



PROSPERA
- ENERGY INC. -

**NOTICE OF MEETING AND
MANAGEMENT INFORMATION CIRCULAR
IN RESPECT OF AN
ANNUAL GENERAL MEETING OF SHAREHOLDERS
OF
PROSPERA ENERGY INC.
to be held on June 19, 2025**

**at 11:00 a.m. (Calgary time) at the Calgary Petroleum Club (Trophy Lounge)
319 5 Ave SW, Calgary, AB, T2P 0L5**

This Information Circular is furnished in connection with the solicitation of proxies by the management of Prospera Energy Inc. to be voted at the Annual General Meeting to be held on June 19, 2025, at the time and place and for the purposes set out in the accompanying Notice of Annual General Meeting and at any adjournments thereof.



NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS
(the "Notice of Meeting")

Notice is hereby given that the annual general meeting (the "**Meeting**") of the shareholders (the "**Shareholders**") of Prospera Energy Inc. (the "**Corporation**") will be held on June 19, 2025, at the Calgary Petroleum Club (Trophy Lounge), 319 5 Ave SW, Calgary, AB, T2P 0L5 at 11:00 a.m. (Calgary time) for the following purposes:

1. To receive and consider the audited financial statements of the Corporation for the year ended December 31, 2024, together with the report of the auditors thereon;
2. To fix the number of directors of the Corporation to be elected at the Meeting at five (5);
3. To elect the board of directors of the Corporation to serve until the next annual meeting of the shareholders or until their successors are duly elected or appointed;
4. To appoint auditors of the Corporation for the ensuing year and to authorize the board of directors to determine the remuneration to be paid to the auditor;
5. To consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution, reapproving the stock option plan of the Corporation, as more particularly set forth in the accompanying Information Circular – Proxy Statement ("**Information Circular**") accompanying this Notice of Meeting; and
6. To transact such other business as may properly come before the Meeting or any adjournment or adjournments thereof.

The specific details of the matters proposed to be put before the Meeting are set forth in the Information Circular which accompanies and forms part of this Notice of Meeting.

Only Shareholders of record at the close of business on May 7th, 2025 (the "**Record Date**") are entitled to notice of and to attend the Meeting or any adjournment or adjournments thereof and to vote thereat unless after the Record Date a holder of record transfers his or her Common Shares and the transferee, upon producing properly endorsed certificates evidencing such shares or otherwise establishing that he or she owns such shares, requests, not later than ten (10) days before the Meeting, that the transferee's name be included in the list of shareholders entitled to vote, in which case such transferee shall be entitled to vote such shares at the Meeting.

Shareholders may vote in person at the Meeting or any adjournment or adjournments thereof, or they may appoint another person (who need not be a Shareholder) as their proxy to attend and vote in their place. Shareholders unable to be present at the Meeting are requested to date and sign the enclosed form of proxy and return it to the Corporation, c/o Computershare Trust Company of Canada, 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1 (Attention: Proxy Department).

In order to be valid, proxies must be received by Computershare Trust Company, not less than forty-eight (48) hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting or any adjournment thereof.

Dated at Calgary, Alberta this 12th day of May 2025

BY ORDER OF THE BOARD OF DIRECTORS

(signed) "Shubham Garg"
Shubham Garg
Chairman & Interim CEO



MANAGEMENT INFORMATION CIRCULAR

This management information circular - proxy statement (the "**Information Circular**") is furnished in connection with the solicitation of proxies by the management of Prospera Energy Inc. ("**Prospera**" or the "**Corporation**") for use at the annual general meeting (the "**Meeting**") of the holders ("**Shareholders**") of common shares ("**Common Shares**") of the Corporation to be held on June 19th, 2025 at 11:00 a.m. (Calgary time) at the Calgary Petroleum Club (Trophy Lounge), 319 5 Ave SW, Calgary, AB, T2P 0L5, and at any adjournment thereof, for the purposes set forth in the notice of annual general meeting (the "**Notice**") accompanying this Information Circular.

GENERAL PROXY INFORMATION

Solicitation of Proxies

The information contained in this Information Circular is furnished to Shareholders in connection with the solicitation of proxies to be used at the Meeting. The board of directors of the Corporation (the "**Board**") has fixed the record date for the Meeting at the close of business on May 7, 2025 (the "**Record Date**"). Shareholders of the Corporation of record as at the Record Date are entitled to receive notice of the Meeting and to vote those Common Shares included in the list of Shareholders entitled to vote at the Meeting prepared as at the Record Date, unless any such Shareholder transfers Common Shares after the Record Date and the transferee of those Common Shares, having produced properly endorsed certificates evidencing such Common Shares or having otherwise established that he or she owns such Common Shares, demands, not later than 10 days before the Meeting, that the transferee's name be included in the list of Shareholders entitled to vote at the Meeting, in which case such transferee shall be entitled to vote such Common Shares at the Meeting.

Solicitation of proxies will be primarily by mail, but may also be undertaken by way of telephone, facsimile or oral communication by the directors, officers and regular employees of the Corporation, at no additional compensation. Costs associated with the solicitation of proxies will be borne by the Corporation.

Unless otherwise stated, information contained herein is given as of May 12, 2025.

Appointment of Proxyholders

Accompanying this Information Circular is an instrument of proxy for use at the Meeting. Shareholders who are unable to attend the Meeting in person and wish to be represented by proxy are required to date and sign the enclosed instrument of proxy and return it in the enclosed return envelope. **All properly executed instruments of proxy for Shareholders must be deposited at the offices of the Corporation's registrar and transfer agent, Computershare Trust Company of Canada, 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1 (Attention: Proxy Department) so that the proxy is received no later than 48 hours (excluding Saturdays, Sundays, and holidays) prior to the time of the Meeting or an adjournment or postponement thereof. A proxy must be executed by the Shareholder or his or her attorney authorized in writing, or if the Shareholder is a company, under its seal by an officer or attorney thereof duly authorized.**

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

the name of the designated representative in the blank space provided on the instrument of proxy. Alternatively, a Shareholder may complete another appropriate instrument of proxy.

Advice to Beneficial Shareholders

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

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

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

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

Generally, Beneficial Shareholders who have not waived the right to receive the Meeting Materials will have received as part of the Meeting Materials a voting instruction form which must be completed, signed and delivered by the Beneficial Shareholder in accordance with the directions on the voting instruction form.

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

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

Signing of Proxy

The instrument of proxy must be signed by the Shareholder or the Shareholder’s duly appointed attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal or by a duly authorized officer or attorney of the corporation. An instrument of proxy signed by a person acting as attorney or in some other representative capacity (including a representative of a corporate Shareholder) should indicate that person’s capacity (following his or her signature) and should be accompanied by the appropriate instrument evidencing qualification and authority to act (unless such instrument has previously been filed with the Corporation).

Revocability of Proxies

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

Voting of Proxies and Exercise of Discretion by Proxyholders

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

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

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

QUORUM

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

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The authorized share capital of the Corporation consists of an unlimited number of Common Shares. Shareholders are entitled to one vote per Common Share. As at the Record Date, there are 434,641,124 Common Shares issued and outstanding.

To the knowledge of the directors and executive officers of the Corporation, no person or company beneficially owns, or controls or directs, directly or indirectly, voting securities carrying 10% or more of the voting rights attached to any class of voting securities of the Corporation, as at the date hereof, other than the following:

Name	Number of Shares Beneficially Owned Directly or Indirectly, Controlled or Directed	Percentage Of Outstanding Voting Securities
Vittorio Valsecchi	60,750,000	14.0%

PARTICULARS OF MATTERS TO BE ACTED UPON

1. Financial Statements

The audited financial statements of the Corporation for the financial year ended December 31, 2024, and the report of the auditor thereon (the “**Financial Statements**”) will be placed before the Meeting. The Board has approved all of the information in the Financial Statements. The approval of the Shareholders is not required in relation to the Financial Statements.

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

Our articles provide for a minimum of 3 directors and a maximum of 10 directors. Our by-laws provide that the number of our directors shall be determined from time to time by our Shareholders or our Board. The Board is currently comprised of the following five members: Shubham Garg, Mark Lacey, Brian McConnell, Christopher Moore, and Matthew Kenna.

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

At the Meeting, it will be proposed that five (5) directors be elected, to hold office until the next annual general meeting or until their successors are elected or appointed. **Unless otherwise directed, it is the intention of the management designees, if named as proxy, to vote in favour of the ordinary resolution fixing the number of directors to be elected at the Meeting at five (5).**

3. Election of Directors

Unless otherwise directed, it is the intention of management to vote proxies in the accompanying form in favour of an ordinary resolution fixing the number of directors to be elected at the Meeting at five (5) members and in favour of the election as directors of the five (5) nominees hereinafter set forth:

Shubham Garg
Mark Lacey
Matthew Kenna

Christopher Moore
Brian McConnell

The names and residence of the persons nominated for election as directors, the number of voting securities of the Corporation beneficially owned or controlled or directed, directly or indirectly, the offices held by each in the Corporation, the period served as director and the principal occupation and background of each are set forth below.

Name and Municipality of Residence	Position(s) Held	Director Since	Principal Occupation at Present and during the Last Five Years	Common Share Ownership
Shubham Garg <i>Calgary, Alberta</i>	Interim CEO, Chairman	October 31, 2024	CEO of White Tundra Investments	5,004,000
Matthew Kenna <i>Calgary, Alberta</i>	Director	December 5, 2023	CFO of Mantel	7,349,345
Mark Lacey <i>Blackfalds, Alberta</i>	Director	June 30, 2021	President of Spruce Creek Capital	850,000
Brian McConnell <i>Calgary, Alberta</i>	Director	June 30, 2021	Consulting Geological Engineer	2,178,080
Christopher Moore <i>Peterborough, Ontario</i>	Director	April 3, 2025	Owner & Operator of a Health Services Business	11,842,838

Director Biographies

Mr. Shubham Garg is the Founder and CEO of White Tundra Investments, combining over a decade of hands-on oil and gas field experience with financial expertise. A recognized leader in Canadian energy investment, he is known for his sharp valuation skills and operational acumen. His strategic approach to resource development and capital deployment has established him as a trusted name in the industry.

Mr. Brian McConnell brings 47 years of oilfield experience spanning Heavy Oil, Light Oil, and Natural Gas exploration and production. He has worked across the Western Canadian Basins, including consulting in the Arctic Islands for PanArctic Oils. His leadership at Saskoil, Wascana Energy, Murphy Oil, and Tundra Oil & Gas contributed to significant production growth, including increasing Tundra's output from 4,000 to 28,000 bbls/d. Brian currently serves as President of 1101391 Alberta (Shallow Gas) and Highway Seven Resources (consulting)

Mr. Mark Lacey is an entrepreneur and investor with 20 years of experience in public and private markets. He is the President of a Central Alberta-based family office and a graduate of the Canadian Securities Institute and Red Deer College's Business Administration program. Mark specializes in portfolio management, capital markets, and strategic growth, leveraging his deep knowledge of financial markets to identify and execute high-value investment opportunities.

Mr. Matthew Kenna has over 30 years of experience leading organizations, driving efficiencies, and growing profitability. As a CPA, CMA, he spent 15 years at KUDU Industries, scaling revenue from \$35M to \$150M by optimizing financial operations, fostering financing arrangements, and strengthening client relationships. With

extensive expertise in business turnarounds and operational efficiencies, Matthew has a strong track record of fiscal success and deep connections in Calgary's finance community.

Mr. Christopher Moore is a seasoned entrepreneur and investor with over 30 years of experience building and scaling businesses. A graduate of the University of Ottawa (B.Sc., 1990), he leads a successful healthcare company and is a major shareholder in Prospera Energy. He brings deep expertise in oil and gas markets, a data-driven mindset, and strong insight into industry trends. Mr. Moore is also well-versed in corporate governance, with a commitment to transparency, accountability, and ethical leadership. His track record in strengthening governance and driving strategic growth makes him a key contributor to Prospera's board.

Each director elected will hold office until the next annual general meeting, or until his or her successor is duly elected or appointed, unless his or her office is earlier vacated.

Voting for the election of directors will be conducted on an individual, and not slate, basis. Management of Prospera recommends that Shareholders vote FOR the election of each of these nominees. The persons named in the enclosed form of proxy intend to vote FOR the election of each of these nominees unless the Shareholder specifies authority to do so is withheld.

Management does not contemplate that any of these nominees will be unable to serve again as a director of the Corporation. However, if for any reason any of the proposed nominees do not stand for election or is unable to serve as such, the management designees, if named as proxy, reserve the right to vote for any other nominee in their sole discretion unless you have specified in your proxy that your Common Shares are to be withheld from voting on the election of directors.

Cease Trade Orders or Bankruptcies

To the knowledge of management of the Corporation, no proposed director, within 10 years before the date of this Information Circular, has been a director or executive officer of any company that, while that person was acting in that capacity:

- (a) was the subject of a cease trade or similar order, or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;
- (b) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or
- (c) within a year of that person ceasing to act in such capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Personal Bankruptcies

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

Penalties and Sanctions

To the knowledge of management, no proposed director 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.

4. Appointment of Auditor

Shareholders will be asked to vote for the appointment of MNP LLP as auditor of the Corporation. MNP LLP has served as auditor to the Corporation since October 8, 2024. **Unless otherwise directed, it is the intention of the management designees, if named as proxy, to vote in favour of the ordinary resolution appointing MNP LLP as auditor of the Corporation for the next ensuing year**, to hold office until the close of the next annual general meeting of Shareholders or until MNP LLP is removed from office or resigns as provided by the Corporation's by-laws, and the management designees also intend to vote the Common Shares represented by any such proxy in favor of a resolution authorizing the Board to fix the compensation of the auditor.

5. Approval of Stock Option Plan

At the Meeting, Shareholders will be asked to reapprove the Corporation's Stock Option Plan (the "**Stock Option Plan**"), a copy of which is attached hereto as Schedule "B" and summarized under the heading "*Summary of Stock Option Plan*." The Shareholders of the Corporation previously approved during the last annual general meeting held on June 6, 2024 to facilitate compliance with recent amendments to TSX Venture Exchange (the "**Exchange**") Corporate Finance Policy 4.4 – *Security Based Compensation*.

The purpose of the Stock Option Plan is to provide an incentive to directors, employees and consultants of the Corporation or its subsidiary to acquire a proprietary interest in the Corporation, to continue their participation in the affairs of the Corporation and to increase their efforts on behalf of the Corporation.

At the Meeting, Shareholders will be asked to approve, with or without variation, the following ordinary resolution:

"RESOLVED THAT:

1. the stock option plan of the Corporation, which provides for the rolling grant of options to acquire up to 10% of the number of issued and outstanding Common Shares of the Corporation, be and the same is hereby ratified, confirmed and approved;
2. all unallocated stock options under the stock option plan, as amended from time to time, be and hereby are approved; and
3. any one director or officer of the Corporation be and is hereby authorized and directed to do all things and to execute and deliver all documents and instruments as may be necessary or desirable to carry out the terms of this resolution."

The Board unanimously recommends that Shareholders ratify, confirm and approve the amended Stock Option Plan by voting in favour of the resolution to be submitted to the Meeting. A copy of the Stock Option Plan is attached as Schedule "B" to this Information Circular.

Summary of Stock Option Plan

The following summary of the material terms of the Stock Option Plan does not purport to be complete and is qualified in its entirety by reference to the Stock Option Plan. Capitalized terms used in this section have the meanings ascribed thereto in the Stock Option Plan.

Eligible Participants

Options may be granted under the Stock Option Plan to directors and senior officers of the Corporation or its subsidiaries, management company employees (collectively, the “Directors”), employees of the Corporation or its subsidiaries (collectively, the “Employees”) or consultants of the Corporation or its subsidiaries (collectively, the “Consultants”). The Board, in its discretion, determines which of the Directors, Employees or Consultants will be awarded Options under the Stock Option Plan.

Number of Shares Reserved

The number of Common Shares which may be issued pursuant to options granted under the Stock Option Plan may not exceed 10% of the issued and outstanding Common Shares at the date of granting of Options. Options that are exercised, cancelled or expire prior to exercise continue to be issuable under the Stock Option Plan.

Limitations

Under the Stock Option Plan, the aggregate number of options granted to any one person (including companies wholly-owned by that person) in a 12-month period must not exceed 5% of the issued and outstanding Common Shares of the Corporation when combined with security based compensation grants to such person under any other security based compensation plan of the Corporation, calculated on the date the Option is granted. The aggregate number of Options granted to any one Consultant in a 12-month period must not exceed 2% of the issued and outstanding Common Shares of the Corporation when combined with security based compensation grants to such Consultant under any other security based compensation plan of the Corporation, calculated at the date the option is granted. The aggregate number of Options granted to all persons retained to provide investor relations services to the Corporation (including Consultants and Employees or Directors whose role and duties primarily consist of providing investor relations services) must not exceed 2% of the issued and outstanding Common Shares of the Corporation in any 12 month period, calculated at the date an Option is granted to any such person. Disinterested Shareholder approval will be required for any grant of options which will result in the number of options granted to Insiders (as defined in the Securities Act (Alberta)) as a group at any point in time or within a 12 month period exceeding 10% of the issued and outstanding Common Shares of the Corporation when combined with security based compensation grants to Insiders under any other security based compensation plan of the Corporation.

Exercise Price

The exercise price of Options granted under the Stock Option Plan is determined by the Board, provided that it is not less than the discounted market price, as that term is defined in the Exchange’s Corporate Finance policy manual or such other minimum price as is permitted by the Exchange in accordance with the policies in effect at the time of the grant, or, if the Common Shares are no longer listed on the Exchange, then such other exchange or quotation system on which the Common Shares are listed or quoted for trading. The exercise price of Options granted to Insiders may not be decreased without disinterested Shareholder approval at the time of the proposed amendment.

Term of Options

Subject to the termination and change of control provisions noted below, the term of any options granted under the Stock Option Plan is determined by the Board and may not exceed ten (10) years from the date of grant. Disinterested Shareholder approval will be required for any extension to stock options granted to individuals that are Insiders at the time of the proposed amendment.

Vesting

All Options granted pursuant to the Stock Option Plan will be subject to such vesting requirements as may be prescribed by the Exchange, if applicable, or as may be imposed by the Board. Options issued to persons retained to provide investor relations activities must vest in stages over 12 months with no more than one-quarter of the options vesting in any three month period.

Dividend Entitlement

The Plan does not include any dividend entitlement to participants. If participants were entitled to receive options in lieu of dividends declared by the Corporation, and if the Corporation did not have sufficient unallocated options available to satisfy the obligation, then the Corporation may settle those entitlements with cash.

Termination

Any Options granted pursuant to the Stock Option Plan will terminate upon the earliest of:

- (a) the end of the term of the option;
- (b) on the date the holder ceases to be eligible to hold the option (the "Cessation Date"), if the Cessation Date is as a result of dismissal for cause;
- (c) one year from the date of death or disability, if the Cessation Date is as a result of death or disability;
- (d) 90 days from the Cessation Date, if the Cessation Date is as a result of a reason other than death, disability or cause;
- (e) on such other date as fixed by the Board, provided that the date is no more than one year from the Cessation Date, if the Cessation Date is as a result of a reason other than death, disability or cause; or
- (f) 30 days from the Cessation Date, if the optionee was engaged in investor relations activities.

Exercise of Options

The exercise price of an option must be paid in cash, other than as described below as determined by the Board:

- (a) **Cashless Exercise.** The Corporation may make an arrangement with a brokerage firm pursuant to which the brokerage firm will loan money to an optionee to purchase the Common Shares issuable upon exercise of their options. The brokerage firm would then sell a sufficient number of Common Shares to cover the exercise price of the options in order to repay the loan made to the optionee. The brokerage firm would then receive an equivalent number of Common Shares from the exercise of the options and the optionee would receive the balance of the Common Shares or the cash proceeds from the balance of such Common Shares.

- (b) Net Exercise. The Corporation may accept the exercise of options by optionees other than those who provide investor relations services without the optionee making any cash payment so the Corporation does not receive any cash from the exercise of the subject options, and instead the optionee receives only the number of Common Shares that is the equal to the quotient obtained by dividing:
- (i) the product of the number of options being exercised multiplied by the difference between the volume weighted average price (“VWAP”) of the Common Shares and the exercise price of the options; by
 - (ii) the VWAP of the Common Shares.

Adjustments

Any adjustment to Options granted or issued (except in relation to a consolidation or share split) will be subject to the prior acceptance of the Exchange. Disinterested Shareholder approval will be sought in respect of any material amendment to the Stock Option Plan.

The proposed Stock Option Plan is subject to Exchange acceptance and if the Exchange finds the disclosure to Shareholders to be inadequate, Shareholder approval may not be accepted by the Exchange.

A copy of the Plan is available at the records office of the Corporation at Suite 730, 444 - 7th Avenue SW, Calgary, AB T2P 0X8 until the business day immediately preceding the date of the Meeting. A copy will also be made available at the Meeting.

OTHER MATTERS COMING BEFORE THE MEETING

The Board knows of no other matters to come before the Meeting other than as referred to in the Notice of Meeting. Should any other matters properly come before the Meeting, the Common Shares represented by proxy solicited hereby will be voted on such matters in accordance with the best judgement of the person voting such proxy.

STATEMENT OF EXECUTIVE COMPENSATION

Pursuant to National Instrument 51-102 – *Continuous Disclosure Obligations* (“**NI 51-102**”), the Corporation is required to disclose certain information with respect to its compensation of Named Executive Officers (“**NEOs**”) and the directors, as summarized below.

For the period ending December 31, 2024, the Corporation had the following NEOs:

- Shubham Garg – Executive Chairman (“Chairman”);
- Chris Ludtke – Chief Financial Officer (“CFO”); and
- Samuel David – Chief Executive Officer (“CEO”)

Compensation Discussion and Analysis

Executive and Employee Compensation Objectives and Principles

The Board recognizes that Prospera's success depends greatly on its ability to attract, retain and motivate superior performing employees at all levels, which can only occur if Prospera has an appropriately structured and executed compensation program. The principal objectives of Prospera's executive compensation program are as follows:

- *to attract and retain qualified executive officers;*
- *to have compensation competitive within the Corporation's peer marketplace;*
- *to align the executives' interests with those of the Shareholders; and*
- *to reward both demonstration of leadership and performance.*

Our compensation policies are currently founded on the principal that executive and employee compensation should be consistent with Shareholders' interests. The objectives of the program are to attract and retain a high-quality management and employee team.

Components of the Executive Compensation Program

Our compensation program consists of the following elements:

- base salary;
- agreed targeted bonuses; and
- long term incentive compensation.

Base salary ranges for executive officers were initially determined upon review of companies within the resource industry, which were the same size as Prospera, at the same stage of development as Prospera and considered to be comparable to Prospera. The Board determined that the compensation to be paid to the NEOs for the period between January 1, 2024, and December 31, 2024, would be awarded according to the Board's review and consideration of several factors, each of which is outlined in detail below.

The Corporation's compensation program is designed to reward the time committed to the business of the Corporation by each NEO. The Board retains the responsibility for reviewing matters relating to the human resource policies and compensation of the directors and officers in the context of the budget and business plan of Prospera. The Board evaluated and approved the compensation paid to the NEOs for the fiscal year ended December 31, 2024. Such base annual compensation was determined taking into consideration the time expected to be committed by the respective officer to the business of the Corporation.

The performance goals of the Corporation for 2024 were to secure private placement financing, optimize oil production through existing core fields, production goals, and improving the financial health and liquidity of the Corporation. This is in addition to confirming the commercial feasibility of the Cuthbert Asset through the horizontal development program and confirming the productivity of the Brooks asset through vertical well drilling to ensure the long-term growth of Shareholder value.

Prospera does not benchmark its compensation with that of any other corporations. The Board believes Prospera's compensation is normal for the roles undertaken by the most senior officers of the Corporation and in line with the current size and development of the Corporation.

NEOs are not permitted to purchase any financial instrument that is designed to hedge or offset a decrease in market value of the Common Shares. However, the Corporation does not have any written policies which prohibit

a NEO or director from purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director.

The Board does not specifically consider the implications of the risks associated with the Corporation's compensation policies and practices. The Board does exercise regular oversight of internal decisions made by the NEOs and other officers of the Corporation and does exercise oversight of risks arising from the Corporation's compensation policies and practices that are likely to have a material adverse effect on the Corporation. The ownership of securities of the Corporation by the NEOs also serves to align the interests of those persons with the other Shareholders of the Corporation and mitigates any excessive risks that may be taken by the NEOs.

A description of the criteria used in each element of compensation is set forth below.

Base Salaries

Chris Ludtke was appointed Chief Financial Officer on November 30th, 2023. Mr. Chris Ludtke's employment provided for an annual salary of \$150,000 in 2024.

Mr. Samuel David was appointed Chief Executive Officer in December 2020. In October 2022 Samuel David signed an employment agreement effective January 1st, 2022. Mr. Samuel David's employment provided for an annual salary of \$180,000 in 2024. As of February 2025, Samuel David is no longer employed with the Corporation.

Stock Options

Long term incentives are granted in order to attract and retain high quality executives in a competitive market environment. These incentives are provided in the form of Options. The Stock Option Plan is administered by the Board. 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 Stock Option Plan. See "*Approval of Stock Option Plan*" above for a summary of the terms of the Stock Option Plan. When granting Options, the Board considers company and individual performance as well as the mix of all elements of the executive's compensation.

Option Based Awards

The Stock Option Plan provides for the granting of Options to purchase Common Shares of the Corporation to "service providers" of the Corporation, which includes directors, officers, employees, consultants and investor relations employees of the Corporation (as permitted by applicable law). The Stock Option Plan is administered by the Board. 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 Stock Option Plan. The grant of Options is considered by the Board as a whole, taking into account company and individual performance, previous Options that have been granted and general market conditions. For a summary of the terms of our Stock Option Plan, see "*Approval of Stock Option Plan*" above.

Summary Compensation Table

The following table sets forth for the last three most recently completed financial years to the Corporation's Executive Officers.

Name and Principle Position	Year	Salary (\$)	Share-Based Awards (\$)	Option-Based Awards (\$) ⁽⁴⁾	Annual Incentive Plans	Long-Term Incentive Plans	All Other Compensation (\$)	Total Compensation (\$)
Chris Ludtke <i>CFO</i>	2024	150,000	Nil	Nil	Nil	Nil	Nil	150,000
	2023	132,490	Nil	7,817	Nil	Nil	Nil	140,757
	2022	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Samuel David <i>(Former) CEO</i>	2024	180,000	Nil	Nil	Nil	Nil	Nil	180,000
	2023	247,434	Nil	24,250	Nil	Nil	Nil	271,684
	2022	224,375	Nil	15,600	Nil	Nil	Nil	239,975

Notes:

- (1) Mr. Ludtke was appointed as Chief Financial Officer on November 30, 2023. Prior to his appointment, Mr. Ludtke served as VP, Finance & Accounting.
- (2) Mr. David was appointed President & Chief Executive Officer on December 16, 2020.
- (3) Option based awards are calculated using the Black Scholes model at time of issuance.

Outstanding Share Based Awards and Option Based Awards

The following table sets forth for each NEO all option-based awards and share based awards outstanding at the end of the year ended December 31, 2024 (the options below have not been exercised).

Name	Option-Based Awards				Share-Based Awards		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-The-Money Options (\$)	No. of Shares or Units of Shares not Vested (#)	Market or Payout Value of Share-based Awards not Vested (\$)	Market or Payout Value of Vested Share-based Awards not Paid out or Distributed (\$)
Chris Ludtke	50,000	0.05	04/01/2027	Nil	Nil	Nil	N/A
	64,600	0.125	03/04/2028	Nil	Nil	Nil	N/A
Samuel David	2,100,000	0.05	12/31/2025	Nil	Nil	Nil	N/A
	100,000	0.05	6/28/2026	Nil	Nil	Nil	N/A
	200,000	0.05	5/26/2027	Nil	Nil	Nil	N/A
	250,000	0.10	6/29/2028	Nil	Nil	Nil	N/A

Note

- (1) The value of unexercised in-the-money options was calculated using the Black Scholes model at time of issuance.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth the value of all indicated compensation awards that vested or were earned during the most recently completed financial year.

Name	Option-based Awards – Value Vested during the Year (\$)	Share-based Awards – Value Vested during the Year (\$)	Non-equity Incentive Plan Compensation – Value Earned during the Year (\$)
Chris Ludtke	Nil	Nil	Nil

Samuel David	Nil	Nil	Nil
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Notes:

- (1) The Corporation does not have any share based awards or nonequity incentive plan compensation.
 (2) The Option based awards vested calculation was calculated using the Black Scholes model.

Director Compensation

Director Compensation Table

During the fiscal year ended December 31, 2024, the Corporation did not pay cash compensation to nonmanagement directors, except for consultancy fees to Clifford Robbins Inc and White Tundra Investments Ltd. The directors were not paid for attendance at Board or committee meetings. The following table sets forth for each nonmanagement director all amounts of compensation provided to nonmanagement directors for the year ended December 31, 2024:

Name	Fees Earned	Share-based awards (\$)	Option based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Mark Lacy	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Matthew Kenna	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Jasdip Dhaliwal	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Brian McConnell	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Mel Clifford ⁽¹⁾	47,165	Nil	Nil	Nil	Nil	Nil	47,165
Shubham Garg	31,500	Nil	Nil	Nil	Nil	Nil	31,500

Notes:

- (1) Mr. Mel Clifford, who offered his consulting services through Clifford Robbins Inc., received consulting fees payment of \$47,165 (including GST) from January 2024 to October 2024. On October 31st, 2024, Mr. Mel Clifford stepped down as Chairman of the Board.
 (2) Mr. Shubham Garg, who offered his consulting services through White Tundra Investments Ltd., received consulting fees payment of \$31,500 (including GST) from November 2024 to December 2024. Mr. Shubham Garg became Executive Chairman and a Director of the Corporation on October 31st, 2024.

Directors' Outstanding Option Based Awards and Share Based Awards

The following table sets forth for each of the directors of the Corporation other than directors who are also Named Executive Officers, all option based awards and share based awards outstanding at the end of the year ended December 31, 2024.

Name	Option-Based Awards				Share-Based Awards		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-The-Money Options (\$)	No. of Shares or Units of Shares not Vested (#)	Market or Payout Value of Share-based Awards not Vested (\$)	Market or Payout Value of Vested Share-based Awards not Paid out or Distributed (\$)
Mel Clifford	300,000	0.05	6/28/2025	5,700	Nil	Nil	N/A
	100,000	0.05	6/29/2026	5,800	Nil	Nil	N/A
	200,000	0.05	5/26/2027	15,600	Nil	Nil	N/A

	250,000	0.10	6/29/2028	24,250	Nil	Nil	N/A
Jasdip Dhaliwal	50,000	0.05	6/29/2026	2,900	Nil	Nil	N/A
	100,000	0.05	5/26/2027	7,800	Nil	Nil	N/A
	150,000	0.10	6/29/2028	14,550	Nil	Nil	N/A
Mark Lacey	50,000	0.05	6/29/2026	2,900	Nil	Nil	N/A
	100,000	0.05	5/26/2027	7,800	Nil	Nil	N/A
	150,000	0.10	6/29/2028	14,500	Nil	Nil	N/A
Brian McConnel	50,000	0.05	6/29/2026	2,900	Nil	Nil	N/A
	100,000	0.05	5/26/2027	7,800	Nil	Nil	N/A
	150,000	0.10	6/29/2028	14,550	Nil	Nil	N/A

Notes:

- (1) Options expire five years from date of grant.
(2) Value of unexercised in the money options was calculated using the Black Scholes model at time of issuance.

Directors' Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth for each director of the Corporation, other than directors who are also NEOs, the value of option-based awards and share-based awards which vested during the year ended December 31, 2024, and the value of nonequity incentive plan compensation earned during the year ended December 31, 2024.

Name	Option-based Awards – Value Vested during the Year (\$)	Share-based Awards – Value Vested during the Year (\$)	Non-equity Incentive Plan Compensation – Value Earned during the Year (\$)
Mel Clifford	Nil	Nil	Nil
Mark Lacey	Nil	Nil	Nil
Brian McConnell	Nil	Nil	Nil
Jasdip Dhaliwal	Nil	Nil	Nil

Note:

- (1) The Option based awards vested calculation was calculated using the Black Scholes Model at time of issuance.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following sets forth information in respect of securities authorized for issuance under the Stock Option Plan, which is the Corporation's only equity compensation plan, as at December 31, 2024.

Plan Category	Number of securities to be issued upon exercise of outstanding Options, warrants and rights	Weighted average exercise price of outstanding Options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
	(a)	(b)	(c)
<i>Equity compensation plans approved by securityholders^{(1)/(2)}</i>	13,414,508	\$0.074	29,280,969

<i>Equity compensation plans not approved by securityholders</i>	N/A	N/A	N/A
Total:	13,414,508	\$0.074	29,280,969

Note:

- (1) The Stock Option Plan is a “rolling” option plan, which reserves a number of Options available for issuance equal to a maximum of 10% of the issued and outstanding Common Shares.
- (2) Shareholders of the Corporation last approved the Stock Option Plan at the annual meeting of shareholders of Prospera held on June 6, 2024.
- (3) The issued and outstanding shares as at December 31, 2024 was 426,954,767.

CORPORATE GOVERNANCE DISCLOSURE

National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) requires that if management of an issuer solicits proxies from its shareholders for the purpose of electing directors certain prescribed disclosure respecting corporate governance matters be included in its information circular. The TSXV also requires listed companies to provide, on an annual basis, the corporate governance disclosure which is prescribed by NI 58-101.

The following sets forth the disclosure required by Form 58-101F2 – Corporate Governance Disclosure (Venture Issuers) (“**58-101F2**”) under NI 58-101.

Board of Directors

The Board has determined that the following four (4) directors of the Corporation are independent:

Brian McConnell

Mark Lacey

Christopher Moore

Matthew Kenna

The Board facilitates its exercise of independent supervision over management by ensuring that a majority of directors qualify as independent directors pursuant to NI 58-101 and by establishing committees, which are comprised of a majority of independent members.

Directorships

No directors of the Corporation are presently directors of other issuers that are reporting issuers (or the equivalent).

Orientation and Continuing Education

Due to the size of the Board, no formal program exists for the orientation of new directors. Upon joining the Board, new directors are given access to all of the background documents of the Corporation, including all corporate records, by-laws, corporate policies, organization structure and prior Board and Committee minutes.

No formal continuing education program exists for the directors. As part of continuing education, the Board will receive management presentations with respect to the operations and risks of the Corporation’s business as needed. In addition, the individual directors identify their continuing education needs through a variety of means, including discussions with management and at Board and committee meetings.

Ethical Business Conduct

The Board has adopted a Code of Business Conduct and Ethics applicable to the directors, officers and employees.

Nomination of Directors

The Board does not presently have a nominating committee. The responsibility to recommend members of the Board that are suitable candidates as nominees for election or appointment as directors rests with individual Board members. The Board, as a group, canvasses all of the members of the Board for their input prior to making a recommendation to the Board. In identifying new candidates for Board nomination, the Board considers, among other things:

- *the competencies and skills that the Board considers to be necessary for the Board, as a whole, to possess;*
- *the competencies and skills that the Board considers each existing director to possess;*
- *the competencies and skills each new nominee will bring to the boardroom; and*
- *whether or not each new nominee can devote sufficient time and resources to his or her duties as a member of the Board.*

Compensation

The Board retains the responsibility for reviewing matters relating to the human resource policies and compensation of the directors and officers of the Corporation in the context of the budget and business plan of Prospera. During the fiscal year ended December 31, 2024, the Corporation did not pay any cash compensation to the non-management directors, nor were the directors paid for attendance at Board or Committee meetings. The Board considered and approved the compensation paid to the officers of the Corporation, as set forth under the heading “*Executive Compensation*”. Such base annual compensation was determined upon review of a number of comparable companies within the resource industries of competitive salaries paid to executive officers of the Corporation and the time expected to be committed by the respective officer.

Other Committees

The Corporation has an audit committee (the “**Audit Committee**”), a reserve committee (the “**Reserve Committee**”), a governance committee (the “**Governance Committee**”), and a disclosure committee (the “**Disclosure Committee**”). The Board has not created any other standing committees and does not have a compensation and nominating committee, such responsibilities being handled by the full Board.

Assessments

To date, the Board has satisfied itself that the Board, its committees and individual directors are performing effectively through informal discussions.

Director Term Limits and Other Mechanisms of Board Renewal

The Corporation has not adopted term limits or other mechanisms to force a director to be removed from the Board of Directors. The by-laws of the Corporation provide that directors will serve until the next annual general meeting of Shareholders and if qualified can be nominated by the governance committee for re-election. Accordingly, the Board of Directors have determined that term limits or mandatory retirement based on age is not necessary. The Board of Directors believes that sustained leadership and intimate knowledge of the Corporation is an asset to the operations and the future of the Corporation. The Board of Directors also believe that an imposition of term limits is inflexible and could possibly result in experienced directors being forced to resign or being barred from standing for

re-election based solely on tenure. The Board of Directors considers performance and contribution of individual directors on an ongoing basis.

Policies Regarding Diversity and Inclusion

Workplace diversity refers to the representation of human differences, with specific reference to the protected grounds of race, color, ancestry, place of origin, religious beliefs, gender (including pregnancy and sexual harassment), gender identity, gender expression, sexual orientation, physical disability, mental disability, age, marital status, family status, and source of income. Equal representation ensures people can believe there is equal opportunity for growth, advancement, and reward. A diverse workforce helps provide the best quality services for a diverse population.

Prospera is proud to be an equal opportunity employer, committed to fostering and continuing a diverse and inclusive environment. The Corporation is committed to the fair treatment of all employees and ensuring that no person is denied employment or advancement opportunities due to race, religious beliefs, color, gender, gender identity, gender expression, physical disability, mental disability, age, ancestry, place of origin, marital status, source of income, family status or sexual orientation.

The Corporation continues to ensure that all practices of hiring and promoting are based on qualifications and ability. Prospera actively engages employees and contractors in gathering information so that there is better understanding in the make-up and diversity of the Corporation. And to monitor trends and results, comply with applicable employment equity legislation and applicable diversity reporting for various government and agency contracts along with strategic and future planning.

The scope of Prospera’s commitment applies at all stages and to all aspects of the employment cycle (recruitment, retention, advancement) and to all partners and employees, for all roles and positions within the Corporation. The Senior Leadership Team commits to developing, implementing, and maintaining best practices and strategies to enhance equality, diversity, and inclusion within Prospera.

Current Structure of PEI’s Board of Directors and Senior Management as at 31st December 2024:

	Women		Persons with Disabilities		Indigenous Peoples		Visible Minorities		Members of more than one designated group
	No	%	No	%	No	%	Yes	%	
Directors:									
5 – nominated to be elected at AGM	0	0%	0	0%	0	0%	1	20%	0
Senior Management Team of 4	1	25%	0	0%	0	0%	2	50%	0

PEI's Future Targets for Representation on Board of Directors and Senior Management:

	Women		Persons with Disabilities		Indigenous Peoples		Visible Minorities		Members of more than one designated group
	Target	Time Frame	Target	Time Frame	Target	Time Frame	Target	Time Frame	
Directors	1	By 2026	No Target Adopted	N/A	No Target Adopted	N/A	No Target Adopted	N/A	
Senior Management	2	By 2026	No Target Adopted	N/A	No Target Adopted	N/A	No Target Adopted	N/A	

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the directors, proposed nominees for election as directors, executive officers, employees or former executive officers, directors or employees of the Corporation or its subsidiaries, or any associate of any such director, proposed nominee for director, executive officer or employee is, or has been at any time since the beginning of the most recently completed financial year, indebted to the Corporation or any of its subsidiaries in respect of any indebtedness that is still outstanding, nor, at any time since the beginning of the most recently completed financial year has any indebtedness of any such person been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries, other than routine indebtedness.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

There were no material interests, direct or indirect, of any Informed Person of the Corporation (as defined in NI 51-102) or proposed director or any known associate or affiliate of such persons, in any transaction since the commencement of the last completed financial year or in any proposed transaction that has materially affected or would materially affect the Corporation or any of its subsidiaries, except as disclosed in this Information Circular.

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

Management of the Corporation is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any person who has been a director or executive officer at any time since the beginning of the last financial year, of any proposed nominee for election as a director, or of any associates or affiliates of any of the foregoing persons, in any matter to be acted on at the Meeting other than the election of directors or the appointment of the auditors.

AUDIT COMMITTEE

Pursuant to National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”), the Corporation is required to disclose certain information regarding its Audit Committee, as summarized below.

Audit Committee Mandate

The Board has adopted a written mandate for the Audit Committee (the “**Audit Committee Mandate**”), which sets out the Audit Committee’s responsibility for, among other things, assisting the Board in its oversight of the integrity of the Corporation’s financial statements and other relevant public disclosures, the Corporation’s compliance with legal and regulatory requirements relating to financial reporting, the external auditor’s qualifications and independence and the performance of the internal audit function and the external auditors. The text of the Audit Committee Mandate is set out as Schedule “A” hereto.

Audit Committee Composition

The Corporation is required by applicable corporate and securities legislation to have an Audit Committee comprised of three directors that are considered “financially literate” and a majority of which are considered “independent”, as such terms are defined in NI 52-110.

Name of Director	Independent (Yes/No)⁽¹⁾	Financially Literate (Yes/No)⁽²⁾
Shubham Garg	No	Yes
Mark Lacey	Yes	Yes
Matthew Kenna	Yes	Yes

Notes:

(1) As defined in section 1.4 of NI 51-110.

(2) As defined in section 1.6 of NI 52-110.

See “*Election of Directors*” for information on Shubham Garg, Mark Lacey, and Matthew Kenna.

Preapproval of Policies and Procedures

Under the Mandate and Terms of Reference of the Audit Committee, the Audit Committee is required to review and preapprove any non-audit services to be provided to the Corporation by the external auditors and consider the impact on the independence of such auditors. The Audit Committee may delegate to one or more independent members the authority to preapprove non-audit services, provided that the member report to the Audit Committee at the next scheduled meeting such preapproval and the member comply with such other procedures as may be established by the Audit Committee from time to time.

The Audit Committee has determined that in order to ensure the continued independence of the auditor, only limited non-audit related services would be provided to Prospera by MNP LLP and in such case, only with the prior approval of the Audit Committee.

External Auditor Service Fees

The following table summarizes the fees billed by the Corporation’s auditor, MNP LLP, for external audit and other services in 2024, and fees billed by the Corporation’s former auditor, Crowe Mackay LLP, for external audit and other services in 2023.

Financial Year Ending	Audit Fees⁽¹⁾ (\$)	Audit-Related Fees⁽²⁾ (\$)	Tax Fees⁽³⁾ (\$)	All Other Fees⁽⁴⁾ (\$)
2024	\$200,000	Nil	Nil	Nil

2023	\$212,625	Nil	Nil	Nil
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Notes:

- (1) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of the Corporation's consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) "Audit-Related Fees" include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) "All Other Fees" include all other non-audit services.

Reliance Upon the Exemptions

We are relying on the "venture issuer" exemption set forth in Section 6.1 of NI 52-110 from the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

ADDITIONAL INFORMATION

Additional financial information regarding the Corporation's business is contained in the audited financial statements and management's discussion and analysis for the fiscal year ended December 31, 2024.

Additional information regarding the Corporation's business including the materials listed in the preceding paragraph may be found on SEDAR+ at www.sedarplus.ca. Shareholders may contact the Corporation to request a copy of the financial statements and management's discussion and analysis at: Prospera Energy Inc., Suite 730, 444 – 7th Ave SW, Calgary, Alberta T2P 0X8, Phone: (403) 454-9010.

BOARD APPROVAL

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

DATED this 12th day of May, 2025.

SCHEDULE “A”

PROSPERA ENERGY INC.

MANDATE OF THE AUDIT COMMITTEE

Prospera Energy Inc. – Audit Committee Charter

PURPOSE AND AUTHORITY

The Audit Committee is established by and among the Board of Directors for the primary purpose of assisting the Board in overseeing the integrity of the Company’s financial statements, accounting and financial reporting processes, and financial statement audits. The Audit Committee is responsible for:

- Overseeing the Company’s compliance with legal and regulatory requirements.
- Overseeing the qualifications and independence of the registered public accounting firm (independent auditor).
- Overseeing the performance of the Company’s independent auditor and internal audit function.
- Overseeing the Company’s systems of disclosure controls and procedures.
- Overseeing the Company’s internal controls over financial reporting.
- Overseeing compliance with ethical standards adopted by the Company.

The Audit Committee should encourage continuous improvement and foster adherence to the Company’s policies, procedures, and practices at all levels. It has the authority to conduct investigations into any matters within its scope of responsibility and obtain advice and assistance from outside legal, accounting, or other advisors as necessary to perform its duties. The Company will provide appropriate funding for compensation to the independent auditor, any advisors engaged by the Audit Committee, and the payment of ordinary administrative expenses that are necessary or appropriate in carrying out its duties.

The fundamental responsibility for the Company’s financial statements and disclosures rests with management and the independent auditor, with the Audit Committee serving primarily in an oversight capacity.

COMPOSITION AND MEETINGS

The Audit Committee will comprise three or more directors as determined by the Board. Committee members will be appointed by the Board at the annual organizational meeting to serve until their successors are elected. Unless a chairperson is elected by the full Board, the members may designate a chairperson by majority vote. Each Audit Committee member will meet applicable standards of independence as defined by applicable regulations. All members must comply with financial literacy requirements of the securities exchanges on which the Company is listed, and at least one member will qualify as an “audit committee financial expert.”

The Audit Committee shall meet as often as it determines, but not less frequently than quarterly. A majority of the members shall constitute a quorum, and decisions will require the vote of a majority of members present. The committee may also meet periodically in executive session with management, the internal auditors, and the external auditors.

RESPONSIBILITIES AND DUTIES

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

- Documents/Reports/Accounting Information Review:
- Review the Charter annually and recommend amendments to the Board.
- Meet with management and the independent auditor to review and discuss the Company’s annual and quarterly financial statements prior to filing or releasing earnings, including disclosures made in management’s discussion and analysis.

- Review internal control reports and any relevant reports from management or the independent auditor.
- Discuss the Company's earnings press releases, including any pro forma or adjusted non-GAAP information.

Independent Auditor:

- Appoint (and recommend that the Board submit for shareholder ratification, if applicable), compensate, retain, and oversee the work of the independent auditor.
- Review the qualifications and independence of the independent auditor and remove the auditor if circumstances warrant.
- Review and preapprove all audit and non-audit services to be provided by the independent auditor, ensuring their independence is not compromised.

FINANCIAL REPORTING PROCESSES, ACCOUNTING POLICIES, AND INTERNAL CONTROL STRUCTURE

- Review the integrity of the Company's internal and external financial reporting processes in consultation with the independent auditor and internal audit function.
- Review significant financial reporting issues and judgments made in the preparation of the financial statements, including any significant changes to accounting principles.
- Establish and oversee procedures for the receipt, retention, and treatment of complaints regarding accounting, internal accounting controls, or auditing matters.

INTERNAL AUDIT

- Review and advise on the selection and removal of the internal audit director.
- Review the activities and organizational structure of the internal audit function.
- Periodically review significant difficulties encountered by the internal audit function in its work.

ETHICAL COMPLIANCE, LEGAL COMPLIANCE, AND RISK MANAGEMENT

- Oversee the Company's code of business conduct and ethics and monitor compliance.
- Discuss policies regarding risk assessment and management, including major financial risk exposures and steps taken to control them.

REPORTING

The Audit Committee will report regularly to the Board regarding the execution of its duties, responsibilities, activities, and any issues encountered, along with related recommendations. Additionally, it will provide a report that contains required disclosures in the Company's annual proxy statement.

OTHER RESPONSIBILITIES

The Audit Committee may perform any other activities consistent with this Charter, the Company's articles, and governing laws as it deems necessary or appropriate. It will also review the Company's finance function, including its budget, organization, and quality of personnel, and conduct an annual performance assessment relative to the Audit Committee's purpose, duties, and responsibilities.

AUDIT COMMITTEE MEMBERS

The following Prospera directors will form the Audit Committee and fulfil all related obligations:

- Matthew Kenna (Chairperson)
- Mark Lacey (Member)
- Shubham Garg (Member)

Dated March 26th, 2025

SCHEDULE "B"

PROSPERA ENERGY INC.

STOCK OPTION PLAN

(as adopted and effective as of June 19, 2025)

ARTICLE 1

1.1 Definitions.

- (a) "**Acquirer**" means the acquirer of all or substantially all of the assets or shares of the Corporation pursuant to a Corporate Event, or any other successor of the business of the Corporation as determined by the Board of Directors;
- (b) "**Board of Directors**" means the board of directors of the Corporation;
- (c) "**business day**" means any day that is not a: (i) Saturday; (ii) Sunday; or (iii) statutory holiday, in each case in the Province of Alberta;
- (d) "**Common Shares**" means the Common Shares in the capital of the Corporation;
- (e) "**Corporate Event**" means: (i) a merger, amalgamation, consolidation, reorganization or arrangement of the Corporation with or into another corporation or other entity (other than a merger, amalgamation, consolidation, reorganization or arrangement of the Corporation with one or more of its Subsidiaries), where the shareholders immediately prior to such event own less than 51% of the issued and outstanding Common Shares immediately after such event; (ii) the acquisition of all or substantially all of the outstanding Common Shares; (iii) the sale of all or substantially all of the assets of the Corporation; or (iv) any other acquisition of the business of the Corporation as determined by the Board of Directors;
- (f) "**Corporation**" means Prospera Energy Inc. a corporation incorporated pursuant to the provisions of the *Canada Business Corporations Act*, and includes any successor corporation thereto;
- (g) "**Date of Grant**" means, for any Option, the date specified as the date of grant by the Board of Directors (provided, however, that such date shall not be prior to the date that the Board of Directors approves the grant of the Option) or, if no such date is specified, the date upon which the Board of Directors approves the grant of the Option;
- (h) "**Director**" means a member of the Board of Directors of the Corporation;
- (i) "**Employee**" means a person employed by the Corporation or a Subsidiary;
- (j) "**Exchange**" means, the TSX Venture Exchange;

- (k) “**Exercise Period**” means, with respect to any Option Shares, the period during which a Participant may purchase such Option Shares, as prescribed pursuant to Article 7 and Article 9 of the Plan;
- (l) “**NI 45-106**” means National Instrument 45-106 – *Prospectus Exemptions*, promulgated under the Securities Act, as such instrument may be amended from time to time, or any successor instrument thereto;
- (m) “**Officer**” means an officer of the Corporation or of a Subsidiary;
- (n) “**Option(s)**” means an option to purchase Common Shares granted pursuant to the Plan;
- (o) “**Option Shares**” means Common Shares which are subject to purchase upon the exercise of outstanding Options;
- (p) “**Optionee**” means a Participant who has been granted one or more Options;
- (q) “**Participant**” means: (i) an Employee; (ii) a Director; or (iii) an Officer;
- (r) “**Person**” means a Company or Individual;
- (s) “**Plan**” means this Stock Option Plan as set out herein, as the same may be amended from time to time;
- (t) “**Retirement**” means retirement from active employment with the Corporation or a Subsidiary or as the Board of Directors may otherwise specify or determine in its sole discretion;
- (u) “**Securities Act**” means the *Securities Act (Alberta)*, as the same may be amended from time to time;
- (v) “**Service Termination Date**” means:
 - (i) in the event of the death of a Participant who is a natural person, the date of such death;
 - (ii) in the event of a termination with or without cause by the Corporation or a Subsidiary (whether such termination occurs with or without any or adequate reasonable notice, or with or without any or adequate compensation in lieu of such reasonable notice), of the employment of a Participant who is an Officer or Employee, the date that actual notice of termination or dismissal is given by the Corporation or Subsidiary to the Participant (without reference to a “notice period” or “severance period” or any other period after the date that actual notice of termination is given) as determined by the Board of Directors;
 - (iii) in the event of the voluntary resignation or Retirement of a Participant from his or her employment or term of office, the date of such resignation;

(iv) in the event of the termination by the Corporation or a Subsidiary of the term of office of a Participant who is a Director (other than a Director who is also an Officer), the date of the Participant's last day of service as a Director; and

(v) in the event of the termination of the Participant's service as an Officer, Director or Employee for any reason not listed, the date of such termination of service as determined by the Board of Directors;

(w) "**Shares**" means the Common Shares in the capital of the Corporation;

(x) "**Subsidiary**" means any corporation that is a subsidiary of the Corporation as such term is defined in the Securities Act;

ARTICLE 2

2.1 **Purpose of the Plan.** The purpose of the Plan is to provide Officers, Directors and Employees with a proprietary interest in the Corporation in order to:

(a) increase the interest in the Corporation's welfare of those individuals who share responsibility for the management, growth and protection of the business of the Corporation or Subsidiary;

(b) furnish an incentive to such individuals to continue providing their services to the Corporation and its Subsidiaries; and

(c) provide a means through which the Corporation and its Subsidiaries may attract qualified persons to engage as Officers, Directors and Employees.

ARTICLE 3

3.1 **Eligibility.** All Participants shall be eligible to participate in the Plan. Eligibility to participate shall not confer upon any Participant any right to be granted Options pursuant to the Plan. Whether, and the extent to which, any Participant shall receive a grant of Options pursuant to the Plan shall be determined in the discretion of the Board of Directors.

ARTICLE 4

4.1 **Number of Option Shares Available for Grants.** The maximum aggregate number of Option Shares issuable pursuant to the Plan is 10% of the issued outstanding Common Shares of the Corporation (as adjusted for any subdivision, re-division, consolidation, stock dividend, recapitalization, reorganization or any similar change affecting the Common Shares). Upon the expiration, or other surrender, cancellation or termination, in whole or in part, of any granted Option, the Option Shares subject to such Option shall be available for other Options to be granted from time to time under the Plan.

4.2 The aggregate number of Shares reserved for issuance under Options granted to Insiders (as a group) at any point in time must not exceed 10% of the issued and outstanding Shares, together with the aggregate number of Shares reserved for issuance to Insiders under any other Share

Compensation Arrangement (unless the Corporation has obtained the requisite disinterested shareholder approval).

- 4.3 The grant to Insiders (as a group), in any 12 month period, of an aggregate number of Options must not exceed 10% of the issued and outstanding Shares, calculated at the date an Option is granted to any Insider, together with the aggregate number of Shares reserved for issuance to Insiders under any other Share Compensation Arrangement (unless the Corporation has obtained the requisite disinterested shareholder approval).
- 4.4 The aggregate number of Options granted to any one Person (and where permitted, any Companies that are wholly owned by that Person) in any 12 month period must not exceed 5% of the issued Shares, calculated at the date an Option is granted to the Person, together with the aggregate number of Shares reserved for issuance to such person under any other Share Compensation Arrangement of the Corporation (unless the Corporation has obtained the requisite disinterested shareholder approval).
- 4.5 The aggregate number of Options granted to any one consultant of the Corporation in any 12 month period must not exceed 2% of the issued Shares, calculated at the date an Option is granted to the consultant, together with the aggregate number of Shares reserved for issuance to such consultant under any other Share Compensation Arrangement of the Corporation.
- 4.6 The aggregate number of Options granted to all Persons retained to provide Investor Relations Activities must not exceed 2% of the issued Shares in any 12 month period, calculated at the date an Option is granted to any such Person. Options issued to Persons retained to provide Investor Relations Activities must vest in stages over a period of not less than 12 months with no more than 1/4 of the Options vesting in any three month period.
- 4.7 For Options granted to employees, consultants or management company employees, the Corporation and the Optionees are responsible for ensuring and confirming that the Optionee is a bona fide employee, consultant or management company employee, as the case may be.
- 4.8 Options granted to any Participant who is a Director, Officer, Employee, consultant or management company employee shall expire within a reasonable period not exceeding 12 months, following the date the Participant ceases to be an eligible Participant under the Plan.
- 4.9 Disinterested shareholder approval will be obtained for any reduction in the exercise price if the Optionee is an insider of the Corporation at the time of the proposed amendment.
- 4.10 No fractional Common Shares may be purchased or issued pursuant to the exercise of an Option.

ARTICLE 5

- 5.1 **Granting of Options**. The Board of Directors may from time to time grant Options to Participants to purchase a specified number of Option Shares (the particular class or classes of such Option Shares to be determined by the Board of Directors) at a specified exercise price per share. The number of Option Shares to be granted, the Date of Grant, and the other terms and conditions of Options shall, subject to the terms set forth in the Plan, be as determined by the Board of Directors.

5.2 Each Participant shall be provided with a notice of grant in or substantially in the form annexed hereto as Schedule "A", or such other form as may be designated by the Board of Directors from time to time.

ARTICLE 6

6.1 **Exercise Price.** Unless otherwise approved by the Board of Directors, the exercise price of the Option Shares purchasable under any Option shall be not less than the fair market value of the Common Shares on the Date of Grant as determined in good faith by the Board of Directors.

ARTICLE 7

7.1 **Vesting.** Unless otherwise specified by the Board of Directors either before or at the time of granting an Option, and except as otherwise provided in the Plan, or accelerated by the Board of Directors at any time or from time to time, each Option shall vest and become exercisable in the following instalments: one-fifth (1/5) of the Option Shares shall vest on the first business day following the end of each successive one year period after the Date of Grant such that all Option Shares subject to issuance pursuant to the Option shall be vested at the end of the day which is five (5) years after the Date of Grant (or if such day is not a business day, the first business day thereafter). Subject to the terms set forth in the Plan: (a) once an Option Share vests and becomes exercisable as set forth above, it shall remain exercisable until expiration or termination of the Option, unless otherwise specified by the Board of Directors; and (b) each Option may be exercised at any time and from time to time, in whole or in part, for up to the total number of Option Shares that have vested as of such time.

ARTICLE 8

8.1 **Corporate Events.** In connection with a Corporate Event, the Board of Directors may, without any action or consent of the Participants, provide for one or more of, provided that to select (b) and (c), the value thereof is substantially equal to the value the Participant would have otherwise received under (f) below, as determined as of the date of the Corporate Event in good faith by the Board of Directors:

- (a) the continuation or assumption of outstanding Options by the Acquirer;
- (b) the substitution of Options for options and/or shares and/or other securities of the Acquirer;
- (c) the substitution of Options with a cash incentive program of the Acquirer;
- (d) the acceleration of the vesting and the right to exercise such Options, to a date prior to or on the date of the Corporate Event;
- (e) the expiration of outstanding Options to the extent not timely exercised by the date of the Corporate Event or such other date as may be designated by the Board of Directors;
- (f) the cancellation of all or any portion of the outstanding Options by a cash payment and/or other consideration receivable by the holders of Common Shares as a result of the Corporate Event, equal to the excess, if any, of the fair market value (as

determined in good faith by the Board of Directors), on the date of the Corporate Event, of the Option Shares over the exercise price of the Option Shares subject to the outstanding Options or portion thereof being cancelled (provided, that, if the exercise price of the Options exceeds such fair market value, the Board of Directors shall have the ability to cancel such Options without any payment of consideration to the Optionee); or

(g) such other actions or combinations of the foregoing actions as the Board of Directors deems fair and reasonable in the circumstances.

8.2 Upon the occurrence of a Corporate Event, to the extent that an Acquirer has by appropriate action assumed the Corporation's obligations under the Plan, the rights of the Corporation under each outstanding Option and any related agreement shall inure to the benefit of the Acquirer and shall apply to the cash, securities or other property into which the Options were converted or exchanged for pursuant to such Corporate Event in the same manner and to the same extent as they applied to such Options.

ARTICLE 9

9.1 **Term of Options.** Subject to accelerated termination as provided for in the Plan, each Option shall, unless otherwise specified by the Board of Directors with respect to any Option, expire on the fifth (5th) anniversary of the Date of Grant, provided, however, that no Option may be exercised after the tenth (10th) anniversary of the Date of Grant unless otherwise approved by the Board of Directors prior to such expiration date.

9.2 The term of Options granted to Insiders shall not be extended unless the Corporation has obtained the requisite disinterested shareholder approval.

ARTICLE 10

10.1 **Exercise of Options.** An Optionee may at any time within the Exercise Period but subject to any earlier termination, cancellation or expiry of the Options as provided for in the Plan, elect to purchase all or a portion of the Option Shares which the Optionee is then entitled to purchase pursuant to ARTICLE 7 by delivering to the Corporation a completed notice of exercise in the form attached as Schedule "B" or such other form as may be designated by the Corporation from time to time, specifying the Date of Grant of the Option being exercised, the exercise price of the Option and the number of Option Shares the Optionee desires to purchase. The notice of exercise shall be accompanied by: (a) payment in full of the exercise price for such Option Shares by certified cheque or money order; and (b) such other information or documentation as the Corporation may reasonably request.

ARTICLE 11

11.1 **Withholding of Tax.** If the Corporation determines that under the requirements of applicable taxation laws it is obliged to withhold for remittance to a taxing authority any amount upon exercise of an Option, the Corporation may, prior to and as a condition of issuing the Option Shares, require the Optionee exercising the Option to pay to the Corporation, in addition to and in the same manner as the exercise price for the Option Shares, such amount as the Corporation is obliged to remit to such taxing authority in respect of the exercise of the Option. The Corporation

and any of its Subsidiaries shall also be permitted, to the extent permitted by law, to deduct any such tax obligations from any payment of any kind otherwise due to the Optionee.

ARTICLE 12

- 12.1 **Other Restrictions.** Options granted by the Corporation may only entitle the holder to acquire Common Shares. Options may only be granted to a director or senior officer of the Corporation, or a company, all of whose securities are owned by such a director, senior officer or technical consultant, or to an eligible charitable organization as defined in policy 4.4 of the Exchange. The total number of Common Shares reserved under option for issuance under this section may not exceed 10% of the Common Shares of the Corporation outstanding as at the date of grant of any Option.
- 12.2 The number of Common Shares reserved under option for issuance to any individual director or senior officer may not exceed 5% of the Common Shares of the Corporation as at the date of grant of any Option. The number of Common Shares reserved under option for issuance to all technical consultants may not exceed 2% of the Common Shares of the Corporation outstanding as at the date of grant of any Option. The number of Common Shares reserved under option for issuance to all eligible charitable organization as defined in policy 4.4 of the Exchange may not exceed 1% of the Common Shares of the Corporation outstanding as at the date of grant of any Option. Options are subject to the percentage limitations set forth in policy 4.4 – Incentive Stock Options of the Exchange.
- 12.3 The Corporation is prohibited from granting Options to any Person providing investor relation activities, promotional or market-making services.
- 12.4 All Options granted by the Corporation must be granted in compliance with policy 4.4 – Incentive Stock Options of the Exchange.
- 12.5 The term of an Option must expire not later than 12 months after the Optionee ceases to be a director, senior officer or technical consultant of the Corporation, or of the resulting issuer, as the case may be, subject to any earlier expiry date of such Option.

ARTICLE 13

- 13.1 **Share Certificates.** Upon exercise of an Option and payment in full of the exercise price and any applicable tax withholdings, the Corporation shall cause to be issued and delivered to the Optionee within a reasonable period of time a copy of the certificate or certificates in the name of the Optionee representing the number of Common Shares the Optionee has purchased. The original share certificate or certificates shall be held in safekeeping by the Corporation.

ARTICLE 14

- 14.1 **Death.** If a Participant who is a natural person dies while an Officer, Director or Employee, then any Options held by the Participant that are exercisable on the date of death shall continue to be exercisable by the executor or the administrator of the Participant's estate until the earlier of: (a) the date which is ninety (90) days after the date of the Participant's death; and (b) the date on which the particular Option otherwise expires. Any Options held by the Participant that were not

exercisable at the date of the Participant's death shall immediately expire and be cancelled on such date.

14.2 **Without Cause Termination/Voluntary Resignation or Retirement with the Prior Written Approval of the Board of Directors – Officers and Employees.** Where, in the case of a Participant who is an Officer (including a Director who is also an Officer) or an Employee (including a Director who is an Employee), the Participant's employment or term of office terminates by reason of: (a) termination by the Corporation or a Subsidiary without cause (whether such termination occurs with or without any or adequate reasonable notice, or with or without any or adequate compensation in lieu of such reasonable notice); or (b) voluntary resignation or Retirement by the Participant with the prior written approval of the Board of Directors, then any Options held by the Participant that are exercisable at the applicable Service Termination Date shall continue to be exercisable by the Participant until the earlier of: (i) the date which is ninety (90) days after such Service Termination Date; and (ii) the date on which the particular Option otherwise expires. Any Options held by the Participant that are not exercisable at such Service Termination Date shall immediately expire and be cancelled on such Service Termination Date.

14.3 **Termination Other than by Reason of Breach of Fiduciary Duty/Termination by Voluntary Resignation – Directors.** Where, in the case of a Participant who is a Director (other than a Director who is also an Officer or Employee), the Director's term of office terminates by reason of: (a) termination by the Corporation or a Subsidiary other than for breach of fiduciary duty (including as a result of being removed by shareholders of the Corporation); or (b) voluntary resignation by the Participant with the prior written approval of the Board of Directors, then any Options held by the Participant that are exercisable at the applicable Service Termination Date continue to be exercisable by the Participant until the earlier of: (i) the date which is ninety (90) days after such Service Termination Date; and (ii) the date on which the particular Option otherwise expires. Any Options held by the Participant that are not exercisable at such Service Termination Date shall immediately expire and be cancelled on such Service Termination Date.

14.4 **Termination by Reason of Breach of Fiduciary Duty/For Cause Termination/Voluntary Resignation or Retirement without the Prior Written Approval of the Board of Directors.** Where a Participant's service to the Corporation or a Subsidiary as an Officer, Director or Employee: (a) is terminated by the Corporation or a Subsidiary for cause or for breach of fiduciary duty or for cause; or (b) terminates by reason of voluntary resignation or Retirement by the Participant without the prior written approval of the Board of Directors, then any Options held by the Participant, whether or not exercisable on the date of such termination, immediately expire and are cancelled on such date at a time determined by the Board of Directors, in its sole discretion.

14.5 **Other Termination of Service.** If the Participant's service as an Officer, Director or Employee terminates for any reason not referred to above (including disability), then any Options held by the Participant that are exercisable at the applicable Service Termination Date continue to be exercisable by the Participant until the earlier of: (a) the date which is ninety (90) days after such Service Termination Date; and (b) the date on which the particular Option otherwise expires. Any Options held by the Participant that are not exercisable at such Service Termination Date shall immediately expire and be cancelled on such Service Termination Date.

ARTICLE 15

- 15.1 **Transfer and Assignment.** Options are not assignable or transferable by the Optionee or subject to any other alienation, sale, pledge or encumbrance by such Optionee except by will or by the laws of descent and distribution. During the Optionee's lifetime, Options shall be exercisable only by the Optionee, or, with the prior written consent of the Corporation, a person (other than an individual) wholly owned by such Optionee, provided that such person is, at all times, wholly owned by such Optionee or, with the prior written consent of the Corporation, a trust or RRSP, RRIF or similar instrument the beneficial owner of which is the Optionee. The obligations of each Optionee shall be binding on his/her heirs, executors and administrators.

ARTICLE 16

- 16.1 **No Right to Employment.** Neither the grant nor the exercise of an Option by or to a Participant under the Plan confers upon the Participant any right to expectation of employment by, or to continue in the employment of, the Corporation or any Subsidiary, or to be elected or appointed as a Director of, the Corporation or any Subsidiary.

ARTICLE 17

- 17.1 **Rights as Shareholders; Lock-up.** The Optionee shall not have any rights as a shareholder with respect to Option Shares until the conditions applicable to the exercise of an Option in the Plan have been fulfilled and:

- (a) full payment of the Exercise Price for the Option Shares, at the time and in the manner prescribed by the Plan, has been made to the Corporation; and
- (b) the Corporation receives from the Participant such representations, agreements and undertakings as to future dealings in such Common Shares as the Board of Directors determines to be necessary or advisable in order to safeguard against the violation of the securities law or other laws of any jurisdiction and the rules of any stock exchange or market on which the Common Shares are listed or posted for trading.

- 17.2 If requested by the Corporation or any underwriter of the securities of the Corporation, the Participant hereby agrees not to sell or otherwise transfer or dispose of any of the Option Shares for a period not to exceed 180 days following the effective date of a registration statement filed under the United States *Securities Act of 1933* or receipt date of a (final) prospectus of the Corporation filed under Canadian securities laws and, at the Corporation or such underwriter's request, the Participant shall sign a lock-up agreement to such effect. Such agreement shall be in writing in a form satisfactory to the Corporation or such underwriter. The Corporation may impose stop-transfer instructions with respect to the Option Shares subject to the foregoing restriction until the end of such period.

ARTICLE 18

- 18.1 **Confidentiality of Terms and Conditions.** The Optionee shall not, without the prior written consent of the Corporation, disclose, or allow to be disclosed, any of the terms and conditions of the Plan, the terms of the Optionee's Option including the number of Option Shares granted to the Optionee, any conditions or facts related or with respect to Plan. The obligations

expressed in this Section 18.1 shall survive the termination of this Plan together with any Options granted hereunder.

ARTICLE 19

19.1 **Administration of the Plan**. The Plan shall be administered by the Board of Directors in its sole discretion, which shall have the authority to:

- (a) determine the individuals and entities (from among the class of individuals and entities eligible to receive Options) to whom Options may be granted;
- (b) determine the number and class of Common Shares to be subject to each Option;
- (c) determine the terms and conditions of any grant of Option, including but not limited to:
 - (i) the time or times at which Options may be granted;
 - (ii) the exercise price at which Option Shares may be purchased;
 - (iii) the time or times (or events) when each Option shall become exercisable and the duration of the Exercise Period;
 - (iv) whether restrictions or limitations are to be imposed on Option Shares, and the nature of such restrictions or limitations, if any; and
 - (v) any acceleration of exercisability or waiver of termination regarding any Option, based on such factors as the Board of Directors may determine;
- (d) interpret the Plan and prescribe and rescind rules and regulations relating to the Plan; and
- (e) make all other determinations necessary or advisable for the administration of the Plan.

The interpretation and construction by the Board of Directors of any provisions of the Plan or of any Option granted under it, and all other determinations of the Board of Directors with respect to the Plan or any such Option, shall be made by the Board of Directors in its sole discretion and shall be final and binding on all persons. No member of the Board of Directors shall be liable for any action or determination made in good faith with respect to the Plan or any Option granted under it. The day-to-day administration of the Plan may be delegated to such Officers and Employees of the Corporation or any Subsidiary as the Board of Directors shall determine.

ARTICLE 20

20.1 **Recapitalization and Reorganization**. The number and kind of Option Shares subject to each outstanding Option and the exercise price for such Option Shares shall be appropriately

adjusted for any subdivision, re-division, consolidation, stock dividend, recapitalization, reorganization or any similar change affecting the Common Shares.

ARTICLE 21

21.1 **Notices.** All notices given by the Optionee to the Corporation pursuant to the Plan shall be in writing and shall be delivered personally or by registered mail, postage prepaid, or email addressed as follows, or to such other address as may be designated by the Corporation from time to time:

Address: Suite 730, 444 - 7th Avenue SW, Calgary, AB T2P 0X8
Attention: Chris Ludtke Email: Cludtke@prosperaenergy.com

21.2 All notices given by the Corporation to the Optionee pursuant to the Plan shall be in writing and shall be delivered personally or by registered mail, postage prepaid, or email to the last address of the Optionee on the records of the Corporation, or to such other address as may be designated by the Optionee from time to time.

21.3 Any notice made or given by personal delivery shall be conclusively deemed to have been given on the day of actual delivery thereof and, if made or given by courier, on the second (2nd) business day following the deposit thereof with the courier and, if made or given by e-mail, on the day of the recipient thereof confirms receipt by reply email (which recipient shall be required to promptly do).

ARTICLE 22

22.1 **Corporate Action.** Nothing contained in the Plan or in any Option shall be construed so as to prevent the Corporation from taking corporate action which is deemed by the Corporation to be appropriate or in its best interest, whether or not such action would have an adverse effect on the Plan or any Option.

ARTICLE 23

23.1 **Amendments or Discontinuation.** The Plan may be amended, altered or discontinued by the Board of Directors at any time. Without limiting the generality of the foregoing, the following amendments to the Plan may be made by the Board of Directors without shareholder approval:

- (a) amendments of a technical, clerical or "housekeeping" nature, or to clarify any provision of the Plan, including without limiting the generality of the foregoing, any amendment for the purpose of curing any ambiguity, error or omission in the Plan or to correct or supplement any provision of the Plan that is inconsistent with any other provision of the Plan;
- (b) suspension or termination of the Plan;
- (c) amendments to respond to changes in legislation, regulations, instruments (including NI 45-106);
- (d) amendments respecting administration of the Plan;

(e) adjustments to reflect stock dividends, stock splits, reverse stock splits, share combinations or other alterations of the capital stock of the Corporation;

(f) any other amendment, whether fundamental or otherwise, not requiring shareholder approval under applicable law.

Notwithstanding the foregoing, no amendment to the Plan that materially and adversely affects the rights and privileges pursuant to the terms of the Plan of any Option granted or Common Shares issued under the Plan may be effected without the consent, in writing, of the affected Participant (provided, that, amendments to the Plan referred to in (a), (c), (d), (e), and (f) above shall be deemed to not materially or adversely amend such rights and privileges).

ARTICLE 24

24.1 **Further Assurances.** Each Participant shall, when requested to do so by the Corporation, sign and deliver all such documents relating to the granting or exercise of Options deemed necessary or desirable by the Corporation.

ARTICLE 25

25.1 **Governing Law.** The Plan is governed by the laws of the Province of Alberta, and the rights of all parties and the construction and effect of each provision of the Plan shall be according to the laws of the Province of Alberta without giving effect to the conflict of laws principles of such jurisdiction.

ARTICLE 26

26.1 **English Language.** This Plan and any other documents delivered or given under this Plan, including notices, have been and will be in the English language only. *Cette convention ainsi que tous les documents s'y rattachant, y compris les avis, soient rédigés dans la langue anglaise seulement.*

ARTICLE 27

27.1 **Shareholder Approval.** This Plan is to be approved by the shareholders of the Corporation on June 19, 2025.

PROSPERA ENERGY INC.

(Signed) "Shubham Garg"

Name: Shubham Garg

Title: Interim CEO & Chairman

