



**ANNUAL GENERAL AND SPECIAL MEETING
OF SHAREHOLDERS
TO BE HELD ON WEDNESDAY, JANUARY 10, 2024
NOTICE OF MEETING
AND MANAGEMENT PROXY AND INFORMATION CIRCULAR
DATED DECEMBER 12, 2023**

THIS NOTICE OF MEETING AND MANAGEMENT INFORMATION CIRCULAR IS FURNISHED IN CONNECTION WITH THE SOLICITATION BY THE MANAGEMENT OF MARKSMEN ENERGY INC. OF PROXIES TO BE VOTED AT THE ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS OF MARKSMEN ENERGY INC. TO BE HELD ON WEDNESDAY, JANUARY 10, 2024.

TO BE HELD AT:

**THE OFFICES OF DS LAWYERS CANADA LLP
SUITE 800, 333 - 7TH AVENUE S.W.
CALGARY, ALBERTA
AT 11:00 A.M.**

MARKSMEN ENERGY INC.

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT AN ANNUAL GENERAL AND SPECIAL MEETING (the "Meeting") of holders (the "Shareholders") of common shares ("Common Shares") of Marksmen Energy Inc. (the "Corporation") will be held at the offices of DS Lawyers Canada LLP, Suite 800, 333 - 7th Avenue S.W., Calgary, Alberta, on Wednesday, January 10, 2024 at 11:00 a.m. for the following purposes:

1. to receive the audited financial statements of the Corporation for the financial year ended December 31, 2022 and the report of the auditor thereon;
2. to fix the number of directors of the Corporation to be elected at the Meeting at five (5);
3. to elect the Board of Directors of the Corporation for the ensuing year;
4. to appoint the auditor of the Corporation for the ensuing year and to authorize the Board of Directors to fix the auditor's remuneration;
5. to consider, and if thought fit, approve the ordinary resolution, as more particularly set forth in the accompanying Management Information Circular prepared for the Meeting, relating to the approval of the stock option plan of the Corporation; and
6. to transact such other business as may be properly brought before the meeting or any adjournment thereof.

DATED this 12th day of December, 2023.

BY ORDER OF THE BOARD OF DIRECTORS

"Archibald J. Nesbitt"

Archibald J. Nesbitt

President, Chief Executive Officer and Director

IMPORTANT

Only holders of Common Shares of record at the close of business on December 6, 2023 are entitled to notice of the Meeting or any adjournment or postponement thereof and only those holders of the Common Shares of record at the close of business on December 6, 2023, or who subsequently become Shareholders and comply with the provisions of the *Business Corporations Act* (Alberta), are entitled to vote thereat.

If you are a registered Shareholder, please complete and submit the enclosed form of proxy or other appropriate form of proxy. Completed forms of proxy must be received by Odyssey Trust Company, by mail at Traders Bank Building 702, 67 Yonge Street Toronto, ON M5E 1J8, by email at proxy@odysseytrust.com, or by fax at 1-800-517-4553, not less than 48 hours, excluding Saturdays, Sundays and statutory holidays, preceding the Meeting or any adjournment or postponement thereof. You may also vote by internet voting at <https://login.odysseytrust.com/pxlogin> not less than 48 hours, excluding Saturdays, Sundays and statutory holidays, preceding the Meeting or any adjournment or postponement thereof.

If you are not a registered Shareholder, please complete the voting instruction form from your intermediary/broker and follow the instructions set out under "Advice to Beneficial Shareholders" in the Information Circular.

**MARKSMEN ENERGY INC.
MANAGEMENT INFORMATION CIRCULAR
SOLICITATION OF PROXIES**

INTRODUCTION

THIS MANAGEMENT INFORMATION CIRCULAR ("MANAGEMENT INFORMATION CIRCULAR") IS PROVIDED IN CONNECTION WITH THE SOLICITATION BY MANAGEMENT OF MARKSMEN ENERGY INC. (THE "CORPORATION" OR "MARKSMEN") of proxies from the holders of common shares in the capital of the Corporation (the "**Common Shares**") for the annual general and special meeting of the shareholders (the "**Shareholders**") of the Corporation (the "**Meeting**") to be held on Wednesday, January 10, 2024 at 11:00 a.m. at the offices of DS Lawyers Canada LLP, Suite 800, 333 - 7th Avenue S.W., Calgary, Alberta, or at any adjournment thereof for the purposes set out in the accompanying notice of meeting ("**Notice of Meeting**").

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

APPOINTMENT AND REVOCATION OF PROXIES

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

In order to be effective, a proxy must be forwarded so as to reach, or be deposited with, the Corporation's registrar and transfer agent, Odyssey Trust Company, at Traders Bank Building 702, 67 Yonge Street Toronto, ON M5E 1J8, by email at proxy@odysseytrust.com or by fax at 1-800-517-4553, not less than 48 hours, excluding Saturdays, Sundays and statutory holidays in the Province of Alberta, preceding the Meeting or an adjournment or postponement thereof; provided that the Chairperson of the Meeting may, in his or her sole discretion, at the Meeting, elect to waive the requirement that proxies be deposited prior to the aforementioned time and accept any and all proxies deposited at or before the time of the Meeting or any adjournment or postponement thereof.

A registered Shareholder may also vote by internet voting at <https://login.odysseytrust.com/pxlogin>. Votes by internet must be received not later than 48 hours, excluding Saturdays, Sundays and statutory holidays, preceding the Meeting or any adjournment or postponement thereof. **The internet may also be used to**

appoint a proxyholder to attend and vote at the Meeting on the registered Shareholder's behalf and to convey a registered Shareholder's voting instructions.

A proxy may be revoked at any time prior to the exercise thereof. In addition to revocation in any other manner permitted by law, a registered Shareholder may revoke a proxy by:

- (i) depositing an instrument in writing executed by the registered Shareholder or by the registered Shareholder's attorney authorized in writing or, if the registered Shareholder is a corporation, by a duly authorized officer or attorney of the corporation:
 - (a) at the offices of the registrar and transfer agent of the Corporation, Odyssey Trust Company, Stock Exchange Tower, Suite 350, 300 5th Avenue SW, Calgary, Alberta, T2P 3C4, Canada, at any time, not less than 48 hours, excluding Saturdays, Sundays and statutory holidays, preceding the Meeting, or an adjournment or postponement of the Meeting, at which the proxy is to be used;
 - (b) at the registered office of the Corporation, Suite 800, 333 - 7th Avenue SW, Calgary, Alberta, T2P 2Z1, Canada, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment or postponement of the Meeting, at which the proxy is to be used; or
 - (c) with the Chairperson of the Meeting before the Meeting begins or, if the Meeting is adjourned or postponed, before the adjourned or postponed Meeting begins;
- (ii) completing and signing another proxy form with a later date and delivering it to the registrar and transfer agent of the Corporation not less than 48 hours, excluding Saturdays, Sundays and statutory holidays, preceding the Meeting or any adjournment or postponement thereof; or
- (iii) personally attending at the Meeting and voting the Common Shares represented by the proxy or, if the registered Shareholder is a corporation, by a duly authorized officer or attorney of such corporation attending at the Meeting and voting such Common Shares.

Only registered Shareholders have the right to revoke a proxy. Beneficial Shareholders who wish to change their vote must arrange for their respective intermediary to revoke the proxy on their behalf in accordance with any requirements of the intermediaries.

ADVICE TO BENEFICIAL SHAREHOLDERS

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

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

Beneficial Shareholders who have not objected to their intermediary disclosing certain ownership information about themselves to the Corporation are referred to as non-objecting beneficial owners or "NOBOs". Those Beneficial Shareholders who have objected to their intermediary disclosing ownership information about themselves to the Corporation are referred to as objecting beneficial owners or "OBOs".

Pursuant to NI 54-101, the Corporation has distributed copies of proxy-related materials in connection with this Meeting (including this Information Circular) indirectly to all Beneficial Shareholders. The Corporation is not relying on the notice and access delivery procedures outlined in NI 54-101 to distribute copies of the proxy related materials in connection with the Meeting.

The Corporation will not be paying for intermediaries to deliver to OBOs (who have not otherwise waived their right to receive proxy-related materials) copies of the proxy-related materials and related documents. Accordingly, an OBO will not receive copies of the proxy-related materials and related documents unless the OBO's intermediary assumes the costs of delivery.

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

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

VOTING OF PROXIES

Each Shareholder may instruct his proxy how to vote his Common Shares by completing the blanks on the Instrument of Proxy. All Common Shares represented at the Meeting by properly executed proxies will be voted or withheld from voting (including the voting on any ballot), and where a choice with respect to any matter to be acted upon has been specified in the Instrument of Proxy, the Common Shares represented by

the proxy will be voted in accordance with such specification. **In the absence of any such specification as to voting on the Instrument of Proxy, the Management Designees, if named as proxy, will vote in favour of the matters set out therein.**

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

QUORUM

The by-laws of the Corporation currently provide that a quorum of Shareholders is present at a meeting of Shareholders of the Corporation if at least two (2) holders of not less than ten (10%) percent of the outstanding shares of the Corporation entitled to vote at the Meeting are present in person or by proxy.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Corporation is authorized to issue an unlimited number of Common Shares, an unlimited number of Class "B" common non-voting shares, an unlimited number of First Preferred shares, issuable in series, and an unlimited number of Second Preferred shares, issuable in series and an unlimited number of Special Preferred Shares. As at the effective date of this Information Circular (the "**Effective Date**"), which is December 12, 2023, Common Shares are issued and outstanding as fully paid and non-assessable. No other shares of any other class are issued or outstanding. The Common Shares are the only shares entitled to be voted at the Meeting, and holders of Common Shares are entitled to one vote for each Common Share held.

Holders of Common Shares of record at the close of business on December 6, 2023 (the "**Record Date**") are entitled to vote such Common Shares at the Meeting on the basis of one vote for each Common Share held except to the extent that, (a) the holder has transferred the ownership of any of his Common Shares after the Record Date, and (b) the transferee of those Common Shares produces properly endorsed share certificates, or otherwise establishes that he owns the Common Shares, and demands not later than ten (10) days before the day of the Meeting that his name be included in the list of persons entitled to vote at the Meeting, in which case the transferee will be entitled to vote his Common Shares at the Meeting.

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

Name and Municipality of Residence	Designation of Class	Type of Ownership	Number	% of Common Shares
Glenn Walsh Richmond, British Columbia	Common Shares	Direct and Indirect	33,112,881 ⁽¹⁾⁽²⁾	17.41%

Notes:

- (1) 26,342,881 of these Common Shares are held indirectly through Conex Services Inc., a company controlled by Mr. Walsh.
- (2) Mr. Walsh also holds share purchase warrants to acquire 1,500,000 Common Shares. If these share purchase warrants were exercised he would beneficially own or control 34,612,881 Common Shares representing approximately 18.06% of the then outstanding Common Shares.

PARTICULARS OF MATTERS TO BE ACTED UPON

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

1. Receipt of Financial Statements

The directors will place before the Meeting the audited financial statements for the financial year ended December 31, 2022, together with the auditors' report thereon (the "**Annual Financial Statements**"). The Annual Financial Statements have been sent to the Shareholders who have requested such financial statements in accordance with applicable securities laws and are also available on the System for Electronic Document Retrieval and Analysis ("**SEDAR+**") of the Canadian Securities Administrators at www.sedarplus.ca.

2. Fix Number of Directors

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

The Board of Directors presently consists of five (5) directors, all of whom are being nominated for re-election. It is proposed that the number of directors for the ensuing year be set at five (5) and that the persons named below will be nominated at the Meeting. Each director elected will hold office until the next annual meeting of shareholders or until his successor is duly elected or appointed pursuant to the by-laws of the Corporation unless his office is earlier vacated in accordance with the provisions of the *Business Corporations Act* (Alberta) or the Corporation's by-laws. **Unless otherwise directed, it is the intention of the Management Designees, if named as proxy, to vote in favour of the ordinary resolution fixing the number of directors to be elected at the Meeting at five (5).**

3. Election of Directors

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

The Board of Directors has adopted an individual voting standard for the election of directors at the Meeting. Under the individual voting standard, in the event that a nominee for director receives a greater number of votes "withheld" than votes "for" his election as a director, the Board of Directors shall consider the circumstances of such vote, the particular attributes of the director nominee including his knowledge, experience and contribution at Board of Directors' meetings and make whatever determination the Board of Directors deems appropriate, including without limitation, requesting such director to resign at an appropriate time and advise Shareholders of the Board's decision in that regard. This policy applies only to uncontested elections, meaning elections where the number of nominees for directors is equal to the number of directors to be elected. The Board of Directors may fill any vacancy created by any such resignation or determine to leave the resulting vacancy unfilled.

Shareholders should note that, as a result of the majority voting policy, a "withhold" vote is effectively the same as a vote against a director nominee in an uncontested election.

Name, Municipality of Residence and Office	Present Occupation and Positions Held During the Last Five Years	Director Since	Number and Percentage of Common Shares owned, controlled or directed, directly or indirectly ⁽¹⁾
Archibald J. Nesbitt ⁽²⁾⁽⁴⁾ Calgary, Alberta President, Chief Executive Officer and Director	President and Chief Executive Officer of the Corporation. Member of the Law Society of Alberta since 1978. Previously, a director of Channel Resources Ltd. from January 2012 until March 2014 and Margaux Resources Ltd. from January 2011 to June 2013.	August 11, 2010	13,010,497 ⁽⁵⁾ 6.84%
John Niedermaier ⁽²⁾⁽⁴⁾ Calgary, Alberta Director	Chief Executive Officer of Mi Casa Rentals Inc. (private). Director of CMX Gold & Silver Corp. (CSE) since July 2012. Previously a director of Tyvan Oils Ltd. (private) until March 2013.	June 21, 2007	6,704,239 ⁽⁶⁾ 3.53%
V.E. Dale Burstall ⁽³⁾ Calgary, Alberta Director	Partner at DS Lawyers Canada LLP and its predecessors since 1994.	December 5, 2012	4,247,778 ⁽⁷⁾ 2.23%
Martin Shumway ⁽³⁾⁽⁴⁾ Worthington, Ohio Chief Operating Officer and Director	Chief Operating Officer of the Corporation since December 18, 2020. Technical Director, Locus Bio-Energy Solutions since March 2016. Owner of Shumway Resources LLC from June 2014 through present. Director of Marksmen Energy USA, Inc. January 2016 through present. Certified Petroleum Geologist (AAPG) and Professional Engineer (Ohio).	December 18, 2020	217,000 0.11%
Peter Weichler ⁽²⁾⁽³⁾ Calgary, Alberta Director	Partner at Candela Capital LP since 2016. Director and Corporate Secretary of Ventripoint Diagnostics Ltd, (TSX Venture symbol VPT), from December 18, 2019 until December 12, 2021.	December 9, 2021	1,584,000 0.83%
Totals			25,763,514 13.55%

Notes:

- (1) The information as to shares owned, controlled or directed, directly or indirectly, not being within the knowledge of the Corporation, has been furnished by the respective directors.
- (2) Member of the Audit Committee, of which Mr. Niedermaier is the Chairman.
- (3) Member of the Corporate Governance and Compensation Committee, of which Mr. Burstall is the Chairman.
- (4) Member of the Reserves Committee, of which Mr. Niedermaier is the Chairman.
- (5) 10,155,467 of these Common Shares are held indirectly through Archibald J. Nesbitt & Company Ltd., a company controlled by Mr. Nesbitt.
- (6) 3,770,000 of these Common Shares are held indirectly through LL&S Holdings Ltd., a company controlled by Mr. Niedermaier.
- (7) 4,077,778 of these Common Shares are held indirectly through Lost In Space, Inc., a company controlled by Mr. Burstall.

Cease Trade Orders

Other than as set forth below, no proposed director, within 10 years before the date of this Management Information Circular, has been a director, chief executive officer or chief financial officer of any company that:

- (a) was subject to: (i) a cease trade order; (ii) an order similar to a cease trade order; or (iii) an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days (collectively, an "**Order**") that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that

occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Mr. Burstall is a director of Composite Alliance Group Inc., formerly CanAsia Financial Inc. ("**CanAsia**"), since March 25, 2015. On or about May 5, 2016, the Alberta Securities Commission and other jurisdictions cease traded CanAsia for failing to file annual audited financial statements, annual management's discussion and analysis and certification of annual filings for the year ended December 31, 2015 and subsequent periods. On or about September 27, 2017, the Alberta Securities Commission and other jurisdictions revoked CanAsia's cease trade order.

On or about April 2, 2014, the Alberta Securities Commission cease traded QSolar Limited ("**QSolar**") based on the fact that the entire board of directors and all of the executive officers resigned and QSolar discontinued operations. Pursuant to a court order dated on or about April 17, 2015, Dale Burstall, along with three other individuals, was appointed a director of QSolar in order to try to preserve the assets of QSolar. Mr. Burstall resigned as a director of QSolar effective June 18, 2015.

Bankruptcies

No proposed director, within 10 years before the date of this Management Information Circular, has been a director or executive officer of any company that, while the proposed director was acting in that capacity, or within a year of the proposed director ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Personal Bankruptcies

No proposed director has, within 10 years before the date of this Management Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such proposed director.

Penalties and Sanctions

No proposed director of the Corporation has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

4. Appointment of Auditor

The current auditors of the Corporation are MNP LLP, Chartered Accountants. MNP LLP were first appointed auditors of the Corporation effective November 10, 2011.

Unless otherwise directed, it is management's intention to vote the proxies in favour of an ordinary resolution to appoint the firm of MNP LLP, Chartered Accountants, to serve as auditors of the Corporation until the next annual meeting of the Shareholders or until a successor is appointed, and to authorize the directors to fix their remuneration.

5. Approval of Stock Option Plan

The TSX Venture Exchange Inc. (the "**Exchange**" or the "**TSXV**") requires all listed companies with a 10% rolling stock option plan to obtain annual shareholder approval of such plan on an annual basis. Shareholders will be asked at the Meeting to vote on a resolution to approve, for the ensuing year, the current stock option plan of the Corporation (the "**Stock Option Plan**") which was previously approved on December 16, 2022, as described below.

The Stock Option Plan provides that the Board may from time to time, in its discretion, grant to directors, officers, employees and consultants of the Corporation and to individuals employed by a company providing management services to the Corporation (collectively, "**Eligible Participants**"), non-transferable options ("**Options**") to purchase Common Shares. The purpose of the Stock Option Plan is to provide an incentive to the directors, officers, employees, consultants and other personnel of the Corporation or any of its subsidiaries to achieve the longer-term objectives of the Corporation; to give suitable recognition to the ability and industry of such persons who contribute materially to the success of the Corporation; and to attract to and retain in the employ of the Corporation or any of its subsidiaries, persons of experience and ability, by providing them with the opportunity to acquire an increased proprietary interest in the Corporation.

The aggregate number of Common Shares issuable pursuant to the Stock Option Plan and any other Security Based Compensation Plans (as defined in the policies of the Exchange) of the Corporation may not exceed 10% of the issued and outstanding Common Shares as at the date of the grant of any Option. The period during which Options granted under the Stock Option Plan are exercisable may not exceed ten years from the date such Options are granted. The number of Common Shares issuable pursuant to Options granted (or any other Security Based Compensation granted or issued) in any 12-month period to any one person may not exceed five percent (5%) of the issued and outstanding Common Shares. In addition, the number of Common Shares issuable pursuant to Options granted (or any other Security Based Compensation granted or issued) in any 12-month period to any one consultant must not exceed 2% of the issued and outstanding Common Shares, calculated as at the date any Option is granted to the Consultant, and the number of Common Shares issuable pursuant to Options granted (or any other Security Based Compensation granted or issued) in any 12-month period to all Investor Relations Services Providers (as defined in the policies of the Exchange) in the aggregate must not exceed 2% of the issued and outstanding Common Shares, calculated as at the date the Option is granted to any such Investor Relations Service Provider.

The maximum aggregate number of Common Shares issuable pursuant to Options granted (or any other Security Based Compensation granted or issued) to insiders of the Corporation (as a group) must not exceed 10% of the issued and outstanding Common Shares at any point in time, unless disinterested shareholder approval is obtained. Furthermore, the maximum aggregate number of Common Shares issuable pursuant to Options granted (or any other Security Based Compensation granted or issued) in any 12-month period to insiders of the Corporation (as a group) must not exceed 10% of the issued and outstanding Common Shares, calculated as at the date the Option is granted to any insider, unless disinterested shareholder approval is obtained.

Pursuant to the Stock Option Plan, the Board determines the price per Common Share and the number of Common Shares which may be allotted to each Eligible Participant and all other terms and conditions of the Options, subject to the rules of the Exchange. The price per Common Share set by the Board may not be less than the last closing price of the Common Shares on the Exchange prior to the date on which such Options are granted, less the applicable discount permitted (if any) by the Exchange.

If a holder of Options ceases to be an Eligible Participant for any reason other than death, such holder may, but only within a reasonable period, not exceeding 12 months, to be set out in the applicable stock option agreement, after the holder's ceasing to be an Eligible Participant (or 30 days in the case of a holder engaged in Investor Relations Activities), or prior to the expiry date of the Options, whichever is earlier, exercise

any Options held by the holder, but only to the extent that the holder was entitled to exercise the Options at the date of such cessation. In the event of the death of a holder of Options, the options previously granted to such holder will be exercisable within one (1) year following the date of the death of the holder or prior to the expiry date of the Options, whichever is earlier, but only to the extent that the holder was entitled to exercise the Options at the date of such holder's death.

At the Meeting, the Shareholders will be asked to consider and, if thought fit, approve the following resolution to approve the Stock Option Plan.

"BE IT RESOLVED THAT:

1. The stock option plan (the "**Stock Option Plan**") of Marksmen Energy Inc. (the "**Corporation**") in the form of the Stock Option Plan attached as Exhibit 1 to the management information circular of the Corporation dated December 12, 2023, be and is hereby approved with such modifications as may be required by the TSX Venture Exchange;
2. The maximum number of common shares of the Corporation which may be issued under the Stock Option Plan shall be equal to ten percent (10%) of the then issued and outstanding common shares of the Corporation from time to time; and
3. Any director or officer of the Corporation be and is hereby authorized and directed to do and perform all such acts and things and to execute and deliver or cause to be delivered, for, in the name of and on behalf of the Corporation (whether under the seal of the Corporation or otherwise) all such agreements, instruments and other documents as in such individual's opinion may be necessary or desirable to perform the terms of this resolution."

The foregoing resolution must be passed by a majority of the votes cast by the Shareholders who vote on the resolution at the Meeting. If the Stock Option Plan is not ratified by the Shareholders, the Corporation will have to consider other methods of compensating and providing incentives to directors, officers, employees, consultants and other personnel. **In the absence of contrary direction, the Management Designees intend to vote proxies in the accompanying form in favour of this ordinary resolution.**

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The compensation program of the Corporation consists of base salary and Option grants and is designed to attract, motivate, reward and retain knowledgeable and skilled executives required to achieve the Corporation's corporate objectives and increase shareholder value. The main objective of the compensation program is to recognize the contribution of the executive officers to the overall success and strategic growth of the Corporation. The compensation program is designed to reward management performance by aligning a component of the compensation with the Corporation's business performance and share value. The Corporation sets the total compensation amounts for management based on internal consideration of the amounts necessary to attract and retain executive talent. The purpose of executive compensation is to reward the executives for their contributions to the achievements of the Corporation on both an annual and long term basis.

The compensation program provides incentives to its management and directors to achieve long term objectives through grants of Options under the Corporation's stock option plan. Increasing the value of the Marksmen Shares increases the value of the Options. This incentive closely links the interests of the Named Executive Officers (as defined below) and directors to shareholders of the Corporation.

Base Salary

Base salary is compensation for discharging job responsibilities and reflects the level of skills and capabilities demonstrated by the executive. Annual salary adjustments take into account the market value of the role and the executive's demonstration of capability during the year. In establishing base salaries, the Compensation and Corporate Governance Committee (or the Board of Directors as a whole) reviews general market salary levels for individuals in positions with similar responsibilities and experience. Generally, the Compensation and Corporate Governance Committee targets base salaries at levels approximating those holding similar positions in comparably sized companies in the industry and hopes to achieve targeted total compensation levels through the fixed and variable components. Comparable corporations are chosen based on their being in the industry and having a comparable asset base and/or revenues in a particular financial year. Comparable positions are identified based on publicly available information on such corporations.

Option-based Awards

The Corporation did not grant any stock options to the Named Executive Officers during the financial year ended December 31, 2022. Options are granted to provide an incentive to the directors, officers, employees and consultants of the Corporation to achieve the longer-term objectives of the Corporation. The purpose of the stock option plan is to give suitable recognition to the ability and industry of such persons who contribute materially to the success of the Corporation and to attract and retain persons of experience and ability by providing them with the opportunity to acquire an increased proprietary interest in the Corporation. Options are also used as a means to promote the long-term retention of individuals. The Corporation awards Options to its executive officers and directors based upon the recommendation of the Compensation and Corporate Governance Committee (or the Board of Directors as a whole), which recommendation is based upon the committee's review of proposals from the Chief Executive Officer. Previous grants of Options are taken into account when considering new grants.

The allocation of the number of options granted among the directors and officers of the Corporation is determined by the entire Board of Directors. See "*Incentive Plan Awards*" below and "*Director Compensation - Incentive Plan Awards*" below.

Summary Compensation Table

The following table sets forth all annual and long term compensation for the years ended December 31, 2022, 2021 and 2020 for services in all capacities to the Corporation and its subsidiaries, if any, in respect of individual(s) who were acting as, or were acting in a capacity similar to, a chief executive officer or chief financial officer and the three most highly compensated executive officers whose total compensation exceeded \$150,000 per annum (the "**Named Executive Officers**").

Name and Principal Position	Year Ended December 31	Salary (\$)	Share Based Awards ⁽¹⁾ (\$)	Option Based Awards ⁽²⁾⁽³⁾ (\$)	Non-Equity Incentive Plan Compensation (\$)		Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plans	Long- Term Incentive Plans			
Archibald J. Nesbitt	2022	Nil	Nil	18,236	Nil	Nil	Nil	142,100	160,336
President and Chief	2021	Nil	Nil	36,234	Nil	Nil	Nil	136,700 ⁽⁴⁾	172,934
Executive Officer	2020	Nil	Nil	24,356	Nil	Nil	Nil	133,000 ⁽⁴⁾	157,356

Name and Principal Position	Year Ended December 31	Salary (\$)	Share Based Awards ⁽¹⁾ (\$)	Option Based Awards ⁽²⁾⁽³⁾ (\$)	Non-Equity Incentive Plan Compensation (\$)			All Other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plans	Long- Term Incentive Plans	Pension Value (\$)		
John McIntyre Chief Financial Officer	2022	110,000	Nil	15,545	Nil	Nil	Nil	Nil	125,545
	2021	90,000	Nil	29,387	Nil	Nil	Nil	Nil	119,387
	2020	90,000	Nil	16,455	Nil	Nil	Nil	Nil	106,455
Martin Shumway ⁽⁵⁾ Chief Operating Officer	2022	Nil	Nil	15,545	Nil	Nil	Nil	27,313	42,858
	2021	Nil	Nil	29,337	Nil	Nil	Nil	19,972	49,309
	2020	Nil	Nil	Nil	Nil	Nil	Nil	1,241	1,241

Notes:

- (1) **"Share-Based Award"** means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units and stock.
- (2) **"Option-Based Award"** means an award under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights and similar instruments that have option-like features.
- (3) The Options were granted for a period of five years and vest as to 1/3 on the issue dates of April 27, 2018, November 22, 2018, December 21, 2018, April 4, 2019, December 31, 2019, February 9, 2021 and November 5, 2021. The stock options vest as to 1/3 immediately upon grant and 1/3 on each of the first and second anniversary dates. The estimated fair value of each grant was calculated at the time the options were granted using Black-Scholes.
- (4) The amounts are comprised of payments made to Archibald J Nesbitt Professional Corporation for consulting services to the business in Ohio, investor relations in Canada and the USA and corporate finance activities.
- (5) Mr. Shumway was appointed as Chief Operating Officer of the Corporation on December 18, 2020. Prior thereto, Mr. Shumway was a consultant of Marksmen.

Incentive Plan Awards**Outstanding Share-Based Awards and Option-Based Awards**

The following table sets forth details of all awards outstanding for each Named Executive Officer of the Corporation as of December 31, 2022, including awards granted before the 2022 financial year.

Name	Option-Based Awards			Share-Based Awards		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiry Date	Value of Unexercised in-the-money Options ⁽¹⁾⁽²⁾ (\$)	Number of Shares or Units of Shares that have not vested (#)	Market or Payout Value of Share Based Awards that have not vested (\$)
Archibald J. Nesbitt	350,000	0.22	April 27, 2023	Nil	N/A	N/A
	290,000	0.13	November 22, 2023	Nil		
	275,000	0.10	April 4, 2024	Nil		
	675,000	0.05	December 31, 2024	23,625		
	810,000	0.05	February 9, 2026	4,050		
	480,000	0.06	November 5, 2026	16,800		

Name	Option-Based Awards			Share-Based Awards		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiry Date	Value of Unexercised in-the-money Options ⁽¹⁾⁽²⁾ (\$)	Number of Shares or Units of Shares that have not vested (#)	Market or Payout Value of Share Based Awards that have not vested (\$)
John McIntyre	210,000	0.22	April 27, 2023	Nil	N/A	N/A
	200,000	0.13	November 22, 2023	Nil		
	185,000	0.10	April 4, 2024	Nil		
	475,000	0.05	December 31, 2024	16,625		
	625,000	0.05	February 9, 2026	3,125		
	440,000	0.06	November 5, 2026	15,400		
Martin Shumway	225,000	0.22	April 27, 2023	Nil	N/A	N/A
	150,000	0.13	November 22, 2023	Nil		
	650,000	0.05	December 31, 2024	22,750		
	625,000	0.05	February 9, 2026	3,125		
	440,000	0.06	November 5, 2026	15,400		

Notes:

- (1) Unexercised "in-the-money" Options refer to the Options in respect of which the market value of the underlying securities as at December 31, 2022 exceeds the exercise or base price of the Option.
- (2) The aggregate of the difference between the closing price of the Marksmen Shares as at December 30, 2022, the last day the Marksmen Shares traded in fiscal 2022, being \$0.085 per Marksmen Share, and the exercise price of the Options.

Incentive Plan Awards - Value Vested or Earned During the Year

The following table sets forth the value of option-based awards and share-based awards which vested or were earned during the most recently completed financial year (2022) for each Named Executive Officer.

Name	Option-Based Awards - Value vested during the year ⁽¹⁾ (\$)	Share-Based Awards - Value vested during the year (\$)	Non-Equity Incentive Plan Compensation - Value earned during the year (\$)
Archibald J. Nesbitt	44,475	Nil	Nil
John McIntyre	35,150	Nil	Nil
Martin Shumway	41,275	Nil	Nil

Note:

- (1) Based upon the difference between the exercise price of the Options and the market price of the Marksmen Shares on the date such Options vested.

Pension Plan Benefits

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

Termination and Change of Control Benefits

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

DIRECTOR COMPENSATION

As at the year ended December 31, 2022, the Corporation had six (6) directors, three (3) of which (Archibald J. Nesbitt, Martin Shumway and Donald J. Jones) were also Named Executive Officers. Mr. Jones passed away on February 28, 2023. For a description of the compensation paid to the Named Executive Officers of the Corporation who also act as a director of the Corporation, see "*Executive Compensation*".

Director Compensation Table

The following table sets forth all compensation provided to directors who are not also Named Executive Officers ("**Outside Directors**") of the Corporation for the financial year ended December 31, 2022.

Name	Fees Earned (\$)	Share- Based Awards (\$) ⁽¹⁾	Option- Based Awards (\$) ⁽²⁾⁽³⁾	Non-Equity Incentive Plan Compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total (\$)
John Niedermaier	Nil	Nil	7,623	Nil	Nil	Nil	7,623
Dale Burstall	Nil	Nil	6,427	Nil	Nil	Nil	6,427
Donald Jones ⁽⁴⁾	Nil	Nil	3,114	Nil	Nil	Nil	3,114
Peter Weichler	Nil	Nil	13,634	Nil	Nil	Nil	13,634

Notes:

- (1) "**Share-Based Award**" means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units and stock.
- (2) "**Option-Based Award**" means an award under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights and similar instruments that have option-like features.
- (3) The Options were granted for a period of five years and vest as to 1/3 on the issue dates of April 27, 2018, November 22, 2018, December 21, 2018, April 4, 2019, December 31, 2019, February 9, 2021 and November 5, 2021. The options granted under the stock option plan vest as to 1/3 immediately and 1/3 on each of the first and second anniversary dates. The estimated fair value was calculated at the time the options were granted using Black-Scholes.
- (4) Mr. Jones passed away on February 28, 2023. Pursuant to the stock option plan of the Corporation, any Option previously granted shall be exercisable until the expiry date of the Option or until the expiration of 12 months after the date of death or permanent disability, whichever is earlier.

Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth details of all awards outstanding for each Outside Director as of December 31, 2022, including awards granted before the 2022 financial year.

Name	Option-Based Awards			Share-Based Awards		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiry Date	Value of Unexercised in-the- money Options ⁽¹⁾⁽²⁾ (\$)	Number of Shares or Units of Shares that have not vested (#)	Market or Payout Value of Share Based Awards that have not vested (\$)
John Niedermaier	50,000	0.22	April 27, 2023	Nil	N/A	N/A
	100,000	0.13	November 22, 2023	Nil		
	75,000	0.10	April 4, 2024	Nil		
	200,000	0.05	December 31, 2024	7,000		
	340,000	0.05	February 9, 2026	1,700		
	200,000	0.06	November 5, 2026	7,000		

Name	Option-Based Awards			Share-Based Awards		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiry Date	Value of Unexercised in-the-money Options ⁽¹⁾⁽²⁾ (\$)	Number of Shares or Units of Shares that have not vested (#)	Market or Payout Value of Share Based Awards that have not vested (\$)
Dale Burstall	50,000	0.22	April 27, 2023	Nil	N/A	N/A
	100,000	0.13	November 22, 2023	Nil		
	125,000	0.10	April 4, 2024	Nil		
	200,000	0.05	December 31, 2024	7,000		
	220,000	0.05	February 9, 2026	1,100		
	200,000	0.06	November 5, 2026	7,000		
Donald Jones ⁽³⁾	125,000	0.22	April 27, 2023	Nil	N/A	N/A
	100,000	0.13	November 27, 2023	Nil		
	40,000	0.10	April 4, 2024	Nil		
	150,000	0.05	December 31, 2024	5,250		
	100,000	0.05	February 9, 2026	500		
	100,000	0.06	November 5, 2026	3,500		
Peter Weichler	200,000	0.05	February 9, 2026	1,000	N/A	N/A
	550,000	0.06	November 5, 2026	19,250		

Notes:

- (1) Unexercised "in-the-money" Options refer to the Options in respect of which the market value of the underlying securities as at December 31, 2022 exceeds the exercise or base price of the Option.
- (2) The aggregate of the difference between the closing price of the Marksmen Shares as at December 30, 2022, the last day the Marksmen Shares traded in fiscal 2022, being \$0.085 per Marksmen Share, and the exercise price of the Options.
- (3) Mr. Jones passed away on February 28, 2023. Pursuant to the stock option plan of the Corporation, any Option previously granted shall be exercisable until the expiry date of the Option or until the expiration of 12 months after the date of death or permanent disability, whichever is earlier.

Incentive Plan Awards - Value Vested or Earned During the Year

The following table sets forth the value of option-based awards and share-based awards which vested or were earned during the most recently completed financial year (2022) for Outside Directors of the Corporation.

Name	Option-Based Awards - Value vested during the year ⁽¹⁾ (\$)	Share-Based Awards - Value vested during the year (\$)	Non-Equity Incentive Plan Compensation - Value earned during the year (\$)
John Niedermaier	15,700	N/A	N/A
Dale Burstall	15,100	N/A	N/A
Donald Jones ⁽²⁾	9,250	N/A	N/A
Peter Weichler	20,250	N/A	N/A

Notes:

- (1) Based upon the difference between the exercise price of the Options and the market price of the Marksmen Shares on the date such Options vested.
- (2) Mr. Jones passed away on February 28, 2023. Pursuant to the stock option plan of the Corporation, any Option previously granted shall be exercisable until the expiry date of the Option or until the expiration of 12 months after the date of death or permanent disability, whichever is earlier.

Other Compensation

Other than as set forth herein, the Corporation did not pay any other compensation to executive officers or directors (including personal benefits and securities or properties paid or distributed which compensation was not offered on the same terms to all full time employees) during the last completed financial year (2022) other than benefits and perquisites which did not amount to \$10,000 or greater per individual.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth securities of the Corporation that are authorized for issuance under equity compensation plans as at December 31, 2022.

Plan Category	Number of securities to be issued upon exercise of outstanding Options	Weighted-average exercise price of outstanding Options	Number of securities remaining available for future issuance under equity compensation plans (excluding outstanding securities reflected in Column 1)
Equity compensation plans approved by securityholders ⁽¹⁾	12,315,000	\$0.0811	5,407,267
Equity compensation plans not approved by securityholders	Nil	N/A	Nil

Note:

- (1) The stock option plan is currently the only equity compensation plan of the Corporation, and all securities listed in the table above were issued under the stock option plan.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

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

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as set forth herein, the Corporation is not aware of any material interests, direct or indirect, by way of beneficial ownership of securities or otherwise, of any director or executive officer, proposed nominee for election as a director or any Shareholder holding more than 10% of the voting rights attached to the Common Shares or any associate or affiliate of any of the foregoing in any transaction since the commencement of the preceding financial year or any proposed or ongoing transaction of the Corporation which has or will materially affect the Corporation. Dale Burstall is a partner with DS Lawyers Canada LLP which provides legal services to the Corporation.

MANAGEMENT CONTRACTS

Other than as set forth herein, during the most recently completed financial year, no management functions of the Corporation were to any substantial degree performed by a person or company other than the directors or executive officers (or private companies controlled by them, either directly or indirectly) of the Corporation.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

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

AUDIT COMMITTEE DISCLOSURE

The audit committee (the "**Audit Committee**") is a committee of the Board established for the purpose of overseeing the accounting and financial reporting process of the Corporation and annual external audits of the financial statements. The Audit Committee has set out its responsibilities and composition requirements in fulfilling its oversight in relation to the Corporation's internal accounting standards and practices, financial information, accounting systems and procedures, which procedures are set out below in the Corporation's Audit Committee charter.

Audit Committee Charter

The Board has developed a written Audit Committee charter (the "**Charter**"). A copy of the Charter is attached hereto as Exhibit II to this Information Circular.

Audit Committee Composition

The Audit Committee consists of John Niedermaier (Chairman), Archibald J. Nesbitt and Peter Weichler, all of whom are financially literate within the meaning of National Instrument 52-110 *Audit Committees* ("**NI 52-110**") of the CSA. Messrs. Niedermaier and Weichler are independent under NI 52-110 and Mr. Nesbitt is not considered to be independent under NI 52-110 as a result of being the current President and Chief Executive Officer of the Corporation.

Audit Committee Oversight

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

Relevant Education and Experience

John Niedermaier

Mr. Niedermaier is a professional engineer and has over 50 years of oil industry experience. In that time, he has built several successful companies, including Badger Drilling, Derrick Drilling and Petro Well Services. Mr. Niedermaier is a director of several other oil and gas corporations, both private and public. Mr. Niedermaier is familiar with the audit process and the financial reporting process of both public and private companies.

Archibald J. Nesbitt

Mr. Nesbitt is currently the President and Chief Executive Officer of the Corporation. Mr. Nesbitt holds a Bachelor of Commerce with Honours from Queen's University and a Bachelor of Laws from the University of Western Ontario. Mr. Nesbitt has been a founder, director and senior officer of several public and private companies, and has held the positions of President, CEO and CFO.

Peter Weichler

Mr. Weichler is a seasoned financial advisor who has had a career in Commercial Banking, Stock Brokerage, Public Markets Advisory and Promotion, and Investment Banking. In that time he has worked for noted banks and national advisory firms. Mr. Weichler holds a BA in Economics, an MBA (Accounting emphasis), and an FICB designation from the Institute of Canadian Bankers. Mr. Weichler has held positions as a director in several public and private firms, and is familiar with the audit and financial reporting process in Canada.

Reliance on Certain Exemptions

At no time since the commencement of the Corporation's most recently completed financial year has the Corporation relied on the exemption in Section 2.4 of NI 52-110 (*De Minimis Non-audit Services*), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110. However, the Corporation is relying upon the exemption in section 6.1 of NI 52-110, the exemption for venture issuers in relation to the requirement that every audit committee member be independent.

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described in the Charter under the subheading "*External Auditors*".

External Auditor Service Fees

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

	2022	2021
Audit fees ⁽¹⁾	52,000	\$47,000
Audit-related fees ⁽²⁾	Nil	Nil
Tax fees ⁽³⁾	7,500	7,600
All other fees ⁽⁴⁾	Nil	39,300
Total ⁽⁵⁾	59,500	\$93,900

Notes:

- (1) Audit fees were for profession services rendered by the auditors for the audit of the Corporation's annual consolidated financial statements as well as services provided in connection with statutory and regulatory filings.
- (2) Audit-related fees are for services related to performance of limited procedures performed by the Corporation's auditors related to interim reports.
- (3) Tax fees are for tax compliance, tax advice and tax planning.
- (4) All other fees for services performed by the Corporation's auditors and other accounting services.
- (5) These fees only represent professional services rendered and do not include any out-of-pocket disbursements or fees associated with filings made on the Corporation's behalf.

CORPORATE GOVERNANCE

Corporate governance relates to the activities of the Board of Directors, the members of which are elected by and are accountable to the Shareholders, and takes into account the role of the individual members of management who are appointed by the Board of Directors and who are charged with the day to day management of the Corporation. The Board of Directors is committed to sound corporate governance practices which are both in the interest of its Shareholders and contribute to effective and efficient decision making. To achieve this goal, the Corporation has implemented a Board of Directors Charter, Corporate Governance and Compensation Committee Charter, and Code of Conduct.

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

Board of Directors

The Board of Directors is currently comprised of five members, all of whom are standing for re-election at the Meeting. John Niedermaier and Peter Weichler are the current independent directors of the Corporation.

Mr. Archibald J. Nesbitt, the President and Chief Executive Officer of the Corporation, and Martin Shumway, the Chief Operating Officer of the Corporation, are members of management and, as a result, not independent directors. Mr. Burstall is not independent as a result of being legal counsel to the Corporation.

An "independent" director is a director who has no direct or indirect material relationship with the Corporation. A material relationship is a relationship which could, in the view of the Board, reasonably interfere with the exercise of a director's independent judgement. The independent judgement of the Board of Directors in carrying out its responsibilities is the responsibility of all directors. The Board of Directors facilitates independent supervision of management through meetings of the Board of Directors and through informal discussions among members of the Board of Directors and management. In addition, the Board of Directors have free access to the Corporation's external auditors, legal counsel and to any of the Corporation's officers.

Directorships

The following directors hold directorships in other reporting issuers (or the equivalent) in jurisdictions in Canada or a foreign jurisdiction.

Name	Name of Reporting Issuer	Name of Exchange or Market	Position	From	To
Dale Burstall	Composite Alliance Group Inc.	TSXV	Director	2015-03-25	Present
	Stuve Gold Corp.	TSXV	Director and Corporate Secretary	2018-01-29	Present
	High Mountain 2 Capital Corp.	TSXV	Director and Corporate Secretary	2020-08-25	Present
	M3 Capital Corp.	TSXV	Director	2021-09-08	Present
	A2ZCryptocap Inc.	TSXV	Director	2021-10-15	Present
John Niedermaier	CMX Gold & Silver Corp.	CSE	Director	2012-03-07	Present

Orientation and Continuing Education

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

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

Ethical Business Conduct

The Board of Directors has adopted a written Code of Conduct. The Board of Directors has found that the fiduciary duties placed on individual directors by the Corporation's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board of Directors in which the director has an interest have been sufficient

to ensure that the Board of Directors operates independently of management and in the best interests of the Corporation.

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

Nomination of Directors

The Board of Directors has not appointed a nominating committee. The Board of Directors determines new nominees to the Board of Directors although no formal process has been adopted. The nominees are generally the result of recruitment efforts by members of the Board of Directors including both formal and informal discussions among the members of the Board of Directors and officers of the Corporation.

Compensation

The current members of the Corporate Governance and Compensation Committee are Dale Burstall (Chairman), Martin Shumway and Peter Weichler. The responsibilities of the Corporate Governance and Compensation Committee in respect of compensation matters include reviewing and recommending to the Board of Directors the compensation policies and guidelines for supervisory management and personnel, corporate benefits, bonuses and other incentives, reviewing and approving corporate goals and objectives relevant to Chief Executive Officer compensation; non-CEO officer and director compensation; the review of executive compensation disclosure; succession plans for officers and for key employees; and material changes and trends in human resources policy, procedure, compensation and benefits. The responsibilities of the Corporate Governance and Compensation Committee in respect of corporate governance matters include addressing all governance issues identified by securities regulators and any additional issues as they arise by virtue of the operations and growth of the Corporation as being emerging progressive issues of corporate governance.

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

Other Board of Directors Committees

The Corporation has no standing committees at this time, other than the Audit Committee and Corporate Governance and Compensation Committee as discussed above, and the Reserves Committee as discussed below.

Reserves Committee

The Reserves Committee is responsible for reviewing the procedures relating to the disclosure of information with respect to oil and gas activities, reviewing the appointment of the independent evaluator under National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* ("**NI 51-101**"), reviewing the Corporation's procedures for providing information to the independent evaluator, meeting with management and the independent evaluator before approving the filing of the reserves data, reviewing the annual filings required by NI 51-101 and recommending approval to the Board of Directors and reviewing all disclosures made by or on behalf of the Corporation that is or will become available to the

public. The Reserves Committee is currently comprised of John Niedermaier (Chairman), Martin Shumway and Archie Nesbitt.

Assessments

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

OTHER BUSINESS

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

GENERAL

Unless otherwise directed, it is management's intention to vote proxies in favour of the resolutions set forth herein. All ordinary resolutions require, for the passing of the same, a simple majority of the votes cast at the Meeting by the holders of Common Shares.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available on SEDAR+ at www.sedarplus.ca. Financial information of the Corporation's most recently completed financial year is provided in the Corporation's comparative financial statements and management discussion and analysis available on SEDAR+. A Shareholder may contact the Corporation at:

Marksmen Energy Inc.
Suite 500, 400 - 3rd Avenue SW
Calgary, Alberta
T2P 4H2
Attention: Chief Financial Officer

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

BOARD APPROVAL

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

EXHIBIT I

THIS IS EXHIBIT I ATTACHED TO AND MADE PART OF THE INFORMATION CIRCULAR IN CONNECTION WITH THE ANNUAL GENERAL AND SPECIAL MEETING OF THE SHAREHOLDERS OF MARKSMEN ENERGY INC. TO BE HELD ON JANUARY 10, 2024.

MARKSMEN ENERGY INC. STOCK OPTION PLAN

Effective December 16, 2022

1. Purpose

The purpose of this Plan is to provide an incentive to the directors, officers, Employees, Consultants and other personnel of the Corporation or any of its subsidiaries to achieve the longer-term objectives of the Corporation; to give suitable recognition to the ability and industry of such persons who contribute materially to the success of the Corporation; and to attract to and retain in the employ of the Corporation or any of its subsidiaries, persons of experience and ability, by providing them with the opportunity to acquire an increased proprietary interest in the Corporation.

2. Definitions and Interpretation

When used in this Plan, unless there is something in the subject matter or context inconsistent therewith, the following words and terms shall have the respective meanings ascribed to them as follows:

- (a) "**Board of Directors**" means the board of directors of the Corporation;
- (b) "**Cashless Exercise**" has the meaning ascribed thereto in Exchange Policies;
- (c) "**Common Shares**" means common shares in the capital of the Corporation and any shares or securities of the Corporation into which such common shares are changed, converted, subdivided, consolidated or reclassified;
- (d) "**Corporation**" means Marksmen Energy Inc. and any successor corporation and any reference herein to action by the Corporation means action by or under the authority of its Board of Directors or a duly empowered committee appointed by the Board of Directors;
- (e) "**Discounted Market Price**" means the last per share closing price for the Common Shares on the Exchange before the date of grant of an Option, less any applicable discount under Exchange Policies;
- (f) "**Exchange**" means the TSX Venture Exchange Inc. or any other stock exchange on which the Common Shares are listed;
- (g) "**Exchange Policies**" means the policies of the Exchange, including those set forth in the Corporate Finance Manual of the Exchange;
- (h) "**Insider**" has the meaning ascribed thereto in Exchange Policies;

- (i) "**Net Exercise**" has the meaning ascribed thereto in Exchange Policies;
- (j) "**Option**" means an option granted by the Corporation to an Optionee entitling such Optionee to acquire a designated number of Common Shares from treasury at a price determined by the Board of Directors;
- (k) "**Option Period**" means the period determined by the Board of Directors during which an Optionee may exercise an Option, not to exceed the maximum period permitted by the Exchange, which maximum period is ten (10) years from the date the Option is granted;
- (l) "**Optionee**" means a person who is a director, officer, Employee, Consultant or other personnel of the Corporation or a subsidiary of the Corporation; a corporation wholly-owned by such persons; or any other individual or body corporate who may be granted an option pursuant to the requirements of the Exchange, who is granted an Option pursuant to this Plan; and
- (m) "**Plan**" shall mean the Corporation's incentive stock option plan as embodied herein and as from time to time amended.

Capitalized terms in this Plan that are not otherwise defined herein shall have the meaning set out in the Exchange Policies, including without limitation "Consultant", "Employee", "Insider", "Investor Relations Activities", "Investor Relations Service Provider", "Management Company Employee", "Participant", "Person", "Security Based Compensation" and "Security Based Compensation Plan".

Wherever the singular or masculine is used in this Plan, the same shall be construed as meaning the plural or feminine or body corporate and vice versa, where the context or the parties so require.

3. Administration

This Plan shall be administered by the Board of Directors. The Board of Directors shall have full and final discretion to interpret the provisions of this Plan and to prescribe, amend, rescind and waive rules and regulations to govern the administration and operation of this Plan. All decisions and interpretations made by the Board of Directors shall be binding and conclusive upon the Corporation and on all persons eligible to participate in this Plan, subject to shareholder approval if required by the Exchange. Notwithstanding the foregoing or any other provision contained herein, the Board of Directors shall have the right to delegate the administration and operation of this Plan to a special committee of directors appointed from time to time by the Board of Directors, in which case all references herein to the Board of Directors shall be deemed to refer to such committee.

4. Eligibility

The Board of Directors may at any time and from time to time designate those Optionees who are to be granted an Option pursuant to this Plan and grant an Option to such Optionee. Subject to the Exchange Policies and the limitations contained herein, the Board of Directors is authorized to provide for the grant and exercise of Options on such terms (which may vary as between Options) as it shall determine. No Option shall be granted to any person except upon recommendation of the Board of Directors. A person who has been granted an Option may, if he is otherwise eligible and if permitted by the Exchange Policies, be granted an additional Option or Options if the Board of Directors shall so determine. Subject to Exchange Policies, the Corporation and any Optionee shall represent that the Optionee is a bona fide Employee, Consultant or Management Company Employee (as such terms are defined in Exchange Policies) in respect of Options granted to such Optionee.

5. **Participation**

Participation in this Plan shall be entirely voluntary and any decision not to participate shall not affect an Optionee's relationship or employment with the Corporation.

Notwithstanding any express or implied term of this Plan or any Option to the contrary, the granting of an Option pursuant to this Plan shall in no way be construed as conferring on any Optionee any right with respect to continuance as a director, officer, Employee or Consultant of the Corporation or any subsidiary of the Corporation.

Options shall not be affected by any change of employment of the Optionee or by the Optionee ceasing to be a director or officer of or a Consultant to the Corporation or any of its subsidiaries, where the Optionee at the same time becomes or continues to be a director, officer or full-time Employee of or a Consultant to the Corporation or any of its subsidiaries.

No Optionee shall have any of the rights of a shareholder of the Corporation in respect to Common Shares issuable on exercise of an Option until such Common Shares shall have been paid for in full and issued by the Corporation on exercise of the Option, pursuant to this Plan.

6. **Common Shares Subject to Options**

The number of Common Shares reserved for issuance to any one person pursuant to Options granted under this Plan and any other Security Based Compensation Plan of the Corporation shall be subject to the following restrictions:

- (a) the aggregate number of Common Shares issuable pursuant to all Security Based Compensation Plans of the Corporation must not exceed 10% of the issued and outstanding Common Shares as at the date of the grant or issuance of any Security Based Compensation under any of such Security Based Compensation Plans, including the grant of Options under this Plan;
- (b) the maximum aggregate number of Common Shares issuable pursuant to all Security Based Compensation granted or issued in any 12-month period to any person (and where permitted under the Exchange Policies, any Companies that are wholly owned by that Person) must not exceed 5% of the issued and outstanding Common Shares, calculated as at the date any Security Based Compensation is granted or issued to the Person, unless disinterested shareholder approval is obtained;
- (c) the maximum aggregate number of Common Shares issuable pursuant to all Security Based Compensation granted or issued to Insiders (as a group) must not exceed 10% of the issued and outstanding Common Shares at any point in time, unless disinterested shareholder approval is obtained;
- (d) the maximum aggregate number of Common Shares issuable pursuant to all Security Based Compensation granted or issued in any 12-month period to Insiders (as a group) must not exceed 10% of the issued and outstanding Common Shares, calculated as at the date any Security Based Compensation is granted or issued to any Insider, unless disinterested shareholder approval is obtained;
- (e) the maximum aggregate number of Common Shares that are issuable pursuant to all Security Based Compensation granted or issued in any 12-month period to any one Consultant must not exceed 2% of the issued and outstanding Common Shares, calculated as at the date any Security Based Compensation is granted or issued to the Consultant; and

- (f) the maximum aggregate number of Common Shares that are issuable pursuant to all Options granted in any 12-month period to all Investor Relations Service Providers in the aggregate must not exceed 2% of the issued and outstanding Common Shares, calculated as at the date the Option is granted to any such Investor Relations Service Provider.

Appropriate adjustments shall be made as set forth in Section 15 hereof, in both the number of Common Shares covered by individual grants and the total number of Common Shares authorized to be issued hereunder, to give effect to any relevant changes in the capitalization of the Corporation.

If any Option granted hereunder shall expire or terminate for any reason without having been exercised in full, the unpurchased Common Shares subject thereto shall again be available for the purpose of this Plan.

7. Option Agreement

A written agreement will be entered into between the Corporation and each Optionee to whom an Option is granted hereunder, which agreement will set out the number of Common Shares subject to option, the exercise price and any other terms and conditions approved by the Board of Directors, all in accordance with the provisions of this Plan (herein referred to as the "Stock Option Agreement"). The Stock Option Agreement will be in such form as the Board of Directors may from time to time approve, and may contain such terms as may be considered necessary in order that the Option will comply with any provisions respecting options in the income tax or other laws in force in any country or jurisdiction of which the Optionee may from time to time be a resident or citizen or the rules of any regulatory body having jurisdiction over the Corporation.

8. Option Period and Exercise Price

Each Option and all rights thereunder shall be expressed to expire on the date set out in the respective Stock Option Agreement, which shall be the date of the expiry of the Option Period (the "**Expiry Date**"), subject to earlier termination as provided in Sections 11 and 12 hereof.

Subject to Exchange Policies and any limitations imposed by any relevant regulatory authority, the exercise price of an Option granted under this Plan shall be as determined by the Board of Directors when such Option is granted and shall be an amount at least equal to the Discounted Market Price of the Common Shares.

9. Exercise of Options

An Optionee shall be entitled to exercise an Option granted to him at any time prior to the expiry of the Option Period, subject to Sections 11 and 12 hereof and to vesting limitations which may be imposed by the Board of Directors at the time such Option is granted. Subject to Exchange Policies, including with respect to the vesting of Options granted to any Investor Relations Service Provider, the Board of Directors may, in its sole discretion, determine the time during which an Option shall vest and the method of vesting, or that no vesting restriction shall exist.

The exercise of any Option will be conditional upon receipt by the Corporation at its head office of a written notice of exercise, specifying the number of Common Shares in respect of which the Option is being exercised, accompanied by cash payment, certified cheque or bank draft for the full purchase price of such Common Shares with respect to which the Option is being exercised. Additionally, subject to Exchange Policies, the Optionee may be eligible to exercise such Options through the Cashless Exercise or Net Exercise provisions; in such event, the Optionee shall complete the notice of cashless settlement form (as provided by the Corporation) and return the executed form to the Corporation.

Common Shares shall not be issued pursuant to the exercise of an Option unless the exercise of such Option and the issuance and delivery of such Common Shares pursuant thereto shall comply with all relevant provisions of applicable securities law, including, without limitation, the 1933 Act, the *United States Securities and Exchange Act of 1934, as amended*, applicable U.S. state laws, the rules and regulations promulgated thereunder, and the requirements of any stock exchange or consolidated stock price reporting system on which prices for the Common Shares are quoted at any given time.

As a condition to the exercise of an Option, the Corporation may require, among other things, that the person exercising such Option to represent and warrant at the time of any such exercise that the Common Shares are being purchased only for investment and without any present intention to sell or distribute such Common Shares if, in the opinion of counsel for the Corporation, such a representation is required by law.

10. Blackout Extension Period

If an Option is to expire during a period when the Optionee is prohibited by the Corporation from exercising such Option or from trading in Common Shares of the Corporation pursuant to its applicable policies in respect of insider trading (a "**Blackout Period**"), the expiration date of such Option shall be extended for a period of ten (10) business days immediately following the end of the Blackout Period. This Section applies to all Options outstanding under this Plan.

11. Ceasing to be a Director, Officer, Employee or Consultant

If an Optionee ceases to be an eligible Participant under this Plan for any reason other than death, the Optionee may, but only within a reasonable period, not exceeding 12 months, to be set out in the applicable Stock Option Agreement at the time of the grant, following the Optionee's ceasing to be an eligible Participant (or 30 days in the case of an Optionee engaged in Investor Relations Activities) or prior to the expiry of the Option Period, whichever is earlier, exercise any Option held by the Optionee, but only to the extent that the Optionee was entitled to exercise the Option at the date of such cessation. For greater certainty, any Optionee who is deemed to be an Employee of the Corporation pursuant to any medical or disability plan of the Corporation shall be deemed to be an Employee for the purposes of this Plan.

12. Death of Optionee

In the event of the death of an Optionee, the Option previously granted to him shall be exercisable within one (1) year following the date of the death of the Optionee or prior to the expiry of the Option Period, whichever is earlier, and then only:

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

13. Optionee's Rights Not Transferable

No right or interest of any Optionee in or under this Plan is assignable or transferable, in whole or in part, either directly or by operation of law or otherwise in any manner except by bequeath or the laws of descent and distribution, subject to the requirements of the Exchange, or as otherwise allowed by the Exchange.

Subject to the foregoing, the terms of this Plan shall bind the Corporation and its successors and assigns, and each Optionee and his heirs, executors, administrators and personal representatives.

14. Takeover or Change of Control

The Corporation shall have the power, in the event of:

- (a) any disposition of all or substantially all of the assets of the Corporation, or the dissolution, merger, amalgamation or consolidation of the Corporation with or into any other corporation or of such corporation into the Corporation; or
- (b) any change in control of the Corporation,

to make such arrangements as it shall deem appropriate for the exercise of outstanding Options or continuance of outstanding Options, including without limitation, to amend any Stock Option Agreement to permit the exercise of any or all of the remaining Options prior to the completion of any such transaction. If the Corporation shall exercise such power, the Option shall be deemed to have been amended to permit the exercise thereof in whole or in part by the Optionee at any time or from time to time as determined by the Corporation prior to the completion of such transaction.

15. Anti-Dilution of the Option

In the event of:

- (a) any subdivision, redivision or change of the Common Shares at any time during the term of the Option into a greater number of Common Shares, the Corporation shall deliver, at the time of any exercise thereafter of the Option, such number of Common Shares as would have resulted from such subdivision, redivision or change if the exercise of the Option had been made prior to the date of such subdivision, redivision or change;
- (b) any consolidation or change of the Common Shares at any time during the term of the Option into a lesser number of Common Shares, the number of Common Shares deliverable by the Corporation on any exercise thereafter of the Option shall be reduced to such number of Common Shares as would have resulted from such consolidation or change if the exercise of the Option had been made prior to the date of such consolidation or change; or
- (c) any reclassification of the Common Shares at any time outstanding or change of the Common Shares into other shares, or in case of the consolidation, amalgamation or merger of the Corporation with or into any other corporation (other than a consolidation, amalgamation or merger which does not result in a reclassification of the outstanding Common Shares or a change of the Common Shares into other shares), or in case of any transfer of the undertaking or assets of the Corporation as an entirety or substantially as an entirety to another corporation, subject to the prior acceptance of the Exchange, at any time during the term of the Option, the Optionee shall be entitled to receive, and shall accept, in lieu of the number of Common Shares to which he was theretofore entitled upon exercise of the Option, the kind and amount of shares and other securities or property which such holder would have been entitled to receive as a result of such reclassification, change, consolidation, amalgamation, merger or transfer if, on the effective date thereof, he had been the holder of the number of Common Shares to which he was entitled upon exercise of the Option.

Adjustments shall be made successively whenever any event referred to in this Section shall occur. For greater certainty, the Optionee shall pay for the number of shares, other securities or property as aforesaid, the amount the Optionee would have paid if the Optionee had exercised the Option

prior to the effective date of such subdivision, redivision, consolidation or change of the Common Shares or such reclassification, consolidation, amalgamation, merger or transfer, as the case may be.

16. Costs

The Corporation shall pay all costs of administering this Plan.

17. Termination and Amendment

- (a) The Board of Directors may amend or terminate this Plan or any outstanding Option granted hereunder at any time without the approval of the shareholders of the Corporation or any Optionee whose Option is amended or terminated, in order to conform this Plan or such Option, as the case may be, to applicable law or regulation or the requirements of the Exchange or any relevant regulatory authority, whether or not such amendment or termination would affect any accrued rights, subject to the approval of the Exchange or such regulatory authority.
- (b) The Board of Directors may amend or terminate this Plan or any outstanding Option granted hereunder for any reason other than the reasons set forth in Section 17(a) hereof, subject to the approval of the Exchange or any relevant regulatory authority and the approval of the shareholders of the Corporation if required by the Exchange or such regulatory authority. Subject to Exchange Policies, disinterested shareholder approval will be obtained for any reduction in the exercise price of an Option, or the extension of the term of an Option, if the Optionee is an Insider of the Corporation at the time of the proposed amendment. No such amendment or termination will, without the consent of an Optionee, alter or impair any rights which have accrued to him prior to the effective date thereof.
- (c) This Plan, and any amendments thereto, shall be subject to acceptance and approval by the Exchange. Any Options granted prior to such approval and acceptance shall be conditional upon such approval and acceptance being given and no such Options may be exercised unless and until such approval and acceptance are given.

18. Withholding Tax

Upon exercise of an Option, the Optionee will, upon notification of the amount due and prior to or concurrently with the delivery of the certificates representing the Common Shares, pay to the Corporation amounts necessary to satisfy applicable withholding tax requirements or will otherwise make arrangements satisfactory to the Corporation for such requirements. In order to implement this provision, the Corporation or any related corporation will have the right to retain and withhold from any payment of cash or Common Shares under this Plan the amount of taxes required to be withheld or otherwise deducted and paid in respect of such exercise. At its discretion, the Corporation may require an Optionee receiving Common Shares upon the exercise of an Option to reimburse the Corporation for any such taxes required to be withheld by the Corporation and withhold any distribution to the Optionee in whole or in part until the Corporation is so reimbursed. In lieu thereof, the Corporation will have the right to withhold from any cash amount due or to become due from the Corporation to the Optionee an amount equal to such taxes. The Corporation may also retain and withhold or the Optionee may elect, subject to approval by the Corporation at its sole discretion, to have the Corporation retain and withhold a number of Common Shares having a market value not less than the amount of such taxes required to be withheld by the Corporation to reimburse the Corporation for any such taxes and cancel (in whole or in part) any such Common Shares issuable upon exercise of an Option so withheld.

19. Applicable Law

This Plan shall be governed by, administered and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein.

20. Prior Plans

On the effective date (as set out in Section 21 hereof), subject to Exchange approval and, if required, shareholder approval:

- (a) this Plan shall entirely replace and supersede prior stock option plans, if any, enacted by the Corporation; and
- (b) all outstanding options shall be deemed to be granted pursuant to this Plan.

21. Effective Date

This Plan shall become effective as of and from, and the effective date of this Plan shall be December 16, 2022, upon receipt of all necessary shareholder and regulatory approvals.

22. Legends on Hold Periods

If required by the Exchange policies or applicable securities laws, the Common Shares issued on exercise of the Options will be legended.

EXHIBIT II

THIS IS EXHIBIT II ATTACHED TO AND MADE PART OF THE INFORMATION CIRCULAR IN CONNECTION WITH THE ANNUAL GENERAL AND SPECIAL MEETING OF THE SHAREHOLDERS OF MARKSMEN ENERGY INC. TO BE HELD ON JANUARY 10, 2024.

MARKSMEN ENERGY INC.

AUDIT COMMITTEE CHARTER

I. Mandate

The primary function of the audit committee (the "**Audit Committee**") is to assist the Board of Directors in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Corporation to regulatory authorities and shareholders, the Corporation's systems of internal controls regarding finance and accounting, and the Corporation's auditing, accounting and financial reporting processes. Consistent with this function, the Audit Committee will encourage continuous improvement of, and should foster adherence to, the Corporation's policies, procedures and practices at all levels. The Audit Committee's primary duties and responsibilities are to:

- Serve as an independent and objective party to monitor the Corporation's financial reporting and internal control system and review the Corporation's financial statements.
- Review and appraise the performance of the Corporation's external auditors.
- Provide an open avenue of communication among the Corporation's auditors, financial and senior management and the Board of Directors.

II. Composition

The Audit Committee shall be comprised of three directors as determined by the Board of Directors, the majority of whom shall be independent directors, pursuant to the policies of the TSXV.

At least one member of the Audit Committee shall have accounting or related financial management expertise. It is the goal of the Corporation that all members of the Committee are financially literate. All members of the Audit Committee that are not financially literate are expected to work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Corporation's Charter, the definition of "financially literate" is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Corporation's financial statements.

The members of the Audit Committee shall be elected by the Board of Directors at its first meeting following the annual shareholders' meeting. Unless a Chair is elected by the full Board of Directors, the members of the Audit Committee may designate a Chair by a majority vote of the full Audit Committee membership.

III. Meetings

The Audit Committee shall meet at least four (4) times annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Audit Committee will meet at least annually with management and the external auditors in separate sessions.

IV. Responsibilities and Duties

To fulfill its responsibilities and duties, the Audit Committee shall:

Documents/Reports Review

1. Review and update this Charter annually.
1. Review the Corporation's financial statements, MD&A and any annual and interim earnings, press releases before the Corporation publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.

External Auditors

1. Require the external auditors to report directly to the Audit Committee.
2. Review annually the performance of the external auditors who shall be ultimately accountable to the Board of Directors and the Audit Committee as representatives of the shareholders of the Corporation.
3. Obtain annually, a formal written statement of external auditors setting forth all relationships between the external auditors and the Corporation and confirming their independence from the Corporation.
4. Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors.
5. Take, or recommend that the full Board of Directors take, appropriate action to oversee the independence of the external auditors.
6. Recommend to the Board of Directors the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval and the compensation of the external auditors.
7. Review with management and the external auditors the terms of the external auditors' engagement letter.
8. At each meeting, consult with the external auditors, without the presence of management, about the quality of the Corporation's accounting principles, internal controls and the completeness and accuracy of the Corporation's financial statements.
9. Review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Corporation.
10. Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.

11. Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Corporation's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:
- (a) the aggregate amount of all such non-audit services provided to the Corporation constitutes not more than five percent (5%) of the total amount of revenues paid by the Corporation to its external auditors during the fiscal year in which the non-audit services are provided;
 - (b) such services were not recognized by the Corporation at the time of the engagement to be non-audit services; and
 - (c) such services are promptly brought to the attention of the Audit Committee by the Corporation and approved prior to the completion of the audit by the Audit Committee or by one or more members of the Audit Committee who are members of the Board of Directors to whom authority to grant such approvals has been delegated by the Audit Committee.

Provided the pre-approval of the non-audit services is presented to the Audit Committee's first scheduled meeting following such approval such authority may be delegated by the Audit Committee to one or more independent members of the Audit Committee.

Financial Reporting

1. In consultation with the external auditors, review with management the integrity of the Corporation's financial reporting process, both internal and external.
2. Consider the external auditors' judgments about the quality and appropriateness of the Corporation's accounting principles as applied in its financial reporting.
3. Consider and approve, if appropriate, changes to the Corporation's auditing and accounting principles and practices as suggested by the external auditors and management.
4. Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments.
5. Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
6. Review any significant disagreement among management and the external auditors regarding financial reporting.
7. Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.
8. Review certification process.
9. Establish procedures for:
 - (a) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and
 - (b) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

Other

1. Review any related-party transactions.

V. Authority

The Committee may:

- (a) engage independent outside counsel and other advisors as it determines necessary to carry out its duties;
- (b) set and pay the compensation for any advisors employed by the Committee; and
- (c) communicate directly with the internal and external auditors.

The Committee shall have unrestricted access to the Corporation's personnel and documents and will be provided with the resources necessary to carry out its responsibilities.