

# **STRIKEWELL ENERGY CORP.**

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Vancouver, British Columbia  
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Tel: 604-331-3395 Fax: 604-688-4712

## **INFORMATION CIRCULAR**

June 21, 2023

### **INTRODUCTION**

This information circular (the “**Information Circular**”) accompanies the notice of annual general meeting of shareholders (the “**Notice**”) and is furnished to the shareholders (the “**Shareholders**”) holding common shares (each, a “**Common Share**”) in the capital of Strikewell Energy Corp. (the “**Company**”) in connection with the solicitation by the management of the Company, of proxies to be voted at the annual general meeting (the “**Meeting**”) of the Shareholders to be held on Wednesday, July 26, 2023 at 11:00 a.m. (Vancouver time) at the offices of Clark Wilson LLP, #900 – 885 West Georgia Street, Vancouver, British Columbia, Canada or at any adjournment or postponement thereof.

#### **Date and Currency**

The date of this Information Circular is June 21, 2023. Unless otherwise stated, all amounts herein are in Canadian Dollars.

### **PROXIES AND VOTING RIGHTS**

**We highly recommend all Shareholders vote their common shares prior to the meeting. Shareholders wishing to participate in the Meeting via audio/video conferencing are asked to please contact the Company at [info@strikwelenergy.com](mailto:info@strikwelenergy.com) to request the link for the Meeting before Monday, July 24, 2023. Shareholders who do not complete and deliver a form of proxy or voting instruction form, as applicable, will be unable to vote on audio/video conferencing. We will limiting access to essential personnel, registered shareholders and proxyholders entitled to attend and vote at the meeting.**

#### **Management Solicitation**

The solicitation of proxies by management of the Company will be conducted by mail and may be supplemented by telephone or other personal contact and such solicitation will be made without special compensation granted to the directors, regular officers, and employees of the Company. The Company does not reimburse Shareholders, nominees or agents for the costs incurred in obtaining, from the principals of such persons, authorization to execute forms of proxy, except that the Company has requested brokers and nominees who hold stock in their respective names to furnish this Information Circular and related proxy materials to their customers, and the Company will reimburse such brokers and nominees for their related out of pocket expenses. No solicitation will be made by specifically engaged employees or soliciting agents. The cost of solicitation will be borne by the Company.

No person has been authorized to give any information or to make any representation other

than as contained in this Information Circular in connection with the solicitation of proxies. If given or made, such information or representations must not be relied upon as having been authorized by the Company. The delivery of this Information Circular shall not create, under any circumstances, any implication that there has been no change in the information set forth herein since the date of this Information Circular. This Information Circular does not constitute the solicitation of a proxy by anyone in any jurisdiction in which such solicitation is not authorized, or in which the person making such solicitation is not qualified to do so, or to anyone to whom it is unlawful to make such an offer of solicitation.

### **Appointment of Proxy**

Only registered Shareholders are entitled to vote at the Meeting. A Shareholder is entitled to one vote for each Common Share that such Shareholder holds on June 21, 2023 (the “**Record Date**”) on the resolutions to be voted upon at the Meeting, and any other matter to come before the Meeting.

The persons named as proxyholders (the “**Designated Persons**”) in the enclosed form of proxy (the “**Form of Proxy**”) were designated by the directors of the Company.

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

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

In order to be voted, the completed Form of Proxy must be received by the Company’s registrar and transfer agent, Computershare Investor Services Inc. (the “**Transfer Agent**”), at their office’s Proxy Department located at 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario, Canada, M5J 2Y1 or by fax: 1-866-249-7775 (within North America) or 416-263-9524 (outside North America), at least forty-eight (48) hours (excluding Saturdays, Sundays and holidays) prior to the time of the Meeting, or any adjournment or postponement thereof. Shareholders can also vote by telephone or the Internet by following the instructions set out in the Form of Proxy. Alternatively, the completed Form of Proxy may be deposited with the Chairman of the Meeting on the day of the Meeting, or any adjournment or postponement thereof prior to the commencement of such meeting.

A Form of Proxy may not be valid unless it is dated and signed by the Shareholder who is giving it or by that Shareholder’s attorney-in-fact duly authorized by that Shareholder in writing or, in the case of a corporation, dated and executed by a duly authorized officer, or attorney-in-fact for, the corporation. If a Form of Proxy is executed by an attorney-in-fact for an individual Shareholder, joint Shareholders, or by an officer or attorney-in-fact for a corporate Shareholder, the instrument so empowering the officer or attorney-in-fact, as the case may be, or a notarial copy thereof, should accompany the Form of Proxy.

## **Revocability of Proxies**

A Shareholder who has given a proxy may revoke it at any time, before it is exercised, by an instrument in writing: (a) executed by that Shareholder or by that Shareholder's attorney-in-fact authorized in writing or, where that Shareholder is a corporation, by a duly authorized officer of, or attorney-in-fact for, the corporation; and (b) delivered either: (i) to the Company at RPO Box 60610 Granville Park, Vancouver, British Columbia, Canada V6H 4B9 (Attention: David Hislop) at any time up to and including the last business day preceding the day of the Meeting (as defined herein) or, if adjourned or postponed, any reconvening thereof, or (ii) to the Chairman of the Meeting prior to the vote on matters covered by the proxy on the day of the Meeting or, if adjourned or postponed, any reconvening thereof, or (iii) in any other manner provided by law.

Also, a proxy will automatically be revoked by either: (i) attendance at the Meeting and participation in a poll (ballot) by a Shareholder, or (ii) submission of a subsequent proxy in accordance with the foregoing procedures within the requisite time period. A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

## **Voting of Common Shares and Proxies and Exercise of Discretion by Designated Persons**

A Shareholder may indicate the manner in which the Designated Persons are to vote with respect to a matter to be voted upon at the Meeting by marking the appropriate space on the proxy. If the instructions as to voting indicated in the proxy are certain, the Common Shares represented by the proxy will be voted or withheld from voting in accordance with the instructions given in the proxy. If the Shareholder specifies a choice in the proxy with respect to a matter to be acted upon, then the Common Shares represented will be voted or withheld from the vote on that matter accordingly. **The Common Shares represented by a proxy will be voted or withheld from voting in accordance with the instructions of the Shareholder on any ballot that may be called for and if the Shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly.**

**IF NO CHOICE IS SPECIFIED IN THE PROXY WITH RESPECT TO A MATTER TO BE ACTED UPON, THE PROXY CONFERS DISCRETIONARY AUTHORITY WITH RESPECT TO THAT MATTER UPON THE DESIGNATED PERSONS NAMED IN THE FORM OF PROXY. IT IS INTENDED THAT THE DESIGNATED PERSONS WILL VOTE THE SHARES REPRESENTED BY THE PROXY IN FAVOUR OF EACH MATTER IDENTIFIED IN THE PROXY, INCLUDING THE VOTE FOR THE ELECTION OF THE NOMINEES TO THE COMPANY'S BOARD OF DIRECTORS (THE "BOARD") AND FOR THE APPOINTMENT OF THE AUDITORS.**

The enclosed Form of Proxy confers discretionary authority upon the persons named therein with respect to other matters which may properly come before the Meeting, including any amendments or variations to any matters identified in the Notice, and with respect to other matters, which may properly come before the Meeting. At the date of this Information Circular, management of the Company knew of no such amendments, variations, or other matters to come before the Meeting.

In the case of abstentions from or withholding of the voting of Common Shares on any matter, the Common Shares which are the subject of the abstention or withholding will be counted for determination of a quorum but will not be counted as affirmative or negative on the matter to be voted upon.

## ADVICE TO BENEFICIAL HOLDERS OF COMMON SHARES

The information set out in this section is of significant importance to those of our Shareholders who do not hold Common Shares in their own name. Shareholders who do not hold their Common Shares in their own name (referred to in this Information Circular as “Non-Registered Holders”) should note that only proxies deposited by Shareholders whose names appear on the records of the Company as the registered holders of Common Shares, or their duly appointed proxies, will be permitted to vote at the Meeting. Most Shareholders are Non-Registered Holders because the Common Shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank, or trust company through which they purchased the Common Shares. More particularly, a Non-Registered Holder’s Shares are registered either: (a) in the name of an intermediary (an “**Intermediary**”) that the Non-Registered Holder deals with in respect of the Common Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators or self-administered RRSP’s, RRIF’s, RESP’s and similar plans); or (b) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc. (“**CDS**”)) of which the Intermediary is a participant. In accordance with the requirements set out in National Instrument 54-101 of the Canadian Securities Administrators (“**NI 54-101**”), the Company has distributed copies of the Notice, this Information Circular, and the Form of Proxy (collectively, the “**Meeting Materials**”) to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders.

Intermediaries are required to forward the Meeting Materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Very often, Intermediaries will use service companies to forward the Meeting Materials to Non-Registered Holders. Generally, Non-Registered Holders who have not waived the right to receive Meeting Materials will either:

- (a) be given a Form of Proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature), which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Holder but which is otherwise not completed. Because the Intermediary has already signed the Form of Proxy, this Form of Proxy is not required to be signed by the Non-Registered Holder when submitting the proxy. In this case, the Non-Registered Holder who wishes to submit a proxy should otherwise properly complete the Form of Proxy and deposit it with the Transfer Agent as provided above; or
- (b) more typically, be given a voting instruction form which is not signed by the Intermediary, and which, when properly completed and signed by the Non-Registered Holder and returned to the Intermediary or its service company, will constitute voting instructions (often called a “**proxy authorization form**”) which the Intermediary must follow. Typically, the proxy authorization form will consist of a one page pre-printed form. Sometimes, instead of a one page pre-printed form, the proxy authorization will consist of a regular printed proxy form accompanied by a page of instructions, which contains a removable label containing a bar-code and other information. In order for the Form of Proxy to validly constitute a proxy authorization form, the Non-Registered Holder must remove the label from the instructions and affix it to the Form of Proxy, properly complete and sign the Form of Proxy and return it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company.

In either case, the purpose of this procedure is to permit a Non-Registered Holder to direct the voting of the Common Shares which they beneficially own. Should a Non-Registered Holder who receives one of the above forms wish to vote at the Meeting in person, the Non-Registered Holder should strike out the names of the Designated Persons named in the form and insert the Non-Registered Holder's name in the blank space provided. In either case, Non-Registered Holders should carefully follow the instructions of their Intermediary, including those regarding when and where the proxy or proxy authorization form is to be delivered. **Non-Registered Holders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate person well in advance of the Meeting.**

There are two kinds of beneficial owners – those who object to their name being made known to the issuers of securities which they own (called OBOs for Objecting Beneficial Owners) and those who do not object to the issuers of the securities they own knowing who they are (called NOBOs for Non-Objecting Beneficial Owners). Pursuant to NI 54-101, issuers can obtain a list of their NOBOs from Intermediaries for distribution of proxy-related materials directly to NOBOs.

**These Meeting materials are being sent to both registered Shareholders and Non-Registered Holders. If you are a Non-Registered Holder, and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf. By choosing to send these Meeting materials to you directly, the Company (and not the Intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.**

The Company is sending proxy-related materials directly to NOBOs. Management of the Company does not intend to pay for intermediaries to forward proxy-related materials to OBOs under NI 54-101, the proxy-related materials and Form 54-101F7 – *Request for Voting Instructions Made by Intermediary*. In the case of an OBO, the OBO will not receive the materials unless the OBO's intermediary assumes the cost of delivery.

All references to Shareholders in this Information Circular are to registered Shareholders, unless specifically stated otherwise.

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

Except as discussed elsewhere in this Information Circular, none of the following persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon, other than the election of directors, or the appointment of auditors (as defined and described herein):

- (a) any director or executive officer of the Company since January 1, 2022, being the beginning of the Company's last financial year;
- (b) any proposed nominee for election as a director of the Company; and
- (c) any associate or affiliate of any of the foregoing persons.

## VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Company is authorized to issue an unlimited number of Common Shares without par value and an unlimited number of Class A preferred shares without par value. As of the Record Date, determined by the Board to be the close of business on June 21, 2023, a total of 8,626,862 Common Shares were issued and outstanding and no Class A preferred shares were issued and outstanding.

Only the registered Shareholders as of the Record Date of June 21, 2023 are entitled to receive notice of, and to attend and vote at, the Meeting or any adjournment or postponement of the Meeting. These registered Shareholders of Common Shares will be entitled to cast one vote for each Common Share that they held on June 21, 2023.

To the knowledge of the directors and executive officers of the Company, no person or company beneficially owns, or exercises control or direction over, directly or indirectly, shares carrying 10% or more of the voting rights attached to any class of voting securities of the Company, other than as set forth below:

Name of Shareholder	No. of Common Shares Owned	Percentage of Outstanding Common Shares
John R. Hislop	4,230,769	49.04%

## RECEIPT OF FINANCIAL STATEMENTS

The directors will place before the Meeting the audited consolidated financial statements for the financial year ended December 31, 2022 together with the auditor's reports thereon. The Company's financial statements and Management's Discussion and Analysis ("**MD&A**") are available on SEDAR at [www.sedar.com](http://www.sedar.com).

## ELECTION OF DIRECTORS

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

The directors of the Company are elected at each annual general meeting and hold office until the next annual general meeting or until their successors are elected or appointed, unless his or her office is earlier vacated in accordance with the Articles of the Company or with the provisions of the *Business Corporations Act* (British Columbia) ("**BCBCA**"). The Company's current Board consists of David Hislop, Peter Bryant, and Alistair Palmer. Management of the Company proposes to nominate all the current directors, as further described in the table below, for election by the Shareholders as directors of the Company, to hold office until the next annual meeting. Information concerning such persons, as furnished by the individual directors, is as follows:

Name, Province and Country of Residence and Position Held with the Company <sup>(1)</sup>	Principal Occupation, Business or Employment and, if not an Elected Director, Occupation During the Past Five Years <sup>(1)</sup>	Number of Voting Securities of the Company or its Subsidiary Beneficially Owned, or Controlled or Directed, Directly or Indirectly <sup>(1)</sup>	Period during which the Nominee has served as a Director of the Company
<b>DAVID HISLOP, P.Eng, FEC</b> British Columbia, Canada  PRESIDENT, CEO and DIRECTOR <sup>(2) (3) (4) (5)</sup>	President, CEO and Director of the Company; Independent Consulting Engineer. Previously with the City of Surrey's engineering department from November 1997 to 2016.	5,000	July 22, 2013 to present.
<b>PETER BRYANT</b> British Columbia, Canada  DIRECTOR <sup>(2) (3) (4) (5)</sup>	Vice-President of Legal and Corporate Affairs, Silver Pacific Investments Inc.	18,750	June 30, 1993 to present.
<b>ALISTAIR PALMER</b> British Columbia, Canada  DIRECTOR <sup>(2) (3) (4) (5)</sup>	President and Owner of J.A. Palmer & Associates Inc., a consulting marketing, graphic design and branding company since May 1989.	Nil	June 22, 2011 to present.

(1) Information has been furnished by the respective nominees individually.

(2) Member of the Audit Committee.

(3) Member of the Corporate Governance Committee.

(4) Member of the Compensation and Nominating Committee.

(5) Member of the Disclosure Committee.

The term of office of the nominees set out above, who are presently directors, will expire as of the date of the Meeting. All of the directors who are elected at the Meeting will have their term of office expire at the next annual general meeting or at such time when their successors are duly elected or appointed in accordance with the Company's Articles, or with the provisions of the BCBCA or until such director's earlier death, resignation, or removal.

**Management recommends the election of each of the nominees listed above as a director of the Company for the ensuing year.**

Management does not contemplate that any of its nominees will be unable to serve as directors. If any vacancies occur in the slate of nominees listed above before the Meeting, then the Designated Persons intend to exercise discretionary authority to vote the Common Shares represented by proxy for the election of any other persons as directors.

### **Cease Trade Orders**

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

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

“Order” means:

- (a) a cease trade order;
- (b) an order similar to a cease trade order; or
- (c) 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.

### **Bankruptcies**

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

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

### **Penalties or Sanctions**

No proposed director has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to reasonable Shareholders in deciding whether to vote for a proposed director.

The above information was provided by management of the Company.

## EXECUTIVE COMPENSATION

### General

For the purpose of this Information Circular:

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

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

“**Named Executive Officer**” or “**NEO**” means:

- (a) a CEO;
- (b) a CFO;
- (c) each of the Company’s three most highly compensated executive officers, including the Company’s subsidiary, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year and whose total compensation was, individually more than \$150,000 as determined in accordance with subsection 1.3(6) of Form 51-102 F6 *Statement of Executive Compensation*, for the last financial year; or
- (d) any individual who would be a Named Executive Officer under paragraph (c) but for the fact that the individual was neither an executive officer of the Company or its subsidiary, nor acting in a similar capacity, at the end of the most recently completed financial year.

“**Option-Based Awards**” means includes stock options and similar instruments including stock appreciation rights granted or issued by the Company or one of its subsidiaries (if any) for services provided or to be provided, directly or indirectly to the Company or any of its subsidiaries (if any);

“**Stock-Based Awards**” means includes common or preferred shares, convertible securities, exchangeable securities and similar instruments and restricted stock units granted or issued by the Company or one of its subsidiaries (if any) for services provided or to be provided, directly or indirectly to the Company or any of its subsidiaries (if any);

### Compensation Discussion and Analysis

All tasks related to developing and monitoring the Company’s approach to the compensation of officers of the Company and to developing and monitoring the Company’s approach to the nomination of directors to the Board are performed by the members of the Company’s Compensation and Nominating Committee (as defined herein). The compensation of the NEOs and the Company’s employees is reviewed and recommended for Board approval by the Compensation and Nominating Committee.

The overall purpose of the compensation and nominating committee (the “**Compensation and**

**Nominating Committee**) is to develop and monitor the Company's approach to the compensation of officers of the Company and to develop and monitor the Company's approach to the nomination of directors to the Board.

The objectives of the Company's compensation policies and procedures are to align the interests of the Company's employees with the interests of the Shareholders. As such, a significant portion of total compensation paid by the Company is based upon overall corporate performance. The Company's compensation strategy is to offer short-term, medium-term and long-term compensation components to ensure that the Company has in place programs to attract, retain and develop management of the highest caliber and a process to provide for the orderly succession of management, including receipt on an annual basis of any recommendations of the CEO, if any, in this regard. The Company currently has short-term compensation components in place, and will develop medium-term and long-term compensation components. The Company has not granted any stock options.

Compensation to NEOs is comprised of a base salary. The Company chooses to pay a base salary to its NEOs and employees to satisfy the short-term compensation component. In the future, the Company may consider paying discretionary annual cash bonuses to satisfy the medium-term compensation component and may grant options to purchase Common Shares of the Company with longer future vesting dates to satisfy the long-term compensation component. During the most recently completed fiscal year, the Company did not pay any bonuses, commissions or grant any stock options to its directors and officers, nor is the Company currently considering the payment of bonuses, commissions and the granting of stock options.

#### *Annual Base Salaries*

Each NEO will be paid an annual salary that also takes into account his or her existing professional qualifications and experience. The NEOs' performances and salaries are to be reviewed periodically on the anniversary of their employment with the Company. Increases in salary are to be evaluated on an individual basis and are performance and market-based.

#### *Risk Management Disclosure*

The Compensation and Nominating Committee reviewed the elements of compensation of the Company to identify any risks arising from the Company's compensation policies and practices that could reasonably be expected to have a material adverse effect on the Company as well as the practices used to mitigate any such risks. The Compensation and Nominating Committee concluded that the compensation program and policies of the Company did not encourage its executives to take inappropriate or excessive risks. This assessment was based on a number of considerations, including, without limitation, the following: (i) the Company's compensation policies and practices are generally uniform throughout the organization; (ii) in exercising its discretion under its compensation policies the Compensation and Nominating Committee reviews individual and corporate performance taking into account the long-term interests of the Company; and (iii) results of annual assessments of executives' goals, objectives and performance are reviewed and considered in awarding compensation.

#### *Restrictions on Purchase of Financial Instruments*

Although the Company has not adopted a formal policy forbidding a NEO or director from purchasing financial instruments that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or

director, the Company is not aware of any NEO or director having entered into this type of transaction.

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

Executive officers of the Company, as well as directors, employees and consultants, are eligible to participate in the Company's stock option plan (the "**Option Plan**") to receive grants of stock options. Although the Company does not have any currently issued and outstanding stock options, it regards the strategic use of incentive stock options as a cornerstone of the Company's compensation plan. It applies to employees at all levels and continues to be one of the Company's primary tools for attracting, motivating, and retaining qualified employees, which is critical to the Company's success. The Company is committed to long-term incentive programs that promote the continuity of an excellent management team and, therefore, the long-term success of the Company. The Company has a Fixed Option Plan as an incentive to serve the Company in attaining its goal of improved shareholder value. The Board is responsible for administering the Option Plan. The Compensation and Nominating Committee is charged with responsibility to determine the type and amount of compensation to be paid to directors, officers, employees, and consultants of the Company including the awards of any stock options under the Option Plan.

All grants of stock options to the NEOs are reviewed and approved by both the Compensation and Nominating Committee and the Board. In evaluating option grants to a NEO, the Compensation and Nominating Committee and the Board evaluate a number of factors including, but not limited to: (i) the number of options already held by such NEO; (ii) a fair balance between the number of options held by the NEO concerned and the other executives of the Company, in light of their responsibilities and objectives; and (iii) the value of the options (generally determined using a Black-Scholes analysis) as a component in the NEO's overall compensation package.

### *Compensation Governance*

The policies and practices used by the Company to determine compensation of directors and officers, as described under "Compensation Discussion and Analysis" are developed and monitored by the members of the Company's Compensation and Nominating Committee.

The overall purpose of the Compensation and Nominating Committee with respect to director and officer compensation is to develop and monitor the Company's approach to the compensation of directors and officers of the Company. In particular, the mandate of the Compensation and Nominating Committee with respect to compensation is to:

- develop and monitor the Company's overall approach to compensation issues subject to approval by the Board;
- implement and administer a system of compensation which reflects superior standards of compensation practices and to continue to develop the Company's approach to compensation issues;
- undertake an annual review of compensation issues and practices as they affect the Company and make a comprehensive set of recommendations to the Board during each calendar year;
- advise the Board, or any committees of the Board, of compensation issues which the Compensation and Nominating Committee determines ought to be considered by the Board or any such committee; and

- report annually to the Shareholders, through the Company’s annual management information circular, the Company’s approach to compensation, and to review executive compensation disclosure before the Company publically discloses such information.

The members of the Compensation and Nominating Committee are David Hislop, Peter Bryant and Alistair Palmer. As defined in National Instrument 52-110 *Audit Committees* (“NI 52-110”), David Hislop is not “independent” and Peter Bryant and Alistair Palmer are “independent”.

The responsibilities and powers of the Compensation and Nominating Committee with respect to director and officer compensation are to review the compensation of the Company’s directors and officers and make recommendations for Board approval.

### Summary Compensation Table

Particulars of compensation paid to each NEO in the three most recently completed financial years, is set out in the summary compensation table below:

Name and principal position	Year Ending	Salary <sup>(4)</sup> (\$)	Share-based awards <sup>(5)</sup> (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
David Hislop President and CEO <sup>(1)</sup>	12/31/22	6,000	Nil	Nil	Nil	Nil	Nil	Nil	6,000
	12/31/21	6,000	Nil	Nil	Nil	Nil	Nil	Nil	6,000
	12/31/20	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Scott R. Hislop <sup>(2)</sup> <sup>(3)</sup>	12/31/22	6,000	Nil	Nil	Nil	Nil	Nil	Nil	6,000
	12/31/21	5,250	Nil	Nil	Nil	Nil	Nil	Nil	5,250
	12/31/20	6,000	Nil	Nil	Nil	Nil	Nil	Nil	6,000

(1) David Hislop became President and CEO of the Company on July 22, 2013.

(2) Scott R. Hislop became CFO and Secretary of the Company effective January 1, 2017.

(3) Scott R. Hislop is an employee of Caravel Management Corp. since September 4, 2018.

(4) The value of perquisites including property or other personal benefits provided to a NEO that are generally available to all employees, and that in aggregate are worth less than \$50,000, or are worth less than 10% of an NEO’s total salary for the financial year, are not reported herein.

(5) The Company has not granted any restricted shares or restricted share units, stock appreciation rights or long-term incentive plan payouts to the NEOs during the most recently ended fiscal year.

There were no NEOs serving as executive officers at the end of the most recently completed financial year or executive officers who served during the financial year whose total compensation exceeded \$150,000 per year.

## Incentive Plan Awards

An “incentive plan” is any plan providing compensation that depends on achieving certain performance goals or similar conditions within a specified period. An “incentive plan award” means compensation awarded, earned, paid, or payable under an incentive plan.

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

No share-based awards or option-based awards were granted to the NEOs during the most recently completed financial year.

## Pension Plan Benefits

The Company does not have any pension plans that provide for payments or benefits at, following, or in connection with retirement.

## Termination and Change of Control Benefits

The Company does not have any contracts, agreements, plans or arrangements that provide for payments to a NEO at, following, or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Company or a change in a NEO’s responsibility.

## DIRECTOR COMPENSATION

### Director Compensation Table

The following table sets forth the details of all compensation provided to the directors of the Company, other than the directors who were also NEOs during the Company’s most recently completed financial year:

Name	Fees Earned (\$)	Share-based Awards (\$)	Option-based Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total (\$)
Peter Bryant	6,000	Nil	Nil	Nil	Nil	Nil	6,000
Alistair Palmer	6,000	Nil	Nil	Nil	Nil	Nil	6,000

Les Tipton, a director of ZNX Energy Ltd., a wholly owned subsidiary of the Company, was paid directors fees in the amount of \$1,200 for the year.

There were no stock options granted to directors of the Company during the most recently completed financial year.

## Narrative Discussion

Other than as set forth below, no director of the Company who is not a NEO received, during the most recently completed financial year, compensation pursuant to:

- (a) any standard arrangement for the compensation of directors for their services in their capacity as directors, including any additional amounts payable for committee participation or special assignments;
- (b) any other arrangement, in addition to, or in lieu of, any standard arrangement, for the compensation of directors in their capacity as directors; or
- (c) any arrangement for the compensation of directors for services as consultants or experts.

During the fiscal year ended December 31, 2022, both Peter Bryant and Alistair Palmer received the sum of \$500 per month for their services as directors of the Company. In that regard, the Company paid a total of \$12,000 during the most recently completed financial year. Also, during the fiscal year ended December 31, 2022, Les Tipton, a director of ZNX Energy Ltd, a wholly owned subsidiary of the Company, received the sum of \$100 per month for his services as a director of ZNX Energy Ltd for a total of \$1,200 during the most recently completed financial year. Directors are entitled to be reimbursed for reasonable expenditures incurred in performing their duties as directors and may receive cash bonuses from time to time which the Company awards to directors for serving in their capacity as a member of the Board.

Directors are also entitled to participate in the 2022 Option Plan, which is designated to give each option holder an interest in preserving and maximizing shareholder value in the longer term. Individual grants are determined by an assessment of each individual director's current and expected future performance, level of responsibilities and the importance of his position and contribution to the Company. There were no stock options granted to directors of the Company during the most recently completed financial year.

### MANAGEMENT CONTRACTS

Effective November 1, 2011, the Company was party to a management services agreement dated November 1, 2011 (the "**Caravel Management Agreement**") with Caravel Management Corp. ("**Caravel**"). Caravel is a privately held management company. Caravel's mailing address is RPO Box 60610 Granville Park, Vancouver, British Columbia, Canada V6H 4B9. Pursuant to the Caravel Management Agreement, the Company agreed to pay Caravel \$5,000 per month for management and administrative services to be provided to the Company as well as any out-of-pocket expenses incurred by Caravel on behalf of the Company and specific specialized management services. Effective August 1, 2022, the Company is party to a revised management services agreement dated August 1, 2022 (the "**Revised Caravel Management Agreement**") with Caravel. Pursuant to the Revised Caravel Management Agreement, the Company agreed to pay Caravel \$10,000 per month for management and administrative services to be provided to the Company as well as any out-of-pocket expenses incurred by Caravel on behalf of the Company and specific specialized management services. Caravel is wholly-owned by John R. Hislop, who is an Informed Person of Caravel. Mr. Hislop is also an Informed Person of the Company, as he holds more than ten (10) percent of the voting rights attached to all outstanding voting securities of the Company. Mr. Hislop is a resident of the United Kingdom.

Pursuant to the Caravel Management Agreement and the Revised Caravel Management Agreement, Caravel provides a variety of services to the Company, as required, including administering the Company’s day to day affairs, liaising with auditors, accountants and legal counsel, developing financial plans for the exploration of the Company’s oil and gas properties, assisting with the negotiation of acquisitions of additional resource properties, negotiating financings, coordinating the dissemination of material information respecting the Company to the public and the Company’s shareholders in accordance with securities laws and ensuring regulatory compliance by coordinating all appropriate regulatory filings with the Company’s auditors and legal counsel.

Caravel also provides standard office and administrative services to the Company pursuant to the Caravel Management Agreement and the Revised Caravel Management Agreement, including the provision of head office space, telephone, fax, copying and other standard office services. Caravel is reimbursed for reasonable out of pocket expenses incurred in connection with performing the services required under the Caravel Management Agreement and the Revised Caravel Management Agreement. Provided that Caravel is not in default under the Revised Caravel Management Agreement, the agreement will automatically renew for additional monthly terms unless Caravel or the Company gives thirty days’ notice to the other party that it does not intend to renew the Revised Caravel Management Agreement. Caravel may terminate the Revised Caravel Management Agreement without cause by providing thirty (30) days written notice of termination to the Company. The Revised Caravel Management Agreement contains confidentiality provisions which prohibit Caravel, except as authorized or required by its duties, from divulging any trade secrets, secret or confidential operations, processes or dealings or any information concerning the organization, business, finances, transactions or other affairs of the Company.

During the Company’s most recently completed financial year, the Company made \$85,000 in payments to Caravel for administration services provided. Since January 1, 2023 to June 30, 2023, payments to Caravel totaled \$60,000 for administration services provided.

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

The following table sets forth details of the 2022 Fixed Stock Option Plan (“2022 Plan”), being the Company’s only equity compensation plan, as of December 31, 2022:

<b>Plan Category</b>	<b>Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights</b>	<b>Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights</b>	<b>Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans</b>
<b>Equity compensation plans approved by the Shareholders</b>	Nil	N/A	1,725,372
<b>Equity compensation plans not approved by the Shareholders</b>	N/A	N/A	N/A
<b>Total</b>	<b>Nil</b>	<b>N/A</b>	<b>1,725,372</b>

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

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

*Type of Award:* The 2022 Plan only provides for the grant of stock options. All stock options granted by the Board are subject to the conditions, limitations, restrictions, exercise price, vesting and other terms, determined by the Board in its sole discretion at the time of grant, subject to such limitations provided in the 2022 Plan and TSXV Policies, and will generally be evidenced by a stock option agreement. The following is a brief description of some of the key terms of stock option grants made pursuant to the 2022 Plan and is qualified in its entirety by the full text of the 2022 Plan. A copy of the 2022 Plan is available on SEDAR ([www.sedar.com](http://www.sedar.com)) under the Company's profile at Schedule "B" to the Management Information Circular dated June 30, 2022.

*Shares Subject to the 2022 Plan;* The 2022 Plan is a "fixed" stock option plan, whereby the aggregate number of Shares reserved for issuance, together with any other Shares reserved for issuance under any other plan or agreement of the Company, shall not exceed 1,725,372 being 20% of the total number of issued Shares (calculated on a non-diluted basis) on therecord date for the 2022 shareholders meeting at which the 2022 Plan was approved. A total of 1,725,372 stock options are available for grant under the 2022 Plan, being the maximum number of options permitted for grant under the 2022 Plan. There are no stock options currently outstanding under the 2022 Plan. In the event that a stock option granted under the Option Plan or the 2022 Plan expires unexercised, is terminated or is otherwise lawfully cancelled prior to the exercise of the stock option, the Shares that were issuable thereunder will be returned to the 2022 Plan and will be available again for an option grant under the 2022 Plan.

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

*Eligible Persons Under the 2022 Plan:* The 2022 Plan provides that directors, officers, employees, consultants, and other Eligible Persons (as defined in the 2022 Plan) of the Company and its subsidiaries or affiliates are eligible to be granted stock options pursuant to the 2022 Plan. *Exercise Price:* An option entitles a holder thereof to purchase a prescribed number of Shares at an exercise price determined by the Board at the time of grant, provided that the

exercise price of an option granted under the 2022 Plan shall be subject to the following conditions:

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

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

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

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

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

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

*Vesting:* No option shall be exercisable until it has vested. The Board shall establish a vesting period or periods at the time each Option is granted to Eligible Persons. If no vesting schedule is specified at the time of grant and the Optionee is not performing Investor Relations Activities (as defined in the 2022 Plan), the Option shall vest as to 25% on each of the 6-, 12-, 18- and 24-month anniversaries of its grant. Options granted to Investor Relations Service Providers will vest in stages over 12 months with no more than one quarter of the options vesting in any three-month period. If there is a Change of Control (as defined in the 2022 Plan), then all outstanding options (other than options held by Investor Relations Service Providers) whether fully vested and exercisable or remaining subject to vesting provisions or other limitations on exercise, shall be exercisable in full to enable the options Shares subject to such options to be issued and tendered to such bid. No acceleration of the vesting of any options shall be permitted without prior TSXV review and acceptance for options issued to Investor Relations Service Providers.

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

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

securities based compensation under any other Security Based Compensation Arrangement that may be adopted by the Company.

- (d) Consultants. The aggregate number of Options granted to any one Consultant, together with Common Shares reserved for issuance to such Optionee under all of the Company's other Security Based Compensation Arrangements, if any, in a 12-month period must not exceed 2% of the issued Common Shares of the Company (determined as at the Grant Date) without the prior consent of TSXV.

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

- (a) *Termination of Services for Cause*: If the engagement of the Optionee as a Director, Employee or Consultant is terminated for cause (as determined by common law), any Option granted hereunder to such Optionee shall terminate and cease to be exercisable immediately upon the Optionee ceasing to be a Director, Employee or Consultant by reason of termination for cause.
- (b) *Termination of Services Without Cause or Upon Resignation*: If the engagement of the Optionee as a Director, Employee or Consultant of the Company is terminated for any reason other than cause (as determined by common law), disability or death, or if such Director, Employee, or Consultant resigns, as the case may be, the Optionee may exercise any Option granted hereunder to the extent that such Option was exercisable and had vested on the date of termination until the date that is the earlier of (i) the Expiry Date, and (ii) the date that is 90 days after the effective date of the Optionee ceasing to be a Director, Employee or Consultant for that other reason.
- (c) *Termination of Investor Relations Services*: If the engagement of the Optionee as an Investor Relations Services Provider is terminated for any reason other than cause, disability or death, the Optionee may exercise any Option granted hereunder to the extent that such Option was exercisable and had vested on the date of termination until the date that is the earlier of (i) the Expiry Date, and (ii) the date that is 30 days after the effective date of the Optionee ceasing to be an Eligible Person.
- (d) *Death*: If the Optionee dies, the Optionee's lawful personal representatives, heirs or executors may exercise any Option granted hereunder to the Optionee to the extent such Option was exercisable and had vested on the date of death until the earlier of (i) the Expiry Date, and (ii) one year after the date of death of such Optionee.
- (e) *Disability*: If the Optionee ceases to be an Eligible Person, due to his Disability, or, in the case of an Optionee that is a company, the Disability of the person who provides management or consulting services to the Company or to an Affiliate of the Company, the Optionee may exercise any Option granted hereunder to the extent that such Option was exercisable and had vested on the Date of Disability until the earlier of (i) the Expiry Date, and (ii) the date that is one year after the Date of Disability.

- (f) *Changes in Status of Eligible Person:* If the Optionee ceases to be one type of Eligible Person but concurrently is or becomes one or more other type of Eligible Person, the Option will not terminate but will continue in full force and effect and the Optionee may exercise the Option until the earlier of (i) the Expiry Date, and (ii) the applicable date set forth in accordance with the 2022 Plan where the Optionee ceases to be any type of Eligible Person. If the Optionee is an Employee, the Option will not be affected by any change of the Optionee's employment where the Optionee continues to be employed by the Company or an Affiliate of the Company.

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

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

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

- (a) any required disinterested shareholder approval to reduce the exercise price of or extend the expiry date of an option issued to an insider in accordance with the policies of the TSXV while the Shares are listed on the TSXV;
- (b) any required approval of any applicable regulatory authority or the TSXV; and
- (c) any approval of shareholders of the Company as required by the rules of the TSXV or applicable law, provided that shareholder approval shall not be required for the following amendments and the Board may make any changes which may include but are not limited to:
  - (i) amendments of a "housekeeping nature";
  - (ii) amendments for the purpose of curing any ambiguity, error or omission in this Plan or to correct or supplement any provision of the 2022 Plan that is inconsistent with any other provision of the 2022 Plan; and
  - (iii) amendments which are necessary to comply with applicable law or the requirements of the TSXV.

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

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

None of the current or former directors, executive officers or employees of the Company, proposed nominees for election to the Board, or associates of such persons is, or has been, indebted to the Company or its subsidiary or indebted to another entity that is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or its subsidiaries at any time since the beginning of the last completed financial year of the Company and no indebtedness remains outstanding as at the date of this Information Circular.

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

Except as otherwise disclosed herein, no (a) Informed Person; (b) proposed director of the Company; or (c) associate or affiliate of any Informed Person or proposed director, has had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries, except with an interest arising from the ownership of Common Shares where such person will receive no extra or special benefit or advantage not shared on a pro rata basis by all holders of the same class of Common Shares.

"Informed Person" means:

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

## **APPOINTMENT OF AUDITOR**

Unless otherwise instructed, the proxies given pursuant to this solicitation will be voted for the appointment of Smythe LLP, 1700 – 475 Howe Street, Vancouver, BC, V6C 2B3 as the auditor of the Company for the financial year ending December 31, 2023, and the authorization of the directors of the Company fix the auditor's remuneration for the financial year ending December 31, 2023. An ordinary resolution needs to be passed by a simple majority of the votes cast by the Shareholders present in person or represented by proxy and entitled to vote at the Meeting.

**Management recommends that shareholders vote for the appointment of Smythe LLP as the auditor of the Company for the financial year ending December 31, 2023 and the authorization of the directors of the company to fix the auditor's remuneration for the financial year ending December 31, 2023.**

## **AUDIT COMMITTEE DISCLOSURE**

NI 52-110 requires the Company as a venture issuer, to disclose annually in its Information Circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor, as set forth in the following paragraphs.

### **Audit Committee**

The Audit Committee's role is to act in an objective, independent capacity as a liaison between the auditors, management, and the Board and to ensure the auditors have the ability to consider and discuss governance and audit issues with parties not directly responsible for operations. Applicable securities laws require the Company, as a venture issuer, to disclose certain information relating to the Company's audit committee and its relationship with the Company's independent auditors.

### **Audit Committee Charter**

The Company's Audit Committee is governed by an audit committee charter, the text of which is attached as Schedule "A" to this Information Circular.

### **Composition of the Audit Committee**

The Company's Audit Committee is currently comprised of three directors, David Hislop, Peter Bryant, and Alistair Palmer. As defined in NI 52-110, David Hislop is not "independent" and Peter Bryant and Alistair Palmer are "independent". Also as defined in NI 52-110, all of the Audit Committee members are "financially literate".

### **Relevant Education and Experience**

Mr. David Hislop is a professional engineer and Fellow of the Engineers of Canada originally registered in Alberta and now in British Columbia. Mr. Hislop holds a B.Sc. in Civil Engineering from Queen's University in Kingston, Ontario. He started working as a consulting engineer in 1984 specializing in major irrigation works and groundwater supply project throughout Alberta. Mr. Hislop worked as Upland Drainage Engineer with the City of Surrey's engineering drainage and environmental department from 1997 to 2016. Currently, he is an independent consulting Engineer.

Mr. Bryant is a businessman with over 50 years of experience in international finance and investment banking providing advice to public and private companies. Mr. Bryant has a General Certificate of Education from Rugby School in Rugby, England and he also has a Bachelor of Commerce degree from the University of Witwatersrand in Johannesburg, South Africa. Mr. Bryant also provides services to a number of private and publicly listed companies.

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

### **Audit Committee Oversight**

The Audit Committee is responsible for the review of both interim and annual financial statements for the Company. For purposes of performing their duties, the members of the Audit Committee have the right at all times, to inspect all the books and financial records of the Company and its subsidiary and to discuss with management and the external auditors of the Company any accounts, records and matters relating to the financial statements of the Company. The Audit Committee members meet periodically with management and annually with the external auditors.

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

### **Reliance on Exemptions**

Since the commencement of the Company's most recently completed financial year, the Company has not relied on the exemptions in Sections 2.4, 6.1.1(4), 6.1.1(5), or 6.1.1(6) or Part 8 of NI 52-110. Section 2.4 (De Minimis Non-audit Services) provides an exemption from the requirement that the audit committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the fiscal year in which the non-audit services were provided. Sections 6.1.1(4) (Circumstance Affecting the Business or Operations of the Venture Issuer), 6.1.1(5) (Events Outside Control of Member) and 6.1.1(6) (Death, Incapacity or Resignation) provide exemptions from the requirement that a majority of the members of the Company's audit committee must not be executive officers, employees, or control persons of the Company or of an affiliate of the Company. Part 8 (Exemptions) permits a company to apply to a securities regulatory authority or regulator for an exemption from the requirements of NI 52-110 in whole or in part.

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

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

### **External Auditor Service Fees**

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

The fees paid by the Company to its auditors in each of the last two fiscal years, by category, are as follows:

Financial Year Ending	Audit Fees (\$)	Audit Related Fees (\$)	Tax Fees (\$)	All Other Fees (\$)
December 31, 2022	30,000	366 <sup>(1)</sup>	Nil	Nil
December 31, 2021	26,000	572 <sup>(1)</sup>	4,300	Nil

(1) Canadian Public Accountability Board fees.

### Exemption

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

## CORPORATE GOVERNANCE DISCLOSURE

National Instrument 58-101 *Disclosure of Corporate Governance Practices* requires all reporting issuers to provide certain annual disclosure of their corporate governance practices with respect to the corporate governance guidelines (the “**Guidelines**”) adopted in National Policy 58-201. These Guidelines are not prescriptive but have been used by the Company in adopting its corporate governance practices. The Company’s approach to corporate governance is set out below.

### Board of Directors

Management is nominating three (3) individuals, David Hislop, Peter Bryant, and Alistair Palmer, all of whom are currently directors of the Company, to the Company’s Board of directors.

The Guidelines suggest that the board of directors of every reporting issuer should be constituted with a majority of individuals who qualify as “independent” directors under NI 52-110, which provides that a director is independent if he or she has no direct or indirect “material relationship” with the Company. A “material relationship” is a relationship, which could, in the view of the Company’s board of directors be reasonably expected to interfere with the exercise of a member’s independent judgement.

Of the Company’s current directors, Peter Bryant and Alistair Palmer are considered to be independent directors, as they have no direct or indirect material relationship with the Company.

David Hislop is not considered to be an independent director as he is also an executive officer of the Company.

As the majority of the Company’s directors are independent, the Board has put in place a Code of Business Conduct with formal procedures designed to facilitate the exercise of independent supervision over management, which relies on the integrity of the individual members of its management team to act in the best interests of the Company and the Shareholders. The independent directors do not regularly hold meetings at which the non-independent director is not present. Open and candid discussion among the independent directors is facilitated through

informal emails and telephone conversations. In the event a director has a conflict of interest, the director must disclose his interest to the Board and abstain from voting.

### **Other Directorships**

The following directors and proposed nominees for election or re-election as directors of the Company are also directors of other reporting issuers, as set forth below:

Alistair Palmer	XXL Energy Corp., a public company listed on the TSX Venture Exchange.
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Peter Bryant	Juggernaut Exploration Ltd., a public company listed on the TSX Venture Exchange.
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### **Board Orientation and Continuing Education**

Due to the size of the Company's current board of directors, the Board does not have a formal process of orientation or education program for the new members of the Board. However, any new directors will be given the opportunity to (a) familiarize themselves with the Company, the current directors, and members of management; (b) review copies of recent publicly filed documents of the Company, technical reports, and the Company's internal financial information; (c) have access to technical experts and consultants; and (d) review a summary of significant corporate and securities legislation. Directors are also given the opportunity for continuing education.

The Company does not have a formal process of continuing education for directors. Generally, the Company expects that existing and new Board members will have a familiarity with the business of oil and gas exploration, development, and production. Each Board member is responsible for maintaining the skill and knowledge necessary to meet their obligations as directors. Board meetings may also include presentations by the Company's management and consultants to give directors additional insight into the Company's business.

### **Ethical Business Conduct**

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

In considering a transaction in which a director or executive officer has a material interest, the director or executive officer is required to disclose the nature and extent of his interest to the Board and abstain from voting on any resolution pertaining to the transaction.

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

## Compensation and Nominating of Directors

The Board's Compensation and Nominating Committee is currently comprised of David Hislop, Peter Bryant, and Alistair Palmer, the majority of which are independent directors of the Company.

Potential candidates for appointment to the Board are considered by the Compensation and Nominating Committee, in reliance on the recommendations, qualifications and experience of its members and the potential candidates are then recommended to the Board.

While no specific procedures have been established to ensure an objective process for determining compensation, the Company believes its levels of compensation to be fair and appropriate. The Board has not engaged an outside consultant or advisor to assist in determining compensation for any of the Company's directors or officers.

The Compensation and Nominating Committee has a written charter that includes the following powers and responsibilities:

- to develop and monitor the Company's overall approach to compensation issues subject to approval by the Board;
- to implement and administer a system of compensation which reflects superior standards of compensation practices and to continue to develop the Company's approach to compensation issues;
- to undertake an annual review of compensation issues and practices as they affect the Company and make a comprehensive set of recommendations to the Board during each calendar year;
- to advise the Board, or any committees of the Board, of compensation issues which the Compensation and Nominating Committee determines ought to be considered by the Board or any such committee;
- to ensure that the Company has in place programs to attract and develop management of the highest caliber and a process to provide for the orderly succession of management, including receipt on an annual basis of any recommendation of the CEO in this regard;
- to identify and recommend qualified individuals to become new members of the Board;
- to report annually to the Shareholders, through the Company's annual management information circular, the Company's approach to compensation, and to review executive compensation disclosure before the Company publically discloses such information; and
- to recommend the slate of directors to be nominated for election at the annual meeting of Shareholders.

## Advance Notice Provision

On July 23, 2014, the Shareholders adopted an advance notice provision (the "**Advance Notice Provision**") to the Company's Articles to provide Shareholders, directors, and management of the Company with direction on the procedure for shareholder nomination of directors. The Advance Notice Provision is the framework by which the Company seeks to fix a deadline by which Shareholders of the Company must submit director nominations to the Company prior to any annual or special meeting of Shareholders and sets forth the information that a Shareholder must include in the notice to the Company for the notice to be in proper written form. Please see the Company's information circular dated June 23, 2014 for further information about the Advance Notice Provision.

## **All Board Committees**

### *Audit Committee:*

The Board's Audit Committee is currently comprised of David Hislop as the Chairman, Peter Bryant, and Alistair Palmer. The purpose of the Audit Committee is to provide an open avenue of communication between management, the Company's independent auditor and the Board and to assist the Board in its oversight of: the integrity, adequacy and timeliness of the Company's financial reporting and disclosure practices; the Company's compliance with legal and regulatory requirements related to financial reporting; and the independence and performance of the Company's independent auditor.

### *Corporate Governance Committee:*

The Corporate Governance Committee is currently comprised of David Hislop as the Chairman, Peter Bryant, and Alistair Palmer. The overall purpose of the Corporate Governance Committee is to develop and monitor the Company's approach to matters of governance.

### *Compensation and Nominating Committee:*

The Compensation and Nominating Committee is currently comprised of David Hislop as the Chairman, Peter Bryant, and Alistair Palmer. The overall purpose of the Compensation and Nominating Committee of the Company is to develop and monitor the Company's approach to the compensation of officers of the Company and to develop and monitor the Company's approach to the nomination of directors to the Board.

### *Disclosure Committee:*

The Board's Disclosure Committee is currently comprised of David Hislop as the Chairman, Peter Bryant, and Alistair Palmer. Clark Wilson LLP acts as general counsel to the Company and provides advice on issues related to disclosure, as needed. Its overall purpose is to provide timely, accurate and balanced disclosure of, and provide fair and equal access to, material information concerning the Company.

## **Assessments**

The Board has procedures for regularly assessing the effectiveness and contribution of the Board, its committees, or individual directors. As the Board is relatively small, it is expected that a significant lack of performance on the part of a committee or individual director would become readily apparent and could be dealt with on a case-by-case basis. With respect to the Board as a whole, the Board monitors its performance on an ongoing basis, and as part of that process considers the overall performance of the Company and input from the Shareholders.

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

### **Other Matters**

Other than: (a) the receipt of financial statements; (b) appointing the auditor and authorizing the directors to determine the auditor's remuneration; and (c) electing the directors as nominated; management of the Company is not aware of any other matter to come before the Meeting other than as set out in the Notice. **If any other matter properly comes before the Meeting, it is**

**the intention of the persons named in the enclosed Form of Proxy to vote the Common Shares represented thereby in accordance with their best judgement on such matter.**

### **ADDITIONAL INFORMATION**

Additional information relating to the Company is on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information relating to Strikewell Energy Corp. is provided in the Company's comparative financial statements and MD&A for the financial year ended December 31, 2022. Shareholders may contact the Company to request copies of financial statements and MD&A at the following address: RPO Box 60610 Granville Park, Vancouver, British Columbia, Canada V6H 4B9.

### **APPROVAL OF THE BOARD OF DIRECTORS**

The contents of this Information Circular have been approved and the delivery of it to each Shareholder of the Company entitled thereto and to the appropriate regulatory agencies has been authorized by the Board.

DATED at Vancouver, British Columbia, the 21<sup>st</sup> day of June, 2023.

**BY ORDER OF THE BOARD OF DIRECTORS**

***“David Hislop”***

\_\_\_\_\_  
David Hislop

Director, President, and Chief Executive Officer

## **SCHEDULE “A”**

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

#### **Audit Committee Charter**

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

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

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

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

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

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

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

##### **COMPOSITION**

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

not officers or employees of the Corporation or of an affiliate of the Corporation. With the exception of the foregoing quorum requirement, the Committee may determine its own procedures.

## **AUTHORITY AND RESPONSIBILITIES**

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

1. Monitor the adequacy of this Charter and recommend any proposed changes to the Board.
2. Review the appointments of the Corporation's Chief Financial Officer and any other key financial executives involved in the financial reporting process.
3. Review with management and the independent auditor the adequacy and effectiveness of the Corporation's accounting and financial controls and the adequacy and timeliness of its financial reporting processes.
4. Review with management and the independent auditor the annual financial statements and related documents and review with management the unaudited quarterly financial statements and related documents, prior to filing or distribution, including matters required to be reviewed under applicable legal or regulatory requirements.
5. Where appropriate and prior to release, review with management any news releases that disclose annual or interim financial results or contain other significant financial information that has not previously been released to the public.
6. Review the Corporation's financial reporting and accounting standards and principles and significant changes in such standards or principles or in their application, including key accounting decisions affecting the financial statements, alternatives thereto and the rationale for decisions made.
7. Review the quality and appropriateness of the accounting policies and the clarity of financial information and disclosure practices adopted by the Corporation, including consideration of the independent auditor's judgment about the quality and appropriateness of the Corporation's accounting policies. This review may include discussions with the independent auditor without the presence of management.
8. Review with management and the independent auditor significant related party transactions and potential conflicts of interest.
9. Pre-approve all non-audit services to be provided to the Corporation by the independent auditor.
10. Monitor the independence of the independent auditor by reviewing all relationships between the independent auditor and the Corporation and all non-audit work performed for the Corporation by the independent auditor.

11. Establish and review the Corporation's procedures for the:
  - receipt, retention, and treatment of complaints regarding accounting, financial disclosure, internal controls, or auditing matters; and
  - confidential and anonymous submissions by employees regarding questionable accounting, auditing, and financial reporting and disclosure matters.
12. Conduct or authorize investigations into any matters that the Committee believes is within the scope of its responsibilities. The Committee has the authority to retain independent counsel, accountants, or other advisors to assist it, as it considers necessary, to carry out its duties, and to set and pay the compensation of such advisors at the expense of the Corporation.
13. Perform such other functions and exercise such other powers as are prescribed from time to time for the audit committee of a reporting company in Parts 2 and 4 of Multilateral Instrument 52-110 of the Canadian Securities Administrators, the *Business Corporations Act* (British Columbia) and the articles of the Corporation.
14. Meet with the Corporation's officers, external auditors, or outside counsel, as necessary.