



VERTEX RESOURCE GROUP LTD.

Notice of Annual & Special Shareholders Meeting to be held on May 15, 2018
and Management Information Circular

VERSATILITY. EXPERTISE.



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NOTICE OF ANNUAL AND SPECIAL SHAREHOLDERS MEETING

Vertex Resource Group Ltd. ("Vertex" or the "Company") will hold its Annual and Special Meeting (the "Meeting") of holders ("Shareholders") of common shares ("Common Shares") of the Company at the Four Points Sheraton, 1005 Provincial Avenue, Sherwood Park, Alberta, Canada on Tuesday, May 15, 2018 at 2:00 p.m. (MST) for the following purposes:

1. to receive and consider Vertex's financial statements for the year ended December 31, 2017 and the auditor's report on those statements;
2. to fix the number of directors of Vertex to be elected at the Meeting at five members;
3. to elect Vertex's directors;
4. to appoint Deloitte, LLP as Vertex's auditor at a remuneration to be fixed by the directors;
5. to approve an amended stock option plan; and
6. to transact any other business properly brought before the Meeting.

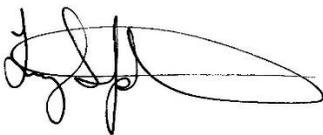
The board of directors of the Company (the "Board") has fixed April 2, 2018 as the record date for the Meeting (the "Record Date"). Shareholders of record at the close of business on April 2, 2018 are entitled to receive notice of the Meeting and to vote those Common Shares held as at the Record Date. If a Shareholder transfers any Common Shares after the Record Date and the transferee of those Common Shares establishes that the transferee owns the Common Shares and demands, not less than ten days before the Meeting, that the transferee's name be included in the list of shareholders entitled to vote at the Meeting, such transferee shall be entitled to vote such Common Shares at the Meeting.

Vertex's Management Information Circular (the "Circular") which accompanies this notice is your guide to the business to be considered at the Meeting. Shareholders are reminded to review the Notice of Annual and Special Meeting of Shareholders and the Circular prior to voting. You will have an opportunity to ask questions and meet with management, the Board and your fellow Shareholders. At the Meeting, Vertex will also report on its 2017 financial results.

If you are unable to attend the Meeting in person Vertex asks you to complete, sign and return the enclosed proxy. Vertex has provided instructions on how to complete and return your proxy with the enclosed proxy form and in the Circular. Vertex's transfer agent, TSX Trust Company, must receive your proxy no later than 2:00 p.m. (MST) on Friday, May 11, 2018, or, if the Meeting is adjourned, no later than 48 hours (excluding Saturdays, Sundays and holidays) before any adjourned Meeting. You must send your proxy to Vertex's transfer agent by: (i) mailing or hand delivering the proxy to TSX Trust Company, 301 – 100 Adelaide Street West, Toronto, ON M5H 4H1; (ii) voting by internet at www.voteproxyonline.com and entering the 12-digit control number; or (iii) faxing your proxy to TSX Trust Company at 416-595-9593.

If you are not a registered holder of Common Shares and receive these materials through your broker or through another intermediary, please complete and return the form of proxy or applicable voting instruction form in accordance with the instructions provided to you by your broker or other intermediary with respect to the procedures to be followed for voting at the Meeting.

By Order of the Board of Directors,



Terry A. Stephenson
President and Chief Executive Officer
April 12, 2018



MANAGEMENT INFORMATION CIRCULAR

Name The name of the company is: Vertex Resource Group Ltd.

Address Head office: 161, 2055 Premier Way, Sherwood Park, Alberta, T8H 0G
Registered office: 2200, 10235 – 101 Street N.W., Edmonton, Alberta, T5J 3G1

Incorporation

Vertex Resource Group Ltd. (“Vertex” or the “Company”) was amalgamated on May 26, 2005 pursuant to the *Business Corporations Act* (Alberta) (the “ABCA”) under the name “TWT Vegetation Management Ltd.”. On June 26, 2012, Vertex changed its name to “Vertex Resource Group Ltd.” and on July 1, 2015, Vertex amalgamated with Blackjack Investments Ltd.

On October 16, 2017, the Company completed a qualifying transaction (the “Transaction”) with VIER Capital Corp. (“VIER”), a Capital Pool Corporation as defined in Policy 2.4 of the TSX Venture Exchange (the “Exchange”) Corporate Finance Manual. On October 18, 2017, following the issuance by the Exchange of its final bulletin in respect of the Transaction, the Company began trading on the Exchange under the symbol “VTX”.

About This Document

This Management Information Circular (the “Circular”) explains the business to be considered at the Annual and Special Meeting (the “Meeting”) of holders (“Shareholders”) of common shares (“Common Shares”) of the Vertex Resource Group Ltd. (“Vertex” or the “Company”) to be held on Tuesday, May 15, 2018 at the place and for the purposes, as set out in the accompanying Notice of Annual and Special Meeting of Shareholders (the “Notice”).

All information in this Circular is as at April 12, 2018 unless otherwise indicated.

Vertex is providing you with this Circular in connection with the solicitation by management of Vertex of your proxy for use at the Meeting and any continued meeting after an adjournment. Management will solicit proxies primarily by mail. However, proxies may also be solicited by telephone, email, facsimile, in writing or in person by Vertex’s directors, officers, employees and agents, who will not be additionally compensated in respect thereof. Vertex will pay the costs associated with the preparation and mailing of this Circular and of soliciting proxies.

Vertex is not sending proxy-related materials to registered or beneficial Shareholders using the notice and access provisions of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“NI 54-101”). Vertex is not sending proxy-related materials directly to non-objecting beneficial owners (as defined in NI 54-101) of Common Shares (“NOBOs”) and such materials will be delivered to NOBOs through intermediaries under the procedures set out in NI 54-101. Vertex will pay for intermediaries to deliver proxy-related materials to objecting beneficial owners (“OBOs”) as set out in NI 54-101, this Circular and Form 54-101F7 – *Request for Voting Instructions Made by Intermediary*.

See “Voting Information” below for an explanation of how you can vote on the matters to be considered at the Meeting, whether or not you decide to attend the Meeting.

Voting Information

What will I be voting on?

You will be voting on:

- (a) fixing the number of directors to be elected at the Meeting at five (see page 8);
- (b) the election of Vertex’s directors (see page 8);
- (c) the appointment of Deloitte LLP as Vertex’s auditor at a remuneration to be fixed by the directors (see page 14);
and
- (d) the amended stock option plan of Vertex (the “Amended Stock Option Plan”) (see page 14).

How will these matters be decided at the Meeting?

A simple majority of the votes cast, by proxy or in person, will constitute approval of matters voted on at the Meeting.

How many votes do I have?

You will have one vote for every Common Share you owned at the close of business on April 2, 2018, the record date for the Meeting (the "Record Date").

To vote Common Shares that you acquired after the Record Date, you must, not later than ten days before the Meeting:

- (a) ask Vertex's transfer agent, TSX Trust Company, to add your name to the voters' list; and
- (b) produce properly endorsed share certificates or otherwise establish that you own the Common Shares.

How many Common Shares are eligible to vote?

On the Record Date and April 2, 2018 there were 91,813,124 Common Shares outstanding and eligible to vote.

Who are the principal holders of the Common Shares?

To the best of the knowledge of management and the directors of Vertex, other than as set out in the following table, there is no person who beneficially owns, directly or indirectly, or exercises control or direction over, more than 10% of the voting rights attached to all of the outstanding Common Shares.

Name of Shareholder	Number of Common Shares Held	Percentage of Issued Common Shares
Brian Butlin	10,073,709	10.97%
Terry Stephenson	14,313,604	15.59%
32 Degrees (as defined below)	16,943,061 ⁽¹⁾	18.29%
Clemett Capital Corp.	15,546,705	16.93%

Note:

- (1) Consists of 372,600 Common Shares held by 32 Degrees Diversified Energy Fund II (Canadian) LP, 2,145,545 Common Shares held by 32 Degrees Diversified Energy Fund II (Service & Technology Co-Invest AIV) LP, 1,429,619 Common Shares held by 32 Degrees Diversified Energy Fund II (US) L.P., 921,321 Common Shares held by 32 Degrees Diversified Energy Fund III (Canadian) LP and 12,073,976 Common Shares held by 32 Degrees Diversified Energy Fund III (US) LP.

What is quorum for the Meeting?

A quorum for the transaction of business at the Meeting is at least two individuals present in person, each of whom is entitled to vote at the Meeting, and who hold or represent by proxy in the aggregate not less than 5% of the total number of Common Shares entitled to be voted at the Meeting.

How do I vote?

If you are eligible to vote and your Common Shares are registered in your name, you can vote your Common Shares as follows:

- (a) in person at the Meeting; or
- (b) by proxy, as explained below.

If your Common Shares are held in the name of a broker, nominee or other intermediary (this makes you a "beneficial Shareholder"), please see the instructions below under the headings "How can a beneficial Shareholder vote?" (see page 6).

Can I vote by proxy?

Whether or not you attend the Meeting, you can appoint someone else to vote for you as your proxy holder. You can use the enclosed proxy form, or any other proper form of proxy, to appoint your proxy holder. The persons named in the enclosed form of proxy are the Chief Executive Officer and Chief Financial Officer. **However, you can choose another person to be your proxy holder, including someone who is not one of Vertex's Shareholders. You may do so by crossing out the names printed on the proxy and inserting another person's name in the blank space provided, or by completing another proper form of proxy.**

If your Common Shares are registered in your name, Vertex's transfer agent, TSX Trust Company, must receive your proxy no later than 2:00 p.m. (MST) on Friday, May 11, 2018, or, if the Meeting is adjourned, no later than 48 hours (excluding Saturdays, Sundays and holidays) before any adjourned Meeting. You must send your proxy to Vertex's transfer agent by: (i) mailing or hand delivering the proxy to TSX Trust Company, 301 – 100 Adelaide Street West, Toronto, ON M5H 4H1; (ii) voting by internet at www.voteproxyonline.com and entering the 12-digit control number; or (iii) faxing your proxy to TSX Trust Company at 416-595-9593.

If you are a beneficial Shareholder please see the instructions below under the headings "How can a beneficial Shareholder vote by proxy?" or see page 7.

How will my proxy be voted?

On the proxy form, you can indicate how you want your proxy holder to vote your Common Shares, or you can let your proxy holder decide for you.

If you specify on the proxy form how you want your Common Shares to be voted on a particular issue (by marking FOR, WITHHOLD or AGAINST, as applicable) then your proxy holder must vote your Common Shares accordingly.

If you do not specify on the proxy form how you want your Common Shares to be voted on a particular issue, then your proxy holder can vote your Common Shares as he or she sees fit.

Unless you provide contrary instructions, Common Shares represented by proxies received by management will be voted:

- FOR fixing the number of directors of Vertex to be elected at the Meeting at five members;
- FOR the election as directors of each of the proposed nominees whose names are set out on the following pages;
- FOR the appointment of Deloitte, LLP as Vertex's auditor at a remuneration to be fixed by the directors; and
- FOR the approval of the Amended Stock Option Plan.

What if there are amendments or if other matters are brought before the Meeting?

The enclosed proxy form gives the persons named on it authority to use their discretion in voting on amendments, variations or additions to the matters identified in the Notice and on all other matters that may properly come before the Meeting.

At the time of posting this Circular, Vertex's management is not aware of any proposed amendments or that any other matter is to be presented for action at the Meeting. If, however, any proposed amendments or other matters properly come before the Meeting, the persons named on the enclosed proxy form will vote on them using the discretion given by the proxy form.

What if I change my mind and want to revoke my proxy?

If you have submitted a proxy you revoke your proxy at any time before it is acted upon. You can do this by:

- (a) attending personally at the Meeting, revoking your proxy and voting in person;

- (b) delivering, prior to 2:00 p.m. (MST) on Friday, May 11, 2018, or, if the Meeting is adjourned, no later than 48 hours (excluding Saturdays, Sundays and holidays) before any adjourned Meeting, a properly executed form of proxy with a later date;
- (c) stating clearly, in writing, that you want to revoke your proxy and by delivering this written statement to TSX Trust Company, 301 – 100 Adelaide Street West, Toronto, ON M5H 4H1 no later than 2:00 p.m. (MST) on May 14, 2018 (or, if the Meeting is adjourned, the last business day before any adjourned meeting), or to the Chair of the Meeting before the start of the Meeting or any adjourned meeting; or
- (d) in any other manner permitted by law.

If you are a beneficial Shareholder you should contact your broker, nominee or other intermediary for instructions on how to revoke your voting instructions.

Who counts the votes?

Vertex's transfer agent, TSX Trust Company, counts and tabulates the proxies.

How do I contact the transfer agent?

By mail: TSX Trust Company, 300 – 5th Avenue SW, 10th Floor, Calgary, AB, T2P 3C4
By telephone: 403-218-2800 or 1-866-600-5869
By fax: 403-237-0450 or 416-595-9593
By e-mail: patricia.selby@tmx.com

How are proxies solicited?

Management requests that you sign and return the proxy form (in the postage-prepaid envelope provided) to ensure your votes will be counted at the Meeting. Management will solicit proxies primarily by mail. However, Vertex's directors, officers, employees and agents may also solicit proxies by telephone, email, facsimile, in writing or in person.

How can a beneficial Shareholder vote?

If your Common Shares are not registered in your own name (making you a beneficial Shareholder), they will be held in the name of a nominee, which is usually a trust company, custodian, securities broker, other financial institution or a clearing agency in which the intermediary participates. Beneficial Shareholders should note that only proxies deposited by Shareholders whose names appear on the records of the Company as the registered holders of shares can be recognized and acted upon at the Meeting. If your Common Shares are listed in an account statement provided to you by a broker, then in almost all cases those Common Shares will not be registered in your name on the records of the Corporation. Such Common Shares will more likely be registered under the name of your broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominees for many Canadian brokerage firms). Shares held by brokers or their nominees can only be voted (for or against resolutions) upon the instructions of the beneficial Shareholder. Without specific instructions, the broker/nominees are prohibited from voting shares for their clients. The Company does not know for whose benefit the shares registered in the name of CDS & Co. are held.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from beneficial Shareholders in advance of shareholders' meetings. Unless you have previously informed your nominee that you do not wish to receive material relating to Shareholders' meetings, you will have received the Notice and Circular in a mailing from your nominee, together with a proxy form or request for voting instructions. **Every intermediary/broker has its own mailing procedures and provides its own return instructions (including when and where the form of proxy or voting instruction form is to be delivered), which you should carefully follow in order to ensure that your Common Shares are voted at the Meeting.**

If you are a beneficial Shareholder who has provided voting instructions to your nominee and you want to change your voting instructions or vote in person, contact your nominee well in advance of the Meeting to discuss whether this is possible and what procedure to follow.

Since Vertex does not have access to the names of all of Vertex's beneficial Shareholders, if you attend the Meeting, Vertex will have no record of your shareholdings or of your entitlement to vote unless your nominee has appointed you as proxy holder. If you are a beneficial Shareholder and wish to vote in person at the Meeting, please insert your own name in the space provided on the proxy form or request for voting instructions sent to you by your nominee. By doing so, you are instructing your nominee to appoint you as proxy holder. Then follow the signing and return instructions provided by your nominee well in advance of the Meeting. Do not otherwise complete the form, as you will be voting at the Meeting.

Business of the Meeting

Consolidated Financial Statements

At the Meeting, you will consider the Vertex audited consolidated financial statements for the year ended December 31, 2017, and the auditor's report on those financial statements. These financials are available on the Company's website at <https://vertex.ca/investors/financial-documents/> and on www.sedar.com.

Number of Directors

Shareholders of the Company will be asked to consider, and if thought appropriate, approve an ordinary resolution fixing the number of directors to be elected at the Meeting at five.

In order to be effective, an ordinary resolution requires approval by a simple majority of the votes cast by Shareholders who vote in respect of the resolution. At the Meeting, it will be proposed that five directors be elected to hold office until the next annual general meeting or until their successors are elected or appointed. **It is the intention of the persons named in the enclosed form of proxy, if not expressly directed to the contrary in such proxy, to vote such proxies FOR the ordinary resolution fixing the number of directors to be elected at the Meeting at five.**

Election of Directors

The Board of Directors (the "Board") of Vertex presently consists of five (5) directors, all of whom will stand for re-election at the Meeting. Directors are elected annually and will hold office until Vertex's next annual meeting of Shareholders or until the director resigns, becomes ineligible, unable to serve or until his or her successor is elected or appointed.

All of the nominees named below are currently directors of Vertex. Stuart O'Connor became a director of Vertex on October 16, 2017 in connection with the completion of the Transaction. The remainder of the directors, being Brian Butlin, Terry Freeman, Trent Baker and Terry Stephenson were all directors of Vertex Resource Group Ltd. as it existed prior to completion of the Transaction.

Management does not contemplate that any of the following nominees will be unable or unwilling to serve as a director, but **if that should occur for any reason prior to the Meeting, the persons named in the enclosed form of proxy will have the right to vote for another nominee at their discretion. It is the intention of the persons named in the enclosed form of proxy, if not expressly directed to the contrary in such proxy, to vote such proxies FOR the election of each of the nominees listed below as a director of the Company.**

Against the backdrop of the requirements described above, the Governance, HSE and Compensation Committee of the Board annually reviews the qualifications of and recommends nominees for election to the Board for consideration and approval. The nominees are, in the opinion of the Board, well qualified to act as directors for the coming year. Each nominee has established his or her eligibility and willingness to serve as a director, if elected.

The persons named below have been nominated for election and have consented to such nomination.

Proposed Nominees for Election as Directors

The following pages set out, among other things, the names of the five proposed nominees for election as directors, together with their municipalities of residence; their ages; the year from which each has served as a director of Vertex; their principal occupations and their occupations for the previous five years; other directorships; public board interlocks; Vertex committee memberships;

attendance at Board and committee meetings; total compensation; and the number of securities of Vertex beneficially owned by each proposed nominee.

BRIAN BUTLIN			
Age 67 Edmonton, AB, Canada Director since February 6, 2007			
		<p>Brian Butlin has been Chairman of the Board since February 6, 2007. As Chairman of the Board, Mr. Butlin provides vision, mentorship and leadership to the Vertex management team. Previously, Mr. Butlin was the Chairman and Chief Executive Officer of Flint Energy Services Ltd. (“Flint”), a publicly traded energy company, until 2007 and 2005, respectively. Under his guidance, Flint grew from a small Canadian oilfield services firm to a public corporation with over 7,500 employees, 49 North American locations and \$1 billion of revenues. During Mr. Butlin’s 25-year tenure at Flint and its predecessor company, HMW Construction Ltd., he led the acquisition of over 29 companies and the listing of Flint on the Toronto Stock Exchange. Mr. Butlin is currently a director of The Crossing Company. Previously, Mr. Butlin was a director of the Edmonton Eskimo’s Football Club, Graham Construction Ltd., Derrick Golf & Winter Club and past Chairman of the Northern Alberta Institute of Technology. Mr. Butlin holds a Bachelor of Science degree in Business Administration from the Michigan Technological University.</p>	
Areas of Expertise			
Leadership; Oil & Natural Gas Industry; Construction Management; Corporate Governance; Mergers & Acquisitions; Health & Safety			
Board/Committee Membership		Attendance ⁽¹⁾	Attendance (Total) ⁽¹⁾
Board		2/2	3/3 100%
Governance, HSE and Compensation Committee member		1/1	
Equity Ownership (as at April 12, 2018)			
Options	Common Shares		Meets Minimum Ownership Requirements⁽²⁾
200,000	10,073,709		Yes
Public Board Membership During Last Five Years		Stock Exchange Listing	Public Board Committee Memberships
N/A		N/A	N/A

TERRY FREEMAN

Age 57 Edmonton, AB, Canada

Director since June 2, 2013



Since January 2016, Terry Freeman has been Head of Investments for ATB Capital, a private equity firm making minority equity investments in Alberta based companies. Since 2011, Mr. Freeman was Chairman and Chief Executive Officer of Magnum Energy Services. In the past, Mr. Freeman has served as Managing Director of Northern Plains Capital, a niche private equity firm specializing in growth-oriented oil field services and energy industrial investments. Founded in 2005, Northern Plains Capital had \$140 million under management in three funds and made 17 investments in various companies. As a Managing Director, Mr. Freeman was responsible for sourcing investments and investors, driving strategy, value creation and eventual exits for investments and corporate governance at a Board of Directors level. Terry also spent fifteen years as Chief Financial Officer of Flint and its predecessors, where he managed the financial and administrative operations of the company, including investor and banking relations, risk management, mergers and acquisitions and various other executive responsibilities including acting as Corporate Secretary. Mr. Freeman spent five years on the board of Flint after his tenure as Chief Financial Officer until its eventual sale. Mr. Freeman currently sits on the boards of a number of private construction, energy services, and private equity and real estate ventures as well as on the board of directors of McCoy Global Inc., a publicly traded oilfield services company. In addition to these roles, Mr. Freeman has held multiple volunteer positions with the Chartered Professional Accountants of Alberta, Chief Financial Officer Leadership Program, the University of Alberta, and various other community and charitable organizations. Mr. Freeman graduated from the University of Alberta with a Bachelor of Commerce degree, is a Fellow of the Chartered Professional Accountants of Alberta and holds the ICD.D designation from the Institute of Corporate Directors.

Areas of Expertise

Financial; Private Equity; Leadership; Mergers & Acquisitions; Corporate Governance; Health & Safety

Board/Committee Membership	Attendance ⁽¹⁾	Attendance (Total) ⁽¹⁾	
Board Member	2/2	3/3	100%
Audit Committee Chair	1/1		

Equity Ownership (as at April 12, 2018)

Options	Common Shares	Meets Minimum Ownership Requirements ⁽²⁾
100,000	Nil	Yes

Public Board Membership During Last Five Years		Stock Exchange Listing	Public Board Committee Memberships
Flint Energy Services Ltd.	May 2007 to May 2012	TSX	Director
McCoy Global Inc.	September 2009 to present	TSX	Director

TRENT BAKER

Age 36 Calgary, AB, Canada

Director since March 1, 2016



Since 2007, Trent Baker has been a managing partner for 32 Degrees Capital, a private equity firm focused on investing in Canadian oil and gas opportunities with approximately \$200 million under management. Mr. Baker has been with the firm since 2007, and is responsible for deal sourcing, driving strategy and value creation, investment due diligence and investor relations. Prior to joining 32 Degrees Capital, Mr. Baker worked in the audit department of KPMG LLP. Mr. Baker currently serves on the board of directors of CORE Linepipe Inc., Sphere Energy Corp. and HPC Energy Services Ltd. and has previously served on the board of directors of a number of companies. Mr. Baker holds a Bachelor of Commerce degree from Queen’s University, is a member of the Chartered Professional Accountants of Alberta and is a CFA charter holder.

Areas of Expertise

Financial; Oil and Natural Gas Industry; Private Equity; Corporate Governance; Leadership

Board/Committee Membership	Attendance ⁽¹⁾	Attendance (Total) ⁽¹⁾	
Board member	1/2	2/3	67%
Audit Committee member	1/1		

Equity Ownership (as at April 12, 2018) ⁽³⁾

Options	Common Shares	Meets Minimum Ownership Requirements ⁽²⁾
100,000	Nil	Yes

Public Board Membership During Last Five Years		Stock Exchange Listing	Public Board Committee Memberships
Powder Mountain Energy Ltd.	June 2014 to 2015	TSX-V	Director

STUART O'CONNOR

Age 57 Calgary, AB, Canada
 Director since October 16, 2017



Stuart O'Connor is currently the President of Timber Ridge Capital Ltd., a private holding and advisory company. From 1998 to 2012, Mr. O'Connor served as a director and as Chairman of Flint. Previously, he was also a Director of IROC Energy Services Corp., President and Chief Executive Officer of Merak Projects Ltd., a software company focused on the international oil and gas industry, and a Partner with Bennett Jones LLP, a national law firm where he practiced corporate and securities law. Mr. O'Connor currently sits on the boards of a number of private construction, software services, and real estate ventures. Mr. O'Connor is also active in the community and currently serves with various organizations including on the Board of Directors of the Calgary Stampede and of Hull Services. Mr. O'Connor holds a Bachelor of Science (Chemical Engineering) degree from University of Calgary and a Bachelor of Laws degree from Queen's University in Kingston, Ontario.

Areas of Expertise

Leadership; Corporate & Security Law; Corporate Governance; Oil & Natural Gas Industry; Private Equity; Real Estate

Board/Committee Membership	Attendance ⁽¹⁾	Attendance (Total) ⁽¹⁾	
Board member	2/2	3/3	100%
Governance, HSE and Compensation Committee Chair	1/1		

Equity Ownership (as at April 12, 2018)

Option	Common Shares	Meets Minimum Ownership Requirements ⁽²⁾
100,000	Nil	Yes

Public Board Membership During Last Five Years		Stock Exchange Listing	Public Board Committee Memberships
Flint Energy Services Ltd.	May 2007 to May 2012	TSX	Director

TERRY A. STEPHENSON

Age 43 Sherwood Park, AB, Canada

Director since April 4, 2005



Terry Stephenson founded and became President of Vertex in 2005. As President, Mr. Stephenson is responsible for Vertex's day-to-day operations. Mr. Stephenson began his career with KPMG LLP gaining experience in audit, due diligence, valuations and taxation, where he advanced to Manager with a heavy clientele of construction clients. Mr. Stephenson joined Flint as the Director of Finance, where he was responsible for merger and acquisition transaction structure, support and execution along with public company compliance, tax planning and treasury management. In 2005, Mr. Stephenson founded Blackjack Investments Ltd., a privately held investment company focused on investments in the energy and resources sector. Mr. Stephenson holds a Bachelor of Commerce degree from the University of Alberta and is a Chartered Professional Accountant.

Areas of Expertise

Financial; Leadership; Mergers & Acquisitions; Oil & Natural Gas Industry; Corporate Governance; Health & Safety;

Board/Committee Membership
Attendance ⁽¹⁾
Attendance (Total) ⁽¹⁾

Board member

2/2

3/3

100%

Audit Committee member

1/1

Equity Ownership (as at April 12, 2018)
Option
Common Shares
Meets Minimum Ownership Requirements ⁽²⁾

500,000

14,343,604

Yes

Public Board Membership During Last Five Years
Stock Exchange Listing
Public Board Committee Memberships

N/A

N/A

N/A

N/A

Notes:

- (1) Attendance records reflect only those meetings held following completion of the Transaction.
- (2) Approved minimum share ownership guidelines for the directors are such that, within later of a three-year period of becoming a board member and Vertex becoming a public company as of October 18, 2017, each director is required to own shares or stock options as outlined below in "Minimum Share Ownership Requirements".
- (3) Trent Baker is a managing partner for 32 Degrees Capital, an affiliate of 32 Degrees Diversified Energy Fund II (Canadian) LP, 32 Degrees Diversified Energy Fund II (Service & Technology Co-Invest AIV) LP, 32 Degrees Diversified Energy Fund II (US) L.P., 32 Degrees Diversified Energy Fund III (Canadian) LP and 32 Degrees Diversified Energy Fund III (US) LP (collectively, "32 Degrees") which collectively hold an aggregate of 16,943,061 Common Shares. All director compensation and options attributed to Mr. Baker in this Circular is for the benefit of 32 Degrees.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Except as described below, to the knowledge of the Company, no proposed director of Vertex (nor any personal holding company of any of such proposed directors) is, as of the date of this Circular, or has been within ten years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including Vertex), that: (i) was subject to a cease trade order (including a management cease trade order), an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days (collectively, an "Order"), that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Except as described below, to the knowledge of the Company, no proposed director of Vertex (nor any personal holding company of any of such proposed directors): (i) is, as of the date of this Circular, or has been within the ten years before the date of this

Circular, a director or executive officer of any company (including Vertex) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (ii) has, within the ten years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Mr. Freeman was a director of GLM Industries Ltd., a private company, until April 9, 2015. GLM Industries Ltd. was placed into receivership on July 6, 2015.

Penalties or Sanctions

To the knowledge of the Company, no proposed director of Vertex (nor any personal holding company of any of such proposed directors) has been subject to: (i) 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 (ii) 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.

Appointment of Auditor and Auditor's Remuneration

At the meeting, Shareholders will be asked to pass an ordinary resolution to approve the appointment of Deloitte LLP as Vertex's independent auditor and to authorize the Board to fix the remuneration to be paid to the auditor.

The Board has approved and recommends that the Shareholders appoint Deloitte LLP as the Company's independent auditor and authorize the Board to fix the remuneration to be paid to Deloitte LLP. Deloitte LLP has served as Vertex's auditor since October, 2013. To be effective, the resolution must be passed by a simple majority of votes cast by the Shareholders at the Meeting. **It is the intention of the persons named in the enclosed proxy, if not expressly directed to the contrary in such proxy, to vote such proxies FOR the ordinary resolution appointing Deloitte LLP as the Company's independent auditor until the next annual meeting of the Shareholders, and that the directors be authorized to fix the auditor's remuneration.**

Approval of Stock Option Plan

The current stock option plan of the Company (the "Current Option Plan") was adopted by VIER prior to completion of the Transaction. On April 10, 2018, the Board adopted a resolution to, subject to Shareholder and Exchange approval, adopt the Amended Stock Option Plan, the full text of which is attached to this Circular as Schedule "B". The Amended Stock Option Plan has been conditionally approved by the Exchange, subject to Shareholder approval.

The material aspects of the proposed amendments include: (i) the removal of provisions that applied only while VIER was a Capital Pool Corporation, as defined in Policy 2.4 of the Exchange; (ii) the extension of expiry dates that fall during blackout periods; (iii) the addition to provisions to explicitly address withholding obligations; (iv) the addition of provisions to allow the Board to, in its discretion, extend the period for exercise of vested Options following ceasing to be an eligible person under the Amended Stock Option Plan as a result of disability from 90 days to 120 days; (v) the addition of more robust adjustment, amendment and termination provisions; and (vi) other changes of a largely housekeeping and administrative nature.

The Amended Stock Option Plan is a "rolling" stock option plan reserving a maximum of 10% of the issued and outstanding Common Shares for issuance pursuant to stock options. The Amended Stock Option Plan provides for the granting of options to directors, officers, employees and consultants. The Amended Stock Option Plan is administered by the Board, or a committee of the Board appointed from time to time for such purpose. Options may be granted at the discretion of the Board in such number that may be determined at the time of grant, subject to the limits set out in the Amended Stock Option Plan. The number of Common Shares issuable upon exercise of the options granted under the Amended Stock Option Plan is not more than 10% of the number of Common Shares that are issued and outstanding. The number of Common Shares issuable upon the exercise of the options granted to any one individual, within a 12-month period, cannot exceed 5% of the number of Common Shares issued and outstanding.

Options shall not be granted if the exercise thereof would result in the issuance of more than 2% of the issued Common Shares in any 12-month period to any one consultant of the Company.

The exercise price of options granted under the Amended Stock Option Plan will be fixed by the Board at the time of grant, provided that such exercise price may not be less than the minimum exercise price permitted by the Exchange. The Board shall determine the time during which options shall vest and the method of vesting. The time during which an option is exercisable shall be fixed by the Board and shall not exceed the maximum term permitted by the Exchange, being ten years. If a participant ceases to be an eligible person under the Amended Stock Option Plan, such participant must exercise his or her options within 90 days after ceasing to be an eligible person, provided that if the reason for ceasing to be an eligible person is as a result of the participant's disability, the Board may, in its discretion, extend the period for exercise to 120 days after ceasing to be an eligible person. In the event of the death of a participant, options previously granted to the participant shall be exercisable only within 120 days after such death by the person or persons to whom the participant's rights under the options shall pass by the participant's will or the laws of descent and distribution.

In accordance with the rules of the Exchange, "rolling plans" such as the Amended Stock Option Plan must be approved by Shareholders when instituted and every year thereafter. If approval is not obtained at the Meeting, the Company will not be permitted to grant options under the Amended Stock Option Plan and options outstanding as of the date of the Meeting that are subsequently cancelled, terminated or exercised will not become available for new grants thereupon. However, all outstanding options will continue unaffected.

At the Meeting, the Shareholders will be asked to pass the following ordinary resolution to approve the Amended Stock Option Plan, substantially in the following form:

"BE IT RESOLVED THAT:

- 1. the amended stock option plan of the Company (the "Amended Stock Option Plan"), substantially in the form attached as Schedule "B" to this Circular, be and is hereby approved and adopted;**
- 2. the Board be and is hereby authorized to make any further amendments to the Amended Stock Option Plan as may be required or requested by any regulatory authorities, without further approval of the shareholders of the Corporation; and**
- 3. any director or officer of the Company be and is hereby authorized to do such things and to sign, execute and deliver all documents that such director or officer may, in their discretion, determine to be necessary in order to give full effect to the intent and purpose of this resolution."**

The Board recommends that the Shareholders approve the Amended Stock Option Plan at the Meeting. To be effective, the resolution approving the Amended Stock Option Plan must be passed by a simple majority of votes cast by the Shareholders at the Meeting. **It is the intention of the persons named in the enclosed form of proxy, if not expressly directed to the contrary in such proxy, to vote such proxies FOR the ordinary resolution approving the Amended Stock Option Plan.**

Audit Committee Information

Mandate of the Audit Committee

A copy of the Mandate of the Audit Committee of Vertex is attached as Schedule "A" to this Circular and can be found on the Company's website at www.vertex.ca/about/board-governance/, under "Committee Charters—Audit Committee Charter".

Audit Committee Composition

The Audit Committee is a standing committee appointed by the Board to assist the Board in fulfilling its oversight responsibilities with respect to financial reporting by Vertex. The Audit Committee currently consists of Terry Freeman, Trent Baker and Terry Stephenson. Terry Freeman is the Chair of the Audit Committee. Each member of the Audit Committee other than Terry Stephenson

is independent and each member of the Audit Committee is financially literate, as such terms are defined in National Instrument 52-110 – Audit Committees.

Relevant Education and Experience

In addition to each member’s general business experience, the education and experience of each member of the Audit Committee that is relevant to the performance of such member’s responsibilities as a member of the Audit Committee are set forth below:

- **Terry Freeman** – Please refer to page 9.
- **Trent Baker** – Please refer to page 10
- **Terry Stephenson** – Please refer to page 12.

Pre-Approval Policies and Procedures

The Audit Committee must pre-approve all non-audit services to be provided to Vertex by its external auditors. Prior to engaging the auditors to provide any services over and above the regular audit engagement, management will contact the Chair of the Audit Committee for approval. The Chair of the Audit Committee will assess whether or not he or she should seek the approval of the entire Audit Committee prior to approving the engagement.

External Auditor Service Fees

The aggregate amounts paid or accrued by Vertex with respect to fees payable to its external auditor, Deloitte LLP, for the last two completed financial years for audit (including separate audits of subsidiary entities, financings and regulatory reporting requirements), audit-related, tax and other services in the applicable fiscal periods were as follows:

Type of service	2017	2016
Audit fees ⁽¹⁾	\$229,000	\$143,250
Audit-related fees ⁽²⁾	\$52,000	\$nil
Tax compliance fees ⁽³⁾	\$nil	\$nil
Tax advisory fees ⁽⁴⁾	\$15,000	\$19,222
All other fees ⁽⁵⁾	\$nil	\$nil
Total	\$296,000	\$162,472

Notes:

(1) “Audit fees” include the aggregate professional fees paid to the auditors for the audit of the annual consolidated financial statements and other regulatory audits and filings.

(2) “Audit-related fees” include the aggregate fees paid to the auditors for services related to the audit services, including namely consultations regarding financial reporting and accounting standards.

(3) “Tax compliance fees” include the aggregate fees paid to the auditors for tax compliance services including the preparation of income tax and capital returns.

(4) “Tax advisory fees” include the aggregate fees paid to the auditors for tax advice, tax planning and advisory services.

(5) “All other fees” include the aggregate fees paid to the auditors for all other services other than those presented in the categories of audit fees, audit-related fees and tax compliance fees.

Statement of Executive Compensation

Vertex has an executive compensation philosophy designed to attract, motivate and retain a highly qualified executive team and directly link pay to both Vertex's corporate performance and their individual performance. Overall, Vertex's programs have been designed to:

- (a) provide competitive pay when corporate and individual performance meets established objectives;
- (b) align compensation with performance of the organization, providing upside opportunity for superior performance and downside risk when performance expectations are not achieved;
- (c) align executives' interests with those of Vertex's Shareholders;
- (d) reflect high standards of good governance;
- (e) align with the risk profile of Vertex; and
- (f) be easily understood by stakeholders.

The following disclosure is presented in accordance with Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers*.

Executive and Director Compensation

The following table discloses all non-security compensation paid to Vertex's President and Chief Executive Officer, Chief Financial Officer and the three other most highly compensated executive officers (collectively, the "NEOs") of Vertex and the directors of Vertex for fiscal years ended December 31, 2017 and 2016.

Name and principal position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$) ⁽⁵⁾	Committee or meeting fees (\$)	Value of all other compensation (\$) ⁽⁶⁾	Total compensation (\$)
Terry Stephenson President, CEO and Director ⁽¹⁾	2017	240,000	50,000	Nil	Nil	290,000
	2016	245,893	Nil	Nil	Nil	245,893
Michael Zvonkovic CFO ⁽²⁾	2017	56,667	Nil	Nil Nil Nil	Nil	56,667
Jason Clemett Executive VP ⁽³⁾	2017	180,000	Nil	Nil	12,000	192,000
	2016	45,000	Nil	Nil Nil	3,000	48,000
Paul Blenkhorn VP Consulting Services	2017	160,000	Nil	Nil	10,800	170,800
	2016	160,000	Nil	Nil	10,800	170,800
Deon Walsh VP Environmental Services ⁽³⁾	2017	180,000	30,000	Nil	10,800	220,800
	2016	165,729	Nil	Nil Nil	8,100	173,829
Sherry Bielopotocky VP Corporate	2017	140,000	Nil	Nil	Nil	140,000
	2016	132,083	Nil	Nil	Nil	132,083
Brian Butlin Director	2017	12,500 ⁽⁷⁾	Nil	3,250 ⁽⁷⁾	Nil	Nil
Terry Freeman Director	2017	6,250 ⁽⁷⁾	Nil	3,750 ⁽⁷⁾	Nil	Nil
Trent Baker Director ⁽³⁾	2017	6,250 ⁽⁷⁾	Nil	1,500 ⁽⁷⁾	Nil	Nil
Stuart O'Connor Director ⁽⁴⁾	2017	6,250 ⁽⁷⁾	Nil	2,500 ⁽⁷⁾	Nil	Nil

Notes:

- (1) Mr. Stephenson does not receive any compensation in his capacity as a director of Vertex.
- (2) Mr. Zvonkovic became Chief Financial Officer and Corporate Secretary of Vertex on September 1, 2017.
- (3) Was not employed by Vertex and/or did not serve as a director of Vertex during 2015.
- (4) Became a director of Vertex in October 2017.
- (5) Pursuant to Vertex's Annual Bonus Program.
- (6) None of the NEOs are entitled to other perquisites or other personal benefits which, in the aggregate, are worth over \$15,000 (if their salary is less than \$150,000) or 10% of their salary (if their salary is greater than \$150,000) per annum.
- (7) Director fees paid is based on retainer prorated for part of year post-Transaction plus actual meeting fees for the years noted.
- (8) Any compensation paid to Mr. Baker is for the benefit of 32 degrees.

Stock Options and Other Compensation Securities

The following table reflects information with regards to compensation securities granted to the NEOs and directors of Vertex in 2017:

Name and position	Type of compensation on security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
Terry Stephenson President, CEO and Director	Options	500,000	Dec. 22, 2017	1.00	0.50	0.50	Dec. 22, 2022
	Warrants (2)	1,098,603	Aug. 31, 2015	1.20	NA	NA	Aug. 31, 2020
Michael Zvonkovic CFO	Options	320,000	Dec. 22, 2017	1.00	0.50	0.50	Dec. 22, 2022
Jason Clemett Executive VP	Options	320,000	Dec. 22, 2017	1.00	0.50	0.50	Dec. 22, 2022
Paul Blenkhorn VP Consulting Services	Options	320,000	Dec. 22, 2017	1.00	0.50	0.50	Dec. 22, 2022
Deon Walsh VP Environmental Services	Options	320,000	Dec. 22, 2017	1.00	0.50	0.50	Dec. 22, 2022
Sherry Bielopotocky VP Corporate	Options	320,000	December 22, 2018	1.00	0.50	0.50	December 22, 2022
Brian Butlin Director	Options	200,000	Dec. 22, 2017	1.00	0.50	0.50	Dec. 22, 2022
	Warrants (2)	1,098,603	Aug. 31, 2015	1.20	NA	NA	Aug. 31, 2020
Terry Freeman Director	Options	100,000	Dec. 22, 2017	1.00	0.50	0.50	Dec. 22, 2022
Trent Baker Director	Options	100,000	Dec. 22, 2017	1.00	0.50	0.50	Dec. 22, 2022
Stuart O'Connor Director	Options	100,000	Dec. 22, 2017	1.00	0.50	0.50	Dec. 22, 2022

Notes:

- 1) Total amount of compensation securities and underlying securities held by each NEO or director on December 31, 2017.
- 2) Warrants held by Mr. Stephenson and Mr. Butlin were warrants of Vertex that were exchanged for warrants of Vier upon completion of the Transaction on equivalent terms.
- 3) Vesting provisions of the options include options vesting 1/3 on December 22, 2018, 1/3 on December 22, 2019 and 1/3 on December 22, 2020 and expiring after five years at an exercise price of \$1.00.

- 4) Please refer to the Stock Option plan in Exhibits “B” for information on restrictions or conditions for converting, exercising or exchanging compensation securities.

No compensation securities were exercised by any NEO or director of Vertex during the year ended December 31, 2017.

Oversight and Description of Compensation

With respect to compensation, the primary function of the Governance, HSE and Compensation Committee is to monitor the activities of Vertex with respect to retaining and motivating directors, senior management and employees of Vertex, while ensuring conformity between compensation and company objectives. This is to be achieved through:

- (a) the development, implementation and assessment of the compensation policy of Vertex and by recommending to the Board the compensation to be paid to the President, Chief Executive Officer, and Chief Financial Officer of the Company; and
- (b) the oversight of director, officer, and employee remuneration and compensation together with oversight of the evaluation of management.

Stuart O'Connor and Brian Butlin comprise the Governance, HSE and Compensation Committee, which is responsible for reviewing and approving corporate goals and objectives relevant to Chief Executive Officer compensation, evaluating the Chief Executive Officer's performance in light of those goals and objectives, and determining and recommending for approval by the Board the Chief Executive Officer's compensation level based on this evaluation. Special consideration shall be made in light of corporate goals and objectives relevant to the health, safety and environmental matters of Vertex during this evaluation. It is also the responsibility of the Governance, HSE and Compensation Committee to review these policies as often as deemed appropriate, and not less than twice per year, to ensure appropriateness of the policies and to review the associated inherent risks.

Compensation Philosophy and Objectives

Vertex has adopted a compensation policy which outlines the philosophy, strategy and guiding principles for the compensation of all employees, including the NEOs and vice presidents. The compensation program is an important part of Vertex's relationship with its executives and employees, which also includes challenging and rewarding work, growth and career development. Vertex maintains consistent compensation and benefits that are affordable to the business.

Conformity between compensation and the ability to meet the Company's objectives is fundamental to Vertex's compensation policy. Vertex's compensation policies will be competitive with other similar companies. The compensation policy set forth by the Governance, HSE and Compensation Committee is designed to attract and retain individuals of high caliber to serve as employees of Vertex, to motivate their performance in order to achieve Vertex's strategic objectives, and to align the interests of all employees with the long-term interests of Shareholders. The program currently includes short term, cash-based incentives and, following the Transaction, the Company continues to evaluate its long term, securities-based incentives. The program is designed to provide goal congruence between the compensation program and Vertex's strategic plan and budget and is also designed to be competitive within Vertex's operating region and industry.

Benchmarking/Peer Group Comparisons

Vertex used a number of compensation peer companies while developing its current approach to executive compensation. The compensation peer group of companies determined to be relevant included the following:

- Total Energy Services Inc.;
- Strad Energy Services Ltd.;
- Horizon North Logistics Inc.;
- Black Diamond Group Ltd.;
- Mullen Group Ltd.;
- Secure Energy Services;
- Stuart Olson Inc.;
- McCoy Global Inc.;

- Badger Daylighting Ltd.;
- ZCL Composites Inc.; and
- CES Energy Solutions Corp.

In choosing the peer companies against which the Governance, HSE and Compensation Committee completes its comparative analysis, the Governance, HSE and Compensation Committee will select companies with assets and market values similar to Vertex. The Governance, HSE and Compensation Committee will also consider revenue levels and enterprise values of such companies. Companies residing in the United States have also been included given Vertex's North American operational footprint. The Governance, HSE and Compensation Committee believes these metrics will be appropriate for determining the peer group because they provide a reasonable point of reference for comparing executives with similar positions and accountabilities.

The Governance, HSE and Compensation Committee anticipate reviewing the compensation peer group of companies at least on an annual basis, or as is deemed necessary thereafter.

Components of Executive Compensation

Vertex's NEO executive compensation program consists of base salary, annual bonuses and long-term incentives paid to each NEO. The compensation plan targets total direct compensation to align with market practices and the overall compensation philosophy of Vertex.

Base Salary

Executive salaries are established after giving consideration to individual accountabilities and experience, size and complexity of operations or functions for which these individuals are accountable and competitive market information, in comparison to the peer group chosen. Salary adjustments consider the individual's success in their role and competitive market information. The Governance, HSE and Compensation Committee annually reviews and recommends to the Board the base salary for the President and Chief Executive Officer, Chief Financial Officer and, if applicable, Chief Operating Officer.

In addition to the base salary, the executive compensation program includes Vertex's benefit program, including a vacation entitlement and a vehicle allowance. These benefits are designed to be competitive within the regions in which Vertex operates.

Annual Bonus

The guiding principles of Vertex's compensation policy serves to ensure the elements that make up the employee value proposition are performance oriented; competitively positioned within Vertex's markets and among a group of peers; affordable for both Vertex and the employee; and geared towards aligning desired behaviors of employees towards Vertex's goals and objectives. Vertex's annual variable pay program is based on simplicity and profitability and is designed to align behaviors with objectives measured by the achievement of corporate financial and operational performance metrics recommended by the Governance, HSE and Compensation Committee and approved by the Board. Variable pay amounts are also to be determined based on certain subjective criteria, most notably, Vertex's ability to pay such amounts. The annual variable pay program payout is determined by comparing the results of pre-determined goals against established metrics. For 2017, the key measurement criteria for the annual variable pay program were based on achieving a pre-determined adjusted EBITDA target.

The structure of the annual bonus program for the NEOs is based entirely on corporate performance for the Chief Executive Officer, Chief Financial Officer and, if applicable, Chief Operating Officer rather than a split between corporate performance and business unit performance. Annual bonuses for officers other than the Chief Executive Officer, Chief Financial Officer and, if applicable, the Chief Operating Officer, are based upon both corporate performance and business unit performance.

Each NEO participating in the annual variable pay program is awarded 25% based on personal goals established at the beginning of the fiscal year if Vertex meets at least 90% of adjusted EBITDA targets. The other 75% of the bonus eligibility is based on a sliding scale starting at 90% of adjusted EBITDA targets. The annual variable pay program does not pay out rewards until financial results are confirmed and adjusted EBITDA numbers can be calculated from independently audited financial statements.

Long Term Incentives

Vertex has not historically granted any security-based or other long-term incentives to its executives or employees. As described in greater detail below, following Completion of the Transaction, Vertex granted long term incentives to its executives, employees and consultants in the form of options granted under Vertex's option plan. In addition, following completion of the Transaction the Governance, HSE and Compensation Committee continues to conduct a review of the long-term incentive program, including the types of security-based compensation offered, to ensure it reflects Vertex's transition to being a public company and to align with its publicly traded peers. Refer to "***Business of the Meeting – Approval of Stock Option Plan***" for a description of the material terms of Vertex's stock option plan and information regarding approval of such plan by the Shareholders.

As at December 22, 2017, the Governance, HSE and Compensation Committee approved a grant of 4,350,000 options vesting as to 1/3 on December 22, 2018, 1/3 on December 22, 2019 and 1/3 on December 22, 2020 and expiring after five years at an exercise price of \$1.00. The grants were made to directors, officers and other key employees to provide goal congruence between the compensation program and Vertex's strategic plan and budget and was also designed to be competitive within Vertex's operating region and industry.

Director Compensation

The Board plays a central role in enhancing Shareholder value. Following completion of the Transaction, Vertex adopted a new director compensation program that is designed to attract and retain highly qualified people to serve on the Board and take into account the risks and accountabilities of being a director. The new program is also designed to align the interests of the directors with those of the Shareholders and discourage risk taking, as set out in the Governance, HSE and Compensation Committee Charter. Each year, the Governance, HSE and Compensation Committee, which is to be composed of not less than two members of the Board, at least one of which qualify as independent directors, will review the adequacy and form of directors' compensation to ensure that it is competitive and realistically reflects the risks and accountabilities involved in serving on the Board. The new director compensation program is comprised of three elements: (1) meeting fees, (2) retainers for directors and for directors acting as Chair of the Board or of a committee, and (3) the eligibility for grants of options. Directors will be compensated for reasonable out-of-pocket expenses and travel fees but will not receive special benefits or perquisites. It is the belief of the Governance, HSE and Compensation Committee that this combination of fixed cash compensation and share-based award compensation will compensate the directors of the Board for their time and expertise and ensure their interests are aligned with creating long term Shareholder value through their tenure on the Board of directors.

The Board does not compensate Mr. Stephenson for his service on the Board beyond the compensation he receives as President and Chief Executive Officer of Vertex.

The following summarizes the annual compensation arrangements in effect for non-employee directors:

Position and Form of Compensation	Amount
Retainer: - Chairman of the Board - Non-Management Director	\$50,000 per year \$25,000 per year
Chair Compensation: - Chairman of the Governance, HSE and Compensation Committee - Chairman of Audit Committee	\$3,000 per year \$5,000 per year
Meeting Attendance Fee - Board Meeting - Committee Meeting	\$1,000 per meeting \$500 per meeting

Pension Plan Benefits

The Company does not have a pension plan or any other plan that provides for payments or benefits at, following or in connection with retirement.

Minimum Share Ownership Requirements

Vertex's Board believes that the economic interests of its executives and directors should be aligned with those of Shareholders. To achieve this, the Board approved minimum share ownership guidelines for the executives and directors such that at the latter of (i) a three-year period of becoming a Board member or an NEO or (ii) the date Vertex's listing on the TSX-Venture Exchange, each director or NEO is required to own shares or stock options as per the following guideline: (i) each director is required to own Common Shares or options exercisable for Common Shares with a value of at least \$50,000, (ii) the President and Chief Executive Officer is required to own Common Shares or options exercisable for Common Shares equivalent to five times their annual base compensation, and (iii) all other NEOs are required to own Common Shares or options exercisable for Common Shares equivalent to two times their annual base compensation.

As at April 12, 2018, all current directors and NEOs met or exceeded Vertex's mandatory ownership requirements. Mr. Baker is considered to satisfy requirements by virtue of ownership of 32 Degrees since he does not hold any shares personally.

Employment, Consulting and Management Agreements

Non-Competition and Non-Solicitation

All employees of Vertex are subject to non-competition or non-solicitation agreements in varying scope and duration. Mr. Stephenson's agreement restricts him from (a) soliciting Vertex customers for whom Vertex has undertaken business development efforts during the last two years of his employment, (b) soliciting or attempting to solicit any Vertex staff, and (c) competing with Vertex's business in Canada or the United States. These restrictions apply for two years following the termination of his employment. The Chief Financial Officer is subject to similar restrictions; however, his covenants apply for one year following the termination of his employment. Other Vertex staff are generally subject to agreements that restrict competition and solicitation of Vertex staff for a period of one year following termination of employment and restrict solicitation of clients or prospective clients for a period of two years following termination of employment.

Confidentiality

All employees of Vertex are subject to confidentiality agreements that apply indefinitely. Following the termination of an employee's employment, all notes, data and information accumulated or developed by the employee must be returned to Vertex. All such information remains confidential and employees are prohibited from disclosing such information in a manner that is not expressly permitted by the confidentiality agreement.

Benefits on Termination and Change of Control

Vertex pays no additional benefit to any NEO upon termination or change of control other than what is required by the applicable legislation.

Management Contracts

Management functions of Vertex are substantially performed by directors or senior officers of Vertex and have not been performed, to any substantial degree, by any other person with whom Vertex has contracted.

Term Limits

The Board has not and does not believe it should establish term limits. It is the belief that consecutive terms will ensure the continuity of expertise. Although having limits could help ensure fresh ideas and viewpoints on the Board, it poses the disadvantage of losing the contribution of directors who have been able to develop, over a period of time, increasing insight into Vertex's operations and, therefore, provide an increasing contribution to the Board as a whole.

The Governance, HSE and Compensation Committee will review each director's compensation at minimum once per year, and as often thereafter as is required (as an alternative to term limits). Each director is given the opportunity to confirm his or her desire to continue as a member of the Board; although it is generally expected that a director shall hold office for the entire term, or until they

are removed by the Board or until their successor is appointed. Although the Board has not adopted a formal policy regarding a retirement age for directors, it believes that once a director reaches the age of 75, his or her continued service on the Board should be reviewed by both the Governance, HSE and Compensation Committee and the Board.

Upon retirement or resignation from the Board, a director is not entitled to, nor receives, any form of retirement compensation. The only payment received by a director upon retirement or resignation is the vested portion on his or her Vertex Options.

Compensation Governance

Composition of the Governance, HSE and Compensation Committee

Vertex's Governance, HSE and Compensation Committee is required to be comprised of not less than two members of the board of directors. At minimum, the Chairman will be independent and one position will be held by the Chairman of the Board. One committee member shall qualify as an independent director for the purpose of any applicable corporate, securities or other legislation or any rule, regulation, instrument, policy, guideline or interpretation under such legislation. The members of the Governance, HSE and Compensation Committee are Mr. O'Connor (Chair) and Mr. Butlin.

Accountabilities, Powers and Operations of the Governance, HSE and Compensation Committee

Pursuant to the Governance, HSE and Compensation Committee's Charter, it is charged with the accountability of reviewing and approving the recommended compensation program for NEOs of Vertex, including base salaries, the adjusted EBITDA based cash incentive program, the long-term incentive program which includes share-based awards. With the exception of the Vertex Option Plan, which is maintained solely by the Governance, HSE and Compensation Committee, the Committee then presents their recommendations and/or modifications on the compensation program to the board of directors for final approval. The Governance, HSE and Compensation Committee, in conjunction with the board of directors, periodically reviews the base salary and other compensation of the Company's Chief Executive Officer, keeps itself apprised of non-Chief Executive Officer compensation and provides the Chief Executive Officer (who is accountable for establishing the terms of employment of officers, other than himself) with such advice and direction as may be solicited by the Chief Executive Officer or as the Governance, HSE and Compensation Committee may consider appropriate in relation to non-Chief Executive Officer Compensation.

Base salary for all non-executive employees is reviewed and approved annually by Vertex's executive management team.

The mandate of the Governance, HSE and Compensation Committee also includes the accountability to ensure that an appropriate and effective corporate governance system is in place for the overall board stewardship and to propose and evaluate new nominees to the board of directors. The board of directors, as a whole, anticipates completing an extensive questionnaire to evaluate the performance and strengths of the current directors. This questionnaire will be used by the Governance, HSE and Compensation Committee in their evaluation of the overall board of directors' efficiency and effectiveness.

Risk Mitigation in the Compensation Program

As part of its mandate in reviewing the compensation philosophy and guidelines for executive management, the Governance, HSE and Compensation Committee reviews the compensation program to align the pay outcomes with Vertex's risk management strategies to discourage inappropriate risk taking by the executive team.

Compensation Consultant or Advisor

The Governance, HSE and Compensation Committee has the ability to retain third party compensation consultants or advisors to evaluate executive and director compensation.

Securities Authorized for Issuance under Equity Compensation Plans

The following table summarizes the securities authorized for issuance under the Company's equity compensation plans as at December 31, 2017:

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 securityholders	4,278,155	\$1.00	4,377,346
Equity Compensation Plans not approved by securityholders (warrants)	2,197,206	\$1.20	Nil
Total	6,475,361	\$1.07	4,377,346

Indebtedness of Directors and Executive Officers

No executive officers, directors, employees, former executive officers, directors and employees of Vertex or any of its subsidiaries were indebted to the Company during the fiscal year ended December 31, 2017.

Interest of Informed Persons in Material Transactions

To the knowledge of Vertex, no informed person of the Company, any proposed director of the Company, or any associate or affiliate of any informed person or proposed director has had any material interest, direct or indirect, in any transaction within the three most recently completed financial years or during the current financial year that has materially affected or is reasonably expected to materially affect Vertex, other than as disclosed elsewhere in this Circular.

Interest of Certain Persons or Companies in Matters to be Acted Upon

Except as disclosed in this Circular, to the knowledge of Vertex, no director or nominee for director, executive officer, or anyone who has been a director or executive officer of Vertex at any time since January 1, 2017, or any associate or affiliate of any of the foregoing, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon other than the election of directors or the appointment of auditors.

Corporate Governance Disclosure

Set forth below is a description of the Company's current corporate governance practices, as prescribed by Form 58-101F2, which is attached to National Instrument 58-101 – *Disclosure of Corporate Governance Practices*. The requirements of Form 58-101F2 are set out below in italics:

Board of Directors

The Board of the Company has determined that the following three directors of the Company are independent:

Terry Freeman
Trent Baker
Stuart O'Connor

Terry Stephenson is not considered independent because he is the President and Chief Executive Officer of the Company.

Brian Butlin, the Chairman of the Board of Vertex, is not considered independent because he is the father-in-law of Terry Stephenson.

Although the Chairman of the Board is not considered independent, Vertex ensures an independent Board through the following:

- (a) a majority of the Board is considered independent;
- (b) Brian Butlin does not hold a management position with the Company; and
- (c) any issues or concerns that may arise in the normal course of business related to conflicts of interest of independence will be brought to the attention of and considered by the independent directors.

Directorships

The following current directors are presently directors of other issuers that are reporting issuers (or the equivalent):

<u>Name of Director</u>	<u>Names of Other Issuers</u>
Terry Freeman	McCoy Global Inc.

Orientation and Continuing Education

Due to the size of the Board, no formal program currently exists for the orientation of new directors and existing directors provide orientation and education to new members on an informal and *ad hoc* basis. In addition, new directors of the Company will be given a copy of the mandate of the Board and each of the Audit Committee, and the Governance, HSE and Compensation Committee and a presentation will be made by management to new directors respecting the nature and operations of the Corporation's business.

No formal continuing education program currently exists for the directors of the Company; however, the Company encourages directors to attend, enrol or participate in courses and/or seminars dealing with financial literacy, corporate governance and related matters. Each director of the Company has the responsibility for ensuring that he maintains the skill and knowledge necessary to meet his obligations as a director.

Ethical Business Conduct

The Board has adopted a Code of Business Conduct and Ethics applicable to all members of the Company, including directors, officers and employees. Each director, officer and employee of the Company has been provided with a copy of the Code of Business Conduct and Ethics.

The Board has also adopted a "Whistleblower Policy" wherein employees, consultants and external stakeholders of the Company are provided with a mechanism by which they can raise concerns in a confidential, anonymous process.

Nomination of Directors

Pursuant to the mandate of the Board, the Board has responsibility for selecting nominees for election to the Board. At present, the Board does not have a process by which the Board identifies new candidates for Board nomination but rather the identification of new candidates is done on an informal and *ad hoc* basis.

Compensation

See compensation discussion above under the heading " Statement of Executive Compensation and Other Information".

Other Board Committees

In addition to the Audit Committee, the Company has a Governance, HSE and Compensation Committee of the Board to which the Board has delegated the responsibility for the following matters:

- (a) assisting the Board with all corporate governance related and nomination matters, with the objective of enhancing the Board's and the Company's effectiveness;
- (b) reviewing and reporting to the Board on matters of corporate governance and providing oversight review of the Company's compliance with legal and regulatory requirements;
- (c) assisting the Board in fulfilling its responsibilities in regards to the establishment of appropriate health, safety and environmental policies and procedures;
- (d) ensuring the safe environment for all employees and overseeing the Company's policies and procedures for ensuring compliance by the Company with environmental and regulatory requirements; and
- (e) monitoring the activities of the Company with respect to retaining and motivating members of the Board, senior management and employees of the Company, while ensuring conformity between compensation and Company objectives.

Assessments

As part of its mandate, the Board is responsible for determining the composition of the directors upon recommendation of the Governance, HSE and Compensation Committee.

Additional Information

Additional information relating to Vertex may be found on SEDAR at www.sedar.com and on Vertex's website at www.vertex.ca. Additional financial information is provided in Vertex's consolidated financial statements, management's discussion and analysis and annual information form for its most recently completed financial year. Copies of the Company's financial statements and management's discussion and analysis are available upon request at 161, 2055 Premier Way, Sherwood Park, Alberta, Canada, T8H 0G2, or by calling Vertex at 780-464-3295.

Schedule “A”

Audit Committee Charter

The following is the full text of the Audit Committee’s (the “**Committee**” or the “**Audit Committee**”) charter (the “**Charter**”) adopted by the Audit Committee and approved by the Board of Directors (the “**Board**”) of Vertex Resource Group Ltd. (the “**Company**”) on March 13, 2015.

Mandate

The primary function of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities in relation to the financial reports and other financial information provided by the Company to shareholders and regulatory authorities, the Company’s systems of internal controls regarding finance and accounting that management and the Board have established, and the Company’s auditing, accounting and financial reporting processes. Consistent with this function, the Audit Committee shall promote the continuous improvement of, and should foster adherence to, the Company’s policies, procedures and practices throughout all levels the Company.

The Audit Committee’s primary function is to fulfill its responsibilities by carrying out the activities outlined in this Charter. The Committee is given full access and has the authority to engage independent counsel and other advisors, as may be necessary, to the Company’s management records, employees and its external auditors as necessary to carry out these responsibilities. The Committee’s primary duties and responsibilities are to:

- i. Assist the Board to recruit persons to hold key positions in the financial management of the Company including the Chief Financial Officer and any other persons hired to be the primary interface between the Company and its financial agents, lenders or shareholders.
- ii. Review, approve and recommend to the Board for acceptance, prior to public release, all financial statements, the related management discussion and analysis (“**MD&A**”), and similar financial information provided by the Company to any governmental body, the shareholders of the Company or the public, including by way of press release.
- iii. Oversee management designed and implemented accounting systems and internal controls.
- iv. Recommend to the Board for consideration and further recommendation to the shareholders the appointment and compensation of the external auditors.
- v. Oversee the work of external auditors, including their qualifications, compensation and independence from the Company.
- vi. Establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal controls or auditing matters, and for anything that may be required beyond the Company’s Whistleblower Policy for the confidential, anonymous submission by employees of the Company or its subsidiaries of concerns regarding questionable accounting or auditing matters.
- vii. Satisfy itself that adequate procedures are in place for the compilation, calculation and review of the Company’s disclosure of financial information, other than as described in (viii) above, extracted or derived from its financial statements, including periodically assessing the adequacy of such procedures.
- viii. Oversee the audit process generally.

Composition and Terms of Office

- i. The Committee shall be comprised of no less than three members, as determined by the Board. Such appointment shall typically take place at the first Board meeting held after the date of the annual general meeting with shareholders. The appointed members shall normally hold office until the next annual meeting or until they are removed by the Board or until their successor is appointed.

- ii. Each Audit Committee member shall be “financially literate” within the meaning of National Instrument 52-110 *Audit Committees* (“**NI 52-110**”) unless the Board has determined to rely on an exemption in NI 52-110. Being “financially literate” means members have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to breadth and complexity of issues that can reasonably be expected to be raised by the Company’s financial statements.
- iii. At minimum, a majority of the Audit Committee members shall qualify as an “independent director” within the meaning of NI 52-110, unless the Board has determined to rely on an exemption in NI 52-110, and be free of any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Audit Committee.
- iv. The Chairman of the Audit Committee (the “**Audit Chairman**”) shall be appointed by the Board. The Audit Chairman may be removed or replaced by the Board at any time.
- v. Where a vacancy occurs at any time in the membership of the Committee, it may be filled by the Board on the recommendation of the Governance, HSE and Compensation Committee. The Board may remove and replace any member of the Committee. Any member or the Audit Chairman shall automatically cease to be a member of the Audit Committee on ceasing to be a director. If and whenever a vacancy shall exist on the Audit Committee, the remaining members may exercise all of the powers of the Audit Committee, so long as a quorum remains.

Meetings

- i. The Audit Committee is required to meet in person or by telephone conference call at minimum once per quarter and will hold special meetings if circumstances require in order to discharge the duties of the Audit Committee. The meeting will be scheduled to permit timely review of the quarterly and annual financial statements and reports. The Audit Chairman, any two members of the Committee, the independent auditor or external auditor may call a special meeting of the Committee.
- ii. In normal circumstances, the Audit Chairman appointed by the Board will, in consultation with the Committee members, determine the schedule, time and place of meetings, and in consultation with management and the external auditor, establish the agenda for meetings.
- iii. A quorum for a meeting shall be a majority of the Audit Committee members, in which no less than 2 of 3 members are present in person or by conference call.
- iv. Notice of time, place of a meeting, an agenda and related materials respecting every meeting shall be given in writing or via electronic communication to each member of the Committee at least 48 hours prior to the time listed for such meetings. If the Audit Chairman is not present at any meeting of the Audit Committee, it is the responsibility of the Committee to choose a committee member to preside at and chair the meeting.
- v. Agendas will be circulated to Audit Committee members along with background information on a timely basis prior to the Audit Committee meetings. Minutes of each meeting will be recorded and reviewed for errors or omissions and then filed with the Corporate Secretary and made available to any director at any time. The Audit Committee should report on its activities at each quarterly meeting of the Board or more frequently as material issues are addressed by the Audit Committee. It will be the responsibility of the Audit Chairman to report to the Board or delegate such reporting.
- vi. Any member of the Committee may waive notice of a meeting by signifying their consent to hold such a meeting. Attendance of a member at a meeting shall constitute waiver of notice of the meeting except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting was now lawfully called.
- vii. The Audit Chairman may invite officers and employees of the Company, as well as the external auditor of the Company to attend meetings of the Audit Committee as it may see fit. For purposes of performing their duties, members of the Audit Committee shall have full access to all corporate information and any other information deemed appropriate by them and shall be permitted to discuss such information and any other matters relating to the financial position of the Company with

senior employees, officers and the external auditors, and others as they consider appropriate. For greater certainty, corporate information includes information relating to the Company's affiliates, subsidiaries and their respective operations.

- viii. In order to foster open communication, the Audit Committee or the Audit Chairman should meet at least annually with management and the external auditors in separate sessions to discuss any matters that the Audit Committee or each of these groups believes should be discussed privately. In addition, the Audit Committee or the Audit Chairman should meet with management quarterly in connection with the Company's interim financial statements and the Audit Committee should meet not less than quarterly with the auditors, independent of the presence of management.
- ix. Decisions of the Audit Committee shall be determined by a majority of the votes cast. In case of an equality of votes, the Audit Chairman shall not be entitled to a second or casting vote and in such cases the undecided matter should be referred to the Board as a whole.

Responsibilities and Duties

In addition to the matters described above, and any other duties and authorities delegated to it by the Board from time to time, the role of the Audit Committee is to:

- i. Review and recommend to the Board changes to this Charter, as considered appropriate from time to time.
- ii. Review the adequacy and performance of the Audit Committee on an annual basis.
- iii. Review the adequacy, amount and terms of any insurance policy to be obtained or maintained by the Company with respect to risks inherent in its operations and potential liabilities incurred by the directors or officers in the discharge of their duties and responsibilities.
- iv. Review any new appointments to executive positions with financial reporting responsibilities and review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor.
- v. Review and recommend to the Board for approval the Company's financial statements, MD&A and any annual and quarterly earnings, and Annual Information Form prior to the Company publicly disclosing this information and any other reports or other financial information (including quarterly financial statements and financial press releases), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditor. The process of reviewing annual and quarterly financial statements should include, but not be limited to:
 - a. reviewing changes in accounting principles, or in their application, which may have a material impact on the current or future years' financial statements;
 - b. reviewing significant accruals, reserves or other estimates such as the ceiling test calculation;
 - c. reviewing accounting treatment of unusual or non-recurring transactions;
 - d. ascertaining compliance with covenants under loan agreements;
 - e. reviewing financial reporting relating to asset retirement obligations;
 - f. reviewing disclosure requirements for commitments and contingencies;
 - g. reviewing adjustments raised by the external auditors, whether or not included in the financial statements;
 - h. reviewing unresolved differences between management and the external auditors;

- i. obtaining explanations of significant variances with comparative reporting periods; and
 - j. determining through inquiry if there are any related party transactions and ensure the nature and extent of such transactions are properly disclosed.
- vi. Review with management all significant variances between comparative reporting periods in any financial statements of the Company, including variances in forecasted financial information from actual results which may have been included in any public documents of the Company.
- vii. Review significant judgements made by management in the preparation of the financial statements and the view of the external auditor as to the appropriateness of such judgements.
- viii. Review and discuss guidelines and policies with respect to risk assessment and risk management, including the processes management uses to assess and manage the Company's financial risk, major risk factors and steps taken to monitor and manage such risks.
- ix. Oversee all work and review annually the performance and independence of the external auditor and require that the external auditor report directly to the Committee. This shall include reviewing any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information; done by independent meetings with management and the external auditor. In such a capacity, the Committee shall resolve any disagreements between management and the external auditor regarding financial reporting of the Company.
- x. Review the audit plan for the ensuing year with management and the external auditor, and formally recommend its approval to the Board.
- xi. Pre-approve all non-audit services to be provided to the Company by the external auditor, if any, and take all reasonable steps to satisfy that these services do not disqualify the external auditor from being classified as independent as per any applicable corporate, securities or other legislation or any rule, regulation, instrument, policy, guideline or interpretation under such legislation. The pre-approval requirement is waived with respect to the provision of non-audit services if: (i) the aggregate amount of all such non-audit services provided to the Company is not more than five percent of the total revenues paid by the Company to the external auditor during the fiscal year in which the non-audit services are provided; (ii) such services were not recognized by the Company at the time of the engagement to be non-audit services; and (iii) such services are promptly brought to the attention of the Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee with authority to grant such approvals by the Committee.
- xii. Recommend to the Board, on an annual basis for shareholder approval, the external auditor to be nominated for appointment as the external auditor for the Company as well as their terms of engagement and remuneration. As such the Audit Committee shall review the basis and amount of the external auditor's fees in light of the number and nature of reports issued by the auditor, the quality of internal controls, the size, complexity and financial condition of the Company and the extent of support provided to the auditor.
- xiii. Review and approve requests for any material management consulting or other engagement to be performed by the external auditor and be advised of any other material study undertaken by the external auditor at the request of management that is beyond the scope of the audit engagement letter and related fees.
- xiv. Review the performance of the external auditor and any proposed dismissal or non-renewal of the external auditor when circumstances warrant.
- xv. Periodically consult with the external auditor out of the presence of management about significant risks or exposures, internal controls and other steps that management has or has not taken to control such risks, and the fullness and accuracy of the financial statements, including the adequacy of internal controls to expose any payments, transactions or procedures that might be deemed illegal or otherwise improper.

- xvi. Review the integrity and sufficiency of the Company's internal control over the accounting and financial reporting process, disclosure control process and procedure within the Company. Meet with appropriate officers of the Company to discuss the effectiveness of the internal controls and information security procedures established for the Company with consultation from the external auditor. Receive reports relating to the control environment in connection with the trading activities of the Company.
- xvii. Satisfy itself that the Company has the appropriate internal controls for safeguarding assets and for financial reporting necessary to ensure compliance with legal and regulatory requirements.
- xviii. Consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management.
- xix. Review with management, the auditors and, if necessary, with legal counsel, any litigation, claim or other contingency related party transactions, including tax assessments, that could have a materially adverse effect upon the financial position or operating results of the Company, and the manner in which these matters have been disclosed in the financial statements of the Company.
- xx. Review the integrity of the financial reporting processes, both internal and external, in consultation with the external auditor as the Audit Committee sees fit.
- xxi. Review all material balance sheet issues, material contingent obligations (including those associated with material acquisitions or dispositions) and material related party transactions.
- xxii. Perform any other activities as the Audit Committee deems necessary or appropriate.

The Audit Committee is responsible for upholding the Company's Whistleblower Policy:

- i. The Audit Committee shall be responsible for overseeing the Company's Whistleblower Policy and ensuring the content of this policy is upheld. This includes the anonymous submission, retention and treatment of complaints received from employees or other interested parties regarding questionable actions of the Company or any representative of the Company. These items may include but are not limited to questionable conduct with regards to financial statement disclosures, accounting, internal controls, fraud, auditing matters or other activities which may violate the Company's Code of Business Conduct.
- ii. It is the responsibility of the Audit Chairman to investigate and resolve all reported complaints and allegations concerning the Company's conduct with regards to financial disclosure, accounting practices and violations of the Company's Code of Business Conduct. The Audit Chairman shall provide a quarterly report, verbal or otherwise, to the Audit Committee and the Board outlining any complaints or allegations made against the Company. The Audit Chairman, at his sole discretion, may delegate the investigation and resolution of complaints to the Chief Executive Officer or the Chief Financial Officer of the Company.

Authority

While the Audit Committee has the responsibilities and powers set forth in its mandate, it is not the duty of the Audit Committee to prepare financial statements or plan and conduct audits. These are the responsibilities of management and the external auditor, respectively. The Audit Committee may:

- i. Engage independent outside counsel and other advisors as it determines necessary to carry out its duties.
- ii. Set and pay the compensation for any advisors employed by the Committee.
- iii. Communicate directly with the external auditors.
- iv. The Committee shall have unrestricted access to the Company's personnel and documents and will be provided with the resources necessary to carry out its responsibilities.

- v. The Committee is empowered to review the appropriateness and effectiveness of any activity or business practice (including related party transactions) and internal controls, which impact the financial integrity of the Company, and all employees shall be required to cooperate with the Committee.

Schedule "B"

STOCK OPTION PLAN OF VERTEX RESOURCE GROUP LTD.

1 Purpose

1.1 The purpose of this Plan is to advance the interests of the Corporation by encouraging, attracting, retaining and motivating the Directors, Employees and Consultants by granting Options to purchase 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 Interpretation

2.1 For the purposes of this Plan, the following terms shall have the following meanings:

- (a) **"Affiliate"** means a corporation related to another corporation if one of them is the subsidiary of the other, or both are subsidiaries of the same corporation, or each of them is controlled by the same Person;
- (b) **"Applicable Law"** means all legal requirements relating to the administration of stock option plans, if any, under applicable corporate laws, any applicable state or provincial securities laws, the rules and regulations promulgated thereunder, and the requirements of the Exchange, and the laws of any foreign jurisdiction applicable to Options granted to residents therein;
- (c) **"Blackout Period"** means a period of time during which the Corporation prohibits a Participant from exercising an Option or selling the Shares issuable pursuant to the exercise of Options;
- (d) **"Board"** means the board of directors of the Corporation or, if established and duly authorized to act with respect to this Plan, any committee of the board of directors of the Corporation;
- (e) **"Consultant"** means, in relation to the Corporation, an individual (other than an Employee or a Director of the Corporation) or company, that:
 - (i) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Corporation, other than services provided in relation to a distribution of securities;
 - (ii) provides the services under a written contract between the Corporation or an Affiliate and the individual or the company, as the case may be;
 - (iii) in the reasonable opinion of the Corporation, spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or an Affiliate; and
 - (iv) has a relationship with the Corporation or an Affiliate that enables the individual to be knowledgeable about the business and affairs of the Corporation;
- (f) **"Corporation"** means Vertex Resource Group Ltd., a corporation incorporated under the *Business Corporations Act* (Alberta), and, as the context requires, its Affiliates;
- (g) **"Director"** means a director, senior officer or Management Company Employee (as defined in the Exchange Policies) of the Corporation or its subsidiaries;
- (h) **"Disability"** means any disability with respect to a Participant which the Board, in its sole and unfettered discretion, considers likely to permanently prevent the Participant from:
 - (i) being employed or engaged by the Corporation or its subsidiaries in a position the same as or similar to that in which he or she was last employed or engaged by the Corporation or its subsidiaries; or

- (ii) acting as a director or officer of the Corporation or its subsidiaries;
- (i) "**Eligible Person**" has the meaning given to such term in Section 7.1;
- (j) "**Employee**" means:
 - (i) an individual who is considered an employee of the Corporation or its subsidiary under the Tax Act (and for whom income tax, employment insurance and CPP deductions must be made at source);
 - (ii) an individual who works full-time for the Corporation or its subsidiary providing services normally provided by an employee and who is subject to the same control and direction by the Corporation over the details and methods of work as an employee of the Corporation, but for whom income tax deductions are not made at source; or
 - (iii) an individual who works for the Corporation or its subsidiary on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Corporation over the details and methods of work as an employee of the Corporation, but for whom income tax deductions are not made at source;
- (k) "**Exchange**" means the TSX Venture Exchange, or any other stock exchange on which the Shares are listed and posted for trading from time to time;
- (l) "**Exchange Policies**" mean the policies of the Exchange, including those set forth in the Exchange's Corporate Finance Manual, as amended from time to time;
- (m) "**Insider**" means:
 - (i) a director or senior officer of the Corporation;
 - (ii) a director or senior officer of an entity that is itself an Insider or subsidiary of the Corporation;
 - (iii) a Person that beneficially owns or controls, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all outstanding voting securities of the Corporation; or
 - (iv) the Corporation itself if it holds any of its own securities;
- (n) "**Investor Relations Activities**" has the meaning ascribed thereto in the Exchange Policies and, for clarity, Persons retained to provide Investor Relations Activities include any Consultant that performs Investor Relations Activities and any Employee or Director whose role and duties primarily consist of Investor Relations Activities;
- (o) "**Option**" means an option to purchase Shares granted pursuant to the provisions of this Plan;
- (p) "**Option Agreement**" means a written agreement between the Corporation and a Participant, specifying the terms of the Option being granted to the Participant under this Plan, which may be in the form set out in Appendix I hereto;
- (q) "**Participant**" means an Eligible Person that has been granted an Option and who continues to hold such Option;

- (r) **"Person"** means a natural person, firm, corporation, government, or political subdivision or agency of a government; and where two or more Persons act as a partnership, limited partnership, syndicate or other group for the purpose of acquiring, holding or disposing of securities of an issuer, such syndicate or group shall be deemed to be a Person;
- (s) **"Plan"** means this stock option plan of the Corporation, as amended from time to time;
- (t) **"Shares"** means the common shares in the capital of the Corporation;
- (u) **"Tax Act"** means the *Income Tax Act* (Canada), as amended from time to time; and
- (v) **"Term"** means the period of time during which an Option is exercisable.

3 Administration

3. The Plan shall be administered by 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 directors.

3.2 Subject to the provisions of the Plan, the Board shall have authority to construe and interpret the Plan and all Option Agreements entered into thereunder, to define the terms used in the Plan and in all Option Agreements entered into thereunder, 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 and on their legal personal representatives and beneficiaries.

3.3 Each Option granted hereunder may be evidenced by an Option Agreement in writing, signed on behalf of the Corporation and by the Participant. Each such Option Agreement shall recite that it is subject to the provisions of this Plan.

4 Stock Exchange Rules

4. All Options granted pursuant to this Plan shall be subject to the Exchange Policies. In the event of any inconsistency between the terms of the Plan and the Exchange Policies whether due to inadvertence or changes in the Exchange Policies, the terms of the Exchange Policies shall govern.

5 Shares Subject to Plan

5.1 Subject to adjustment as provided in Section 15 hereof, the Shares to be offered under the Plan shall consist of 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 of the Corporation on a rolling basis. 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 purposes of this Plan and if any Option granted hereunder shall be exercised in accordance with the terms of the Plan and the Option Agreement pursuant to which the Option was granted, the number of Shares issued upon such exercise shall again be available for the purposes of this Plan.

5.2 Any Shares reserved for issuance pursuant to the exercise of stock options granted by the Corporation prior to this Plan coming into effect and which are outstanding on the date on which this Plan comes into effect shall be included in determining the number of Shares reserved for issuance hereunder as if such stock options were granted under this Plan. The terms of this Plan shall not otherwise govern such pre-existing stock options.

6 Maintenance of Sufficient Capital

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

7 Eligibility and Participation

7.1 Directors, Consultants and Employees shall be eligible for selection to participate in the Plan (each such person being an "**Eligible Person**"). 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.

7.2 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, the Term of such Options and the number of Shares to be subject to each Option, all of which shall be set out in the applicable Option Agreement. In the case of Directors, Consultants and Employees, the Option Agreements to which they are party must contain a representation of the Corporation that such Director, Consultant or Employee, as the case may be, is a bona fide Director, Consultant or Employee.

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

8 Exercise of Options

8.1 The exercise of any Option will be contingent upon receipt by the Corporation at its head office of a written notice of exercise (which notice may be in the form attached as Schedule "A" to the form of Option Agreement attached as Appendix I hereto), specifying the number of Shares with respect to which the Option is being exercised, accompanied by cash payment, certified cheque or bank draft for the full purchase price of such Shares with respect to which the Option is exercised. No Participant or his or her legal personal representatives and beneficiaries will be, or will be deemed to be, a holder of any Shares of the Corporation unless and until the Shares issuable pursuant to Options under the Plan are issued to the Participant under the terms of the Plan.

8.2 The exercise price of the Shares subject to each Option shall be determined by the Board, subject to the Exchange Policies, at the time any Option is granted. In no event shall such exercise price be lower than the minimum exercise price permitted by the Exchange.

8.3 In addition to any resale restrictions under any Applicable Law, if the exercise price is set at a discount to the Market Price (as defined in the Exchange Policies) and for so long as the Shares are listed on the TSX Venture Exchange, all Options and any certificates representing any Shares issued on the exercise of Options prior to the expiry of the Exchange Hold Period (as defined in the Exchange Policies) will bear the legend prescribed by the Exchange Policies.

8.4 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 only be reduced if at least six months have elapsed since the later of the date of the commencement of the term, the date the Shares commenced trading or the date the exercise price was reduced. In the case of Options held by Insiders, the exercise price of an Option may be reduced only if disinterested shareholder approval is obtained.

8.5 Notwithstanding any of the provisions contained in the Plan or in any Option Agreement, the Corporation's obligation to issue Shares to a Participant pursuant to the exercise of any Option shall be subject to:

- (a) any legending and/or hold periods required by the Exchange and/or Applicable Laws;
- (b) compliance with all Applicable Laws and completion of such registration or other requirements for the issuance of such Shares or obtaining approval of such governmental or regulatory authority as the Corporation shall determine to be necessary or advisable in connection with the authorization, issuance or sale of such Shares;
- (c) the admission of such Shares to listing on the Exchange; and
- (d) receipt from the Participant of such representations, warranties, agreements and undertakings, as the Corporation or its counsel determines to be necessary or advisable including, without limitation, that such Participant is acquiring and will acquire the Shares issuable pursuant to an exercise of Options for such Participant's own account, and not with a view to or in connection with any distribution or resale, that such Participant has had access to such information as is necessary to enable such

Participant to evaluate the merits and risks of such investment and that such Participant is able to bear the economic risk of investing in the Shares.

8.6 No member of the Board shall be liable for any action or determination taken or made in good faith in the administration, interpretation, construction or application of the Plan or any Options granted under it.

9 Number of Shares underlying Options

9.1 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.

9.2 No single Participant may be granted Options to purchase a number of Shares equaling more than 5% of the issued Shares of the Corporation in any 12-month period unless the Corporation has obtained disinterested shareholder approval in respect of such grant and meets applicable Exchange requirements.

9.3 Options shall not be granted if the exercise thereof would result in the issuance of more than 2% of the issued Shares of the Corporation in any 12-month period to any one Consultant of the Corporation (or any of its subsidiaries).

9.4 Options shall not be granted if the exercise thereof would result in the issuance of more than 2% of the issued Shares of the Corporation in any 12-month period to Persons retained to provide Investor Relations Activities. Options granted to Persons retained to perform Investor Relations Activities will contain vesting provisions such that vesting occurs over at least 12 months with no more than ¼ of the Options vesting in any three month period.

10 Option Period, Consideration and Payment

10.1 Subject to Section 10.2, the period of time during which an Option is exercisable (the "Term") shall be a period of time fixed by the Board not to exceed the maximum term permitted by the Exchange, being ten years, provided that the Term shall be reduced with respect to any Option as provided in Sections 11 and 12 hereof covering cessations as an Eligible Person or death or Disability of the Participant.

10.2 Notwithstanding anything else contained in this Plan or an Option Agreement, if the expiry date of an Option falls during a Blackout Period applicable to the relevant Participant, then the Term of the Option shall be automatically extended to the date that is the tenth business day after the expiry date of the Blackout Period, provided that (a) the Blackout Period is formally imposed by the Corporation pursuant to its internal trading policies as a result of the bona fide existence of undisclosed material information; (b) the Blackout Period expires upon the general disclosure of the undisclosed material information; and (c) such automatic extension is not applicable if the Corporation or the Participant is subject to a cease trade order or similar trading restriction in respect of the Corporation's securities.

10.3 Subject to any vesting restrictions imposed by the Exchange and Section 9.4, 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.

10.4 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 shall be exercised under this Plan until this Plan has been approved by a resolution duly passed by the shareholders of the Corporation.

10.5 The vesting of outstanding Options may be accelerated by the Board at such times and in such amount as the Board may determine in its sole discretion.

10.6 Except as set forth in Sections 11 and 12 hereof, no Option may be exercised unless the Participant is at the time of such exercise an Eligible Person.

11 Ceasing to Be an Eligible Person

11.1 If a Participant ceases to be an Eligible Person, for any reason (other than death), such Participant may exercise his or her Option to the extent that the Participant was entitled to exercise the Options at the date of such cessation, provided that such exercise must occur within 90 days after the Participant ceases to be an Eligible Person.

11.2 Nothing contained in the Plan, nor in any Option granted pursuant to the Plan, shall confer upon any Participant any right with respect to continuance as a Director, Consultant or Employee.

12 Death or Disability of Participant

12.1 Notwithstanding Section 11 hereof, in the event of the death of a Participant, the Options previously granted to the Participant shall be exercisable only within 120 days after such death and then only:

- (a) by the person or persons to whom the Participant's rights under the Options 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 Options at the date of such Participant's death.

12.2 Notwithstanding Section 11 hereof, if, before the close of business on the date upon which such Options expire, a Participant shall cease to be an Eligible Person as a result of the Participant's Disability, then the Board, at its discretion, may allow the Participant to exercise any vested Options to the extent that the Participant was entitled to exercise the Options at the time of such cessation, provided that such exercise must occur within 120 days after the date the Participant ceases to be an Eligible Person.

13 Rights of Participant

13.1 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 such Shares shall have been issued.

14 Proceeds from Sale of Shares

14.1 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.

15 Adjustments

15.1 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 corporation or entity through reorganization, merger, re-capitalization, re-classification, stock dividend, subdivision or consolidation, an equitable adjustment shall be made in one or more of the maximum number or kind of Shares issuable under this Plan or subject to outstanding Options, and the exercise price of such Shares.

15.2 Subject to Sections 15.3 and 15.5, if, during the term of the Option, the Corporation shall merge into or amalgamate or enter into a statutory arrangement with any other entity, or if the Corporation shall sell all or substantially all of its assets and undertaking, and as a result the holders of Shares receive securities of another issuer, cash or some combination thereof as an effective substitution for the Shares, prior to or contemporaneously with the consummation of any such transaction, the Corporation and any such successor entity will make provision that, upon the exercise of any Option during its unexpired period after the effective date of such merger, amalgamation, arrangement or sale, the Participant shall receive such number of securities of the other, continuing or successor issuer resulting from such merger, amalgamation or arrangement or of the securities of the purchasing issuer, or such other consideration offered by the acquirer in such sale as he or she would have received as a result of such merger, amalgamation, arrangement or sale if the Participant had purchased Shares immediately prior thereto for the same consideration paid on the exercise of the Option and had held such Shares on the effective date of such merger, amalgamation or sale. Upon such provision being made, the obligation of the Corporation to the Participant in respect of the Shares then remaining subject to this Option shall terminate and be at an end. Notwithstanding the foregoing, the Corporation may determine that at the effective time of such merger, amalgamation, arrangement or sale, subject to the withholding by the Corporation of all applicable taxes, the Participant shall instead be entitled to receive an aggregate cash payment equal to the amount by which the fair value of the securities, cash or combination thereof to which the Participant would be entitled upon exercise of the Option following such merger, amalgamation, arrangement or sale exceeds the aggregate exercise price of such Options, if any, and thereafter any right or privilege previously represented by such Options under this Plan shall be deemed to be satisfied in full and such Options shall be terminated and cease to represent any claim against the

continuing or successor corporation. Any determination of fair market value of any securities shall be made by the Board and all such determinations shall be final, binding and conclusive.

15.3 Notwithstanding any other provision of this Plan, the Corporation shall effect the sale, pursuant to an agreement with the Corporation, of securities of the Corporation pursuant to which any person or entity, or any persons or entities acting jointly or in concert with the foregoing, is or becomes the beneficial owner, directly or indirectly, of securities of the Corporation entitled to vote in respect of the election of directors of the Corporation in all circumstances, or other securities of the Corporation having rights of purchase, conversion or exchange into such voting securities, which acquired securities, together with securities of the Corporation held, directly or indirectly, by such person or entity and persons or entities acting jointly or in concert with such person or entity, have votes attaching thereto exceeding 50% of the number of votes attaching to the issued and outstanding voting securities (assuming, for either test, the purchase, conversion or exchange of such other securities, whether then purchasable, convertible or exchangeable or not, into the highest number of voting securities such person or entity would be entitled to), then unless provision is made by an acquiring entity for the assumption of each Option or the substitution of a substantially equivalent option therefor, the Participant shall have the right to exercise the Option to purchase all of the Shares subject to such Option which have not previously been purchased under the Option (whether vested at such time or not). For greater certainty, the Board shall have the power, in the event of any event contemplated by the foregoing sentence may occur or has occurred, to make such arrangements as it deems appropriate for the exercise of outstanding Options including, without limitation, to amend any Option to permit the exercise of any or all remaining Options prior to or in conjunction with completion of such transaction. If the Board shall exercise such power, the Options shall be deemed to have been amended to permit the exercise thereof in whole or in part by the Participant at any time or from time to time as determined by the Board prior to or in conjunction with the completion of such transaction.

15.4 In the event that a take-over bid is made for the Shares at any time after the date of this Plan, the Board shall have the power, in its sole discretion, to modify the terms of this Plan and/or the Options as it deems appropriate, including, without limitation, to cause the vesting of all unvested Options or to otherwise assist the Participants to tender into a take-over bid.

15.5 Adjustments or determinations under this Section 15 shall be made by the Board whose decisions as to what adjustments or determinations 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.

16 Transferability

16.1 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 for herein or to 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.

17 Amendment and Termination of the Plan

17.1 Subject to the policies, rules and regulations of any lawful authority having jurisdiction over the Corporation (including the Exchange), the Board may at any time, without further action by the shareholders, amend the Plan or any Option granted hereunder in such respects as it may consider advisable and, without limiting the generality of the foregoing, it may do so to ensure that Options granted hereunder will comply with any provisions respecting stock options in the income tax laws or other laws in force in any country or jurisdiction of which a person to whom an Option has been granted may from time to time be resident or citizen or the Board may at any time, without action by shareholders, terminate the Plan. The Board may not, however, without the consent of the Participant, adversely alter or impair any of the rights or obligations under any Option theretofore granted.

17.2 Any such suspension, termination or amendment must:

- (a) comply with Applicable Law and the requirements of the Exchange, including applicable requirements relating to requisite shareholder approval and prior approval of the Exchange or any other relevant regulatory body;
- (b) be, in the case of an amendment that materially adversely affects the rights of any Participant, made with consent of such Participant; and

- (c) be, in the case of any reduction in the price of Options held by Participants that are Insiders at the time of the proposed reduction, subject to approval by disinterested shareholders of the Corporation in accordance with the Exchange Policies.

17.3 If the Plan is terminated, the provisions of the Plan and any administrative guidelines and other rules and regulations adopted by the Board and in force on the date of termination will continue in effect as long as any Option or any rights pursuant thereto remain outstanding and, notwithstanding the termination of the Plan, the Board will remain able to make such amendments to the Plan or the Options as they would have been entitled to make if the Plan were still in effect.

17.4 No amendment, suspension or discontinuance of the Plan may contravene the requirements of the Exchange or any securities commission or regulatory body to which the Plan or the Corporation is now or may hereafter be subject.

18 Withholding Obligations

18.1 The Corporation shall have the power and the right to deduct and withhold, or require (as a condition of exercise) a Participant to remit to the Corporation the required amount to satisfy, in whole or in part, federal, provincial and local taxes and other amounts, whether domestic or foreign, required by law or regulation to be withheld with respect to any taxable event arising as a result of the Plan, including the grant, exercise or redemption of Options granted under the Plan. With respect to required source withholding obligations associated with any exercise or redemption, the Corporation shall have the irrevocable right (and the Participant consents thereto) to withhold or set off the amount, in whole or in part, associated with such obligations from other amounts payable to the Participant, including without limitation (and whether arising pursuant to the Participant's relationship as a Director, Consultant or Employee) salary, bonuses or expenses (if applicable), or, on behalf of the Participant, the Corporation may elect, in its sole discretion, to satisfy the amount, in whole or in part, associated with such obligations, by selling such number of Shares as would otherwise be deliverable to the Participant as is sufficient to generate net proceeds (after deduction of applicable expenses, including without limitation the selling costs associated therewith) equal to the amount required to satisfy such source withholding obligations. The Participant consents to any such sale and grants to the Corporation an irrevocable power of attorney to effect the sale of such Shares and acknowledges and agrees that the Corporation does not accept responsibility for the price obtained on the sale of such Shares.

19 Necessary Approvals

19.1 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 Exchange. 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.

20 Miscellaneous Provisions

20.1 As a condition of participating in the Plan, each Participant agrees to comply with all Applicable Law and the requirements of the Exchange, and to fully cooperate with the Corporation in doing all such things, including executing and delivering all such agreements, undertakings or other documents or furnishing all such information as is reasonably necessary to facilitate compliance with such laws, rules and requirements, including all withholding obligations.

20.2 Participation in the Plan is voluntary and does not constitute a condition of employment or continued employment or service. A Participant shall not have any rights as a shareholder of the Corporation with respect to any of the Shares underlying any Option until the date of issuance of Shares upon the exercise of such Option, in full or in part, and then only with respect to the Shares so issued. Without in any way limiting the generality of the foregoing, no adjustment shall be made for dividends or other rights for which the record date is prior to the date that such Shares are issued.

20.3 The Plan (including any amendment to the Plan), the terms of the issue or grant of any Option under the Plan, the grant and exercise of Options hereunder, and the Corporation's obligation to sell and deliver Shares upon the exercise of Options, shall be subject to all Applicable Law and the requirements of the Exchange, and to such approvals by any regulatory or governmental agency as may, in the opinion of counsel to the Corporation, be necessary or advisable. The Corporation shall not be obliged by any provision of the Plan or the grant of any Option hereunder to issue or sell Shares in violation of such laws, rules and regulations or any condition of such approvals.

20.4 The Plan and all matters to which reference is made herein shall be governed by and interpreted in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein.

21 Effective Date of Plan

The Plan has been adopted by the Board on April 10th, 2018 subject to receipt of the approval of the Exchange and all necessary shareholder approvals and the Plan shall become effective upon such approvals being obtained.

APPENDIX I

VERTEX RESOURCE GROUP LTD.

OPTION AGREEMENT

This Agreement dated the ____ day of _____, 20__.

BETWEEN:

VERTEX RESOURCE GROUP LTD., a corporation incorporated under the laws of the Province of Alberta (hereinafter called the "**Corporation**"),

OF THE FIRST PART

- and -

RECIPIENT of the [●] of [●], in the Province of Alberta (hereinafter called the "**Participant**")

OF THE SECOND PART

WHEREAS the Participant is a Director, Employee or Consultant and has been designated by the Corporation as an Eligible Person to participate in the Stock Option Plan of the Corporation (the "**Plan**");

AND WHEREAS the Corporation desires to grant to the Participant options to purchase common shares of the Corporation (the "**Shares**") in accordance with the terms of the Plan;

AND WHEREAS all capitalized terms not defined in this Option Agreement have the meaning set out in the Plan;

NOW THEREFORE THIS AGREEMENT WITNESSETH that the parties hereto agree as follows:

1. The Corporation hereby irrevocably grants to the Participant [●] options (the "**Options**") to purchase [●] Shares at an exercise price of \$[●] per Share, subject to the terms and conditions set forth herein.
2. The Options expire and terminate at 5:00 p.m. (Sherwood Park time) on the expiry date set forth below, subject to acceleration or extension, as applicable, pursuant to Sections 10.2, 10.5, 11, 12 or 15 of the Plan.
4. Subject to the more specific provisions of the Plan and this Option Agreement, the Options granted under this Option Agreement shall be subject to a [●] year vesting period and may be exercised on a cumulative basis such that in each 12-month period, calculated from the date of this Option Agreement, the Options may be

exercised as to the number of Shares set forth below:

Number of Shares	Vesting	Expiry Date
[●]	[●]	[●]
[●]	[●]	[●]
[●]	[●]	[●]

such that the Options shall become fully vested on [●].

[Vesting provisions to be customized to reflect vesting provisions, if any, determined by the Board at the time of grant.]

4. Except as provided in Sections 11 and 12 of the Plan, the Options may only be exercised while the Participant is a Director, Employee or Consultant. The Participant (or his or her legal or personal representative) may exercise the Options by delivering to the Corporation, at its principal office in Sherwood Park, Alberta:
 - (a) a written notice ("**Notice**") expressing the intention to exercise the Options and specifying the number of Shares in respect of which the Options are exercised, which Notice may be in the form of Schedule "A" hereto;
 - (b) a cash payment, certified cheque or bank draft, representing the full exercise price of the Shares in respect of which the Options are exercised; and
 - (c) in the event that the Options are exercised in accordance with this Option Agreement by persons other than the Participant, proof satisfactory to the Corporation of the right of such persons to exercise the Options.
5. Upon the exercise of the Options as aforesaid, the Corporation shall employ its reasonable efforts to forthwith deliver, or cause the registrar and transfer agent of the Shares to deliver, to the Participant (or his legal, personal representative) or to the order thereof, the aggregate number of fully paid and non-assessable Shares as the Participant (or his legal, personal representative) shall have then paid for.
6. The Participant acknowledges and agrees that neither the selection of him or her as a Participant under the Plan nor the granting of the Options hereunder shall: (i) confer upon him any right to continue as a Director, Employee or Consultant, as the case may be, or (ii) be construed as a guarantee that the Participant will continue as a Director, Employee or Consultant, as the case may be. The Participant further acknowledges and agrees that this Option Agreement and the Options granted hereby shall in no way constitute the basis for a claim for damages by the Participant against the Corporation in the event of the termination of the employment of the Participant with the Corporation for any reason whatsoever, including the Participant's wrongful dismissal, and the Participant hereby releases and forever discharges the Corporation from all claims and rights of action for damages whatsoever based upon or arising out of this Option Agreement or the Options.
7. The Participant shall not have any of the rights or privileges of a shareholder of the Corporation in respect of any Shares issuable upon exercise of the Options until such Shares have been paid for in full and issued to the Participant.
8. The Participant acknowledges and agrees that the Board may, at any time, suspend or terminate the Plan. The Board may also at any time amend or revise the terms of the Plan, provided that no such amendment or revision shall adversely alter or impair the terms of the Options granted herein.
9. The Participant acknowledges and agrees that he or she will engage their own professional accountant to understand the tax considerations on these Options and will pay any and all taxes arising from the issuance of Options and Shares under this Plan if exercised. The Corporation makes no guarantees to any person regarding the tax treatment of Options or payments made under the Plan and none of the Corporation, nor any of its employees or representatives, shall have any liability to a Participant with respect thereto. The Participant expressly acknowledges the rights of the Corporation with respect to withholding taxes pursuant to Section 18 of the Plan.

10. The Participant acknowledges that he or she has read and understood the Plan and the Participant and the Corporation agree that all provisions thereof apply to the parties hereto and to this Agreement with the same effect as if such provisions were set out in this Agreement. In the event of a conflict between the terms of this Agreement and the Plan, the Plan shall prevail.
11. All options granted pursuant to the Plan shall at all times be subject to the rules and policies of the Exchange and any other regulatory body having jurisdiction hereinafter.
12. Time shall be of the essence of this Agreement.
13. This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date and year first above written.

VERTEX RESOURCE GROUP LTD.

Per: _____

SIGNED, SEALED AND DELIVERED
in the presence of:

Witness

PARTICIPANT

**SCHEDULE "A"
NOTICE OF EXERCISE OF STOCK OPTIONS**

To: **VERTEX RESOURCE GROUP LTD.**

Terms used herein and not otherwise defined shall have the meanings ascribed thereto in the stock option agreement (the "**Option Agreement**") of Vertex Resource Group Ltd. to which this exercise form is attached.

The undersigned Participant hereby irrevocably exercises the right to purchase _____ Shares of the Corporation at an exercise price of \$_____ per Share and encloses or delivers herewith payment in the amount of \$_____ representing the aggregate exercise price for the total number of Shares purchased.

Amount enclosed that is payable on account of withholding of tax or other required deductions relating to the exercise of the Options (contact the Corporation for details of such amount): \$_____.

Date: _____

Signature

Name (*please print*)

Address

Please have my Shares sent to me at:

at my address indicated above.

Vertex Resource Group Ltd.

Please register my Shares as set out above, or as follows:

Address