



**NOTICE OF MEETING**

**AND**

**MANAGEMENT INFORMATION CIRCULAR**

**ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS**

**OF**

**NEW STRATUS ENERGY INC.**

**to be held on**

**June 14, 2023**

**at 10:00 a.m. (Calgary time)**

**at Dentons Canada LLP  
15<sup>th</sup> Floor, Bankers Court  
850 – 2<sup>nd</sup> Street S.W.  
Calgary, Alberta**

**This Management Information Circular and Proxy Statement is furnished in connection with the solicitation of proxies by the management of New Stratus Energy Inc. to be voted at the Annual General and Special Meeting to be held on June 14, 2023 at the time and place and for the purposes set out in the accompanying Notice of Annual General and Special Meeting and at any adjournments thereof.**

## NEW STRATUS ENERGY INC.

### NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF THE SHAREHOLDERS

**TAKE NOTICE THAT** an annual general and special meeting (the “**Meeting**”) of the shareholders of New Stratus Energy Inc. (the “**Corporation**”) will be held at 10:00 a.m. (Calgary time) on Wednesday, June 14, 2023 at Dentons Canada LLP, 15<sup>th</sup> Floor, Bankers Court, 850 – 2<sup>nd</sup> Street S.W., Calgary, Alberta for the following purposes:

1. to receive and consider the audited financial statements of the Corporation for the nine-month transition year ended December 31, 2022 and 12-month financial year ended March 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 to serve until the next annual meeting of the shareholders or until their successors are duly elected or appointed;
4. to appoint the auditor of the Corporation for the ensuing year and to authorize the directors of the Corporation to determine the remuneration to be paid to the auditor;
5. to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution approving the stock option plan of the Corporation, as more particularly set forth in the accompanying Management Information Circular; and
6. to transact such other business as may properly come before the Meeting.

Information relating to matters to be acted upon by the shareholders at the Meeting is set forth in the accompanying Management Information Circular.

Only shareholders of record as at the close of business on May 10, 2023 are entitled to receive notice of the Meeting.

DATED at Calgary, Alberta as of the 12<sup>th</sup> day of May, 2023.

#### BY ORDER OF THE BOARD OF DIRECTORS

(signed) “Jose Francisco Arata”

Jose Francisco Arata

Chief Executive Officer and Director

#### IMPORTANT

**It is desirable that as many shares as possible be represented at the Meeting. We encourage all shareholders to vote their shares prior to the Meeting by completing the enclosed instrument of proxy and returning it as soon as possible in the envelope provided for that purpose. A proxy will not be valid unless it is deposited with our transfer agent, Odyssey Trust Company. The enclosed proxy must be deposited with Odyssey Trust Company, Trader’s Bank Building, 702 – 67 Yonge Street, Toronto, Ontario, M5E 1J8 so that it is received no later than 48 hours (excluding Saturdays, Sundays and holidays) prior to the time of the Meeting or an adjournment or postponement thereof. Registered shareholders may also email their proxy to [proxy@odysseytrust.com](mailto:proxy@odysseytrust.com) or use the internet site at <https://login.odysseytrust.com/pxlogin> to transmit their voting instructions using the 12 digit control number located at the bottom of their proxy.**

**NEW STRATUS ENERGY INC.**

**MANAGEMENT INFORMATION CIRCULAR**

**INFORMATION REGARDING PROXIES AND VOTING AT THE MEETING**

**Solicitation of Proxies**

This management information circular and proxy statement (“**Management Information Circular**”) is furnished in connection with the solicitation of proxies by the management of New Stratus Energy Inc. (the “**Corporation**”) for use at the annual general and special meeting of the holders (the “**Shareholders**”) of common shares (“**Common Shares**”) of the Corporation to be held at 10:00 a.m. (Calgary time) on Wednesday, June 14, 2023 (the “**Meeting**”), for the purposes set forth in the notice of annual general and special meeting (the “**Notice**”) accompanying this Management Information Circular. Solicitation of proxies will be primarily by mail, but may also be undertaken by way of telephone, facsimile or oral communication by the directors, officers and regular employees of the Corporation, at no additional compensation. Costs associated with the solicitation of proxies will be borne by the Corporation.

Unless otherwise stated, information contained herein is given as of May 12, 2023 (the “**Effective Date**”).

**Appointment of Proxyholders**

Accompanying this Management Information Circular is an instrument of proxy for use at the Meeting. Shareholders who are unable to attend the Meeting in person and wish to be represented by proxy are required to date and sign the enclosed instrument of proxy and return it in the enclosed return envelope. **All properly executed instruments of proxy for Shareholders must be deposited at the offices of the Corporation’s registrar and transfer agent, Odyssey Trust Company at Trader’s Bank Building, 702 – 67 Yonge Street, Toronto, Ontario, M5E 1J8 so that the proxy is received no later than 48 hours (excluding Saturdays, Sundays and holidays) prior to the time of the Meeting or an adjournment or postponement thereof. Registered Shareholders may also email their proxy to [proxy@odysseytrust.com](mailto:proxy@odysseytrust.com) or use the internet site at <https://login.odysseytrust.com/pxlogin> to transmit their voting instructions using the 12 digit control number located at the bottom of their proxy. A proxy must be executed by the Shareholder or his or her attorney authorized in writing, or if the Shareholder is a company, under its seal by an officer or attorney thereof duly authorized.**

The persons designated in the instrument of proxy are officers and/or directors of the Corporation. **A Shareholder has the right to appoint a person (who need not be a Shareholder) other than the management designees to attend at and represent the Shareholder at the Meeting.** To exercise this right, a Shareholder should insert the name of the designated representative in the blank space provided on the instrument of proxy. Alternatively, a Shareholder may complete another appropriate instrument of proxy.

**Signing of Proxy**

The instrument of proxy must be signed by the Shareholder or the Shareholder’s duly appointed attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal or by a duly authorized officer or attorney of the corporation. An instrument of proxy signed by a person acting as attorney or in some other representative capacity (including a representative of a corporate Shareholder) should indicate that person’s capacity (following his or her signature) and should be accompanied by the appropriate

instrument evidencing qualification and authority to act (unless such instrument has previously been filed with the Corporation).

### **Revocability of Proxies**

A Shareholder who has submitted an instrument of proxy may revoke it at any time prior to the exercise thereof. In addition to any manner permitted by law, a proxy may be revoked by an instrument in writing executed by the Shareholder or by his or her duly authorized attorney or, if the Shareholder is a corporation, under its corporate seal or executed by a duly authorized officer or attorney of the corporation and deposited either: (i) at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting or an adjournment thereof; or (ii) with the Chairman of the Meeting on the day of the Meeting or an adjournment thereof. In addition, an instrument of proxy may be revoked: (i) by the Shareholder personally attending the Meeting and voting the securities represented thereby or, if the Shareholder is a corporation, by a duly authorized representative of the corporation attending at the Meeting and voting such securities; or (ii) in any other manner permitted by law.

### **Voting of Proxies and Exercise of Discretion by Proxyholders**

All Common Shares represented at the Meeting by properly executed proxies will be voted on any ballot that may be called for 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 instrument of proxy will be voted in accordance with such instructions. The management designees named in the accompanying instrument of proxy will vote or withhold from voting the Common Shares in respect of which they are appointed in accordance with the direction of the Shareholder appointing them on any ballot that may be called for at the Meeting. **In the absence of such direction, such Common Shares will be voted FOR the proposed resolutions at the Meeting. The accompanying instrument of proxy confers discretionary authority upon the persons named therein with respect to amendments of or variations to the matters identified in the accompanying Notice and with respect to other matters that may properly be brought before the Meeting.** In the event that amendments or variations to matters identified in the Notice are properly brought before the Meeting or any further or other business is properly brought before the Meeting, it is the intention of the management designees to vote in accordance with their best judgment on such matters or business. At the time of printing this Management Information Circular, the management of the Corporation knows of no such amendment, variation or other matter to come before the Meeting other than the matters referred to in the accompanying Notice.

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

Except as disclosed in this Management Information Circular, none of the directors or executive officers of the Corporation at any time since the beginning of the Corporation's last financial year, nor any proposed nominee for election as a director of the Corporation, nor any associate or affiliate of any of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise in any matter to be acted on, other than the election of directors or the appointment of the auditor.

### **QUORUM**

The by-laws of the Corporation provide that a quorum of Shareholders is present at a meeting of Shareholders if at least two (2) persons are present who hold or represent by proxy not less than five percent (5%) of the shares entitled to vote at the meeting.

## VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

### Voting Shares and Record Date

The authorized share capital of the Corporation consists of an unlimited number of Common Shares and an unlimited number of preferred shares. The record date for the determination of Shareholders entitled to receive notice of and to vote at the Meeting is May 10, 2023 (the “**Record Date**”). Shareholders are entitled to one vote per Common Share held. As at the Record Date, there were 122,913,523 Common Shares issued and outstanding. There are no other shares of any class issued and outstanding.

### Voting of Common Shares – General

Only Shareholders whose names are entered in the Corporation’s register of Shareholders at the close of business on the Record Date will be entitled to receive notice of and to vote at the Meeting; provided that, to the extent that: (i) a registered Shareholder has transferred the ownership of any Common Shares subsequent to the Record Date; and (ii) the transferee of those Common Shares produces properly endorsed share certificates, or otherwise establishes that he or she owns the Common Shares and demands, not later than ten days before the Meeting, that his or her name be included on the Shareholder list before the Meeting, the transferee shall be entitled to vote his or her Common Shares at the Meeting.

### Voting of Common Shares – Advice to Beneficial Shareholders

Only registered holders of Common Shares, or the persons they appoint as their proxies, are permitted to attend and vote at the Meeting. However, in many cases, Common Shares beneficially owned by a holder (a “**Beneficial Shareholder**”) are registered either:

- (a) in the name of an intermediary (an “**Intermediary**”) that the Beneficial Shareholder deals with in respect of the Common Shares. Intermediaries include banks, trust companies, securities dealers or brokers, and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans; or
- (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited).

In accordance with the requirements of National Instrument 54-101 – *Communication with Beneficial Owners of a Reporting Issuer* of the Canadian Securities Administrators, the Corporation has distributed copies of the Notice, this Management Information Circular and the instrument of proxy (collectively, the “**Meeting Materials**”) to the clearing agencies and Intermediaries for onward distribution to Beneficial Shareholders.

Intermediaries are required to forward the Meeting Materials to Beneficial Shareholders unless a Beneficial Shareholder has waived the right to receive them. Typically, Intermediaries will use a service company (such as Broadridge Financial Solutions Inc. (“**Broadridge**”)) to forward the Meeting Materials to Beneficial Shareholders.

Generally, Beneficial Shareholders who have not waived the right to receive the Meeting Materials will:

- (a) have received as part of the Meeting Materials a voting instruction form which must be completed, signed and delivered by the Beneficial Shareholder in accordance with the directions on the voting instruction form (voting instruction forms sent by Broadridge permit

the completion of the voting instruction form by telephone or through the Internet at [www.proxyvotecanada.com](http://www.proxyvotecanada.com)); or

- (b) less typically, be given a 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 Beneficial Shareholder but which is otherwise uncompleted. This form of proxy need not be signed by the Beneficial Shareholder. In this case, the Beneficial Shareholder who wishes to submit a proxy should otherwise properly complete the form of proxy and deposit it with Odyssey Trust Company at the address referred to above.

The purpose of these procedures is to permit Beneficial Shareholders to direct the voting of the Common Shares they beneficially own. Should a Beneficial Shareholder wish to attend and vote at the Meeting in person (or have another person attend and vote on behalf of the Beneficial Shareholder), the Beneficial Shareholder should strike out the names of the persons named in the proxy and insert the Beneficial Shareholder's (or such other person's) name in the blank space provided or, in the case of a voting instruction form, follow the corresponding instructions on the form. **In either case, Beneficial Shareholders should carefully follow the instructions of their Intermediaries and their service companies. 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.**

Only registered Shareholders have the right to revoke a proxy. Beneficial Shareholders who wish to change their vote must, in sufficient time in advance of the Meeting, arrange for their respective Intermediaries to change their vote and if necessary revoke their proxy in accordance with the revocation procedures set forth above.

#### **Principal Holders of Common Shares**

To the knowledge of the directors and executive officers of the Corporation, as at the date hereof, there are no persons who beneficially own, directly or indirectly, or exercise control or direction over 10% or more of the votes attached to the Common Shares.

### **STATEMENT OF EXECUTIVE COMPENSATION**

#### **Compensation Discussion and Analysis**

##### **General**

The following information of the Corporation is provided in accordance with Form 51-102F6V — *Statement of Executive Compensation — Venture Issuers*.

On February 17, 2023, the Corporation changed its financial year-end from March 31 to December 31 resulting in a nine-month transition year from March 31, 2022 to December 31, 2022. A Notice of Change in Year-End was filed on SEDAR pursuant to section 4.8 of National Instrument 51-102 — *Continuous Disclosure Obligations* (“**NI 51-102**”) and is available under the Corporation's SEDAR profile at [www.sedar.com](http://www.sedar.com). Disclosure in this Statement of Executive Compensation relating to the financial year ended December 31, 2022 refers to the Corporation's nine-month transition year from March 31, 2022 to December 31, 2022. Additional information relating to the prior financial year ended March 31, 2022 has also been provided, as applicable.

For the purpose of this Statement of Executive Compensation:

**“compensation securities”** includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the Corporation or one of its subsidiaries (if any) for services provided or to be provided, directly or indirectly to the Corporation or any of its subsidiaries (if any).

**“NEO”** or **“named executive officer”** means:

- (a) each individual who, in respect of the Corporation, during any part of the most recently completed financial year, served as chief executive officer (**“CEO”**), including an individual performing functions similar to a CEO;
- (b) each individual who, in respect of the Corporation, during any part of the most recently completed financial year, served as chief financial officer (**“CFO”**), including an individual performing functions similar to a CFO;
- (c) in respect of the Corporation and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000 for that financial year; and
- (d) each individual who would be a NEO under paragraph (c) but for the fact that the individual was not an executive officer of the Corporation, and was not acting in a similar capacity, at the end of that financial year.

**“plan”** includes any plan, contract, authorization or arrangement, whether or not set out in any formal document, where cash, compensation securities or any other property may be received, whether for one or more persons.

**“underlying securities”** means any securities issuable on conversion, exchange or exercise of compensation securities.

The NEOs of the Corporation for the financial year ended December 31, 2022 were: Jose Francisco Arata, CEO; Mario Miranda, CFO; and Wade Felesky, President.

The board of directors of the Corporation (the **“Board”**) during the financial year ended December 31, 2022 was comprised of Jose Francisco Arata, Marino Ostos, Wuilian Mauco, Wade Felesky, Humberto Calderón Berti and Greg Bay. Humberto Calderón Berti subsequently resigned from the Board effective February 28, 2023.

### **Director and NEO Compensation, Excluding Compensation Securities**

The following table sets forth information concerning the total compensation paid to the directors and NEOs for the financial years ended December 31, 2022 and March 31, 2022.

Total compensation includes all direct and indirect compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, by the Corporation to each NEO and each director of the Corporation, in any capacity, including, for greater certainty, all plan and non-plan compensation, direct and indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite paid, payable,

awarded, granted, given or otherwise provided to the NEO or director for services provided and for services to be provided, directly or indirectly, to the Corporation.

Table of Compensation, Excluding Compensation Securities							
Name and Position	Year Ended <sup>(1)</sup>	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites (\$) <sup>(2)</sup>	Value of all other Compensation (\$)	Total Compensation (\$)
Jose Francisco Arata <sup>(3)</sup> <i>Chairman and Chief Executive Officer</i>	Dec 31 2022	245,506	Nil	Nil	Nil	Nil	245,506
	Mar 31 2022	226,698	125,027	Nil	Nil	Nil	351,725
Wade Felesky <sup>(4)(5)</sup> <i>President and Director</i>	Dec 31 2022	247,675	Nil	Nil	Nil	Nil	247,675
	Mar 31 2022	243,668	124,460	Nil	Nil	Nil	368,128
Mario Miranda <sup>(4)</sup> <i>Chief Financial Officer</i>	Dec 31 2022	189,573	Nil	Nil	Nil	Nil	189,573
	Mar 31 2022	138,156	76,200	Nil	Nil	Nil	214,356
Marino Ostos <sup>(3)(6)</sup> <i>Chief Geoscience Officer and Director</i>	Dec 31 2022	245,506	Nil	Nil	Nil	Nil	245,506
	Mar 31 2022	226,683	125,027	Nil	Nil	Nil	351,710
Wuilian Mauco <sup>(3)(7)</sup> <i>Director and Former Chief Midstream and Downstream Officer</i>	Dec 31 2022	216,766	Nil	Nil	Nil	Nil	216,766
	Mar 31 2022	47,201	Nil	34,662	Nil	Nil	81,863
Greg Bay <sup>(4)(9)</sup> <i>Director</i>	Dec 31 2022	Nil	Nil	32,745	Nil	Nil	32,745
	Mar 31 2022	Nil	Nil	35,292	Nil	Nil	35,292
Humberto Calderón Bertí <sup>(3)(5)(10)</sup> <i>Former Director</i>	Dec 31 2022	117,832	Nil	Nil	Nil	Nil	117,832
	Mar 31 2022	73,105	318,947 <sup>(8)</sup>	52,938	Nil	Nil	444,990

**Notes:**

- (1) The Corporation changed its financial year-end from March 31 to December 31 on February 17, 2023, resulting in a nine-month transition year from March 31, 2022 to December 31, 2022.
- (2) “Perquisites” include perquisites provided to an NEO or director that are not generally available to all employees and that, in aggregate, are greater than: (a) \$15,000, if the NEO or director’s total salary for the financial year is \$150,000 or less, (b) 10% of the NEO or director’s salary for the financial year if the NEO or director’s total salary for the financial year is greater than \$150,000 but less than \$500,000, or (c) \$50,000 if the NEO or director’s total salary for the financial year is \$500,000 or greater.
- (3) Compensation is paid in U.S. dollars and converted into Canadian dollars for the purposes of this table using the applicable CAD/USD exchange rate at the time of payment.
- (4) Compensation is notionally in U.S. dollars but converted into and paid in Canadian dollars using the applicable CAD/USD exchange rate at the time of payment.
- (5) Mr. Felesky and Mr. Calderón Berti were appointed to the Board effective June 2, 2021. Mr. Felesky was also appointed to the role of President on June 2, 2021.
- (6) Mr. Ostos was appointed to the role of Chief Geoscience Officer on June 2, 2021. Prior to his appointment, he held the position of Executive Director of the Corporation.
- (7) Mr. Mauco was appointed to the role of Chief Midstream and Downstream Officer on February 1, 2022. From February 1, 2022 through the end of the financial year on March 31, 2022, Mr. Mauco received a salary of \$47,201 in his role as Chief Midstream and Downstream Officer. Prior thereto, Mr. Mauco received committee and meeting fees of \$34,662 in his role as an independent director of the Corporation and as Chair of the Corporation’s audit committee (the “**Audit Committee**”). Mr. Mauco subsequently resigned from his position as Chief Midstream and Downstream Officer of the Corporation on April 30, 2023.
- (8) Represents compensation paid to Mr. Calderón Berti for consulting services in connection with the acquisition of Repsol Ecuador S.A. in January 2022. The compensation was paid in U.S. dollars and converted into Canadian dollars for the purposes of this table using the applicable CAD/USD exchange rate at the time of payment.
- (9) Mr. Bay was appointed to the Board effective September 16, 2021.
- (10) Mr. Calderón Berti resigned from the Board effective February 28, 2023.

**Stock Options and Other Compensation Securities**

The following table sets out all compensation securities granted or issued to each director and NEO by the Corporation or any subsidiary thereof in the financial year ended December 31, 2022 for services provided, or to be provided, directly or indirectly, to the Corporation or any subsidiary thereof:

Compensation Securities							
Name and Position	Type of Compensation Security <sup>(1)</sup>	Number of Compensation Securities, Number of Underlying Securities and Percentage of Class <sup>(2)</sup>	Date of Issue or Grant	Issue, Conversion or Exercise Price (\$)	Closing Price of Security or Underlying Security on Date of Grant (\$)	Closing Price of Security or Underlying Security at Year End (\$)	Expiry Date
Jose Francisco Arata <sup>(3)</sup> <i>Chairman and Chief Executive Officer</i>	Options	200,000 (200,000 Common Shares, <1%)	4/29/2022	0.65	0.65	0.18	4/29/2027
		400,000 (400,000 Common Shares, <1%)	10/4/2022	0.85	0.84	0.18	10/4/2027

Wade Felesky <sup>(4)</sup> <i>President and Director</i>	Options	200,000 (200,000 Common Shares, <1%)	4/29/2022	0.65	0.65	0.18	4/29/2027
		400,000 (400,000 Common Shares, <1%)	10/4/2022	0.85	0.84	0.18	10/4/2027
Mario Miranda <sup>(5)</sup> <i>Chief Financial Officer</i>	Options	150,000 (150,000 Common Shares, <1%)	4/29/2022	0.65	0.65	0.18	4/29/2027
		400,000 (400,000 Common Shares, <1%)	10/4/2022	0.85	0.84	0.18	10/4/2027
Marino Ostos <sup>(6)</sup> <i>Chief Geoscience Officer and Director</i>	Options	200,000 (200,000 Common Shares, <1%)	4/29/2022	0.65	0.65	0.18	4/29/2027
		400,000 (400,000 Common Shares, <1%)	10/4/2022	0.85	0.84	0.18	10/4/2027
Wuillian Mauco <sup>(7)</sup> <i>Director and Former Chief Midstream and Downstream Officer</i>	Options	150,000 (150,000 Common Shares, <1%)	4/29/2022	0.65	0.65	0.18	4/29/2027
		400,000 (400,000 Common Shares, <1%)	10/4/2022	0.85	0.84	0.18	10/4/2027
Greg Bay <sup>(8)</sup> <i>Director</i>	Options	50,000 (50,000 Common Shares, <1%)	4/29/2022	0.65	0.65	0.18	4/29/2027

Humberto Calderón Berti <sup>(9)</sup> <i>Former Director</i>	Options	50,000 (50,000 Common Shares, <1%)	4/29/2022	0.65	0.65	0.18	10/4/2027
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**Notes:**

- (1) Options vested immediately upon grant pursuant to the terms of the Option Plan (as defined below). Refer to the disclosure under the heading “*Stock Option Plans and Other Incentive Plans*” for additional information concerning the Option Plan and option grants.
- (2) Percentage of class based on 122,913,523 Common Shares issued and outstanding as at December 31, 2022.
- (3) As at December 31, 2022, Mr. Arata held a total of 1,200,000 Options to purchase an aggregate of 1,200,000 Common Shares.
- (4) As at December 31, 2022, Mr. Felesky held a total of 1,100,000 Options to purchase an aggregate of 1,100,000 Common Shares.
- (5) As at December 31, 2022, Mr. Miranda held a total of 1,000,000 Options to purchase an aggregate of 1,000,000 Common Shares.
- (6) As at December 31, 2022, Mr. Ostos held a total of 1,200,000 Options to purchase an aggregate of 1,200,000 Common Shares.
- (7) As at December 31, 2022, Mr. Mauco held a total of 850,000 Options to purchase an aggregate of 850,000 Common Shares.
- (8) As at December 31, 2022, Mr. Bay held a total of 250,000 Options to purchase an aggregate of 250,000 Common Shares.
- (9) As at December 31, 2022, Mr. Calderón Berti held a total of 350,000 Options to purchase an aggregate of 350,000 Common Shares.

**Exercise of Compensation Securities by Directors and NEOs**

The following table sets out all compensation securities exercised by directors and NEOs in the financial year ended December 31, 2022:

Exercise of Compensation Securities by Directors and NEOs							
Name and Position	Type of Compensation Security	Number of Underlying Securities Exercised	Exercise Price Per Security (\$)	Date of Exercise	Closing Price per Security on Date of Exercise (\$)	Difference Between Exercise Price and Closing Price on the Date of Exercise (\$)	Total Value on Exercise Date (\$)
Jose Francisco Arata <i>Chairman and Chief Executive Officer</i>	Options	820,000	0.10	6/2/2022	1.45	1.35	1,107,000
Wade Felesky <i>President and Director</i>	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Mario Miranda <i>Chief Financial Officer</i>	N/A	Nil	N/A	N/A	N/A	N/A	N/A

Marino Ostos <i>Chief Geoscience Officer and Director</i>	Options	880,000	0.10	05/23/2022	0.99	0.89	783,200
Wuilian Mauco <i>Director and Former Chief Midstream and Downstream Officer</i>	Options	740,000	0.10	4/4/2022	0.60	0.50	370,000
Greg Bay <i>Director</i>	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Humberto Calderón Berti <i>Former Director</i>	N/A	Nil	N/A	N/A	N/A	N/A	N/A

### Stock Option Plans and Other Incentive Plans

The Corporation has two incentive plans: a stock option plan (the “**Option Plan**”) and a restricted share unit and deferred share unit compensation plan (the “**RSU/DSU Plan**”). The following is a summary of the material terms of the Option Plan and the RSU/DSU Plan.

#### Option Plan

The Option Plan is a “rolling” 10% security-based compensation plan that permits the granting of stock options to purchase Common Shares (“**Options**”) to directors, officers, employees and consultants of the Corporation (each, a “**Participant**”). The Corporation is seeking Shareholder approval of the Option Plan. The Option Plan was previously approved by the Shareholders on October 21, 2022. A copy of the Option Plan is attached as Schedule “A” to this Management Information Circular.

#### *Granting of Options*

Pursuant to the Option Plan, the Board (or a committee thereof) may grant Options as incentive payments to Participants (each, an “**Optionee**”). The Option Plan limits the total number of Common Shares that may be issued on exercise of Options outstanding at any time under the Option Plan to 10% of the number of Common Shares issued and outstanding (less the number of Common Shares reserved for issuance under any other share compensation arrangement of the Corporation), subject to the following additional limitations:

- (a) the aggregate number of Options granted to any one person (and companies wholly owned by that person) in any 12-month period must not exceed 5% of the issued Common Shares, calculated on the date an Option is granted to the person (unless the Corporation has obtained the requisite disinterested Shareholder approval), less the aggregate number of Common Shares reserved for issuance to such person under any other share compensation arrangement of the Corporation;
- (b) the aggregate number of Common Shares reserved for issuance under Options granted to Insiders of the Corporation (as defined in the policies of the TSX Venture Exchange (the “**TSXV**”)) (as a group) at any point in time must not exceed 10% of the issued Common

Shares, less the aggregate number of Common Shares reserved for issuance to Insiders under any other share compensation arrangement of the Corporation (unless the Corporation has obtained the requisite disinterested shareholder approval);

- (c) the grant to Insiders (as a group), in any 12-month period, of an aggregate number of Options must not exceed 10% of the issued Common Shares, calculated at the date an Option is granted to any Insider, less the aggregate number of Common Shares reserved for issuance to Insiders under any other share compensation arrangement of the Corporation (unless the Corporation has obtained the requisite disinterested shareholder approval);
- (d) the aggregate number of Options granted to any one consultant of the Corporation in any 12-month period must not exceed 2% of the issued Common Shares, calculated at the date an Option is granted to the consultant, less the aggregate number of Common Shares reserved for issuance to such consultant under any other share compensation arrangement of the Corporation; and
- (e) the aggregate number of Options granted to all persons retained to provide Investor Relations Activities (as defined in the policies of the TSXV) must not exceed 2% of the issued Common Shares in any 12-month period, calculated at the date an Option is granted to any such person. Options issued to persons retained to provide Investor Relations Activities must vest in stages over a period of not less than 12 months with no more than 1/4 of the Options vesting in any three-month period.

#### *Exercise Period*

Each Option and all rights thereunder will expire on the date set out in the applicable option agreement and will be subject to the earlier termination provisions of the Option Plan, provided that in no circumstances will the duration of an Option exceed the maximum term prescribed by the TSXV of 10 years. Under the Option Plan, in the event of the death of a Participant, the Options previously granted to such Participant will be exercisable only within one year after such death and then only to the extent that such deceased Participant was entitled to exercise his Option at the date of his death.

#### *Exercise Price*

Pursuant to the Option Plan, the exercise price shall be fixed by the Board at the time that the Option is granted; however, no Option shall be granted with an exercise price at a discount to the market price. The market price shall be the closing price of the Common Shares on the TSXV on the first day preceding the date of grant.

#### *Vesting*

The Option Plan provides that the Board may, in its sole discretion, determine the time during which Options shall vest and the method of vesting, subject to any vesting restrictions imposed by the TSXV.

#### *Black-Out Provision*

The Option Plan includes a black-out provision. Pursuant to the policies of the Corporation respecting restrictions on trading, there are a number of periods each year during which directors, officers and certain employees are precluded from trading in the Corporation's securities. These periods are referred to as

“black-out periods”. A black-out period is designed to prevent a person from trading while in possession of material information that is not yet available to other Shareholders. The TSXV recognizes these black-out periods might result in an unintended penalty to employees who are prohibited from exercising their Options during that period because of their Corporation’s internal trading policies. As a result, the TSXV provides a framework for extending Options that would otherwise expire during a black-out period. The Option Plan includes a provision that should an Option expiration date fall within a black-out period or immediately following a black-out period, the expiration date will automatically be extended without any further act or formality to that date which is the 10<sup>th</sup> business day after the end of the black-out period, and the 10 business day period may not be further extended by the Board.

#### *Amendment and Termination of Option Plan*

Based on the policies of the TSXV, the Option Plan specifies the types of amendments to the Option Plan and the Options granted thereunder that can be made by the Board without the approval of the Shareholders. The Option Plan allows the Board to terminate or discontinue the Option Plan at any time without the consent of the Option holders, provided that such termination or discontinuance shall not alter or impair any Option previously granted under the Option Plan. The only amendments to the Option Plan that would be subject to Shareholder approval are amendments that would:

- (a) reduce the exercise price of an outstanding Option, including a cancellation of an Option and re-grant of an Option in conjunction therewith, constituting a reduction of the exercise price of the Option;
- (b) extend the expiry date of an Option held by an Insider of the Corporation (subject to such date being extended by virtue of the black-out provision noted above);
- (c) amend the limitations on the maximum number of Common Shares reserved or issued to Insiders;
- (d) make any amendments to the Option Plan that would permit an Option holder to transfer or assign Options to a new beneficial owner other than for estate settlement purposes;
- (e) increase the maximum number of Common Shares issuable pursuant to the Option Plan;  
or
- (f) amend the amendment provisions of the Option Plan.

#### *Transferability*

Pursuant to the Option Plan, all benefits, rights and options accruing to any Participant are not transferable or assignable unless in the event of the death of a Participant.

#### *Net Exercise and Cashless Exercise*

The Option Plan includes net exercise and cashless exercise provisions. Pursuant to the net exercise and cashless exercise provisions, to the extent permitted by and otherwise subject to the rules and policies of the TSXV, an Optionee may, in lieu of exercising an Option pursuant to an exercise notice, pay the exercise price for an Option through a cashless exercise process or net exercise process, at the sole discretion of the Board.

An Optionee may, conditional upon approval of the Board, exercise Options in whole or in part by electing, in lieu of making a cash payment of the applicable exercise price, to pay the exercise price pursuant to a cashless exercise whereby the Corporation has an arrangement with a specified brokerage firm and permits such brokerage firm to: (i) loan money to the Optionee to purchase the Common Shares underlying the Options; (ii) sell a sufficient number of Common Shares to cover the aggregate exercise price of the Options in order to repay the loan; and (iii) receive an equivalent number of Common Shares from the exercise of the Options, with the Optionee receiving the balance of the Common Shares.

An Optionee may, conditional upon approval of the Board, in lieu of exercising an Option pursuant to a written notice of exercise, elect to surrender such Option to the Corporation (a “**Net Exercise**”) in consideration for an amount from the Corporation equal to: (i) the market price of the Common Shares issuable on the exercise of such Option (or portion thereof) as of the date such Option (or portion thereof) is exercised, less (ii) the aggregate Exercise Price of the Option (or portion thereof) surrendered relating to such Shares (the “**In-the-Money Amount**”) by written notice to the Corporation indicating the number of Options such Participant wishes to exercise using the Net Exercise, and such other information that the Corporation may require. Subject to the provisions of the Option Plan, the Corporation will satisfy payment of the In-the-Money Amount by delivering to the Participant such number of Shares (rounded down to the nearest whole number) having an aggregate fair market value (based on the market price on the date of exercise) equal to the In-the-Money Amount. Any Options surrendered in connection with a Net Exercise will not be added back to the number of Common Shares reserved for issuance under the Option Plan.

#### RSU/DSU Plan

The RSU/DSU Plan is a “fixed” 10% security-based compensation plan that permits the granting of restricted share units (“**RSUs**”) and deferred share units (“**DSUs**”). The RSU/DSU Plan was approved by the Shareholders on October 21, 2022.

The following is a summary of the material terms of the RSU/DSU Plan. It is not a comprehensive discussion of all of the terms and conditions of the RSU/DSU Plan and is qualified in its entirety by reference to the full text of the RSU/DSU Plan, which is available under the Corporation’s SEDAR profile at [www.sedar.com](http://www.sedar.com) as Schedule “B” to the Management Information Circular dated September 16, 2022 and filed on SEDAR on September 29, 2022. Readers are advised to review the full text of the RSU/DSU Plan to fully understand all terms and conditions of the RSU/DSU Plan.

#### *Purpose*

The RSU/DSU Plan is intended to provide the Corporation with flexibility in designing various equity-based incentives to be awarded to the directors, employees, consultants and other persons or companies engaged to provide ongoing services to the Corporation and its affiliates, other than persons involved in investor relations activities relating to the Corporation, (each, an “**Eligible Person**”) to recognize and reward their significant contributions to the long-term success of the Corporation and to align their interests more closely with the Shareholders, as well as to bring the Corporation’s compensation policies in line with trends in industry practice. Pursuant to the RSU/DSU Plan, the Board (or a committee thereof) may grant RSUs and DSUs as incentive payments to Eligible Persons (each, a “**Grantee**”). The Board intends to use the awards of RSUs and DSUs (“**Awards**”) as part of the Corporation’s overall compensation plan and as an equity-based compensation mechanism that can minimize Shareholder dilution.

### *Administration*

Under the RSU/DSU Plan, the Board may, at any time, appoint a committee to, among other things, interpret, administer and implement the RSU/DSU Plan on behalf of the Board in accordance with such terms and conditions as the Board may prescribe, consistent with the RSU/DSU Plan.

### *Eligibility to Participate*

The Board (or a committee thereof) has the authority to designate the persons who are eligible to participate in the RSU/DSU Plan and to grant one or more Awards to Eligible Persons.

### *Granting of Awards*

Subject to the adjustment provisions provided for in the RSU/DSU Plan and applicable rules and regulations of all regulatory authorities to which the Corporation is subject (including the TSXV), the maximum aggregate number of Common Shares that may be reserved for issuance in connection with the Awards granted under the RSU/DSU Plan is 12,008,700, which represents 10% of the number of issued and outstanding Common Shares as at the date of approval of the RSU/DSU Plan by the Board.

If any Award is cancelled in accordance with the terms of the RSU/DSU Plan or the agreements evidencing the grant, the Common Shares reserved for issue pursuant to such Award will, upon cancellation of such Awards, revert to the RSU/DSU Plan and will be available for other Awards. Any Award that is settled through the issuance of Common Shares from treasury shall not be considered cancelled, and that number of Shares issued shall not be available for other Awards.

The issue of Awards to Grantees is subject to, among other things, the following restrictions:

- (a) the number of Common Shares which may be reserved for issue pursuant to the RSU/DSU Plan together with the Common Shares which may be reserved for issue pursuant to any other employee-related plan of the Corporation or options for services granted by the Corporation, including the Option Plan, to any one Eligible Person in any 12-month period may not exceed in the aggregate 5% of the number of Common Shares issued and outstanding on a non-diluted basis on the date of the grant of the Award unless the Corporation has received disinterested Shareholder approval;
- (b) the number of Common Shares which may be reserved for issue pursuant to the RSU/DSU Plan together with the Common Shares which may be reserved for issue pursuant to any other employee-related plan of the Corporation or options for services granted by the Corporation, including the Option Plan, to all insiders of the Corporation (as defined by applicable Canadian securities laws) shall not exceed 10% of the number of Common Shares issued and outstanding on a non-diluted basis at any point in time unless the Corporation has received disinterested Shareholder approval;
- (c) the number of Common Shares which may be reserved for issue pursuant to the RSU/DSU Plan together with the Common Shares which may be reserved for issue pursuant to any other employee-related plan of the Corporation or options for services granted by the Corporation, including the Option Plan, to all insiders of the Corporation (as defined by applicable Canadian securities laws) in any 12-month period may not exceed in the aggregate 10% of the number of Common Shares issued and outstanding on a non-diluted basis on the date of the grant of the Award unless the Corporation has received disinterested Shareholder approval; and

- (d) the number of Common Shares which may be reserved for issue pursuant to the RSU/DSU Plan together with the Common Shares which may be reserved for issue pursuant to any other employee-related plan of the Corporation, including the Option Plan, to any one consultant in any 12-month period may not exceed 2% of the number of Common Shares issued and outstanding on a non-diluted basis on the date of the grant of the Award.

#### *Vesting of RSUs*

The Board may determine the vesting schedule of any RSUs at the time of grant. Notwithstanding such determination and provided that no RSUs may vest within one year of the date of grant except in the event of the death of the Grantee or if the Grantee ceases to be an Eligible Person in connection with a Change of Control (as such term is defined in the RSU/DSU Plan), takeover bid, reverse takeover or similar transaction, in the event that the Grantee ceases to be an Eligible Person in connection with a Change of Control (as such term is defined in the RSU/DSU Plan), upon the death of the Grantee, in the case of eligible retirement of the Grantee, in the case of total Disability of the Grantee or in the case of termination without cause of the Grantee by the Corporation (each, an “**Accelerated Vesting Event**”), the Grantee’s non-vested RSUs will (i) in the case of a Change of Control (as such term is defined in the RSU/DSU Plan), eligible retirement or death being the Accelerated Vesting Event, immediately become 100% vested, or (ii) in the case of total disability being the Accelerated Vesting Event, vest within 60 days following the date on which the Grantee is determined to be totally disabled.

If the Grantee’s employment with the Corporation is terminated for any reason whatsoever other than death, total disability, eligible retirement or termination without cause by the Corporation, subject to the provisions of the RSU/DSU Plan governing a Change of Control (as such term is defined in the RSU/DSU Plan), any non-vested RSUs granted thereunder will be immediately cancelled without liability or compensation therefor and be of no further force and effect. For clarity, where the Grantee voluntarily terminates his/her employment with the Corporation or is otherwise terminated by the Corporation for cause, all non-vested RSUs of the Grantee shall be immediately cancelled without compensation or liability therefor and be of no further force and effect.

The term of RSUs shall be determined by the Board on the date of the award of RSUs, provided that the term shall not exceed ten years from the date the RSUs are awarded. Each RSU outstanding and all rights thereunder shall expire at the expiry time determined by the Board, subject to earlier termination in accordance with the RSU/DSU Plan.

#### *Vesting of DSUs*

The Board may determine the vesting schedule of any DSUs at the time of grant. Notwithstanding such determination, no DSUs may vest within one year of the date of grant except in the event of the death of the Grantee or if the Grantee ceases to be an Eligible Person in connection with a Change of Control (as such term is defined in the RSU/DSU Plan), takeover bid, reverse takeover or similar transaction.

If the Grantee’s employment with the Corporation is terminated for any reason whatsoever other than death, total disability, eligible retirement or termination without cause by the Corporation, subject to the provisions of the RSU/DSU Plan governing a Change of Control (as such term is defined in the RSU/DSU Plan), any non-vested DSUs granted thereunder will be immediately cancelled without liability or compensation therefor and be of no further force and effect. For clarity, where the Grantee voluntarily terminates his/her employment with the Corporation or is otherwise terminated by the Corporation for cause, all non-vested

DSUs of the Grantee shall be immediately cancelled without compensation or liability therefor and be of no further force and effect.

Subject to the above, in the event of a Change of Control (as such term is defined in the RSU/DSU Plan), all non-vested DSUs of the Grantee will immediately become 100% vested.

#### *Settlement of RSUs and DSUs*

Payment to the Grantee to settle vested RSUs and DSUs will be made in respect of the number of vested RSUs and DSUs recorded in the Grantee's notional account (rounded down to the nearest whole number) in the form of (i) fully paid and non-assessable Common Shares issued from treasury, (ii) Common Shares purchased in the open market, (iii) a cash equivalent, or (iv) a combination of (i), (ii) and (iii). The decision as to the mode of payment shall be made by the Board in its sole discretion.

Vested RSUs will be settled as soon as reasonably practicable following the vesting thereof and in any event within 30 days thereof, but in no event later than December 31 of the third calendar year following the year in which the services giving rise to the Award were rendered. Vested DSUs will be settled as soon as reasonably practicable following the eligible retirement of a Grantee, the death of a Grantee or the time the Grantee otherwise ceases to hold office, and in any event within 30 days thereof. Notwithstanding any other provision of the RSU/DSU Plan, all amounts payable to, or in respect of a Grantee in respect of DSUs including, without limitation, the delivery of Common Shares, shall not be made prior to the date the Grantee ceases to be an Eligible Person and shall be paid or delivered on or before December 31 of the calendar year commencing immediately following the date the Grantee ceases to be an Eligible Person.

The settlement of Awards will be subject to payment or other satisfaction of all related withholding obligations in accordance with the provisions of the RSU/DSU Plan.

#### *Transferability*

Awards granted under the RSU/DSU Plan are non-transferable and non-assignable except upon the death of a Grantee.

#### *Amendment and Termination of RSU/DSU Plan*

The RSU/DSU Plan allows the Board to suspend or terminate the RSU/DSU Plan at any time. Subject to the terms of the RSU/DSU Plan and any applicable requirements of the TSXV, the Board has the right at any time to amend the RSU/DSU Plan, provided that the requisite Shareholder approval has been obtained by ordinary resolution. Notwithstanding the foregoing, Shareholder approval is not required for the amendments set out below:

- (a) amendments of a technical, clerical or "housekeeping" nature including, without limiting the generality of the foregoing, any amendments for the purpose of curing any ambiguity, error or omission in the RSU/DSU Plan or to correct or supplement any provision of the RSU/DSU Plan that is inconsistent with any other provision of the RSU/DSU Plan;
- (b) amendments necessary to comply with the provisions of applicable law and the applicable rules of the TSXV;
- (c) amendments necessary in order for the Awards to qualify for favourable treatment under the *Income Tax Act* (Canada) or under the United States Internal Revenue Code;

- (d) amendments respecting administration of the RSU/DSU Plan; and
- (e) any other amendment, whether fundamental or otherwise, not requiring Shareholder approval under applicable law or the rules of the TSXV.

#### *Adjustments*

Appropriate adjustments to the RSU/DSU Plan and to Awards granted thereunder will be made by the Corporation to give effect to adjustments in the number and type of Common Shares (or other securities or other property) resulting from subdivisions, consolidations, substitutions, or reclassifications of Common Shares, payment of stock dividends or other prescribed changes in the Corporation's capital. Any such adjustment other than a Common Share consolidation or Common Share split shall be subject to approval of the TSXV. In the event of any merger, acquisition, amalgamation, arrangement or other scheme of reorganization that results in a Change of Control (as such term is defined in the RSU/DSU Plan), the Board may take whatever action with respect to the Awards outstanding that it deems necessary or desirable including accelerating the vesting date of Awards to the date which is immediately preceding the change of control. If approved by the Board prior to or within 30 days after such time as a Change of Control (as such term is defined in the RSU/DSU Plan) is deemed to have occurred, the Board has the right to require that all or any portion of the Awards be settled and discharged in cash based on the "cash value" of such Awards in lieu of settlement by issue of Common Shares.

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

##### *Executive Employment Agreements*

Each of the NEOs and Mr. Ostos and Mr. Mauco (each, an "**Executive**") was party to an executive employment agreement with the Corporation during the most recently completed financial year, as follows (collectively, the "**Employment Agreements**"):

- Mr. Arata provides services as CEO pursuant to Mr. Arata's executive employment agreement with the Corporation, effective July 1, 2021, which provides for an annual salary of US\$250,000, less statutory deductions, payable in accordance with the Corporation's usual payroll practices;
- Mr. Felesky provides services as President pursuant to Mr. Felesky's executive employment agreement with the Corporation, effective July 1, 2021, which provides for an annual salary of US\$250,000, less statutory deductions, payable in accordance with the Corporation's usual payroll practices;
- Mr. Miranda provides services as CFO pursuant to Mr. Miranda's executive employment agreement with the Corporation, effective July 1, 2021, which provides for an annual salary of US\$120,000, less statutory deductions, payable in accordance with the Corporation's usual payroll practices. On May 1, 2022, his annual compensation was increased to US\$200,000;
- Mr. Ostos provides services as Chief Geoscience Officer pursuant to Mr. Ostos's executive employment agreement with the Corporation, effective July 1, 2021, which provides for an annual salary of US\$250,000, less statutory deductions, payable in accordance with the Corporation's usual payroll practices; and

- Mr. Mauco provided services as Chief Midstream and Downstream Officer pursuant to Mr. Mauco's executive employment agreement with the Corporation, effective February 1, 2022, which provided for an annual salary of US\$220,000, less statutory deductions, payable in accordance with the Corporation's usual payroll practices. Mr. Mauco resigned as Chief Midstream and Downstream Officer on April 30, 2023, subsequent to the most recently completed financial year.

Pursuant to the Employment Agreements, each of the NEOs is also eligible to participate in the Corporation's bonus program, benefit plan and long-term incentive plan or plans, each as may be amended from time to time.

Each of the Employment Agreements continues for an indefinite term, until terminated either:

(a) by the Executive:

- (i) at any time and for any reason by providing a minimum of 30 days' advance written notice to the Corporation; or
- (ii) by providing 30 days' advance written notice to the Corporation within 90 days following a change of control ("**Change of Control Notice**"). Upon receipt of a Change of Control Notice by the Corporation and subject to the expiry of the 30 days' written notice, the Executive shall be entitled to receive the following payments within ten business days of the expiry of such written notice period:
  - A. payment of any remuneration that has accrued and is unpaid up to the date of termination (the "**Termination Date**");
  - B. payment of earned but unpaid bonus amounts;
  - C. all accrued vacation pay and reimbursable expenses owing up to and including the Termination Date; and
  - D. a lump sum payment representing: (1) the Executive's salary as at the time of the termination for a period of 24 months (the "**Severance Period Salary**"); and (2) an additional amount equal to 15% of the Severance Period Salary to compensate the Executive for the loss of eligibility for bonuses and benefits,

A, B, C and D collectively, the "**Termination Payments**"; or

(b) by the Corporation:

- (i) for just cause at any time, without notice and without any payment to the Executive whatsoever; or
- (ii) without just cause at any time by providing written notice of the Termination Date to the Executive, and in such event the Corporation shall pay the Executive the Termination Payments within 10 business days of the Termination Date.

### *Independent Consultant Agreement*

During the most recently completed financial year, the Corporation was party to an independent consultant agreement with Mr. Calderón Berti, effective December 1, 2021 (the “**Consultant Agreement**”) pursuant to which Mr. Calderón Berti provided advisory services to the Corporation. The Consultant Agreement provided for a one-time incentive fee of US\$18,000 (\$22,688) in connection with entering into the Consultant Agreement and payments of US\$4,000 per month thereafter (the “**Fees**”) in exchange for his provision of the advisory services. The Fees were paid to Mr. Calderón Berti in U.S. dollars and have been converted into Canadian dollars using the applicable CAD/USD exchange rate at the time of payment for the purposes of this Statement of Executive Compensation. The term of the Consultant Agreement terminated on December 31, 2022 in accordance with its terms.

### **Oversight and Description of NEO Compensation**

The Board has not created or appointed a compensation committee given the Corporation’s current size and stage of development. All tasks related to developing and monitoring the Corporation’s approach to the compensation of the Corporation’s NEOs and directors are performed by the members of the Board. The compensation of the NEOs, directors and the Corporation’s employees or consultants, if any, is reviewed, recommended and approved by the Board without reference to any specific formula, criteria or peer group. NEOs that are also directors of the Corporation are involved in discussions relating to compensation, but disclose their interest in, and abstain from voting on, decisions related to their own respective compensation.

The overall objective of the Corporation’s compensation strategy is to offer short, medium and long-term compensation components to ensure that the Corporation has in place programs to attract, retain and develop management of the highest calibre and has in place 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 Corporation currently has a short-term compensation component in place, which includes the payment of management fees to certain NEOs, and a long-term compensation component in place, which includes the grant of Options under the Option Plan. The Corporation intends to further develop these compensation components. The Board may in the future consider, on an annual basis, an award of bonuses to key executives and senior management. The amount and award of such bonuses is expected to be discretionary, depending on, among other factors, the financial performance of the Corporation and the performance of the executive officer. The Board considers that the payment of such discretionary annual cash bonuses may satisfy the medium-term compensation component.

The objectives of the Corporation’s compensation policies and procedures are to align the interests of the Corporation’s employees with the interests of the Shareholders. Therefore, a significant portion of total compensation granted by the Corporation, being the grant of Options, is based upon overall corporate performance. The Corporation relies on Board discussion, without formal objectives, criteria and analysis, when determining executive compensation. There are currently no formal performance goals or similar conditions that must be satisfied in connection with the payment of executive compensation.

### **Pension Plan Benefits**

The Corporation does not have any defined benefit or defined contribution pension plans in place which provide for payments or benefits at, following, or in connection with retirement.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out information as at December 31, 2022 with respect to compensation plans under which equity securities of the Corporation are authorized for issuance.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders <sup>(1)</sup>	12,055,000	\$0.42	12,245,052
Equity compensation plans not approved by security holders	N/A	N/A	N/A
<b>Total</b>	12,055,000	\$0.42	12,245,052

**Note:**

(1) The aggregate number of Common Shares that may be reserved for issuance under the Option Plan shall not exceed 10% of the Corporation's issued and outstanding Common Shares. As at December 31, 2022, the number of Common Shares issued and outstanding was 122,913,523. As at the Effective Date, the Corporation had 122,913,523 Common Shares and 12,055,000 Options issued and outstanding, leaving 236,352 Common Shares remaining available for issuance under the Option Plan. The aggregate number of Common Shares that may be reserved for issuance in connection with the Awards granted under the RSU/DSU Plan is 12,008,700 (being 10% of the issued and outstanding Common Shares as at September 16, 2022). As at the Effective Date, the Corporation had 12,008,700 Common Shares available for issuance under the RSU/DSU Plan.

## INDEBTEDNESS OF DIRECTORS, EXECUTIVE OFFICERS AND SENIOR OFFICERS

No director, executive officer, employee or former director, executive officer or employee of the Corporation or its subsidiaries 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 or its subsidiaries 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 except as disclosed in the audited financial statements.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as set forth herein or as previously disclosed, the Corporation is not aware of any material interests, direct or indirect, by way of beneficial ownership 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 in the preceding financial year or any proposed or ongoing transaction of the Corporation which has or will materially affect the Corporation.

## MANAGEMENT CONTRACTS

There are no management functions of the Corporation that are 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.

## AUDIT COMMITTEE

### Audit Committee Charter

The text of the Audit Committee's charter is attached as Schedule "B" to this Management Information Circular.

### Audit Committee Composition

As at the Effective Date, the members of the Audit Committee are as follows:

Wuilian Mauco <sup>(1)</sup>	Not Independent <sup>(2)</sup>	Financially Literate <sup>(2)</sup>
Wade Felesky	Not Independent <sup>(2)</sup>	Financially Literate <sup>(2)</sup>
Greg Bay	Independent <sup>(2)</sup>	Financially Literate <sup>(2)</sup>

**Notes:**

(1) Chairman of the Audit Committee.

(2) As defined by National Instrument 52-110 – *Audit Committees* ("**NI 52-110**").

### Relevant Education and Experience

All members of the Audit Committee have been involved in the financing, administration and operation of managing small private and/or public companies for several years and have been either directly or indirectly involved in the preparation of the financial statements, filing of the quarterly and annual financial statements, dealing with the auditor, or as a member of the Audit Committee. All members of the Audit Committee have the ability to read, analyze, and understand the complexities surrounding the issuance of financial statements.

#### *Wuilian Mauco*

Mr. Mauco is an engineer with specialization studies in management and executive development at Harvard Business School, the Wharton School of University of Pennsylvania, Southern Methodist University and the Fuqua School of Business of Duke University. In Refining and Trading, Mr. Mauco attended specialization seminars at the College of Petroleum Studies of Oxford and the International Institute for Management Development (IMD) at Lausanne. During his professional career, Mr. Mauco has been a member of the board of several oil companies and member of numerous executive committees with technical and financial responsibilities and corporate plans, projects, and budget approvals.

#### *Wade Felesky*

Mr. Felesky has over 25 years of investment banking, financing and business experience and has advised and acted for both domestic and international issuers. He holds a Bachelor of Business Administration degree from Bishop's University and a Master of Business Administration degree from the Rotman School of Management at the University of Toronto. Mr. Felesky was previously the Head of Oil & Gas Investment Banking at Laurentian Bank and before that, was Co-Head of Energy Investment Banking at GMP Securities L.P. Mr. Felesky is also the Chairman of the board of directors of Zedcor Inc.

### *Greg Bay*

Mr. Bay has over 25 years of experience in the investment industry with a focus on the oil and gas sector. He obtained his Chartered Financial Analyst designation in 1988 and also holds a Bachelor of Commerce degree from Brigham Young University. Mr. Bay has been the Founding Partner and Managing Partner of Cypress Capital Management Ltd., an investment management firm, since 1998. Mr. Bay also serves on the board of directors of Gear Energy Ltd., White Owl Energy Services Ltd. and Broadview Energy Ltd.

### **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.

### **Reliance on Certain Exemptions**

Other than as disclosed below, 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, the exemptions in subsections 6.1.1(4) to (6) of NI 52-110, or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

During the most recently completed financial year ended December 31, 2022, a majority of the members of the Audit Committee, being Mr. Felesky and Mr. Mauco, were executive officers of the Corporation. The Corporation relied on the exemption in subsection 6.1.1(4) of NI 52-110 (Circumstances Affecting the Business or Operations of the Venture Issuer) in respect of Mr. Mauco's employment with the Corporation during the most recently completed financial year. Mr. Mauco resigned from his position as Chief Midstream and Downstream Officer of the Corporation on April 30, 2023 and as of such date, was no longer an executive officer or employee of the Corporation. Accordingly, the Corporation has ceased relying on the exemption as of April 30, 2023.

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

The Audit Committee will pre-approve all non-audit services to be provided by the Corporation by the external auditor unless otherwise provided for in NI 52-110 as described in the Audit Committee charter, referenced above under the heading "*Audit Committee Charter*".

### **External Auditor Service Fees**

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

<b>Financial Year Ending</b>	<b>Audit Fees<sup>(1)</sup></b>	<b>Audit-Related Fees<sup>(2)</sup></b>	<b>Tax Fees<sup>(3)</sup></b>	<b>All Other Fees<sup>(4)</sup></b>
Dec. 31, 2022 <sup>(5)</sup>	\$245,000	Nil	\$50,000	Nil
Mar. 31, 2022	\$224,000	\$75,000	\$168,000	\$103,000

#### **Notes:**

(1) "**Audit Fees**" include fees necessary to perform the annual audit of the Corporation's financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees

also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.

- (2) **"Audit-Related Fees"** include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) **"Tax Fees"** include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) **"All Other Fees"** include all other non-audit services.
- (5) The Corporation changed its financial year-end from March 31 to December 31 on February 17, 2023, resulting in a nine-month transition year from March 31, 2022 to December 31, 2022.

## **Exemption**

The Corporation is relying upon the exemption in section 6.1 of NI 52-110.

## **CORPORATE GOVERNANCE**

Corporate governance relates to the activities of the Board, 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 and who are charged with the day to day management of the Corporation. The Board is committed to sound corporate governance practices, which are both in the interest of its Shareholders and contribute to effective and efficient decision making.

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

### **Board of Directors**

At the meeting, Shareholders will be asked to fix the number of directors to be elected at the Meeting at five (5). The Board is currently comprised of the following five members: Jose Francisco Arata, Wade Felesky, Marino Ostos, Wuilian Mauco and Greg Bay. All of the directors are being nominated for re-election at the Meeting.

Greg Bay is an independent director of the Corporation. Mr. Bay has no ongoing interest or relationship with the Corporation other than his security holdings in the Corporation and serving as a director.

Each of Jose Francisco Arata, the CEO of the Corporation, Wade Felesky, the President of the Corporation, and Marino Ostos, the Chief Geoscience Officer of the Corporation are members of management and, as a result, are not independent directors. Wuilian Mauco is also considered not to be an independent director as he has been, within the last three years, an executive officer of the Corporation by virtue of his former position as Chief Midstream and Downstream Officer.

The Board is responsible for determining whether a director is an independent director. 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 judgment.

### **Directorships**

Other than disclosed below, no current or proposed director of the Corporation is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction.

Mr. Arata joined the board of TSXV-listed company Western Atlas Resources Ltd. on August 12, 2017 and joined the board of TSXV-listed company Unigold Inc. on May 26, 2022. Mr. Arata continues to serve on each board as an independent director.

Mr. Felesky joined the board of TSXV-listed company Zedcor Inc. on June 1, 2021 and continues to serve on its board as the chairman of the board and an independent director.

Mr. Bay joined the board of TSX-listed company Gear Energy Ltd. on August 7, 2019 and continues to serve on its board as an independent director.

### **Orientation and Continuing Education**

At present, each new director is given an outline of the nature of the Corporation's business, its corporate strategy, and current opportunities and prospects of the Corporation along with a description of the committees constituted by the Board. New directors are also expected to be required to meet with management of the Corporation to discuss and better understand the Corporation's business and will be 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 and will be revised as necessary.

### **Ethical Business Conduct**

The Corporation requires the highest standards of professional and ethical conduct from its directors, officers and employees and believes that its reputation for honesty and integrity among its stakeholders is key to the success of its business. In that regard, to create a culture of honesty, integrity and accountability, discussion, on an informal basis, is had amongst the Board, management and employees respecting such matters as the retention of confidential information, the obligation to declare conflicts of interests and the necessity to comply with applicable laws, regulations and rules.

The Board 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 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 Corporation. The Board has also found that the in camera sessions of the independent directors held in conjunction with Board meetings also help to ensure that directors exercise independent judgment in considering transactions and agreements.

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) (the "**ABCA**"), 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 presently seeks and determines new nominees to the Board, although no formal process has been adopted. The nominees are generally the result of recruitment efforts by the Board members, including both formal and informal discussions among the Board members and officers.

## **Compensation**

The Board has not appointed a compensation committee as the Board determines compensation matters as a whole.

## **Other Board Committees**

The Corporation has no other standing committees at this time other than the Audit Committee. Refer to the disclosure under the heading “*Audit Committee*” for information relating to the Audit Committee, including its mandate and composition and fees paid to the Corporation’s auditor.

## **Assessments**

The Board has not implemented a process for assessing its effectiveness but is considering doing so. As a result of the Corporation’s size, its stage of development and the limited number of individuals on the Board, the Board has considered a formal assessment process to be inappropriate at this time.

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

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

### **1. Report and Financial Statements**

The audited financial statements of the Corporation for the nine-month transition year ended December 31, 2022 and 12-month financial year ended March 31, 2022 and the report of the auditor thereon (the “**Financial Statements**”) will be placed before the Meeting. The Board has approved all of the information in the Financial Statements, copies of which are delivered herewith. The approval of the Shareholders is not required in relation to the Financial Statements.

On February 17, 2023, the Corporation changed its financial year-end from March 31 to December 31, resulting in a nine-month transition year from March 31, 2022 to December 31, 2022. A Notice of Change in Year-End was filed on SEDAR pursuant to section 4.8 of NI 51-102 and is available under the Corporation’s SEDAR profile at [www.sedar.com](http://www.sedar.com).

### **2. Fix Number of Directors to be Elected at the Meeting**

The Shareholders 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 the Shareholders who vote in respect of the resolution.

At the Meeting, it will be proposed that five (5) directors be elected to hold office until the next annual general meeting or until their successors are elected or appointed. **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 (5) 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.

**Unless otherwise directed, it is the intention of the management designees, if named as proxy, to vote for the election of the persons named in the following table to the Board.** Management does not contemplate that any of such nominees will be unable to serve as directors; however, if for any reason any of the proposed nominees do not stand for election or are unable to serve as such, proxies held by management designees will be voted for another nominee in their discretion unless the Shareholder has specified in his form of proxy that his Common Shares are to be withheld from voting in the election of directors. Each director elected will hold office until the next annual general meeting of Shareholders or until his successor is duly elected, unless his office is earlier vacated in accordance with the by-laws of the Corporation or the provisions of the ABCA to which the Corporation is subject.

Name, Municipality of Residence, Office and Date Became a Director	Present Occupation and Positions Held During the Last Five (5) Years	Number and Percentage of Common Shares Held or Controlled as at the Effective Date <sup>(2)(3)</sup>
<p><b>Jose Francisco Arata</b> Punta Cana, Dominican Republic Chief Executive Officer and Director Director since May 4, 2017</p>	<p>Mr. Arata was the President of Pacific Exploration &amp; Production Corp. (TSX) ("<b>Pacific Exploration</b>") from January 23, 2008 until July 2015. He was also Chief Executive Officer and director of Pacific Stratus International Energy Ltd. (TSX) ("<b>Pacific Stratus</b>") from August 21, 2006 to January 23, 2008. Mr. Arata was also a director of Pacific Coal Resources Ltd. and CGX Energy Inc. (TSXV) ("<b>CGX</b>"). Mr. Arata is a geologist with vast experience in Latin America markets. He presently serves on the board of Western Atlas Resources Ltd. and of various private companies.</p>	<p>6,133,766 (4.99%)</p>
<p><b>Wade Felesky<sup>(1)</sup></b> Calgary, Canada President and Director Director since June 2, 2021</p>	<p>Mr. Felesky is Chairman of the board of directors of Zedcor Inc. He was previously the Head of Oil &amp; Gas Investment Banking at Laurentian Bank and before that, Co-Head of Energy Investment Banking at GMP Securities L.P.</p>	<p>1,209,027 (&lt;1%)</p>
<p><b>Marino Ostos</b> Bogotá, Colombia Chief Geoscience Officer and Director Director since May 4, 2017</p>	<p>Mr. Ostos was Senior Vice President, New Business Areas for Pacific Exploration from January 23, 2008 until July 2016. He was also Chief Operating Officer of Pacific Stratus from August 2006 to October 2007, President of Colombian Operations of Pacific Stratus from May 2006 to May 2007 and President and Chief Executive Officer of Pacific Stratus from October 2004 to August 2006. Mr. Ostos was Principal of</p>	<p>5,337,381 (4.34%)</p>

Name, Municipality of Residence, Office and Date Became a Director	Present Occupation and Positions Held During the Last Five (5) Years	Number and Percentage of Common Shares Held or Controlled as at the Effective Date <sup>(2)(3)</sup>
	Estudios de Ingenieria Geologica LITOS C.A. from December 1999 to October 2004. Mr. Ostos was also a director of CGX until December 2016.	
<p><b>Wuilian Mauco<sup>(1)</sup></b></p> <p>Panama City, Panama</p> <p>Chief Midstream and Downstream Officer and Director</p> <p>Director since May 10, 2019</p>	<p>Mr. Mauco is an engineer with extensive experience in production operations, refining and international oil and gas trading. In the period from 1998 to 2000, Mr. Mauco was International Trading Director of Petróleos de Venezuela, S.A. and a member of the board of Deltaven, CVP (Corporacion Venezolana del Petroleo), Nynas, Isla Refinery and Bonaire Petroleum Corporation. From 2001 until 2007, Mr. Mauco was Vice President of Business Development of several US companies and from 2008, VP of Trading of Pacific Rubiales Energy. In 2016, Mr. Mauco founded Vision Energy Consultants where he is a consultant in the development of downstream oil business in Latin America.</p>	<p>6,028,906 (4.90%)</p>
<p><b>Greg Bay<sup>(1)</sup></b></p> <p>Vancouver, British Columbia</p> <p>Director since September 16, 2021</p>	<p>Mr. Bay has been the Founding Partner and Managing Partner of Cypress Capital Management Ltd., an investment management firm, since 1998. Mr. Bay is also a director of Gear Energy Ltd., White Owl Energy Services Ltd. and Broadview Energy Ltd.</p>	<p>Nil</p>

**Notes:**

- (1) Member of the Audit Committee.
- (2) Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, as at the Effective Date, based on information furnished to the Corporation by the above individuals.
- (3) As at the Effective Date, the Corporation had 122,913,523 Common Shares issued and outstanding.

Cease Trade Orders or 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 that person was acting in that capacity:

- (a) was the subject of a cease trade or similar order, or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;
- (b) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or
- (c) within a year of that person ceasing to act in such 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 was 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 person.

### Penalties and 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 a reasonable securityholder in deciding whether to vote for a proposed director.

## **4. Appointment of Auditor**

The Shareholders will be asked to vote for the appointment of Deloitte LLP, Chartered Professional Accountants, as auditor of the Corporation. **Unless otherwise directed, it is the intention of the management designees, if named as proxy, to vote in favour of the ordinary resolution appointing Deloitte LLP, Chartered Professional Accountants, as auditor of the Corporation for the next ensuing year**, to hold office until the close of the next annual general meeting of Shareholders or until the firm of Deloitte LLP is removed from office or resigns as provided by the Corporation's by-laws, and the management designees also intend to vote the Common Shares represented by any such proxy in favor of a resolution authorizing the Board to fix the compensation of the auditor. Deloitte LLP was appointed auditor of the Corporation effective August 28, 2017.

## **5. Approval of Stock Option Plan**

The Corporation is proposing to approve the Option Plan of the Corporation. A copy of the Option Plan, as amended, is attached as Schedule "A" to this Management Information Circular.

The text of the ordinary resolution to be considered at the Meeting will be substantially as follows:

**"BE IT HEREBY RESOLVED** as an ordinary resolution of the Corporation that:

- (a) the stock option plan of the Corporation (the "**Plan**"), substantially in the form attached as Schedule "A" to the management information circular of the Corporation dated May 12, 2023, be and is hereby ratified, approved and adopted as the stock option plan of the Corporation;
- (b) the form of the Plan may be amended in order to satisfy the requirements or requests of any regulatory authorities without requiring further approval of the shareholders of the Corporation;

- (c) all issued and outstanding stock options previously granted are hereby continued under and governed by the Plan;
- (d) the shareholders of the Corporation hereby expressly authorize the Board of Directors to revoke this resolution before it is acted upon without requiring further approval of the shareholders in that regard; and
- (e) any one director or officer of the Corporation is authorized and directed, on behalf of the Corporation, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things (whether under corporate seal of the Corporation or otherwise) that may be necessary or desirable to give effect to this ordinary resolution.”

**Unless otherwise directed, it is the intention of the management designees, if named as proxy, to vote in favour of the ordinary resolution approving the Option Plan.** In order to be effective, an ordinary resolution requires approval of a majority of the votes cast by Shareholders who vote in respect to the resolution.

#### **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 Shareholders. All special resolutions, if any, to be brought before the Meeting require, for the passing of the same, a 66⅔% majority of the votes cast at the Meeting by the Shareholders. All approvals by disinterested Shareholders, if any, require the approval of the Shareholders not affected by, or interested in, the matter to be approved.

#### **ADDITIONAL INFORMATION**

Additional information relating to the Corporation is available on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information relating to the Corporation’s most recently completed financial year is provided in the Financial Statements and management’s discussion and analysis available on SEDAR.

A Shareholder may contact the Corporation at Suite 2400, 333 7<sup>th</sup> Avenue S.W., Calgary, Alberta T2P 2Z1, Attn: Chief Financial Officer to obtain a copy of the Corporation’s most recent Financial Statements and management’s discussion and analysis.

#### **BOARD APPROVAL**

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

**DATED** this 12<sup>th</sup> day of May, 2023.

**SCHEDULE "A"**

**OPTION PLAN**

(See attached)

**NEW STRATUS ENERGY INC.  
STOCK OPTION PLAN**

**1. PURPOSE**

The purpose of this stock option plan (the “**Plan**”) of New Stratus Energy Inc. (the “**Corporation**”), a corporation incorporated under the *Business Corporations Act* (Alberta), is to advance the interests of the Corporation by encouraging the directors, officers, employees and consultants of the Corporation, and of its subsidiaries and affiliates, if any, to acquire common shares in the capital of the Corporation (the “**Shares**”), thereby increasing their proprietary interest in the Corporation, encouraging them to remain associated with the Corporation and furnishing them with additional incentive in their efforts on behalf of the Corporation in the conduct of its affairs.

**2. ADMINISTRATION**

The Plan shall be administered by the Board of Directors of the Corporation or by a special committee of the directors appointed from time to time by the Board of Directors of the Corporation pursuant to rules of procedure fixed by the Board of Directors (such committee or, if no such committee is appointed, the Board of Directors of the Corporation, is hereinafter referred to as the “**Board**”). A majority of the Board shall constitute a quorum, and the acts of a majority of the directors present at any meeting at which a quorum is present, or acts unanimously approved in writing, shall be the acts of the Board.

Subject to the provisions of the Plan, the Board shall have authority to construe and interpret the Plan and all option agreements entered into hereunder, to define the terms used in the Plan and in all option agreements entered into hereunder, to prescribe, amend and rescind rules and regulations relating to the Plan and to make all other determinations necessary or advisable for the administration of the Plan. All determinations and interpretations made by the Board shall be binding and conclusive on all participants in the Plan and on their legal personal representatives and beneficiaries.

Each option (“**Option**”) to purchase a Share granted hereunder may be evidenced by an agreement in writing, signed on behalf of the Corporation and by the optionee, in such form as the Board shall approve. Each such agreement shall recite that it is subject to the provisions of this Plan.

Each Option granted by the Corporation prior to the date of the approval of the Plan by the shareholders of the Corporation, including Options granted under previously approved stock option plans of the Corporation, be and are continued under and shall be subject to the terms of the Plan after the Plan has been approved by the shareholders of the Corporation.

**3. STOCK EXCHANGE RULES**

All Options granted pursuant to this Plan shall be subject to rules and policies of any stock exchange or exchanges on which the Shares of the Corporation are then listed and any other regulatory body having jurisdiction hereinafter (hereinafter collectively referred to as, the “**Exchange**”).

**4. SHARES SUBJECT TO PLAN**

Subject to adjustment as provided in Section 16 hereof, the Shares to be offered under the Plan shall consist of Shares of the Corporation’s authorized but unissued Shares. The aggregate number of Shares issuable upon the exercise of all Options granted under the Plan shall not exceed 10% of the issued and outstanding Shares from time to time less the aggregate number of Shares reserved for issuance under any other Share Compensation Arrangement (as defined herein). If any Option granted hereunder shall expire or terminate for any reason in accordance with the terms of the Plan without being exercised, the unpurchased Shares subject thereto shall again be available for the purpose of this Plan.

**“Share Compensation Arrangement”** means any share option, share option plan, employee stock purchase plan, restricted share unit plan, deferred share unit plan, or any other compensation or incentive mechanism involving the issuance or potential issuance of Shares to directors, officers, employees or consultants of the Corporation.

## 5. MAINTENANCE OF SUFFICIENT CAPITAL

The Corporation shall at all times during the term of the Plan reserve and keep available such numbers of Shares as will be sufficient to satisfy the requirements of the Plan.

## 6. ELIGIBILITY AND PARTICIPATION

Directors, officers, consultants, and employees of the Corporation or its subsidiaries, and employees of a person or company which provides management services to the Corporation or its subsidiaries (**“Management Company Employees”**) shall be eligible for selection to participate in the Plan (such persons hereinafter collectively referred to as **“Participants”**). Subject to compliance with applicable requirements of the Exchange, Participants may elect to hold Options granted to them in an incorporated entity wholly owned by them and such entity shall be bound by the Plan in the same manner as if the Options were held by the Participant.

Subject to the terms hereof, the Board shall determine to whom Options shall be granted, the terms and provisions of the respective Option agreements, the time or times at which such Options shall be granted and vested, and the number of Shares to be subject to each Option. In the case of employees or consultants of the Corporation or Management Company Employees, the Option agreements to which they are party must contain a representation of the Corporation that such employee, consultant or Management Company Employee, as the case may be, is a bona fide employee, consultant or Management Company Employee of the Corporation or its subsidiaries.

A Participant who has been granted an Option may, if such Participant is otherwise eligible, and if permitted under the policies of the Exchange and terms hereof, be granted an additional Option or Options if the Board shall so determine.

## 7. EXERCISE PRICE

- (a) Options may be exercised at a price that shall be fixed by the Board at the time that the Option is granted. No Option shall be granted with an exercise price at a discount to the market price. The market price shall be the closing price of the Shares on the Exchange on the first day preceding the date of grant on which at least one board lot of Shares traded.
- (b) Once the exercise price has been determined by the Board, accepted by the Exchange and the Option has been granted, the exercise price of an Option may be reduced upon receipt of Board approval, provided that in the case of Options held by Insiders (as defined in the policies of the Exchange) of the Corporation, the exercise price of an Option may be reduced only if disinterested shareholder approval is obtained.

## 8. EXERCISE OF OPTION

- (a) Manner of Exercise. Subject to the provisions of the Plan, an Option may be exercised from time to time by delivery to the Corporation at its head office, or such other place as may be specified by the Corporation, of a written notice of exercise specifying the number of Shares with respect to which the Option is being exercised and accompanied by payment in full of the purchase price of the Shares then being purchased by certified cheque, bank draft or wire transfer.

- (b) Cashless Exercise. Subject to paragraph 8(d) and the approval of the Board, which approval is at the sole discretion of the Board, an optionee (other than an optionee who is performing Investor Relations Activities (as such term is defined in the policies of the TSX Venture Exchange (the “**TSX-V**”))) may choose to undertake a “cashless exercise” with the assistance of a brokerage firm with which the Corporation has an arrangement, if any, in order to facilitate the exercise of such optionee’s Option. The “cashless exercise” procedure, if permitted by the Board, shall include the following:
- (i) the brokerage firm will loan money to an optionee to purchase the Shares in respect of which the Option is being exercised;
  - (ii) the brokerage firm will then sell a sufficient number of Shares to cover the aggregate exercise price for the applicable exercise of the Option in order to repay the loan made to the optionee; and
  - (iii) the brokerage firm will receive an equivalent number of Shares from the exercise by the optionee of the Option, and the optionee will then receive the balance of the Shares in respect of which the Option is being exercised or the cash proceeds from the balance of such Shares.

For greater certainty, the Corporation is not obligated to permit, facilitate or enable a “cashless exercise” of any Option or to enter into or maintain an arrangement with any brokerage firm. Whether an Option may be exercised on a “cashless exercise” basis is at the sole discretion of the Board.

- (c) Net Exercise. Subject to paragraph 8(d) and the approval of the Board, which approval is at the sole discretion of the Board, an optionee may choose to undertake a “net exercise” pursuant to which an optionee shall receive only the number of Shares that is equal to the quotient obtained by dividing:
- (i) the product of (A) the number of Shares in respect of which the Option is being exercised, multiplied by (B) the difference between the VWAP (as defined herein) of the Shares in respect of which the Option is being exercised and the exercise price of the subject Option; by
  - (ii) the VWAP of the Shares in respect of which the Option is being exercised.

“**VWAP**” means the volume weighted average trading price of the Shares on the TSX-V, or such other Exchange on which the Corporation’s Shares may be trading, calculated by dividing the total value by the total volume of Shares traded for the five trading days immediately preceding the exercise of the subject Option. Where appropriate, the TSX-V may exclude internal crosses and certain other special terms trades from the calculation.

For greater certainty, the Corporation is not obligated to permit, facilitate or enable a “net exercise” of any Option. Whether an Option may be exercised on a “net exercise” basis is at the sole discretion of the Board.

- (d) Notwithstanding any other provision of this Plan:
- (i) the “cashless exercise” and “net exercise” provisions contained in paragraphs 8(b) and 8(c), respectively, shall at all times be subject to the policies of the Exchange; and

- (ii) an Option held by an optionee performing Investor Relations Activities (as such term is defined in the policies of the TSX-V) may not be exercised on a “cashless exercise” or “net exercise” basis.

## 9. NUMBER OF OPTIONED SHARES

- (a) The aggregate number of Shares issuable upon the exercise of all Options granted under the Plan shall not exceed 10% of the issued and outstanding Shares from time to time less the aggregate number of Shares reserved for issuance under any other Share Compensation Arrangement, subject to the following additional limitations:
  - (i) the aggregate number of Options granted to any one Participant (and companies wholly owned by that Participant) in any 12 month period must not exceed 5% of the issued and outstanding Shares, calculated on the date an Option is granted to the Person (unless the Corporation has obtained the requisite disinterested shareholder approval), less the aggregate number of Shares reserved for issuance to such person under any other Share Compensation Arrangement;
  - (ii) the aggregate number of Shares reserved for issuance under Options granted to Insiders (as a group) at any point in time must not exceed 10% of the issued and outstanding Shares, less the aggregate number of Shares reserved for issuance to Insiders under any other Share Compensation Arrangement (unless the Corporation has obtained the requisite disinterested shareholder approval);
  - (iii) the grant to Insiders (as a group), in any 12 month period, of an aggregate number of Options must not exceed 10% of the issued and outstanding Shares, calculated at the date an Option is granted to any Insider, less the aggregate number of Shares reserved for issuance to Insiders under any other Share Compensation Arrangement (unless the Corporation has obtained the requisite disinterested shareholder approval);
  - (iv) the aggregate number of Options granted to any one consultant of the Corporation in any 12 month period must not exceed 2% of the issued Shares, calculated at the date an Option is granted to the consultant, less the aggregate number of Shares reserved for issuance to such consultant under any other Share Compensation Arrangement of the Corporation; and
  - (v) the aggregate number of Options granted to all Persons retained to provide Investor Relations Activities must not exceed 2% of the issued Shares in any 12 month period, calculated at the date an Option is granted to any such Person. Options issued to Persons retained to provide Investor Relations Activities must vest in stages over a period of not less than 12 months with no more than 1/4 of the Options vesting in any three month period.
- (b) The number of Shares subject to an Option granted to any one Participant shall be determined by the Board, but no one Participant shall be granted an Option which exceeds the maximum number permitted by the Exchange.

## 10. DURATION OF OPTION

Each Option and all rights thereunder shall be expressed to expire on the date set out in the Option agreement and shall be subject to earlier termination as provided in Sections 12 and 13, provided that in no circumstances shall the duration of an Option exceed the maximum term permitted by the Exchange. For greater certainty, if the Corporation is listed on the TSX-V, the maximum term may not exceed 10 years.

(subject to extension where the expiry date falls within a Black Out Period, as defined herein). The Toronto Stock Exchange does not impose a maximum term for the duration of an Option.

Should the expiry date of an Option fall within a Black Out Period or within nine business days following the expiration of a Black Out Period, such expiry date of the Option shall be automatically extended without any further act or formality to that date which is the tenth (10<sup>th</sup>) business day after the end of the Black Out Period, such tenth (10<sup>th</sup>) business day to be considered the expiry date for such Option for all purposes under the Plan. The ten (10) business day period referred to in this paragraph may not be extended by the Board.

**“Black Out Period”** means the period during which the relevant Participant is prohibited from exercising an Option due to trading restrictions imposed by the Corporation pursuant to any policy of the Corporation respecting restrictions on trading that is in effect at that time or a notice in writing to a Participant by a senior officer or director of the Corporation.

## 11. OPTION PERIOD, CONSIDERATION AND PAYMENT

- (a) The Option period shall be a period of time fixed by the Board not to exceed the maximum term permitted by the Exchange, provided that the Option period shall be reduced with respect to any Option as provided in Sections 12 and 13 covering cessation as a director, officer, consultant, employee or Management Company Employee of the Corporation or its subsidiaries, or death of the Participant.
- (b) Subject to any vesting restrictions imposed by the Exchange, the Board may, in its sole discretion, determine the time during which Options shall vest and the method of vesting, or that no vesting restriction shall exist. In the event of a Change of Control and notwithstanding any other vesting or other restrictions or conditions, the Board may take whatever action with respect to the Options outstanding that it deems necessary or desirable, including any acceleration of vesting of any or all of the Options which shall be deemed to occur immediately prior to the Change of Control.
- (c) Subject to any vesting restrictions imposed by the Board, Options may be exercised in whole or in part at any time and from time to time during the Option period. To the extent required by the Exchange, no Options may be exercised under this Plan until this Plan has been approved by a resolution duly passed by the shareholders of the Corporation.
- (d) Except as set forth in Sections 12 and 13, no Option may be exercised unless the Participant is at the time of such exercise, a director, officer, consultant, or employee of the Corporation or any of its subsidiaries, or a Management Company Employee of the Corporation or any of its subsidiaries.

**“Change of Control”** has the meaning ascribed to that term in section 1.2 of Policy 1.1 of the TSX-V.

## 12. CEASING TO BE A DIRECTOR, OFFICER, CONSULTANT OR EMPLOYEE

If a Participant shall cease to be a director, officer, consultant, employee of the Corporation, or its subsidiaries, or ceases to be a Management Company Employee, for any reason (other than death), such Participant may exercise his Option to the extent that the Participant was entitled to exercise it at the date of such cessation, provided that such exercise must occur within 90 days after the Participant ceases to be a director, officer, consultant, employee or a Management Company Employee, subject to extension at the discretion of the Board.

Nothing contained in the Plan, nor in any Option granted pursuant to the Plan, shall as such confer upon any Participant any right with respect to continuance as a director, officer, consultant, employee or Management Company Employee of the Corporation or of any of its subsidiaries or affiliates.

**13. DEATH OF PARTICIPANT**

Notwithstanding Section 12, in the event of the death of a Participant, the Option previously granted to him shall be exercisable only within the one year after such death and then only:

- (a) by the person or persons to whom the Participant's rights under the Option shall pass by the Participant's will or the laws of descent and distribution; and
- (b) if and to the extent that such Participant was entitled to exercise the Option at the date of his death.

**14. RIGHTS OF OPTIONEE**

No person entitled to exercise any Option granted under the Plan shall have any of the rights or privileges of a shareholder of the Corporation in respect of any Shares issuable upon exercise of such Option until certificates representing such Shares shall have been issued and delivered.

**15. PROCEEDS FROM SALE OF SHARES**

The proceeds from the sale of Shares issued upon the exercise of options shall be added to the general funds of the Corporation and shall thereafter be used from time to time for such corporate purposes as the Board may determine.

**16. ADJUSTMENTS**

If the outstanding Shares of the Corporation are increased, decreased, changed into or exchanged for a different number or kind of shares or securities of the Corporation or another company or entity through reorganization, merger, re-capitalization, re-classification, stock dividend, subdivision or consolidation, appropriate adjustments relating to the number or kind of shares optioned or issued on exercise of Options, or the exercise price per share as set forth in the respective stock option agreements, may be made by the Board in its discretion to preserve the value of the option in relation to such events.

Subject to any applicable prior approval of the Exchange, adjustments under this Section shall be made by the Board whose determination as to what adjustments shall be made, and the extent thereof, shall be final, binding and conclusive. No fractional Share shall be required to be issued under the Plan on any such adjustment.

**17. TRANSFERABILITY**

All benefits, rights and Options accruing to any Participant in accordance with the terms and conditions of the Plan shall not be transferable or assignable unless specifically provided herein or the extent, if any, permitted by the Exchange. During the lifetime of a Participant, any benefits, rights and Options may only be exercised by the Participant.

**18. WITHHOLDING TAXES**

The Corporation shall have the authority to take steps for the deduction and withholding, or for the advance payment or reimbursement by the optionee to the Corporation, of any taxes or other required source deductions which the Corporation is required by law or regulation of any governmental authority whatsoever to remit in connection with this Plan, or any issuance of Shares. Without limiting the generality of the foregoing, the Corporation may, in its sole discretion:

- (a) deduct and withhold additional amounts from other amounts payable to an optionee;
- (b) require, as a condition of the issuance of Shares to an optionee, that the optionee make a cash payment to the Corporation equal to the amount, in the Corporation's opinion, required to be withheld and remitted by the Corporation for the account of the optionee to the appropriate governmental authority and the Corporation, in its discretion, may withhold the issuance or delivery of Shares until the optionee makes such payment; or
- (c) sell, on behalf of the optionee, all or any portion of Shares otherwise deliverable to the optionee until the net proceeds of sale equal or exceed the amount which, in the Corporation's opinion, would satisfy any and all withholding taxes and other source deductions for the account of the optionee.

## **19. AMENDMENT AND TERMINATION OF PLAN**

The Board may terminate or discontinue the Plan at any time without the consent of the Participants provided that such termination or discontinuance shall not alter or impair any Option previously granted under the Plan.

The Board may by resolution amend this Plan and any Options granted under it without shareholder approval; however, the Board will not be entitled, in the absence of shareholder and Exchange approval, to:

- (a) reduce the exercise price of an outstanding Option, including a cancellation of an Option and re-grant of an Option in conjunction therewith, constituting a reduction of the exercise price of the Option;
- (b) extend the expiry date of an Option held by an Insider of the Corporation (subject to such date being extended by virtue of paragraph 10 above);
- (c) amend the limitations on the maximum number of Shares reserved or issued to Insiders under paragraphs 9(a)(i), 9(a)(ii) and 9(a)(iii) hereof;
- (d) make any amendments to the Plan that would permit a Participant to transfer or assign Options to a new beneficial owner other than for estate settlement purposes;
- (e) increase the maximum number of Shares issuable pursuant to this Plan; or
- (f) amend the amendment provisions of this Plan under this Section 19.

Where shareholder approval is sought for amendments under subsections (a), (b) and (c) above, the votes attached to Shares held directly or indirectly by Insiders benefiting from the amendments will be excluded.

## **20. NECESSARY APPROVALS**

The ability of a Participant to exercise Options and the obligation of the Corporation to issue and deliver Shares in accordance with the Plan is subject to any approvals which may be required from shareholders of the Corporation and the TSX-V or any other stock exchange having jurisdiction over the securities of the Corporation. If any Shares cannot be issued to any Participant for whatever reason, the obligation of the Corporation to issue such Shares shall terminate and any Option exercise price paid to the Corporation will be returned to the Participant.

**21. EFFECTIVE DATE OF PLAN**

The Plan has been adopted by the Board of the Corporation subject to the approval of the Exchange and, if so approved, subject to the discretion of the Board, the Plan shall become effective upon such approvals being obtained.

**22. INTERPRETATION**

Terms used but not otherwise defined herein shall have the meanings ascribed thereto in TSX-V Policy 1.1 and 4.4.

**23. GOVERNING LAW**

This Plan will be governed by and construed in accordance with the laws of Alberta and the laws of Canada applicable therein.

**SCHEDULE "B"**

**AUDIT COMMITTEE CHARTER**

(See attached)

**NEW STRATUS ENERGY INC.  
(THE "CORPORATION")**

**AUDIT COMMITTEE CHARTER**

**1. Policy Statement**

It is the policy of the Corporation to establish and maintain an Audit Committee (the "**Committee**") to assist the directors (individually a "**Director**" and collectively the "**Board**") of the Corporation in carrying out the Board's oversight responsibility for the accounting, internal controls, financial reporting, audits of financial statements and risk management processes of the Corporation.

The Committee shall be provided with resources commensurate with the duties and responsibilities assigned to it by the Board including appropriate administrative support. Without limiting the generality of the foregoing, the Corporation shall provide for appropriate funding, as determined by the Committee in its capacity as a committee of the Board, for payment of: (a) compensation to any registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for Corporation; (b) compensation to any advisers engaged by the Committee under section (c)(iii) of this charter; and (c) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

If determined appropriate by the Committee, it shall have the discretion to institute investigations of improprieties, or suspected improprieties within the scope of its responsibilities, including the standing authority to retain special counsel or other experts. The Committee shall have unrestricted access to the Corporation's external auditors, is authorized to seek any information that it requires from any employee and all employees are directed to co-operate with any request made by the Committee.

**2. Composition of Committee**

- (a) The Committee shall be established by a resolution of the Board. The Committee shall consist of a minimum of three (3) Directors. The Board shall appoint the members of the Committee and may seek the advice and assistance of the Compensation and Corporate Governance Committee in identifying qualified candidates. The Board shall appoint one member of the Committee to be the chair of the Committee (the "**Chair**").
- (b) A majority of the members of the Committee shall be Directors who are independent within the meaning of National Instrument 52-110 – *Audit Committees* ("**NI 52-110**"), and the rules of any stock exchange or market on which the Corporation's shares are listed or posted for trading (collectively, "**Applicable Governance Rules**") and the Chair of the Committee shall be independent.
- (c) All members of the Committee must be able to read and understand fundamental financial statements (including a balance sheet, income statement and cash flow statement) and 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 level of complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.
- (d) A Director appointed by the Board to the Committee shall be a member of the Committee until replaced by the Board or until his or her resignation.

**3. Meetings of the Committee**

- (a) The Committee shall convene a minimum of four times each year at such times and places as may be determined by the Chair of the Committee, and whenever a meeting is

requested by the Board, a member of the Committee, the auditors or senior management of the Corporation. Scheduled meetings of the Committee shall correspond with the review of the quarterly and year-end financial statements and management's discussion and analysis.

- (b) Notice of each meeting of the Committee shall be given to each member of the Committee.
- (c) Notice of a meeting of the Committee shall:
  - (i) be in writing, which includes electronic communication facilities;
  - (ii) state the nature of the business to be transacted at the meeting in reasonable detail;
  - (iii) to the extent practicable, be accompanied by a copy of any documentation to be considered at the meeting; and
  - (iv) be given at least two business days prior to the time stipulated for the meeting or such shorter period as the members of the Committee may permit.
- (d) A quorum for the transaction of business at a meeting of the Committee shall consist of a majority of the members of the Committee. However, it shall be the practice of the Committee to require review, and, if necessary, approval of important matters by all members of the Committee.
- (e) A member or members of the Committee may participate in a meeting of the Committee by means of such telephonic, electronic or other communication facilities as permits all persons participating in the meeting to communicate with each other. A member participating in such a meeting by any such means is deemed to be present at the meeting.
- (f) In the absence of the Chair of the Committee, the members of the Committee shall choose one of the members present to chair the meeting. In addition, the members of the Committee shall choose one of the persons present to be the secretary of the meeting.
- (g) The Committee may invite such persons to attend meetings of the Committee as the Committee considers appropriate, except to the extent exclusion of certain persons is required pursuant to this charter or by applicable laws.
- (h) The Committee may invite the external auditors to be present at any meeting of the Committee and to comment on any financial statements, or on any of the financial aspects, of the Corporation.
- (i) The Committee (i) shall meet with the external auditors separately from individuals other than the Committee and (ii) may meet separately with management of the Corporation.
- (j) Minutes shall be kept of all meetings of the Committee and shall be signed by the chair and the secretary of the meeting. The Chair of the Committee shall circulate the minutes of the meetings of the Committee (which may be in draft form) to all members of the Board.

#### **4. Duties and Responsibilities of the Committee**

- (a) The Committee, in its capacity as a committee of the Board, is directly responsible for recommending to the Board the public accounting firm to be nominated for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Corporation (the "**external auditor**") as well as the compensation of the external

auditor. The Committee shall also be directly responsible for the oversight of the work of the external auditor (including resolution of disagreements between management and the auditor regarding financial reporting), and each such external auditor must report directly to the Committee.

- (b) The other primary duties and responsibilities of the Committee are to:
- (i) identify and monitor the management of the principal risks that could impact the financial reporting of the Corporation;
  - (ii) monitor the integrity of the Corporation's financial reporting process and system of internal controls regarding financial reporting and accounting compliance;
  - (iii) monitor the independence, objectivity and performance of the external auditors, including, without limitation: (A) ensuring the Committee's receipt from the external auditors at least annually of a formal written statement delineating all relationships between the external auditors and the Corporation; (B) actively engaging in dialogue with the external auditors with respect to any disclosed relationships or services that may impact the objectivity and independence of the external auditor; and (C) taking, or recommending that the Board take, appropriate action to oversee the independence of the external auditors;
  - (iv) evaluate the performance of the external auditors at least annually;
  - (v) deal directly with the external auditors to approve external audit plans, other services (if any) and fees;
  - (vi) directly oversee the external audit process and results (in addition to items described in subsection (e) below);
  - (vii) provide an avenue of communication between the external auditors, management and the Board;
  - (viii) review annually with management of the Corporation the anti-fraud, anti-bribery, anti-corruption and risk assessment programs of the Corporation;
  - (ix) carry out a review designed to ensure that an effective "whistle blowing" procedure exists to permit stakeholders to express any concerns regarding accounting or financial matters to an appropriately independent individual; and
  - (x) oversee all pension and retirement benefit plans if and when established.
- (c) The Committee shall have the authority to:
- (i) inspect any and all of the books and records of the Corporation and its subsidiaries;
  - (ii) discuss with the management of the Corporation and its subsidiaries, any affected party and the external auditors, such accounts, records and other matters as any member of the Committee considers appropriate;
  - (iii) engage independent counsel and other advisors as it determines necessary to carry out its duties; and
  - (iv) set and pay the compensation for any advisors engaged by the Committee.

Relationship with the Board

- (d) The Committee shall, at the earliest opportunity after each meeting, report to the Board the results of its activities and any reviews undertaken and make recommendations to the Board as considered appropriate.

Relationship with External Auditors

- (e) The Committee shall:
  - (i) review the audit plan with the external auditors and with management;
  - (ii) review with the external auditors the critical accounting policies and practices used by the Corporation, all alternative treatments of financial information within international financial reporting standards (“**IFRS**”) that the external auditors have discussed with management, the ramifications of the use of such alternative disclosures and treatments and the treatment preferred by the external auditors;
  - (iii) discuss with management and the external auditors any proposed changes in major accounting policies or principles, the presentation and impact of material risks and uncertainties and key estimates and judgments of management that may be material to financial reporting;
  - (iv) review with management and with the external auditors material financial reporting issues arising during the most recent financial period and the resolution or proposed resolution of such issues;
  - (v) review any problems experienced or concerns expressed by the external auditors in performing any audit, including any restrictions imposed by management or any material accounting issues on which there was a disagreement with management;
  - (vi) review with the external auditors any accounting adjustments that were noted or proposed by the independent auditor but that were “passed” (as immaterial or otherwise), any communications between the audit team and the external auditor’s national office respecting auditing or accounting issues presented by the engagement, any “management” or “internal control” letter or schedule of unadjusted differences issued, or proposed to be issued, by the external auditors to the Corporation, or any other material written communication provided by the external auditors to the Corporation’s management;
  - (vii) review with senior management the process of identifying, monitoring and reporting the principal risks affecting financial reporting;
  - (viii) review and discuss with management and the external auditors any off-balance sheet transactions or structures and their effect on the Corporation’s financial results and operations, as well as the disclosure regarding such transactions and structures in the Corporation’s public filings;
  - (ix) review the audited annual financial statements (including management’s discussion and analysis) and related documents in conjunction with the report of the external auditors and obtain an explanation from management of all material variances between comparative reporting periods;
  - (x) consider and review with management, the internal control memorandum or management letter containing the recommendations of the external auditors and

management's response, if any, including an evaluation of the adequacy and effectiveness of the internal financial controls and procedures for financial reporting of the Corporation and subsequent follow-up to any identified weaknesses;

- (xi) review with financial management and the external auditors the quarterly unaudited financial statements and management's discussion and analysis before release to the public;
  - (xii) periodically meet separately with management and the external auditors;
  - (xiii) oversee the financial affairs of the Corporation and its subsidiaries, and, if deemed appropriate, make recommendations to the Board, external auditors or management;
  - (xiv) discuss with management and the external auditors any correspondence with regulatory or governmental agencies that raise material issues regarding the Corporation's financial statements or accounting policies;
  - (xv) consider the recommendations of management in respect of the appointment and terms of engagement of the external auditor;
  - (xvi) pre-approve all audit and non-audit services to be provided to the Corporation or its subsidiaries by its external auditors, or the external auditors of subsidiaries of the Corporation, subject to the overriding principle that the external auditors not be permitted to be retained by the Corporation to perform internal audit outsourcing services or financial information systems services; provided that notwithstanding the above, the foregoing pre-approval of non-audit services may be delegated to a member of the Committee, with any decisions of the member with the delegated authority presented to the Committee at the next scheduled meeting;
  - (xvii) approve the engagement letter for non-audit services to be provided by the external auditors or affiliates thereof together with estimated fees, and consider the potential impact of such services on the independence of the external auditors;
  - (xviii) when there is to be a change of external auditors, review all issues and provide documentation related to the change, including the information to be included in the notice of change of auditors and documentation required pursuant to the then current legislation, rules, policies and instruments of applicable regulatory authorities and the planned steps for an orderly transition period; and
  - (xix) review all reportable events, including disagreements, unresolved issues and consultations, as defined by applicable laws, on a routine basis, whether or not there is to be a change of the external auditors.
- (f) In connection with the public disclosure of financial information and other public disclosure, the Committee shall:
- (i) review the Corporation's financial statements, management's discussion and analysis, and annual and interim profit or loss press releases before the Corporation publicly discloses this information;
  - (ii) review with management its evaluation of the Corporation's procedures and controls designed to assure that information required to be disclosed in the Corporation's periodic public reports is recorded, processed, summarized and

reported in such reports within the time periods specified by applicable securities laws for the filing of such reports (“**Disclosure Controls**”), and consider whether any changes are appropriate in light of management’s evaluation of the effectiveness of such Disclosure Controls;

- (iii) establish a policy, which may include delegation to an appropriate member or members of management, for release of earnings press releases as well as for the release of financial information and earnings guidance provided to analysts and rating agencies;
- (iv) satisfy itself that adequate procedures are in place for the review of the Corporation’s public information extracted from the Corporation’s financial statements, other than the public information reviewed in accordance with section (f)(i), and periodically assess the adequacy of those procedures;
- (v) to the extent deemed appropriate, review and supervise the preparation by management of:
  - A. the annual information forms, management information circulars and annual and interim financial statements of the Corporation and any other information of the Corporation filed by the Corporation with the applicable securities regulators;
  - B. press releases of the Corporation containing financial information, earnings guidance, forward-looking statements, information about operations or any other material information;
  - C. correspondence broadly disseminated to shareholders of the Corporation; and
  - D. other relevant written and oral communications or presentations;
- (vi) before release, review and if appropriate, recommend for approval by the Board, all public disclosure documents containing audited or unaudited financial information, including any prospectuses, annual reports, annual information forms, management’s discussion and analysis, and press releases, focusing particularly on:
  - A. any changes in accounting policies and practices;
  - B. any important areas where judgment must be exercised;
  - C. significant adjustments resulting from the audit;
  - D. the going concern assumption, if any;
  - E. compliance with accounting standards; and
  - F. compliance with stock exchange and legal requirements;
- (g) The Committee shall enquire into and determine the appropriate resolution of any conflict of interest in respect of audit or financial matters which are directed to the Committee by any member of the Board, a shareholder of the Corporation, the external auditors or senior management.

- (h) The Committee shall periodically review with management the need for an internal audit function.
- (i) The Committee shall review the accounting and reporting of costs, liabilities and contingencies of the Corporation.
- (j) The Committee shall periodically discuss with management the Corporation's major financial risk exposures and the steps management has taken to monitor and control such exposures.
- (k) The Committee shall establish, monitor and review policies and procedures for internal accounting, financial control and management information.
- (l) The Committee shall periodically discuss with management the Corporation's process for performing its quarterly certifications pursuant to National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*.
- (m) The Committee shall review with the Chief Executive Officer and Chief Financial Officer of the Corporation any report on significant deficiencies in the design or operation of the internal controls that could adversely affect the Corporation's ability to record, process, summarize or report financial data, any material weaknesses in internal controls identified to the auditors, and any fraud, whether or not material, that involves management or other employees who have a significant role in the Corporation's internal controls.
- (n) The Committee shall establish and maintain procedures for:
  - (i) the receipt, retention and treatment of complaints received by the Corporation regarding accounting practices, accounting controls, or auditing practices;
  - (ii) the confidential, anonymous submission by directors, officers, employees, consultants and contractors of the Corporation of concerns regarding questionable accounting or auditing matters; and
  - (iii) reviewing arrangements by which staff of the Corporation may, in confidence, raise concerns about possible improprieties in matters of financial reporting and ensuring that arrangements are in place for proportionate and independent investigation and follow-up action.
- (o) At each meeting of the Committee, the Committee shall review any complaints or concerns of employees of the Corporation regarding accounting, internal accounting controls, or auditing matters relating to the Corporation and violations of the Code of Business Conduct and Ethics of the Corporation, the Anti-Corruption Policy of the Corporation and of any applicable law, rule or regulation and shall follow the procedures established under the Whistleblower Policy regarding such concerns and complaints.
- (p) The Committee shall review all related party transactions and discuss the business rationale for these transactions and determine whether appropriate disclosures have been made. For this purpose, the term "related party transactions" includes any "material transaction" required to be disclosed under Item 13 of Form 51-102F2 under National Instrument 51-102 - *Continuous Disclosure Obligations*.
- (q) The Committee shall review the Corporation's compliance and ethics programs, including consideration of legal and regulatory requirements, and shall review with management its periodic evaluation of the effectiveness of such programs.

- (r) The Committee shall, in consultation with the Compensation and Corporate Governance Committee, review the Corporation's Code of Business Conduct and Ethics and programs that management has established to monitor compliance with such code, and periodically, after consultation with the Compensation and Corporate Governance Committee, make recommendations to the Board regarding the Corporation's Code of Business Conduct and Ethics that the Committee shall deem appropriate.
- (s) The Committee shall periodically review the Corporation's Anti-Corruption Policy and make recommendations to the Board regarding the Corporation's Anti-Corruption Policy that the Committee shall deem appropriate.
- (t) The Committee shall review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors.
- (u) The Committee shall receive any reports from legal counsel of evidence of a material violation of securities laws or breaches of fiduciary duty by the Corporation.
- (v) The Committee shall review with the Corporation's legal counsel, on no less than an annual basis, any legal matter that could have a material impact on the Corporation's financial statements and any enquiries received from regulators or government agencies.
- (w) The Committee shall assess, on an annual basis, the adequacy of this charter and the performance of the Committee.

Approved by the Board of  
Directors on December 12,  
2021.