optionees that are Insiders will be subject to TSXV Policies, including Disinterested Shareholder Approval.
- (c) Term. Subject to Section 4.3, the term of an Option cannot be extended so that the effective term of the Option exceeds ten (10) years in total, or such other period as prescribed by the TSXV Policies. If the Common Shares are traded on the TSXV, an option must be outstanding for at least one year before the Company can extend its term and the TSXV treats any extension of the length of the term of the Option as a grant of a new Option, which must comply with pricing and other requirements of this Plan.
- (d) TSXV Approval. If the Common Shares of the Company are listed on the TSXV, any proposed amendment to the terms of an Option must be approved by the TSXV, if required, prior to the exercise of such Option as amended.

#### 4.8 Termination of Option. Unless the Board determines otherwise, the Options will terminate in the following circumstances:

- (a) Termination of Services For Cause. If the engagement of the Optionee as a Director, Employee or Consultant is terminated for cause (as determined by common law), any Option granted hereunder to such Optionee shall terminate and cease to be exercisable immediately upon the Optionee ceasing to be a Director, Employee or Consultant by reason of termination for cause.
- (b) Termination of Services Without Cause or Upon by Resignation. If the engagement of the Optionee as a Director, Employee or Consultant of the Company is terminated for any reason other than cause (as determined by common law), disability or death, or if such Director, Employee, or Consultant resigns, as the case may be, the Optionee may exercise any Option granted hereunder to the extent that such Option was exercisable and had vested on the date of termination until the date that is the earlier of (i) the Expiry Date, and (ii) the date that is 90 days after the effective date of the Optionee ceasing to be a Director, Employee or Consultant for that other reason.

- (c) Termination of Investor Relations Services. If the engagement of the Optionee as an Investor Relations Services Provider is terminated for any reason other than cause, disability or death, the Optionee may exercise any Option granted hereunder to the extent that such Option was exercisable and had vested on the date of termination until the date that is the earlier of (i) the Expiry Date, and (ii) the date that is 30 days after the effective date of the Optionee ceasing to be an Eligible Person.
- (d) Death. If the Optionee dies, the Optionee's lawful personal representatives, heirs or executors may exercise any Option granted hereunder to the Optionee to the extent such Option was exercisable and had vested on the date of death until the earlier of (i) the Expiry Date, and (ii) one year after the date of death of such Optionee.
- (e) Disability. If the Optionee ceases to be an Eligible Person, due to his Disability, or, in the case of an Optionee that is a company, the Disability of the person who provides management or consulting services to the Company or to an Affiliate of the Company, the Optionee may exercise any Option granted hereunder to the extent that such Option was exercisable and had vested on the Date of Disability until the earlier of (i) the Expiry Date, and (ii) the date that is one year after the Date of Disability.
- (f) Changes in Status of Eligible Person. If the Optionee ceases to be one type of Eligible Person but concurrently is or becomes one or more other type of Eligible Person, the Option will not terminate but will continue in full force and effect and the Optionee may exercise the Option until the earlier of (i) the Expiry Date, and (ii) the applicable date set forth in Sections 4.8(a) to 4.8(e) above where the Optionee ceases to be any type of Eligible Person. If the Optionee is an Employee, the Option will not be affected by any change of the Optionee's employment where the Optionee continues to be employed by the Company or an Affiliate of the Company.

4.9 Adjustment of the Number of Optioned Shares. The number of Common Shares subject to an Option will be subject to adjustment in the events and in the manner following:

- (a) Following the date an Option is granted, the exercise price for and the number of Optioned Shares which are subject to an Option will be adjusted, with respect to the then unexercised portion thereof, in the events and in accordance with the provisions and rules set out in this Section 4.9, with the intent that the rights of Optionees under their Options are, to the extent possible, preserved and maintained notwithstanding the occurrence of such events. Any dispute that arises at any time with respect to any adjustment pursuant to such provisions and rules will be conclusively determined by the Board, and any such determination will be binding on the Company, the Optionee and all other affected parties.

- (b) If there is a change in the outstanding Common Shares by reason of any share consolidation or split, reclassification or other capital reorganization, an arrangement, amalgamation, merger or combination, or any other change to, event affecting, exchange of or corporate change or transaction affecting the Common Shares, the Board shall make, as it shall deem advisable and subject to the requisite approval from the TSXV and the relevant regulatory authorities, if required, appropriate substitution and/or adjustment in:
  - (i) the number and kind of shares or other securities or property reserved or to be allotted for issuance pursuant to this Plan;
  - (ii) the number and kind of shares or other securities or property reserved or to be allotted for issuance pursuant to any outstanding unexercised Options, and in the exercise price for such shares or other securities or property; and
  - (iii) the vesting of any Options, including the accelerated vesting thereof on conditions the Board deems advisable, and if the Company undertakes an arrangement or is amalgamated, merged or combined with another corporation, the Board shall make such provision for the protection of the rights of Optionees as it shall deem advisable.
- (c) If the outstanding Common Shares are changed into or exchanged for a different number of shares or into or for other securities of the Company or securities of another Company or entity, in a manner other than as specified in Section 0, then the Board, in its sole discretion, may make such adjustment to the securities to be issued pursuant to any exercise of the Option and the exercise price to be paid for each such security following such event as the Board in its sole and absolute discretion determines to be equitable to give effect to the principle described in Section 4.9(a), and such adjustments shall be effective and binding upon the Company and the Optionee for all purposes.
- (d) No adjustment provided in this Section 4.9 shall require the Company to issue a fractional share and the total adjustment with respect to each Option shall be limited accordingly.
- (e) The grant or existence of an Option shall not in any way limit or restrict the right or power of the Company to effect adjustments, reclassifications, reorganizations, arrangements or changes of its capital or business structure, or to amalgamate, merge, consolidate, dissolve or liquidate, or to sell or transfer all or any part of its business or assets.

## **5. COMMITMENT AND EXERCISE PROCEDURES**

- 5.1 Option Agreement. Upon grant of an Option hereunder, an authorized director or officer of the Company will deliver to the Optionee an Option Agreement detailing the terms of such Options and upon such delivery the Optionee will be subject to the Plan and have the right to purchase the Optioned Shares at the Exercise Price set out therein subject to the terms and conditions hereof.

5.2 Manner of Exercise. An Optionee who wishes to exercise their Option, in its entirety or any portion thereof, may do so by delivering:

- (a) a Notice of Exercise to the Company specifying the number of Optioned Shares being acquired pursuant to the Option; and
- (b) cash, a certified cheque, wire transfer or a bank draft payable to the Company for the aggregate Exercise Price for the Optioned Shares being acquired.

5.3 Cashless Exercise. Subject to the provisions of the Plan (including, without limitation, Section 5.6) and, upon prior approval of the Board, once an Option has vested and become exercisable, an Optionee may elect to exercise such Option by either:

- (a) excluding Options held by any Investor Relations Service Provider, a “net exercise” procedure in which the Company issues to the Optionee, Common Shares equal to the number determined by dividing (i) the product of the number of Options being exercised multiplied by the difference between the VWAP of the underlying Common Shares and the exercise price of the subject Options by (ii) the VWAP of the underlying Common Shares; or
- (b) a broker assisted “cashless exercise” in which the Company delivers a copy of irrevocable instructions to a broker engaged for such purposes by the Company to sell the Common Shares otherwise deliverable upon the exercise of the Options and to deliver promptly to the Company an amount equal to the Exercise Price and all applicable required withholding obligations a determined by the Company against delivery of the Common Shares to settle the applicable trade.

An Option may be exercised pursuant to this Section 5.3 from time to time by delivery to the Company, at its head office or such other place as may be specified by the Company of (i) written notice of exercise specifying that the Optionee has elected to effect such a cashless exercise of such Option, the method of cashless exercise, and the number of Options to be exercised and (ii) the payment of an amount for any tax withholding or remittance obligations of the Optionee or the Company arising under applicable law and verified by the Company to its satisfaction (or by entering into some other arrangement acceptable to the Company in its discretion, if any). The Participant shall comply with Section 5.3 of this Plan with regard to any applicable required withholding obligations and with such other procedures and policies as the Company may prescribe or determine to be necessary or advisable from time to time including prior written consent of the Board in connection with such exercise.

5.4 Subsequent Exercises. If an Optionee exercises only a portion of the total number of his Options, then the Optionee may, from time to time, subsequently exercise all or part of the remaining Options until the Expiry Date.

- 5.5 Delivery of Certificate and Hold Periods. As soon as practicable after receipt of the Notice of Exercise described in Section 0 and payment in full for the Optioned Shares being received by the Company, the Company will or will direct its transfer agent to issue a certificate to the Optionee for the appropriate number of Optioned Shares. Such certificate issued will bear a legend stipulating any resale restrictions required under applicable securities laws and TSXV Policies.
- 5.6 Withholding. The Company may withhold from any amount payable to an Optionee, either under this Plan or otherwise, such amount as it reasonably believes is necessary to enable the Company to comply with the applicable requirements of any federal, provincial, local or foreign law, or any administrative policy of any applicable tax authority, relating to the withholding of tax or any other required deductions with respect to options (“**Withholding Obligations**”). The Company may also satisfy any liability for any such Withholding Obligations, on such terms and conditions as the Company may determine in its discretion, by:
- (a) requiring an Optionee, as a condition to the exercise of any Options, to make such arrangements as the Company may require so that the Company can satisfy such Withholding Obligations including, without limitation, requiring the Optionee to remit to the Company in advance, or reimburse the Company for, any such Withholding Obligations; or
  - (b) selling on the Optionee’s behalf, or requiring the Optionee to sell, any Optioned Shares acquired by the Optionee under the Plan, or retaining any amount which would otherwise be payable to the Optionee in connection with any such sale.

## 6. **AMENDMENTS AND TERMINATION**

- 6.1 Amendments and Termination of this Plan. The Board may at any time or from time to time, in its sole and absolute discretion and without the approval of shareholders of the Company, amend, suspend, terminate or discontinue this Plan and may amend the terms and conditions of any Options granted hereunder, subject to:
- (a) any required disinterested shareholder approval to reduce the exercise price of or extend the expiry date of an Option issued to an Insider in accordance with the policies of the TSXV while the Common Shares are listed on the TSXV;
  - (b) any required approval of any applicable regulatory authority or the TSXV; and
  - (c) any approval of shareholders of the Company as required by the rules of the TSXV or applicable law, provided that shareholder approval shall not be required for the following amendments and the Board may make any changes which may include but are not limited to:
    - (i) amendments of a “housekeeping nature”;
    - (ii) amendments for the purpose of curing any ambiguity, error or omission in this Plan or to correct or supplement any provision of this Plan that is inconsistent with any other provision of this Plan;
    - (iii) amendments which are necessary to comply with applicable law or the requirements of the TSXV;

- (iv) amendments respecting administration and eligibility for participation under this Plan;
- (v) amendments to the terms and conditions on which Options may be or have been granted pursuant to this Plan including amendments to the vesting provisions and terms of any Options;
- (vi) with the exception of Options granted to Persons performing Investor Relations Activities, amendments which alter, extend or accelerate the terms of vesting applicable to any Options; and
- (vii) changes to the termination provisions of an Option or this Plan which do not entail an extension beyond the original fixed term.

If this Plan is terminated, prior Options shall remain outstanding and in effect in accordance with their applicable terms and conditions.

6.2 Amendment of Outstanding Options. The Board may amend any Option with the consent of the affected Optionee and the TSXV, if required, including any shareholder approval required by the TSXV. For greater certainty, Disinterested Shareholder Approval is required by the TSXV for any reduction in the exercise price or extension of the expiry date of an Option if the Optionee is an Insider at the time of the proposed amendment.

6.3 Amendment Subject to Approval. If the amendment of an Option requires shareholder or Regulatory Approval, such amendment may be made prior to such approvals being given, but no such amended Options may be exercised unless and until such approvals are given.

## 7. GENERAL

7.1 Exclusion from Severance Allowance, Retirement Allowance or Termination Settlement. If the Optionee retires, resigns or is terminated from employment or engagement with the Company or any subsidiary of the Company, the loss or limitation, if any, pursuant to the Option Agreement with respect to the right to purchase Optioned Shares, shall not give rise to any right to damages and shall not be included in the calculation of nor form any part of any severance allowance, retiring allowance or termination settlement of any kind whatsoever in respect of such Optionee.

7.2 Employment and Services. Nothing contained in the Plan will confer upon or imply in favour of any Optionee any right with respect to office, employment or provision of services with the Company, or interfere in any way with the right of the Company to lawfully terminate the Optionee's office, employment or service at any time pursuant to the arrangements pertaining to same. Participation in the Plan by an Optionee is voluntary.

7.3 No Rights as Shareholder. Nothing contained in this Plan nor in any Option granted thereunder shall be deemed to give any Optionee any interest or title in or to any Common Shares of the Company or any rights as a shareholder of the Company or any other legal or equitable right against the Company whatsoever other than as set forth in this Plan and pursuant to the exercise of any Option in accordance with the provisions of the Plan and the Option Agreement.

- 7.4 No Representation or Warranty. The Company makes no representation or warranty as to the future market value of Optioned Shares issued in accordance with the provisions of the Plan or to the effect of the *Income Tax Act* (Canada) or any other taxing statute governing the Options or the Optioned Shares issuable thereunder or the tax consequences to an Optionee. Compliance with applicable securities laws as to the disclosure and resale obligations of each Optionee is the responsibility of such Optionee and not the Company.
- 7.5 Other Arrangements. Nothing contained herein shall prevent the Board from adopting other or additional compensation arrangements, subject to any required approval.
- 7.6 No Fettering of Discretion. The awarding of Options under this Plan is a matter to be determined solely in the discretion of the Board. This Plan shall not in any way fetter, limit, obligate, restrict or constrain the Board with regard to the allotment or issue of any Common Shares or any other securities in the capital of the Company or any of its Affiliates other than as specifically provided for in this Plan.

**STOCK OPTION AGREEMENT  
(NON-INVESTOR RELATIONS)**

**THIS STOCK OPTION AGREEMENT** (this “**Agreement**”) is made as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

**BETWEEN:**

**XXL ENERGY CORP.**, a company having an address at RPO Box  
60610 Granville Park, Vancouver, British Columbia V6H 4B9

(the “**Company**”)

**AND:**

◆, of ◆

(the “**Optionee**”)

**WHEREAS:**

A. The Company’s board of directors (the “**Board**”) has approved and adopted an incentive stock option plan (the “**Plan**”) dated for reference June ◆, 2022, as may be amended or restated from time to time, whereby the Board is authorized to grant Options (as defined herein) to Eligible Persons to acquire up to a maximum of 20% of the number of issued and outstanding common shares in the capital stock of the Company at the time of grant;

B. The Optionee provides services to the Company as a ◆[**director/officer/consultant**] of ◆[**the Company**] OR [a subsidiary of the Company] (the “**Services**”); and

C. The Company wishes to grant the Options to the Optionee as an incentive for the continued provision of the Services;

**THIS AGREEMENT WITNESSES** that in consideration of other good and valuable consideration (the receipt and sufficiency whereof is hereby acknowledged), it is hereby agreed by and between the Company and the Optionee (together, the “**Parties**”) as follows:

1. In this Agreement, the following terms shall have the following meanings:

- (a) “Date of Grant” means the date of this Agreement;
- (b) “Exercise Payment” means the amount of money equal to the Exercise Price multiplied by the number of Optioned Shares specified in the Notice of Exercise;
- (c) “Exercise Price” means ◆ per Optioned Share;
- (d) “Expiry Date” means the date which is ◆ years after the Date of Grant;

- (e) "Notice of Exercise" means a notice in writing addressed to the Company at its address first recited (or such other address of the Company as may from time to time be notified to the Optionee in writing), substantially in the form attached as Exhibit A1 hereto, which notice shall specify therein the number of Optioned Shares in respect of which the Options are being exercised;
  - (f) "Options" means the irrevocable right and option to purchase, from time to time, all, or any part of the Optioned Shares granted to the Optionee by the Company pursuant to Section 3 of this Agreement;
  - (g) "Optioned Shares" means the Shares subject to the Options;
  - (h) "Personal Information" means any information about the Optionee contained in this Agreement or as required to be disclosed about the Optionee by the Company to the TSXV or any securities regulatory authority for any purpose, including those purposes set out in Exhibit A2 attached hereto.
  - (i) "Securities" means, collectively, the Options and the Optioned Shares;
  - (j) "Shareholders" means holders of record of the Shares; and
  - (k) "Shares" means the common shares in the capital of the Company.
2. All capitalized terms used but not otherwise defined herein shall have the meaning ascribed to such terms in the Plan.
  3. The Company hereby grants to the Optionee, subject to the terms and conditions hereinafter set forth, Options to purchase a total of ♦ Optioned Shares at the Exercise Price.
  4. Unless accelerated at the discretion of the Board within the rules and regulations of any applicable regulatory bodies, the Options shall vest as follows ♦[revise as applicable]:
    - (a) ♦[provide] on the Date of Grant;
    - (b) ♦[provide] on the first anniversary of the Date of Grant; and
    - (c) ♦[provide] on the second anniversary of the Date of Grant.
  5. The Options shall, at 5:00 p.m. (Vancouver time) on the Expiry Date, forthwith expire and be of no further force or effect whatsoever.
  6. Subject to the provisions hereof, the Options shall be exercisable in whole or in part (at any time and from time to time as aforesaid) by the Optionee or their personal representative giving a Notice of Exercise together with the Exercise Payment by cash, certified cheque or bank draft, made payable to the Company.
  7. Upon the exercise of all or any part of the Options and upon receipt by the Company of the Exercise Payment, the Company shall cause to be delivered to the Optionee or their personal representative, within ten (10) days following receipt by the Company of the Notice of Exercise, a

certificate in the name of the Optionee or his personal representative representing, in aggregate, the number of Optioned Shares specified in the Notice of Exercise.

8. Nothing in this Agreement shall obligate the Optionee to purchase any Optioned Shares except those Optioned Shares in respect of which the Optionee shall have exercised the Options in the manner provided in this Agreement.
9. The Company agrees that prior to the earlier of the expiration of the Options and the exercise and purchase of the total number of Optioned Shares represented by the Options, there shall be reserved for issuance and delivery upon exercise of the Options such number of the Company's authorized and unissued Shares as shall be necessary to satisfy the terms and conditions of this Agreement.
10. The Optionee acknowledges, represents and warrants to the Company that:
  - (a) the Company has advised the Optionee that the Company is relying on an exemption from the requirements to provide the Optionee with a prospectus under applicable securities legislation and, as a consequence of acquiring the Securities pursuant to this exemption, certain protections, rights and remedies provided by applicable securities legislation, including, in most circumstances, statutory rights of rescission or damages, will not be available to the Optionee; and
  - (b) the Optionee is not a U.S. person as such term is defined in Regulation S promulgated under the United States Securities Act of 1933. [*revise as applicable if the Optionee is a U.S. Person*]
11. The Optionee hereby covenants and agrees with the Company that the Optionee will execute and deliver any documents and instruments and provide any information as may be reasonably requested by the Company, from time to time, to establish the availability of exemptions from prospectus requirements and to comply with any applicable securities legislation and TSXV Policies, including without limitation those provisions of any applicable securities legislation and TSXV Policies relating to escrow requirements.
12. The Optionee hereby acknowledges and agrees to the Company making a notation on its records or giving instructions to the registrar and transfer agent of the Company in order to implement the restrictions on transfer set forth and described in this Agreement.
13. Unless the Company permits otherwise, the Optionee shall pay the Company in cash all local, provincial and federal withholding taxes applicable to the grant or exercise of the Options, or the transfer or other disposition of Shares acquired upon exercise of the Options. Any such payment must be made promptly when the amount of such obligation becomes determinable. In addition to any remedies available to the Company under the Plan to comply with Withholding Obligations, the Company may in its discretion sell on the Optionee's behalf, or require the Optionee to sell, any Shares acquired by the Optionee under the Plan, or retain any amount which would otherwise be payable to the Optionee in connection with any such sale.
14. This Agreement shall enure to the benefit of and be binding upon the Company, its successors and assigns, and the Optionee and his personal representative, if applicable.

15. Other than in the event of death of the Optionee in which case the Options may be transferred or assigned by will or by the law governing the devolution of property to the Optionee's executor, administrator or other person representative, this Agreement shall not be transferable or assignable by the Optionee or his personal representative and the Options may be exercised only by the Optionee or his personal representative provided that, subject to the prior approval of the Board and, if necessary, any applicable stock exchange, the Optionee may assign the Options to a company of which all of the voting securities are beneficially owned by the Optionee, which ownership will continue for as long as any portion of the Options remain unexercised.
16. The granting of the Options and the terms and conditions hereof shall be subject to Regulatory Approval as required.
17. The Optionee and the Company represent that the Optionee is a Director, Employee or Consultant of the Company or any Affiliate of the Company or of a company of which all of the voting securities are beneficially owned by one or more of the foregoing.
18. The Optionee represents that he has not been induced to enter into this Agreement by the expectation of employment or continued employment or retention or continued retention by the Company or any Affiliate of the Company.
19. The Options will terminate in accordance with the Plan.
20. The Optionee acknowledges and consents to the fact that the Company is collecting the Optionees' Personal Information for the purposes set out in Exhibit A2 which may be disclosed by the Company to:
  - (a) the TSXV or securities regulatory authorities;
  - (b) the Company's registrar and transfer agent;
  - (c) Canadian tax authorities; and
  - (d) authorities pursuant to the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada).

By executing this Agreement, the Optionee is deemed to be consenting to the foregoing collection, use and disclosure of the Optionee's Personal Information and to the retention of such Personal Information for as long as permitted or required by law or business practice. By executing this Agreement, the Optionee hereby consents to the foregoing collection, use and disclosure of the Optionee's Personal Information. The Optionee also consents to the filing of copies of any documents described herein as may be required to be filed with the TSXV or any securities regulatory authority in connection with the grant of the Options. An officer of the Company is available to answer questions about the collection of personal information by the Company.

21. Neither this Agreement nor the Plan confers on the Optionee the right to continue in the employment of, or association with, the Company or any Affiliate of the Company, nor do they interfere in any way with the right of the Optionee or the Company or any Affiliate of the Company to terminate the Optionee's employment at any time.

22. Reference is made to the Plan for particulars of the rights and obligations of the Optionee and the Company in respect of the terms and conditions on which the Options are granted, all to the same effect as if the provisions of the Plan were set out in this Agreement and to all of which the Optionee assents.
23. The Company will give a copy of the Plan to the Optionee on request.
24. Time is of the essence of this Agreement.
25. The terms of the Options are subject to the provisions of the Plan, as the same may from time to time be amended, and any inconsistencies between this Agreement and the Plan, as the same may be from time to time amended, shall be governed by the provisions of the Plan.
26. If at any time during the term of this Agreement the Parties deem it necessary or expedient to make any alteration or addition to this Agreement, they may do so by means of a written agreement between them which shall be supplemental hereto and form part hereof and which shall be subject to Regulatory Approval if required.
27. Wherever the plural or masculine are used throughout this Agreement, the same shall be construed as meaning singular or feminine or neuter or the body politic or corporate where the context requires.
28. This Agreement may be executed in several parts in the same form and such parts as so executed shall together constitute one original agreement, and such parts, if more than one, shall be read together and construed as if each of the Parties had executed one copy of this Agreement.
29. Delivery of an executed copy of this Agreement by electronic facsimile transmission or other means of electronic communication capable of producing a printed copy will be deemed to be execution and delivery of this Agreement as of the date first above written.
30. This Agreement shall be exclusively governed by and construed in accordance with the laws of the Province of British Columbia without giving effect to any choice or conflict of law provision or rule that would cause the application of the domestic substantive laws of any other jurisdiction, and shall bind and inure to the benefit of the Parties and their respective successors and assigns.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first set forth above.

**XXL ENERGY CORP.**

Per: \_\_\_\_\_  
Authorized Signatory

◆[If the optionee is an individual use this signature block]

WITNESSED BY: )  
 )  
 )  
\_\_\_\_\_)  
Name )  
\_\_\_\_\_)  
Address )  
\_\_\_\_\_)  
\_\_\_\_\_)  
\_\_\_\_\_)  
Occupation )

\_\_\_\_\_



◆[or if a company is the optionee, the following:]



Per: \_\_\_\_\_  
Authorized Signatory

**EXHIBIT A1**

TO:    XXL Energy Corp. (the “**Company**”)  
      RPO Box 60610 Granville Park  
      Vancouver, BC V6H 4B9

**NOTICE OF EXERCISE**

This Notice of Exercise shall constitute proper notice pursuant to Section 6 of that certain Stock Option Agreement (the “**Agreement**”) dated as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, between the Company and the undersigned.

The undersigned hereby elects to exercise Optionee’s option to purchase such number of common shares of the Company as set out below, at a price of \$\_\_\_\_\_ per share, on the terms and conditions set forth in the Agreement and the Company’s Stock Option Plan. Such aggregate consideration, in the form specified in Section 6 of the Agreement, accompanies this notice. The undersigned reconfirms the representations and warranties set out in the Agreement as of the date hereof.

Number of common shares to be purchased herein: \_\_\_\_\_

Consideration for the commons shares for the total amount of: \$\_\_\_\_\_

The Optionee hereby directs the Company to issue, register and deliver the certificate(s) representing the shares as follows:

[Please denote preference for physical share certificate  or electronic certificate via DRS  - please check one]

Registration Information:	Delivery Instructions:
_____	_____
Name to appear on certificates	Name
_____	_____
Address	Address
_____	_____
_____	_____
_____	Telephone Number

DATED at \_\_\_\_\_, the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
Name of Optionee (Please type or print)

\_\_\_\_\_  
Signature of Optionee or Authorized Signatory

\_\_\_\_\_  
Name and Office of Authorized Signatory

\_\_\_\_\_  
Address of Optionee

\_\_\_\_\_  
Address of Optionee

\_\_\_\_\_  
Facsimile Number



### **ACKNOWLEDGEMENT – PERSONAL INFORMATION**

TSX Venture TSXV Inc. and its affiliates, authorized agents, subsidiaries and divisions, including the TSX Venture TSXV (collectively referred to as “the TSXV”) collect Personal Information in certain Forms that are submitted by the individual and/or by an Issuer or Applicant and use it for the following purposes:

- to conduct background checks,
- to verify the Personal Information that has been provided about each individual,
- to consider the suitability of the individual to act as an officer, director, insider, promoter, investor relations provider or, as applicable, an employee or consultant, of the Issuer or Applicant,
- to consider the eligibility of the Issuer or Applicant to list on the TSXV,
- to provide disclosure to market participants as to the security holdings of directors, officers, other insiders and promoters of the Issuer, or its associates or affiliates,
- to conduct enforcement proceedings, and
- to perform other investigations as required by and to ensure compliance with all applicable rules, policies, rulings and regulations of the TSXV, securities legislation and other legal and regulatory requirements governing the conduct and protection of the public markets in Canada.

As part of this process, the TSXV also collects additional Personal Information from other sources, including but not limited to, securities regulatory authorities in Canada or elsewhere, investigative, law enforcement or self-regulatory organizations, regulations services providers and each of their subsidiaries, affiliates, regulators and authorized agents, to ensure that the purposes set out above can be accomplished.

The Personal Information the TSXV collects may also be disclosed:

- (a) to the agencies and organizations in the preceding paragraph, or as otherwise permitted or required by law, and they may use it in their own investigations for the purposes described above; and
- (b) on the TSXV’s website or through printed materials published by or pursuant to the directions of the TSXV.

The TSXV may from time to time use third parties to process information and/or provide other administrative services. In this regard, the TSXV may share the information with such third party service providers.

**STOCK OPTION AGREEMENT  
(INVESTOR RELATIONS)**

**THIS STOCK OPTION AGREEMENT** (this “**Agreement**”) is made as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

**BETWEEN:**

**XXL ENERGY CORP.**, a company having an address at RPO Box  
60610 Granville Park, Vancouver, British Columbia V6H 4B9

(the “**Company**”)

**AND:**

◆, of ◆

(the “**Optionee**”)

**WHEREAS:**

A. The Company’s board of directors (the “**Board**”) has approved and adopted an incentive stock option plan (the “**Plan**”) dated for reference June ◆, 2022, as may be amended or restated from time to time, whereby the Board is authorized to grant Options (as defined herein) to Eligible Persons to acquire up to a maximum of 20% of the number of issued and outstanding common shares in the capital stock of the Company at the time of grant;

B. The Optionee provides investor relations services to the Company as a consultant (the “**Services**”); and

C. The Company wishes to grant the Options to the Optionee as an incentive for the continued provision of the Services;

**THIS AGREEMENT WITNESSES** that in consideration of other good and valuable consideration (the receipt and sufficiency whereof is hereby acknowledged), it is hereby agreed by and between the Company and the Optionee (together, the “**Parties**”) as follows:

1. In this Agreement, the following terms shall have the following meanings:

- (a) “Date of Grant” means the date of this Agreement;
- (b) “Exercise Payment” means the amount of money equal to the Exercise Price multiplied by the number of Optioned Shares specified in the Notice of Exercise;
- (c) “Exercise Price” means ◆ per Optioned Share;
- (d) “Expiry Date” means the date which is ◆ years after the Date of Grant;
- (e) “Notice of Exercise” means a notice in writing addressed to the Company at its address first recited (or such other address of the Company as may from time to time be notified to the Optionee in writing), substantially in the form attached as Exhibit B1 hereto, which

notice shall specify therein the number of Optioned Shares in respect of which the Options are being exercised;

- (f) "Options" means the irrevocable right and option to purchase, from time to time, all, or any part of the Optioned Shares granted to the Optionee by the Company pursuant to Section 3 of this Agreement;
  - (g) "Optioned Shares" means the Shares subject to the Options;
  - (h) "Personal Information" means any information about the Optionee contained in this Agreement or as required to be disclosed about the Optionee by the Company to the TSXV or any securities regulatory authority for any purpose, including those purposes set out in Exhibit B2 attached hereto.
  - (i) "Securities" means, collectively, the Options and the Optioned Shares;
  - (j) "Shareholders" means holders of record of the Shares; and
  - (k) "Shares" means the common shares in the capital of the Company.
2. All capitalized terms used but not otherwise defined herein shall have the meaning ascribed to such terms in the Plan.
  3. The Company hereby grants to the Optionee, subject to the terms and conditions hereinafter set forth, Options to purchase a total of ♦ Optioned Shares at the Exercise Price.
  4. The Options shall vest as follows ♦ [TSXV rules require the options to vest in stages over at least 12 months with no more than one quarter of the options vesting in any 3-month period]:
    - (a) ♦ [provide] on the date that is 3 months after the Date of Grant;
    - (b) ♦ [provide] on the date that is 6 months after the Date of Grant;
    - (c) ♦ [provide] on the date that is 9 months after the Date of Grant; and
    - (d) ♦ [provide] on the date that is 12 months after the Date of Grant.
  5. The Options shall, at 5:00 p.m. (Vancouver time) on the Expiry Date, forthwith expire and be of no further force or effect whatsoever.
  6. Subject to the provisions hereof, the Options shall be exercisable in whole or in part (at any time and from time to time as aforesaid) by the Optionee or his personal representative giving a Notice of Exercise together with the Exercise Payment by cash or by certified cheque, made payable to the Company.
  7. Upon the exercise of all or any part of the Options and upon receipt by the Company of the Exercise Payment, the Company shall cause to be delivered to the Optionee or his personal representative, within ten (10) days following receipt by the Company of the Notice of Exercise, a certificate in the name of the Optionee or his personal representative representing, in aggregate, the number of Optioned Shares specified in the Notice of Exercise.

8. Nothing in this Agreement shall obligate the Optionee to purchase any Optioned Shares except those Optioned Shares in respect of which the Optionee shall have exercised the Options in the manner provided in this Agreement.
9. The Company agrees that prior to the earlier of the expiration of the Options and the exercise and purchase of the total number of Optioned Shares represented by the Options, there shall be reserved for issuance and delivery upon exercise of the Options such number of the Company's authorized and unissued Shares as shall be necessary to satisfy the terms and conditions of this Agreement.
10. The Optionee acknowledges, represents and warrants to the Company that:
  - (a) the Company has advised the Optionee that the Company is relying on an exemption from the requirements to provide the Optionee with a prospectus under applicable securities legislation and, as a consequence of acquiring the Securities pursuant to this exemption, certain protections, rights and remedies provided by applicable securities legislation, including, in most circumstances, statutory rights of rescission or damages, will not be available to the Optionee; and
  - (b) the Optionee is not a U.S. person as such term is defined in Regulation S promulgated under the United States Securities Act of 1933.
11. The Optionee hereby covenants and agrees with the Company that the Optionee will execute and deliver any documents and instruments and provide any information as may be reasonably requested by the Company, from time to time, to establish the availability of exemptions from prospectus requirements and to comply with any applicable securities legislation and TSXV Policies, including without limitation those provisions of any applicable securities legislation and TSXV Policies relating to escrow requirements.
12. The Optionee hereby acknowledges and agrees to the Company making a notation on its records or giving instructions to the registrar and transfer agent of the Company in order to implement the restrictions on transfer set forth and described in this Agreement.
13. Unless the Company permits otherwise, the Optionee shall pay the Company in cash all local, provincial and federal withholding taxes applicable to the grant or exercise of the Options, or the transfer or other disposition of Shares acquired upon exercise of the Options. Any such payment must be made promptly when the amount of such obligation becomes determinable. In addition to any remedies available to the Company under the Plan to comply with Withholding Obligations, the Company may in its discretion sell on the Optionee's behalf, or require the Optionee to sell, any Shares acquired by the Optionee under the Plan, or retain any amount which would otherwise be payable to the Optionee in connection with any such sale.
14. This Agreement shall enure to the benefit of and be binding upon the Company, its successors and assigns, and the Optionee and his personal representative, if applicable.
15. Other than in the event of death of the Optionee in which case the Options may be transferred or assigned by will or by the law governing the devolution of property to the Optionee's executor, administrator or other person representative, this Agreement shall not be transferable or assignable by the Optionee or his personal representative and the Options may be exercised only by the Optionee or his personal representative provided that, subject to the prior approval of the

Board and, if necessary, any applicable stock exchange, the Optionee may assign the Options to a company of which all of the voting securities are beneficially owned by the Optionee, which ownership will continue for as long as any portion of the Options remain unexercised.

16. The granting of the Options and the terms and conditions hereof shall be subject to Regulatory Approval as required.
17. The Optionee and the Company represent that the Optionee is a Director, Employee or Consultant of the Company or any Affiliate of the Company or of a company of which all of the voting securities are beneficially owned by one or more of the foregoing.
18. The Optionee represents that he has not been induced to enter into this Agreement by the expectation of employment or continued employment or retention or continued retention by the Company or any Affiliate of the Company.
19. The Options will terminate in accordance with the Plan.
20. The Optionee acknowledges and consents to the fact that the Company is collecting the Optionees' Personal Information for the purposes set out in Exhibit B2 which may be disclosed by the Company to:
  - (a) the TSXV or securities regulatory authorities;
  - (b) the Company's registrar and transfer agent;
  - (c) Canadian tax authorities; and
  - (d) authorities pursuant to the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada).

By executing this Agreement, the Optionee is deemed to be consenting to the foregoing collection, use and disclosure of the Optionee's Personal Information and to the retention of such Personal Information for as long as permitted or required by law or business practice. By executing this Agreement, the Optionee hereby consents to the foregoing collection, use and disclosure of the Optionee's Personal Information. The Optionee also consents to the filing of copies of any documents described herein as may be required to be filed with the TSXV or any securities regulatory authority in connection with the grant of the Options. An officer of the Company is available to answer questions about the collection of personal information by the Company.

21. Neither this Agreement nor the Plan confers on the Optionee the right to continue in the employment of or association with the Company or any Affiliate of the Company, nor do they interfere in any way with the right of the Optionee or the Company or any Affiliate of the Company to terminate the Optionee's employment at any time.
22. Reference is made to the Plan for particulars of the rights and obligations of the Optionee and the Company in respect of the terms and conditions on which the Options are granted, all to the same effect as if the provisions of the Plan were set out in this Agreement and to all of which the Optionee assents.
23. The Company will give a copy of the Plan to the Optionee on request.

24. Time is of the essence of this Agreement.
25. The terms of the Options are subject to the provisions of the Plan, as the same may from time to time be amended, and any inconsistencies between this Agreement and the Plan, as the same may be from time to time amended, shall be governed by the provisions of the Plan.
26. If at any time during the term of this Agreement the Parties deem it necessary or expedient to make any alteration or addition to this Agreement, they may do so by means of a written agreement between them which shall be supplemental hereto and form part hereof and which shall be subject to Regulatory Approval if required.
27. Wherever the plural or masculine are used throughout this Agreement, the same shall be construed as meaning singular or feminine or neuter or the body politic or corporate where the context requires.
28. This Agreement may be executed in several parts in the same form and such parts as so executed shall together constitute one original agreement, and such parts, if more than one, shall be read together and construed as if each of the Parties had executed one copy of this Agreement.
29. Delivery of an executed copy of this Agreement by electronic facsimile transmission or other means of electronic communication capable of producing a printed copy will be deemed to be execution and delivery of this Agreement as of the date first above written.
30. This Agreement shall be exclusively governed by and construed in accordance with the laws of the Province of British Columbia without giving effect to any choice or conflict of law provision or rule that would cause the application of the domestic substantive laws of any other jurisdiction, and shall bind and inure to the benefit of the Parties and their respective successors and assigns.
31. This Agreement shall be exclusively governed by and construed in accordance with the laws of the Province of British Columbia without giving effect to any choice or conflict of law provision or rule that would cause the application of the domestic substantive laws of any other jurisdiction, and shall bind and inure to the benefit of the Parties and their respective successors and assigns.

*[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]*

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first set forth above.

**XXL ENERGY CORP.**

Per: \_\_\_\_\_

Authorized Signatory

**◆[If the optionee is an individual use this signature block]**

WITNESSED BY: \_\_\_\_\_ )

Name \_\_\_\_\_ )

Address \_\_\_\_\_ )

\_\_\_\_\_ )

Occupation \_\_\_\_\_ )

\_\_\_\_\_ ) ◆

**◆[or if a company is the optionee, the following:]**

◆  
Per: \_\_\_\_\_

Authorized Signatory

**EXHIBIT B1**

TO:    XXL Energy Corp. (the “**Company**”)  
      RPO Box 60610 Granville Park  
      Vancouver, BC V6H 4B9

**NOTICE OF EXERCISE**

This Notice of Exercise shall constitute proper notice pursuant to Section 6 of that certain Stock Option Agreement (the “**Agreement**”) dated as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, between the Company and the undersigned.

The undersigned hereby elects to exercise Optionee’s option to purchase such number of common shares of the Company as set out below, at a price of \$\_\_\_\_\_ per share, on the terms and conditions set forth in the Agreement and the Company’s Stock Option Plan. Such aggregate consideration, in the form specified in Section 6 of the Agreement, accompanies this notice. The undersigned reconfirms the representations and warranties set out in the Agreement as of the date hereof.

Number of common shares to be purchased herein: \_\_\_\_\_

Consideration for the commons shares for the total amount of: \$\_\_\_\_\_

The Optionee hereby directs the Company to issue, register and deliver the certificate(s) representing the shares as follows:

[Please denote preference for physical share certificate  or electronic certificate via DRS  - please check one]

Registration Information:	Delivery Instructions:
_____	_____
Name to appear on certificates	Name
_____	_____
Address	Address
_____	_____
_____	_____
_____	Telephone Number

DATED at \_\_\_\_\_, the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
Name of Optionee (Please type or print)

\_\_\_\_\_  
Signature of Optionee or Authorized Signatory

\_\_\_\_\_  
Name and Office of Authorized Signatory

\_\_\_\_\_  
Address of Optionee

\_\_\_\_\_  
Address of Optionee

\_\_\_\_\_  
Facsimile Number



### **ACKNOWLEDGEMENT – PERSONAL INFORMATION**

TSX Venture TSXV Inc. and its affiliates, authorized agents, subsidiaries and divisions, including the TSX Venture TSXV (collectively referred to as “the TSXV”) collect Personal Information in certain Forms that are submitted by the individual and/or by an Issuer or Applicant and use it for the following purposes:

- to conduct background checks,
- to verify the Personal Information that has been provided about each individual,
- to consider the suitability of the individual to act as an officer, director, insider, promoter, investor relations provider or, as applicable, an employee or consultant, of the Issuer or Applicant,
- to consider the eligibility of the Issuer or Applicant to list on the TSXV,
- to provide disclosure to market participants as to the security holdings of directors, officers, other insiders and promoters of the Issuer, or its associates or affiliates,
- to conduct enforcement proceedings, and
- to perform other investigations as required by and to ensure compliance with all applicable rules, policies, rulings and regulations of the TSXV, securities legislation and other legal and regulatory requirements governing the conduct and protection of the public markets in Canada.

As part of this process, the TSXV also collects additional Personal Information from other sources, including but not limited to, securities regulatory authorities in Canada or elsewhere, investigative, law enforcement or self-regulatory organizations, regulations services providers and each of their subsidiaries, affiliates, regulators and authorized agents, to ensure that the purposes set out above can be accomplished.

The Personal Information the TSXV collects may also be disclosed:

- (a) to the agencies and organizations in the preceding paragraph, or as otherwise permitted or required by law, and they may use it in their own investigations for the purposes described above; and
- (b) on the TSXV’s website or through printed materials published by or pursuant to the directions of the TSXV.

The TSXV may from time to time use third parties to process information and/or provide other administrative services. In this regard, the TSXV may share the information with such third party service providers.