

NG ENERGY INTERNATIONAL CORP.
NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual general and special meeting (the “**Meeting**”) of the holders of the common shares (the “**Common Shares**”) (collectively, the “**Shareholders**” or individually, a “**Shareholder**”) of **NG ENERGY INTERNATIONAL CORP.** (the “**Company**”), will be held virtually on January 15, 2024, at 11:00 a.m. (Toronto time), accessible by web browser, at <https://virtual-meetings.tsxtrust.com/en/1572>, with the password: ngenergy2024. The purpose of the Meeting is as follows:

1. To receive and consider the audited financial statements of the Company for the fiscal year ended December 31, 2022, together with auditor's report thereon.
2. To appoint PricewaterhouseCoopers LLP (“**PwC**”) as the auditor of the Company for the ensuing year and to authorize the board of directors of the Company to fix the remuneration of the auditor.
3. To fix the number of directors for the ensuing year at eight (8).
4. To elect the directors of the Company to hold office until the earlier of the close of the next annual meeting of Shareholders or until their successors are elected or appointed.
5. To consider and, if deemed advisable, pass with or without variation, an ordinary resolution (the “**Stock Option Plan Resolution**”), the full text of which is set forth in the accompanying management information circular of the Company dated December 7, 2023 (the “**Circular**”), reapproving the Company’s incentive stock option plan (the “**Stock Option Plan**”), which fixes the maximum aggregate number of Common Shares for issuance under the plan at 10% of the Common Shares, on a rolling basis.
6. To consider and, if deemed advisable, pass with or without variation, an ordinary resolution (the “**RSU/DSU Plan Resolution**”), the full text of which is set forth in the Circular, reapproving the Company’s restricted share unit and deferred share unit plan (the “**RSU/DSU Plan**”), which fixes the maximum aggregate number of Common Shares for issuance under the plan at 12,512,213 Common Shares.
7. To transact such other business as may properly be transacted at such meeting or at any adjournment thereof.

Every registered holder of Common Shares at the close of business on November 27, 2023 (the “**Record Date**”) is entitled to receive notice of, and to vote their Common Shares at, the Meeting. The specific details of the matters proposed to be put before the Meeting are set forth in the Circular accompanying this Notice, which Circular forms part of this Notice.

Shareholders who are unable to attend the Meeting virtually and who wish to ensure that their Common Shares will be voted at the Meeting are requested to complete, sign and deliver the enclosed form of proxy to the attention of the Secretary of the Company, c/o TSX Trust Company, 100 Adelaide Street, Suite 301, Toronto, Ontario, M5H 4H1. In order to be valid and acted upon at the Meeting, forms of proxy must be returned to the aforesaid address not less than forty-eight (48) hours (excluding Saturdays, Sundays and holidays) before the time set for the holding of the Meeting or any adjournment(s) thereof. Further instructions with respect to the voting by proxy are provided in the form of proxy and in the Circular accompanying this Notice.

Shareholders may beneficially own Common Shares that are registered in the name of a broker, another intermediary or an agent of that broker or intermediary (“**Non-Registered Shareholders**”). **Without specific instructions, intermediaries are prohibited from voting Common Shares for their clients.** If you are a Non-Registered Shareholder, it is vital that the voting instruction form provided to you by your broker, intermediary or its agent is returned according to their instructions, sufficiently in advance of the deadline specified by the broker, intermediary or its agent, to ensure that they are able to provide voting instruction on your behalf.

DATED at Vancouver, British Columbia, this 7th day of December 2023.

BY ORDER OF THE BOARD OF DIRECTORS

“Serafino Iacono”

Serafino Iacono,
Chief Executive Officer

NG ENERGY INTERNATIONAL CORP.

25th Floor, 700 West Georgia St.
Vancouver, British Columbia, V7Y 1B3
Phone: 604.609.6110 / Fax: 604.609.6145

MANAGEMENT INFORMATION CIRCULAR

(containing information as at December 7, 2023 unless indicated otherwise)

**For the Annual General and Special Meeting of Shareholders
to be held on Monday, January 15, 2024**

SOLICITATION OF PROXIES

This management information circular (the “**Circular**”) is furnished in connection with the solicitation of proxies by the management of **NG ENERGY INTERNATIONAL CORP.** (the “**Company**”) for use at the annual general and special meeting of the holders of common shares of the Company (the “**Common Shares**”) (collectively, the “**Shareholders**” or individually, a “**Shareholder**”), to be held on Monday, January 15, 2024 at the time and place and for the purposes set forth in the accompanying notice of meeting and at any adjournment thereof (the “**Meeting**”). The enclosed instrument of proxy is solicited by the management of the Company. The solicitation will be primarily by mail; however, proxies may be solicited personally or by telephone by the regular officers and employees of the Company. The cost of solicitation will be borne by the Company.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the accompanying form of proxy (the “**Proxy**”) are directors or officers of the Company. **A SHAREHOLDER HAS THE RIGHT TO APPOINT A PERSON (WHO NEED NOT BE A SHAREHOLDER) TO ATTEND AND ACT FOR THEM ON THEIR BEHALF AT THE MEETING OTHER THAN THE PERSONS NAMED IN THE ENCLOSED INSTRUMENT OF PROXY. TO EXERCISE THIS RIGHT, A SHAREHOLDER SHALL STRIKE OUT THE NAMES OF THE PERSONS NAMED IN THE INSTRUMENT OF PROXY AND INSERT THE NAME OF THEIR NOMINEE IN THE BLANK SPACE PROVIDED OR COMPLETE ANOTHER INSTRUMENT OF PROXY. A PROXY WILL NOT BE VALID UNLESS IT IS DEPOSITED WITH THE COMPANY'S REGISTRAR AND TRANSFER AGENT, TSX TRUST COMPANY, 100 ADELAIDE STREET, SUITE 301, TORONTO, ONTARIO, M5H 4H1, NOT LESS THAN 48 HOURS (EXCLUDING SATURDAYS, SUNDAYS AND HOLIDAYS) BEFORE THE TIME OF THE MEETING OR ADJOURNMENT THEREOF.**

The Proxy must be signed and dated by the Shareholder or by their attorney in writing, or, if the Shareholder is a corporation, it must either be under its common seal or signed by a duly authorized officer.

Please note, if a Shareholder appoints someone, other than the individuals named on the form of Proxy as their proxyholder, the Shareholder or their proxyholder will be required to register with TSX Trust Company to receive a Meeting Access Number, in order to participate at the Meeting. To register with TSX Trust Company, please use the following url: tsxtrust.com/resource/en/75.

A Shareholder who has given a Proxy may revoke it at any time before it is exercised. In addition to revocation in any other manner permitted by law, a Proxy may be revoked by instrument in writing executed by the Shareholder or by their attorney authorized in writing, or, if the Shareholder is a corporation, it must either be under its common seal, or signed by a duly authorized officer and deposited with the Company's registrar and transfer agent, **TSX Trust Company, 100 Adelaide Street, Suite 301, Toronto, Ontario, M5H 4H1**, at any time up to and including the last business day preceding the Meeting, or any adjournment of it, at which the Proxy is to be used, or to the Chairman of the Meeting on the day of the Meeting or any adjournment of it. A revocation of a Proxy does not affect any matter on which a vote has been taken prior to the revocation.

VOTING OF COMMON SHARES AND EXERCISE OF DISCRETION OF PROXIES

On any poll, the persons named in the enclosed Proxy will vote the Common Shares in respect of which they are appointed. Where directions are given by the Shareholder in respect of voting for or against any resolution, the proxyholder will do so in accordance with such direction.

IN THE ABSENCE OF ANY INSTRUCTION IN THE PROXY, IT IS INTENDED THAT SUCH COMMON SHARES WILL BE VOTED IN FAVOUR OF THE MOTIONS PROPOSED TO BE MADE AT THE MEETING AS STATED UNDER THE HEADINGS IN THIS CIRCULAR. The enclosed Proxy, when properly signed, confers discretionary authority with respect to amendments or variations to the matters which may properly be brought before the Meeting. At the time of printing this Circular, management of the Company is not aware that any such amendments, variations or other matters are to be presented for action at the Meeting. However, if any other matters which are not now known to management should properly come before the Meeting, the proxies hereby solicited will be voted on such matters in accordance with the best judgment of the nominee.

In order to approve a motion proposed at the Meeting, a majority greater than one-half of the votes cast will be required unless the motion requires a special resolution, in which case a majority of not less than two-thirds of the votes cast will be required. In the event a motion proposed at the Meeting requires disinterested shareholder approval, Common Shares held by Shareholders who have an interest in the motion and Common Shares held by their "associates", as such term is defined under applicable securities laws, will be excluded from the count of votes cast on such motion.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

GENERAL

The authorized capital of the Company consists of an unlimited number of Common Shares without par value and an unlimited number of preferred shares without par value. There were 137,450,742 Common Shares issued and outstanding as of the close of business on November 27, 2023, each share carrying the right to one (1) vote. There were no preferred shares issued and outstanding as of the close of business on November 27, 2023.

Only Shareholders of record as at the close of business on November 27, 2023 (the "**Record Date**") who either virtually attend the Meeting or who have completed and delivered a form of Proxy in the manner and subject to the provisions described under the heading "*Appointment and Revocation of Proxies*" shall be entitled to vote, or have their Common Shares voted, at the Meeting, or any adjournment thereof. On any poll, each Shareholder of record holding Common Shares on the Record Date is entitled to one (1) vote for each Common Share registered in their name on the list of Shareholders as at the Record Date.

ADVICE TO BENEFICIAL HOLDERS OF COMMON SHARES

The information set forth in this section is of significant importance to many Shareholders as a substantial number of Shareholders do not hold Common Shares in their own name. Shareholders who do not hold their Common Shares in their own name (referred to in this Circular as "**Beneficial Shareholders**") should note that only Proxies deposited by Shareholders whose names appear on the records of the Company as the registered holders of Common Shares can be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Shareholder by a broker, then, in almost all cases, those Common Shares will not be registered in the Shareholder's name on the records of the Company. Such Common Shares will more likely be registered under the name of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of such Common Shares are registered under the name CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). The Common Shares held by brokers or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, a broker and its agents are prohibited from voting Common Shares for the broker's clients. **Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate person.**

Applicable regulatory rules require intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of Shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. The purpose of the form of Proxy or voting instruction form provided

to a Beneficial Shareholder by its broker, agent or nominee is limited to instructing the registered holder of the Common Shares on how to vote such Common Shares on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Investor Communications (“**Broadridge**”). Broadridge typically supplies a voting instruction form, mails those forms to Beneficial Shareholders and asks those Beneficial Shareholders to return the forms to Broadridge or follow specific telephone or other voting procedures. Broadridge then tabulates the results of all instructions received by it and provides appropriate instructions respecting the voting of the Common Shares to be represented at the Meeting. **A Beneficial Shareholder receiving a voting instruction form from Broadridge cannot use that form to vote Common Shares directly at the Meeting. Instead, the voting instruction form must be returned to Broadridge or the alternate voting procedures must be completed well in advance of the Meeting in order to ensure such Common Shares are voted.**

Although Beneficial Shareholders may not be recognized directly at the Meeting for the purpose of voting Common Shares registered in the name of their broker, agent or nominee, a Beneficial Shareholder may attend the Meeting as a proxyholder for a Shareholder and vote Common Shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxyholder for the registered Shareholder should contact their broker, agent or nominee well in advance of the Meeting to determine the steps necessary to permit them to indirectly vote their Common Shares as a proxyholder. Please note, if a Shareholder appoints someone, other than the individuals named on the form of Proxy as their proxyholder, the Shareholder or their proxyholder will be required to register with TSX Trust Company to receive a Meeting Access Number, in order to participate at the Meeting. To register with TSX Trust Company, please use the following url: tsxtrust.com/resource/en/75.

The Company is relying on the “notice-and-access” delivery procedures outlined in National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”) to distribute copies of the Proxy-related materials in connection with the Meeting. Stratification, as defined in NI 54-101, will not be used and none of the registered holders will receive paper copies of this Circular. The Company will be sending Proxy-related materials directly, through TSX Trust Company, to non-objecting beneficial owners in accordance with Section 9.1.1(2)(b) of National Instrument 51-102 – *Continuous Disclosure Obligations* (“**NI 51-102**”). The Company will not pay for an intermediary to deliver Proxy-related materials and voting instruction forms to objecting beneficial owners (called “**OBOs**” for Objecting Beneficial Owners). OBOs have objected to their intermediary disclosing ownership information about themselves to the Company. Accordingly, OBOs will not receive the materials unless their intermediary assumes the costs of delivery.

PRINCIPAL HOLDERS OF VOTING SHARES

To the knowledge of the directors and senior officers of the Company, as of the Record Date, there are no persons or corporations that beneficially own, directly or indirectly, or exercise control or direction over, Common Shares carrying more than 10% of the voting rights attached to all outstanding Common Shares of the Company other than:

Name of Shareholder	Number of Common Shares	Ownership Percentage of Issued and Outstanding Common Shares
Serafino Iacono	14,407,339	10.73%

As of the Record Date the Company has 137,450,742 Common Shares issued and outstanding. Common Shares are the only class of voting securities of the Company.

STATEMENT OF EXECUTIVE COMPENSATION

In this section, the terms listed below have the following meanings:

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

“**Chief Financial Officer**” or “**CFO**” of the Company means an individual who acted as chief financial officer of the Company or acted in a similar capacity for any part of the most recently completed financial year.

“**closing market price**” means the price at which the Company's security was last sold, on the applicable date: (a) in the security's principal marketplace in Canada; or (b) if the security is not listed or quoted on a marketplace in Canada, in the security's principal marketplace.

“**equity incentive plan**” means an incentive plan, or portion of an incentive plan, under which awards are granted and that falls within the scope of IFRS 2 - *Share-based Payment*.

“**incentive plan**” means any plan providing compensation that depends on achieving certain performance goals or similar conditions within a specified period.

“**incentive plan award**” means compensation awarded, earned, paid or payable under an incentive plan.

“**Named Executive Officers**” or “**NEOs**” means each of the following individuals:

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

“**non-equity incentive plan**” means an incentive plan or portion of an incentive plan that is not an equity incentive plan.

“**option-based award**” means an award under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights, and similar instruments that have option-like features.

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

“**share-based award**” means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, Common Shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, Common Share equivalent units, and stock.

COMPENSATION DISCUSSION AND ANALYSIS

The compensation of the Company's Named Executive Officers has been established with a view to attracting and retaining executives critical to the Company's short and long-term success and to continue providing executives with compensation that is in accordance with existing market standards generally and competitive within the oil and gas industry, in particular.

Compensation of the Company's Named Executive Officers comprises a base salary and the grant of incentive plan awards under the Company's incentive plans (as more particularly described below). Through its executive compensation practices, the Company seeks to provide value to its Shareholders through a commitment to strong executive leadership. Specifically, the Company's executive compensation structure seeks to: (i) attract and retain talented and experienced executives, who are necessary to achieve the Company's strategic objectives; (ii) motivate and reward executives whose knowledge, skills and performance are critical to the Company's success; and (iii) align the interests of the Company's executives and Shareholders by motivating executives to increase Shareholder value.

Within the context of the overall objectives of the Company's compensation practices, the board of directors of the Company (the “**Board of Directors**” or “**Board**”) determined the specific amounts of compensation to be paid to each of its Named Executive Officers during the year ended December 31, 2022, based on a number of factors, including: (i) the Company's understanding of the amount of compensation generally paid by similarly situated companies to their executives with similar roles and responsibilities; (ii) each NEO's performance during the fiscal year; (iii) the

roles and responsibilities of each NEO; (iv) the individual experience and skills of, and expected contributions from, each NEO; (v) each NEO's historical compensation and performance within the Company; and (vi) any contractual commitments the Company has made to each NEO regarding compensation.

The Board has not conducted a formal evaluation of the implications of the risks associated with the Company's compensation policies. Risk management is a consideration of the Board when implementing its compensation policies and the Board does not believe that the Company's compensation policies result in unnecessary or inappropriate risk-taking including risks that are likely to have a material adverse effect on the Company.

Base Salary

The Company's approach is to pay its NEOs a base salary that is competitive with those of other executive officers in similar companies. The Company believes that a competitive base salary is a necessary element of any compensation program that is designed to attract and retain talented and experienced executives. The Company also believes that attractive base salaries can motivate and reward NEOs for their overall performance.

Incentive Plan Awards

The Company has in effect the Stock Option Plan and the RSU/DSU Plan (together with the Stock Option Plan, the “**Incentive Plans**”), in order to provide effective incentives to directors, officers, senior management personnel, employees and consultants of the Company and to enable the Company to attract and retain experienced and qualified individuals in those positions by permitting such individuals to directly participate in any increases in value created for Shareholders. The Incentive Plans are an important part of the Company's long-term incentive strategy for its NEOs, permitting them to participate in any appreciation of the market value of the Common Shares over a stated period of time. The Incentive Plans are intended to reinforce the Company's commitment to long-term growth in profitability and Shareholder value. The size of the incentive award grants to NEOs is dependent on each NEO's level of responsibility, authority and importance to the Company and the degree to which such NEO's long term contribution to the Company will be key to its long-term success. Previous grants of incentive awards are taken into account when considering new grants. The Company also grants incentive awards to charitable organizations as part of its commitment to social responsibility.

Use of Financial Instruments

The Company does not have a policy that would prohibit a Named Executive Officer or director from purchasing financial instruments, including 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 Named Executive Officer or director. However, management is not aware of any Named Executive or director purchasing such an instrument.

NAMED EXECUTIVE OFFICERS COMPENSATION

In accordance with the provisions of applicable securities legislation, the Company had four (4) Named Executive Officers during the financial year ended December 31, 2022, namely Serafino Iacono, Marianella Bernal, Jorge Fonseca Chaumer and Federico Restrepo-Solano.

The following table sets out certain information respecting the compensation paid to the Named Executive Officers of the Company during the financial year ended December 31, 2022. All amounts are presented in US Dollars "\$", unless otherwise denoted to be in Canadian Dollars “C\$”.

SUMMARY COMPENSATION TABLE

NEO Name And Principal Position	Year	Salary (\$)	Share- based awards (\$)	Option- based awards (1) (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other comp- ensation (\$)	Total comp- ensation (\$)
					Annual incenti- ve plans	Long- term incentive plans			
Serafino Iacono CEO & Director	2022	250,000	Nil	267,748	Nil	Nil	Nil	Nil	517,748
	2021	125,000	Nil	112,513	Nil	Nil	Nil	Nil	237,513

NEO Name And Principal Position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards ⁽¹⁾ (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
	2020	Nil	Nil	263,130	Nil	Nil	Nil	Nil	263,130
Marianella Bernal ⁽²⁾	2022	88,120	Nil	169,104	Nil	Nil	Nil	Nil	257,224
Senior VP of Finance, Country Manager ⁽²⁾	2021	88,020	Nil	56,257	Nil	Nil	Nil	30,958 ⁽⁵⁾	175,235
	2020	61,630	Nil	96,079	Nil	Nil	Nil	12,245 ⁽⁵⁾	169,954
Jorge Fonseca Chaumer	2022	20,000	Nil	Nil	Nil	Nil	Nil	Nil	20,000
CFO ⁽³⁾	2021	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2020	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Federico Restrepo-Solano	2022	21,667	Nil	Nil	Nil	Nil	Nil	46,132 ⁽²⁾	67,799
President, CDO & Director ⁽³⁾⁽⁴⁾	2021	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) For option awards, the fair value of awards on the grant date reflects the number of options awarded multiplied by the grant date fair value price calculated using the Black-Scholes valuation methodology, including the key assumptions and estimates as described in the Company's audited financial statements for the applicable financial year.
- (2) Ms. Bernal transitioned from her role as Chief Financial Officer of the Company to her current role as Senior Vice President of Finance and Country Manager in Colombia effective December 1, 2022.
- (3) Mr. Fonseca Chaumer was appointed Chief Financial Officer of the Company effective December 1, 2022 and Mr. Restrepo-Solano was appointed President and Chief Development Officer of the Company effective December 1, 2022.
- (4) Mr. Restrepo-Solano received \$46,132 of his total compensation for his role as director of the Company prior to his appointment as President and Chief Development Officer on December 1, 2022.
- (5) Relates to bonus compensation received in 2021 and 2020. Ms. Bernal was appointed as Chief Financial Officer on June 26, 2020 and transitioned from her position as Chief Financial Officer on December 1, 2022.

INCENTIVE PLAN AWARDS

The Company has in place its Stock Option Plan which was approved at the Company's annual general meeting held on November 30, 2022, pursuant to which its directors, officers, employees, consultants and eligible charitable organizations may be granted options to acquire Common Shares, subject to Shareholder and regulatory approval. A maximum of 10% of the issued and outstanding Common Shares, from time to time, may be reserved for issuance pursuant to the exercise of options. For details on the Stock Option Plan see "Particulars of Other Matters to be Acted Upon – Confirmation and Re-Approval of Stock Option Plan".

In addition to the Stock Option Plan, the Company adopted the RSU/DSU Plan, which was approved at the Company's annual general meeting held on November 30, 2022. For details on the RSU/DSU Plan, see "Particulars of Other Matters to be Acted Upon – Confirmation and Re-Approval of Restricted Share Unit and Deferred Share Unit Plan".

Under the policies of the TSX Venture Exchange (the "Exchange"), rolling up to 10% and fixed up to 10% plans, such as the Incentive Plans, must be approved by the Shareholders on an annual basis.

The following table sets forth information concerning all incentive plan awards issued to each Named Executive Officer for the financial year ended December 31, 2022.

SHARE-BASED AWARDS AND OPTION-BASED AWARDS TABLE

NEO Name and Position	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (C\$)	Option expiration date	Value of unexercised in-the-money options (C\$) ⁽¹⁾	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Serafino Iacono ⁽²⁾ CEO & Director	380,000	1.14	08-Aug-32	Nil	Nil	Nil	Nil
Marianella Bernal ⁽³⁾ Senior VP of Finance, Country Manager	240,000	1.14	08-Aug-32	Nil	Nil	Nil	Nil
Jorge Fonseca Chaumer ⁽⁴⁾ CFO	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Federico Restrepo-Solano ⁽⁵⁾ President, CDO & Director	240,000	1.14	08-Aug-32	Nil	Nil	Nil	Nil

Notes:

- (1) Calculated based on the closing market price of the common shares of the Company on the Exchange on December 31, 2022 of C\$0.95.
- (2) As at December 31, 2022, Mr. Iacono held 1,235,000 stock options to purchase 1,235,000 Common Shares.
- (3) As at December 31, 2022, Ms. Bernal held 755,000 stock options to purchase 755,000 Common Shares.
- (4) As at December 31, 2022, Mr. Fonseca Chaumer held no compensation securities of the Company.
- (5) As at December 31, 2022, Mr. Restrepo-Solano held 1,130,000 stock options to purchase 1,130,000 Common Shares.

Incentive Plan Awards – Value Vested or Earned During the Year Ended December 31, 2022

An aggregate of 860,000 stock options were granted to Named Executive Officers during the financial year ended December 31, 2022; the market price of the Common Shares on the date of grant (August 8, 2022) did not exceed the exercise price and, accordingly, the value vested or earned was nil. None of the Named Executive Officers exercised their stock options during the financial year ended December 31, 2022.

PENSION PLAN BENEFITS

No pension or retirement plans, including defined contribution plans, have been instituted by the Company and none are proposed at this time.

TERMINATION AND CHANGE OF CONTROL BENEFITS

The Company has entered into agreements with its Named Executive Officers which contain terms relating to duties, salaries, compensation, benefits, termination, change of control and severance. The following sets out further details for each NEO relating to their agreements with the Company with respect to other terms of their contracts.

The Company and Ms. Bernal entered into an employment agreement in June of 2019, as amended, in connection with Ms. Bernal's former role as Chief Financial Officer of the Company, pursuant to which the Company agreed to pay to Ms. Bernal a base salary of US\$8,000 per month. When, on December 1, 2022, Ms. Bernal transitioned into her current role as Senior Vice President, Finance and Country Manager, the Company and Ms. Bernal entered into a new employment agreement. Pursuant to this agreement, Ms. Bernal is entitled to receive an annual base salary of US\$200,000 (the "**VP Base Salary**"). In the event that Ms. Bernal elects to terminate her employment with the Company or if the agreement is terminated by the Company, twenty (20) days' notice is required. In the event that Ms. Bernal is terminated by the Company without cause, the Company must pay Ms. Bernal a lump sum payment equal to two years of the VP Base Salary, at the rate in effect at the Termination Date, as well as any entitlements under the Incentive Plans and any accrued but unpaid VP Base Salary.

The Company and Mr. Iacono entered into an employment agreement dated November 24, 2021, in connection with Mr. Iacono's role as Chief Executive Officer of the Company. Pursuant to this agreement, Mr. Iacono is entitled to receive an annual salary in the amount of US\$250,000 (the "**CEO Base Salary**") and at the discretion of the Board, Mr. Iacono is entitled to receive an annual bonus. In the event that the agreement is terminated without cause by the Company, Mr. Iacono is entitled to receive a lump sum equal to two years of the CEO Base Salary in effect at the time of payment. In the event of termination of the agreement following a change of control (as defined therein), Mr. Iacono is entitled to receive a lump sum payment equal to two years of the CEO Base Salary in effect at the time of termination, a lump sum payment equal to two (2) times his average annual bonus for the preceding two (2) years, and all previously granted incentive plan awards shall vest immediately and shall be exercisable for the original term granted.

The Company and Mr. Restrepo-Solano entered into an employment agreement dated December 1, 2022, in connection with Mr. Restrepo-Solano's role as President and Chief Development Officer of the Company. Pursuant to this agreement, Mr. Restrepo-Solano is entitled to receive an annual salary in the amount of US\$260,000 (the "**Restrepo Base Salary**"), payable regularly in accordance with the Company's payroll practices. Mr. Restrepo-Solano may earn bonuses at the discretion of the CEO. Under this agreement, Mr. Restrepo-Solano is entitled to participate in the Incentive Plans. In the event that Mr. Restrepo-Solano elects to terminate his employment with the Company or if the agreement is terminated by the Company, twenty (20) days' notice is required. In the event that Mr. Restrepo-Solano is terminated by the Company not for cause, the Company must pay Mr. Restrepo-Solano a lump sum equal to two years of the Restrepo Base Salary at the rate in effect at the Termination Date, any entitlements under the Incentive Plans and any accrued but unpaid Restrepo Base Salary.

The Company and Mr. Fonseca Chaumer entered into an employment agreement dated December 1, 2022, in connection with Mr. Fonseca Chaumer's role as Chief Financial Officer of the Company. Pursuant to this agreement, Mr. Fonseca Chaumer is entitled to receive an annual salary in the amount of US\$240,000 (the "**CFO Base Salary**"). In the event that Mr. Fonseca Chaumer elects to terminate his employment with the Company or if the agreement is terminated by the Company, twenty (20) days' notice is required. In the event that Mr. Fonseca Chaumer is terminated by the Company not for cause, the Company must pay Mr. Fonseca Chaumer a lump sum equal to two years of the CFO Base Salary at the rate in effect at the Termination Date, any entitlements under the Incentive Plans and any accrued but unpaid CFO Base Salary.

In the event of termination of Mr. Fonseca Chaumer's employment within one (1) year following a change in control (as defined therein), Mr. Fonseca Chaumer is entitled to earned but unpaid CFO Base Salary, earned but unused vacation pay and reimbursement of properly uncured unreimbursed expenses to the termination date; a lump sum equal to two years of the CFO Base Salary at the rate in effect at the termination date; a lump sum equal to two (2) times his average annual bonus, calculated based on the preceding two financial years (if a bonus was paid), as well as the continuation of all benefits for a period of twelve (12) months from the commencement of the termination date. In addition, any incentive plan awards previously granted to Mr. Fonseca Chaumer by the Company shall immediately become fully vested.

Trust and Contribution Agreements

The Company is party to a Trust Agreement and a Contribution Agreement, each dated November 21, 2021, whereby it has established a trust (the “**Trust**”) for members of management and the Executive Committee of the Board and has agreed to pay to the Trust a success fee upon the completion of a Transaction or series of Transactions. As defined in the Contribution Agreement, a “**Transaction**” is: (a) any merger, consolidation, reorganization, recapitalization, restructuring, leveraged buyout, business combination, or other transaction pursuant to which the Company is acquired by, or combined with, a third party (including any joint venture, partnership or strategic alliance); or (b) the acquisition, directly or indirectly, by a third party, in a single transaction or series of transactions, of (i) any assets or operations of the Company (including by way of any lease, license, exchange or other means) or (ii) any outstanding shares of the Company’s capital stock (including any newly-issued shares of capital stock and shares issuable upon the conversion or exercise of any securities convertible into, or options, warrants or other rights to acquire, such capital stock); or (c) a sale or spin-off of any material assets or of 5% or more of the capital stock, of any subsidiary of the Company, or any transaction or series of Transactions, which has the effect of altering the capitalization of the Company. Where a change of control (as defined in the Contribution Agreement) accompanies the Transaction, the success fee will be equal to 2% of the aggregate transaction value (as defined in the Contribution Agreement). As at the date of this Circular none of the Transaction criteria had been met and no funds have been paid to the Trust.

DIRECTOR COMPENSATION

During the financial year ended December 31, 2022, the Company had two (2) directors who were also Named Executive Officers of the Company, namely Serafino Iacono and Federico Restrepo-Solano. The following table sets out the amounts of compensation paid to the directors of the Company that were not NEOs during the financial year ended December 31, 2022. All amounts are presented in US Dollars “\$”, unless otherwise denoted to be in Canadian Dollars “C\$”.

DIRECTORS COMPENSATION TABLE

Name	Fees earned (\$)⁽¹⁾	Share-based awards (\$)	Option-based awards (\$)⁽²⁾	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Gordon Keep ⁽³⁾	50,000	Nil	155,012	Nil	Nil	Nil	205,012
Ronald Pantin	50,000	Nil	169,104	Nil	Nil	Nil	219,104
Donald Jeffrey Harder ⁽³⁾	50,000	Nil	155,012	Nil	Nil	Nil	205,012
Humberto Calderon Berti	50,000	Nil	70,460	Nil	Nil	Nil	120,460

Notes:

- (1) *Director fees of US\$50,000 per year were paid to independent directors of the Company on a quarterly basis.*
- (2) *For option awards, the fair value of awards on the grant date reflects the number of options awarded multiplied by the grant date fair value price calculated using the Black-Scholes valuation methodology, including the key assumptions and estimates as described in the Company's audited financial statements for the applicable financial year.*
- (3) *Mr. Keep and Mr. Harder resigned as directors of the Company effective July 31, 2023.*

Narrative Discussion

All independent directors who are not considered management of the Company received a director’s fee every quarter in the amount of US\$12,500. Stock options are granted to the directors of the Company as an incentive and appreciation for their time and efforts provided to the Company.

Share-Based Awards, Option-Based Awards and Non-Equity Plan Compensation

The following table sets forth information concerning all awards outstanding at the end of the financial year ended December 31, 2022, for each Director or former Director of the Company who is not a NEO.

SHARE-BASED AWARDS AND OPTION-BASED AWARDS TABLE

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (C\$)	Option expiration date	Value of unexercised in-the-money options (C\$) ⁽¹⁾	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Gordon Keep ⁽²⁾⁽⁶⁾	220,000	1.14	08-Aug-32	Nil	N/A	N/A	N/A
Ronald Pantin ⁽³⁾	240,000	1.14	08-Aug-32	Nil	N/A	N/A	N/A
Donald Jeffrey Harder ⁽⁴⁾⁽⁶⁾	220,000	1.14	08-Aug-32	Nil	N/A	N/A	N/A
Humberto Calderon Berti ⁽⁵⁾	100,000	1.14	08-Aug-32	Nil	N/A	N/A	N/A

Notes:

- (1) Calculated based on the closing market price of the Common Shares on the Exchange on December 31, 2022 of C\$0.95.
(2) As at December 31, 2022, Mr. Keep held 1,182,500 stock options to purchase 1,182,500 Common Shares.
(3) As at December 31, 2022, Mr. Pantin held 1,395,000 stock options to purchase 1,395,000 Common Shares.
(4) As at December 31, 2022, Mr. Harder held 570,000 stock options to purchase 570,000 Common Shares.
(5) As at December 31, 2022, Mr. Calderon Berti held 450,000 stock options to purchase 450,000 Common Shares.
(6) Mr. Keep and Mr. Harder resigned as directors of the Company effective July 31, 2023.

Incentive Plan Awards – Value Vested or Earned During the Year Ended December 31, 2022

None of the Directors exercised their stock options during the year ended December 31, 2022.

MANAGEMENT CONTRACTS

Management functions of the Company or any of its subsidiaries are not to any substantial degree performed by a person other than the directors or executive officers of the Company.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out particulars of the compensation plans under which equity securities of the Company are authorized for issuance as of December 31, 2022.

EQUITY COMPENSATION PLAN INFORMATION

Plan Category	A Number of securities to be issued upon exercise of outstanding options, warrants and rights	B Weighted average exercise price of outstanding options, warrants and rights	C Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column A)
Equity compensation plans approved by securityholders ⁽¹⁾	12,526,293	\$0.91	12,512,213
Equity compensation plans not approved by securityholders	Nil	N/A	Nil
TOTALS:	12,526,293	\$0.91	12,512,213

Notes:

- (1) Represents the Stock Option Plan and RSU/DSU Plan. As at December 31, 2022 the Stock Option Plan reserved Common Shares equal to a maximum of 10% of the issued and outstanding Common Shares from time to time for issue pursuant to the Stock Option Plan. As at December 31, 2022, the RSU/DSU Plan reserved Common Shares equal to a maximum of 12,512,213 Common Shares for issue pursuant to the RSU/DSU Plan.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Other than "routine indebtedness" as defined in applicable securities legislation, since January 1, 2022, being the beginning of the fiscal year of the Company ended December 31, 2022, none of:

- (a) the executive officers, directors, employees and former executive officers, directors and employees of the Company or any of its subsidiaries;
- (b) the proposed nominees for election as a director of the Company; or
- (c) any associates of the foregoing persons;

is or has been indebted to the Company or any of its subsidiaries or has been indebted to any other entity where that indebtedness was the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries, and which was not entirely repaid on or before the date of this Circular.

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

No person who has been a director, senior officer or insider of the Company, no proposed nominee for director and no 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 matters to be acted upon at the Meeting other than the election of directors.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

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

No: (i) director or executive officer of the Company; (ii) person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of any class or series of the Company's outstanding voting securities; and (iii) associate or affiliate of any of the persons or companies referred to in (i) or (ii) herein, has, during the fiscal year ended December 31, 2022 and during the current fiscal year, any material interest in any transactions or any proposed transactions which has materially affected or will materially affect the Company, other than:

In November 2022, the Company entered into a simple agreement for future equity ("**SAFE**"), in the amount of C\$2,750,000, with Chief Executive Officer and director Serafino Iacono. In accordance with the terms of the SAFE, the full value of the C\$2,750,000 was converted into 2,750 senior secured convertible debenture units of the Company in accordance with the terms and upon the closing of the Company's November 2022 private placement of convertible debentures.

In November 2022, the Company entered into a SAFE, in the amount of C\$500,000, with Landsons Investments Corporation, a company controlled by chief development officer and director Federico Restrepo-Solano. In accordance with the terms of the SAFE, C\$250,000 was converted into 250 senior secured debenture units of the Company in accordance with the terms and upon the closing of the Company's November 2022 private placement of convertible debentures. The remaining balance of C\$250,000 was returned to Landsons Investments Corporation.

AUDIT COMMITTEE DISCLOSURE

The charter of the Company's Audit Committee and the other information required to be disclosed by Form 52-110F2 – *Disclosure by Venture Issuers* is attached to this Circular as Schedule "A".

CORPORATE GOVERNANCE DISCLOSURE

The information required to be disclosed by National Instrument 58-101 - *Disclosure of Corporate Governance Practices* is attached to this Circular as Schedule “B”.

PARTICULARS OF MATTERS TO BE ACTED UPON

FINANCIAL STATEMENTS

The audited financial statements of the Company for the period ended December 31, 2022 (the “**Financial Statements**”), together with the Auditor's Report thereon, will be presented to Shareholders at the Meeting. The Financial Statements, the Auditor's Report thereon together with related Management's Discussion and Analysis for the financial year ended December 31, 2022 is available on SEDAR+ at www.sedarplus.ca. The Notice of Annual General and Special Meeting of Shareholders, Circular, Request for Financial Statements and form of Proxy will be available from the Company's Registrar and Transfer Agent, TSX Trust Company, 100 Adelaide Street, Suite 301, Toronto, Ontario, M5H 4H1, or from the Company's head office located at 25th Floor, 700 West Georgia St. Vancouver, British Columbia, V7Y 1B3.

Request For Financial Statements

NI 51-102 sets out the procedures for a Shareholder to receive financial statements. If you wish to receive financial statements, you may use the enclosed form or provide instructions in any other written format. Registered Shareholders must also provide written instructions in order to receive the Financial Statements.

FIXING THE NUMBER OF DIRECTORS AND ELECTION OF DIRECTORS

The persons named in the enclosed Proxy intend to vote in favour of fixing the number of directors at eight (8). Management is nominating eight (8) individuals to stand for election.

Each director of the Company is elected annually and holds office until the next annual general meeting of the Shareholders of the Company, until their successor is duly elected, or until their resignation as a director.

IN THE ABSENCE OF INSTRUCTIONS TO THE CONTRARY, THE SHARES REPRESENTED BY PROXY WILL BE VOTED FOR THE NOMINEES HEREIN LISTED. MANAGEMENT DOES NOT CONTEMPLATE THAT ANY OF THE NOMINEES WILL BE UNABLE TO SERVE AS A DIRECTOR. AN AFFIRMATIVE VOTE OF A MAJORITY OF THE VOTES CAST AT THE MEETING IS SUFFICIENT FOR ELECTION OF DIRECTORS AND TO FIX THE NUMBER OF DIRECTORS AT EIGHT (8).

Information Concerning Nominees Submitted By Management

The following table sets out the names of the persons proposed to be nominated by management for election as a director, the province and country in which each person is ordinarily resident, the positions and offices which each presently holds with the Company, the period of time for which each person has been a director of the Company, the respective principal occupations or employment during the past five years if such nominee is not presently an elected director and the number of Common Shares which each beneficially owns, directly or indirectly, or over which control or direction is exercised as of the date of this Circular.

The nominees for director and information concerning them as furnished by the individual nominees are as follows:

Name, Province or State and Country of Residence, and Position with the Company ⁽¹⁾	Present Principal Occupation, Business or Employment ⁽¹⁾	Date Served as Director Since	No. of Common Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly ⁽¹⁾
Serafino Iacono Bogota, Colombia <i>Chief Executive Officer and Director</i>	Chief Executive Officer of the Company since June 3, 2019; Executive Chairman or Executive Co-Chairman of the Board of GCM Mining Corp. from August 20, 2010 to September 2022; Chief Executive Officer of Denarius Metals since February 19, 2021; Chief Executive Officer of Aris Gold from February 25, 2020, to February 4, 2021.	June 3, 2019	14,407,339 ⁽²⁾ (10.48%)
Federico Restrepo-Solano Bogotá, Colombia <i>President, Chief Development Officer and Director</i>	Director of Denarius Metals Corp. since October 2022, Partner and Corporate Director of Quartz Capital Partners, a strategic advisory firm since November 2017 and formerly Senior Vice-President of Corporate Affairs with Frontera Energy and its predecessor, Pacific Exploration and Production Corp. from January 2008 to December 2016.	June 3, 2019	1,780,688 ⁽³⁾ (1.30%)
Ronald Pantin Cocle, Panama <i>Director</i>	Director of the Company since September 2019 and was Executive Chairman of the Company until July 31, 2023. Self-employed independent consultant prior to that.	September 3, 2019	1,090,000 (0.79%)
Humberto Calderon Berti Madrid, Spain <i>Director</i>	Mr. Calderon was the Ambassador of Venezuela in Colombia from February 2019 to December 2019. Prior thereto he was the President of the board of directors of VETRA E&P Colombia from 2015 to 2019 and the President of VETRA ENERGIA SL from 2003 to 2015. Mr. Calderon previously served as the President of Petróleos de Venezuela, S.A. from 1983 to 1984, the Minister of Mines and Hydrocarbons in Venezuela from 1979 to 1983 and the President of OPEC from 1979 to 1980. Mr. Calderon is a Geologist with a M.Sc. in Petroleum Engineering.	July 15, 2021	Nil.
Brian Paes-Braga London, United Kingdom <i>Chairman of the Board</i>	Currently serves as Managing Partner at SAF Group, a leading structured credit and merchant banking group which builds, invests, finances, and advises high growth companies as well as provides flexible and long-term capital solutions to public and private corporations while providing stable returns for investors through its structured credit arm. Founded and acted as CEO of Lithium X Energy Corp., a lithium resource company which, within 2.5 years, raised approximately CDN\$53 million and was acquired in an all-cash deal for CDN\$265 million. Formerly chaired the board of directors of Thunderbird Entertainment and was a board member of DeepGreen.	July 31, 2023	12,757,620 (9.28%)
Brian T. O'Neill Vancouver, British Columbia, Canada <i>Director</i>	Currently serves as Vice President of SAF Growth at the SAF Group. He is a former director of Gold-X Mining which was sold to Gran Colombia Gold (now Aris Gold). He spent nearly a decade in the practice of law with leading Canadian law firm, McCarthy Tétrault LLP.	July 31, 2023	366,000 (0.27%)

Name, Province or State and Country of Residence, and Position with the Company ⁽¹⁾	Present Principal Occupation, Business or Employment ⁽¹⁾	Date Served as Director Since	No. of Common Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly ⁽¹⁾
Don Sewell Vancouver, British Columbia, Canada <i>Director</i>	Private and public company finance executive and former energy investment banker. Mr. Sewell currently serves as the Chief Financial Officer of a private global energy transition-focused royalty company in addition to leading energy transition investments for SAF Group. Prior to, he served as the Chief Financial Officer of a TSX-listed consumer-packaged goods company and spent several years in the energy investment banking groups of a big six Canadian bank and an independent energy investment dealer.	July 31, 2023	20,000 (0.00%)
Patricia Herrera Paba Barranquilla, Colombia <i>Director</i>	Founded Estudios y Consultorias SAS in 2002 and currently serves as the consulting firm's Chief Executive Officer, which specializes in financial consulting and conducting research studies in natural gas, liquid fuels and energy across Colombia and Latin America; Currently serves as the Chief Financial Officer of Carbones Colombianos del Cerrejon, S.A.	N/A <i>(First time standing for election.)</i>	Nil (0.00%)

Notes:

- (1) *The information as to the province and country of residence, principal occupation and Common Shares beneficially owned or over which a director exercises control or direction, not being within the knowledge of the Company, has been furnished by the respective directors individually as of the Record Date of this Circular.*
- (2) *Mr. Iacono indirectly owns 84,500 Common Shares through Black Swan Finance Corp., 13,475,139 Common Shares through Brockville International Holdings Ltd. and 677,700 Common Shares through Orinoquia Capital, Ltd.*
- (3) *Mr. Restrepo-Solano owns 1,200,000 Common Shares through Landsons Investment Corporation and 580,688 through Quartz Capital Partners Inc.*

As at the date of this Circular, the directors of the Company, as a group, own, directly or indirectly, approximately 30,421,647 Common Shares representing approximately 22.13% of the total issued and outstanding Common Shares.

Board Committees

As at the date of this Circular, the Company has the following Board committees: the audit committee (the “**Audit Committee**”), the corporate governance committee (the “**Corporate Governance Committee**”) and the environmental, social and governance committee (the “**ESG Committee**”).

As at the date of this Circular, the Audit Committee is composed of Don Sewell (Chair), Brian T. O’Neill and Federico Restrepo-Solano. As at December 31, 2022, the members of the Audit Committee were D. Jeffrey Harder (Chair), Gordon Keep and Federico Restrepo-Solano.

As at the date of this Circular, the Corporate Governance Committee comprises Brian T. O’Neill (Chair), Humberto Calderon Berti and Don Sewell. As at December 31, 2022, the members of the Corporate Governance Committee were Gordon Keep, D. Jeffrey Harder and Humberto Calderon Berti.

As at the date of this Circular, the ESG Committee is composed of Brian T. O’Neill and Brian Paes-Braga. The ESG Committee was established following the completion of the financial year ended December 31, 2022.

The Board intends to evaluate committee membership following the Meeting, once the directors have been elected.

Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Except as disclosed below, none of the proposed nominees for director have been, within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company that:

- (a) while that person was acting in that capacity, was the subject of a cease trade order 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
- (b) while that person was acting in that capacity, 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) while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (d) 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 since December 31, 2000 or before December 31, 2000 the disclosure of which would likely be important to a reasonable security holder in deciding whether to vote for a proposed director; 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.

Mr. Iacono was a director and Mr. Pantin was chief executive officer and a director of Pacific Exploration & Production Corp. (“**Pacific**”), which undertook a comprehensive recapitalization and financing transaction that was implemented pursuant to a proceeding under the Companies Creditors’ Arrangement Act, together with appropriate proceedings in Colombia under Ley 1116 of 2006 and in the United States under chapter 15 of title 11 of the United States Code, ultimately implemented by way of a plan of arrangement and compromise on November 2, 2016. Effective November 2, 2016, Messrs. Iacono and Pantin resigned from the board of directors and effective October 31, 2016, Mr. Iacono retired from his position as Executive Co-Chairman. Effective November 30, 2016, Mr. Pantin retired from his position as Chief Executive Officer.

Messrs. Iacono and Pantin were directors of US Oil Sands Inc. (“**US Oil Sands**”). Mr. Iacono was a director from October 2013 until his resignation in June 2017 and Mr. Pantin was a director from October 2013 until his resignation in January 2017. On September 14, 2017, the Court of Queen’s Bench, Alberta granted the application of the primary creditor of US Oil Sands to appoint a receiver and manager over all the assets, undertakings and property of US Oil Sands. Such appointment continues as of the date hereof.

Mr. Iacono has served as a director of Pacific Coal Resources Ltd. (“**Pacific Coal**”) (which subsequently changed its name to Caribbean Resources Corporation and dissolved on September 6, 2023) from January, 2011 until dissolution, in which he was subject to a management cease trade order (since lifted) due to that company’s delay in filing its annual financial statements and management’s discussion and analysis, and certifications for the period ending December 31, 2014, which were due to be filed on April 30, 2015, as required under NI 51-102. Such documents were subsequently filed with the applicable securities regulators on June 15, 2015. With the approval of the Ontario Securities Commission, Caribbean Resources Corporation ceased to be a reporting issuer on April 14, 2016.

On May 4, 2021, the Company was granted a Management Cease Trade Order (“**MCTO**”) pursuant to National Policy 12-203 – *Cease Trade Orders for Continuous Disclosure Defaults*, which precluded Mr. Iacono and Ms. Bernal from trading Common Shares until such time as the MCTO was no longer in effect. The MCTO was sought by the Company as it would not be filing certain financial statements, related management discussion and analysis and applicable officer certifications (the “**Materials**”) by the required deadline. On July 2, 2021, the MCTO was lifted after the Company filed the required Materials.

On May 10, 2023, the Company was issued a Cease Trade Order (the “**CTO**”), pursuant to Multilateral Instrument 11-103 – *Failure-to-File Cease Trade Orders in Multiple Jurisdictions*, for failing to file its audited annual financial

statements, management’s discussion and analysis and certification of annual filings for the year ended December 31, 2022, as well as its corresponding annual information form, Form 51-101F1 – *Statement of Reserves Data and Other Oil and Gas Information*, Form 51-101F2 – *Report on Reserves Data, Contingent Resources Data and Prospective Resources Data by Independent Qualified Reserves Evaluator or Auditor* and Form 51-101F3 – *Report of Management and Directors on Oil and Gas Disclosure* (collectively the “**Annual Documents**”) by the required deadline. The Company filed the Annual Documents on June 30, 2023, and the CTO was subsequently lifted.

APPOINTMENT AND REMUNERATION OF AUDITOR

PricewaterhouseCoopers LLP (“**PWC**”) was appointed as the auditor of the Company effective September 18, 2023, replacing the Company’s former auditor, KPMG LLP, which resigned effective August 16, 2023 on its own initiative. The Company’s change of auditor is not a result of any “reportable event” as such term is defined in NI 51-102. The resignation of KPMG LLP and appointment of PwC was considered and, upon recommendation of the Audit Committee, approved by the Board.

In connection with this change in auditor, the change of auditor “reporting package”, as such term is defined in NI 51-102, was filed on SEDAR+ at www.sedarplus.ca and is attached as Schedule “C” to this Circular.

At the Meeting, Shareholders will be asked to ratify the appointment of PwC as auditor of the Company, to hold office until the next annual meeting of Shareholders. Shareholders will also be asked to authorize the Board to fix the auditors’ remuneration. An affirmative vote of a majority of the votes cast at the Meeting is sufficient for the appointment of the Auditor.

IN THE ABSENCE OF CONTRARY INSTRUCTIONS, THE PERSONS NAMED IN THE ACCOMPANYING PROXY INTEND TO VOTE FOR THE APPOINTMENT OF PWC AS AUDITOR OF THE COMPANY AND THE AUTHORIZATION OF THE BOARD TO FIX THE AUDITORS’ REMUNERATION AS SET FORTH ABOVE.

CONFIRMATION AND RE-APPROVAL OF THE STOCK OPTION PLAN

As of the Record Date, options to purchase 12,826,893 Common Shares were outstanding.

The Stock Option Plan, as amended in accordance with Exchange Policy 4.4 - *Security Based Compensation* (“**Policy 4.4**”), was approved at the Company’s annual general and special meeting of the Shareholders held on November 30, 2022. Pursuant to the Stock Option Plan, the Company’s directors, officers, employees, consultants and eligible charitable organizations may be granted options to acquire Common Shares of the Company, subject to Shareholder and regulatory approval, as applicable. A maximum of 10% of the issued Common Shares of the Company, from time to time, may be reserved for issuance pursuant to the exercise of options.

Under the policies of the Exchange, a “rolling up to 10% and fixed up to 10%” incentive plan arrangement, such as the Stock Option Plan and RSU/DSU Plan, must be approved by the Shareholders on an annual basis. Accordingly, at the Meeting, Shareholders will be asked to consider and, if deemed appropriate, pass the Stock Option Plan Resolution. In order to be passed, the Stock Option Plan Resolution must be approved by at least a majority of the votes cast by Shareholders present virtually or represented by proxy at the Meeting.

Summary of the Material Provisions of the Stock Option Plan

A summary of the material provisions of the Stock Option Plan can be found below. Capitalized terms used in this section, but not defined herein, shall have the meanings ascribed to such terms in the Stock Option Plan.

Details of the Stock Option Plan are as follows:

- (a) the Stock Option Plan reserves, for issuance pursuant to the exercise of stock options, Common Shares of the Company equal to up to a maximum of 10% of the issued Common Shares of the Company at the time of any stock option grant;

- (b) under Policy 4.4, an optionee must either be an Eligible Charitable Organization or a Director, Officer, Employee, Consultant or Management Company Employee of the Company at the time the option is granted in order to be eligible for the grant of an Option to the Optionee;
- (c) the aggregate number of options granted to any one Person (and companies wholly owned by that Person) in a twelve (12) month period under the Stock Option Plan and any other Security Based Compensation must not exceed 5% of the issued Common Shares of the Company calculated on the date an Option is granted to the Person (unless the Company has obtained the requisite Disinterested Shareholder Approval);
- (d) the aggregate number of options granted to any one Consultant in a twelve (12) month period under the Stock Option Plan and any other Security Based Compensation must not exceed 2% of the issued Common Shares of the Company, calculated at the date an Option is granted to the Consultant;
- (e) the aggregate number of Options granted to all Investor Relations Service Providers must not exceed 2% of the issued Common Shares of the Company in any twelve (12) month period, calculated at the date an Option is granted to any such Person;
- (f) if the Common Shares are listed for trading on the Exchange, then, notwithstanding anything in the Stock Option Plan to the contrary, the aggregate number of Common Shares that may be issued to Insiders (as a group) pursuant to Options granted under the Stock Option Plan and under any other Security Based Compensation, must not exceed 10% of the issued Common Shares at any point in time, unless the Company has obtained the requisite Disinterested Shareholder Approval;
- (g) if the Common Shares are listed for trading on the Exchange then, notwithstanding anything in the Stock Option Plan to the contrary, the aggregate number of Common Shares that may be issued to Insiders (as a group) pursuant to Options granted under the plan and under any other Security Based Compensation in any twelve (12) month period shall not exceed 10% of the outstanding Common Shares at the time of the grant, unless the Company has obtained the requisite Disinterested Shareholder Approval;
- (h) options issued to Investor Relations Service Providers must vest in stages over a period of not less than twelve (12) months with no more than 1/4 of the Options vesting in any three (3) month period;
- (i) the minimum exercise price per Common Share of an Option must not be less than the Market Price of the Common Shares of the Company;
- (j) Options can be exercisable for a maximum of ten (10) years from the date of grant (subject to extension where the expiry date falls within a "blackout period" (see (o) below);
- (k) Options (other than Options held by Investor Relations Service Providers) will cease to be exercisable ninety (90) days after the Optionee ceases to be a Director (which term includes a senior officer), Employee, Consultant, Eligible Charitable Organization or Management Company Employee otherwise than by death, or for a "reasonable period" not exceeding twelve (12) months after the Optionee ceases to serve in such capacity, as determined by the Board. Options granted to Investor Relations Service Providers will cease to be exercisable thirty (30) days after the Optionee ceases to serve in such capacity otherwise than by death, or for a "reasonable period" after the Optionee ceases to serve in such capacity, as determined by the Board;
- (l) all Options are non-assignable and non-transferable;
- (m) Disinterested Shareholder Approval will be obtained for any reduction in the exercise price of an Option, or the extension of the term of an Option, if the Optionee is an Insider of the Company at the time of the proposed amendment;
- (n) the Stock Option Plan contains provisions for adjustment in the number of Common Shares or other property issuable on exercise of an Option, subject to prior acceptance of the Exchange, in the event of an amalgamation, merger, arrangement, reorganization, spin-off, dividend or recapitalization, other than in connection with a share consolidation or split;

- (o) upon the occurrence of an Accelerated Vesting Event (as defined in the Stock Option Plan), the Board will have the power, at its sole discretion and subject to the prior acceptance of the Exchange, to make such changes to the terms of Options as it considers fair and appropriate in the circumstances, including but not limited to: (a) accelerating the vesting of Options, conditionally or unconditionally; (b) terminating every Option if under the transaction giving rise to the Accelerated Vesting Event, Options in replacement of the Options are proposed to be granted to or exchanged with the holders of Options, which replacement Options treat the holders of Options in a manner which the Board considers fair and appropriate in the circumstances having regard to the treatment of holders of Common Shares under such transaction; (c) otherwise modifying the terms of any Option to assist the holder to tender into any take-over bid or other transaction constituting an Accelerated Vesting Event; or (d) following the successful completion of such Accelerated Vesting Event, terminating any Option to the extent it has not been exercised prior to successful completion of the Accelerated Vesting Event. The determination of the Board in respect of any such Accelerated Vesting Event shall for the purposes of the Stock Option Plan be final, conclusive and binding;
- (p) in connection with the exercise of an option, as a condition to such exercise the Company shall require the Optionee to pay to the Company an amount as necessary so as to ensure that the Company is in compliance with the applicable provisions of any federal, provincial or local laws relating to the withholding of tax or other required deductions relating to the exercise of such Option; and
- (q) an Option will be automatically extended past its expiry date if such expiry date falls within a blackout period during which the Company prohibits Optionees from exercising their Options, subject to the following requirements: (a) the blackout period must: (i) be formally imposed by the Company pursuant to its internal trading policies; and (ii) must expire following the general disclosure of undisclosed Material Information; (b) the automatic extension of an Optionee's Option will not be permitted where the Optionee or the Company is subject to a cease trade order (or similar order under Securities Laws) in respect of the Company's securities; and (d) the automatic extension is available to all Eligible Persons under the same terms and conditions.

“Consultant”, “Director”, “Disinterested Shareholder Approval”, “Eligible Charitable Organization”, “Employee”, “Investor Relations Activities”, “Investor Relations Service Provider”, “Management Company Employee”, “Market Price”, “Material Information”, “Person”, “Securities Laws” and “Security Based Compensation” all have the same definition as in the policies of the Exchange.

A copy of the Stock Option Plan is attached hereto as Schedule “D”.

The text of the Stock Option Plan Resolution, which management intends to place before the Meeting for the confirmation and re-approval of the Stock Option Plan is as follows:

“RESOLVED, as an Ordinary Resolution, **THAT:**

1. the incentive stock option plan (the “**Stock Option Plan**”) of NG Energy International Corp. (the “**Corporation**”), as set forth in Schedule “D” of the management information circular of the Corporation dated December 7, 2023, and as approved by the Board of Directors of the Corporation on October 21, 2022, 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 from time to time, be and is hereby ratified, confirmed and approved;
2. the Corporation be authorized to grant stock options pursuant to and subject to the terms and conditions of the Stock Option Plan; and
3. any one director or officer of the Corporation be and is hereby authorized and directed for and in the name of and on behalf of the Corporation to execute or cause to be executed, whether under corporate seal of the Corporation or otherwise, and to deliver or cause to be delivered all such documents, instruments and other writings and to do or cause to be done all such acts and things, as in the opinion of such director or officer may be necessary or desirable in order to carry out the terms of the foregoing resolution, and to complete all transactions in connection with and pursuant to the Stock Option Plan and in compliance with the policies of the TSX Venture Exchange, such determination to be conclusively evidenced by the execution and delivery of such documents or the doing of any such act or thing.”

IN THE ABSENCE OF CONTRARY INSTRUCTIONS, THE PERSONS NAMED IN THE ACCOMPANYING PROXY INTEND TO VOTE FOR CONFIRMATION AND RE-APPROVAL OF THE STOCK OPTION PLAN AS SET FORTH ABOVE.

CONFIRMATION AND RE-APPROVAL OF RESTRICTED SHARE UNIT AND DEFERRED SHARE UNIT PLAN (“RSU/DSU PLAN”)

As of the Record Date, RSUs to acquire 2,525,000 Common Shares, RSUs with Performance Criteria to acquire 2,635,000 Common Shares and DSUs to acquire 4,540,000 Common Shares were outstanding.

The RSU/DSU Plan was approved at the Company’s annual general and special meeting of Shareholders held on November 30, 2022. The implementation of the RSU/DSU Plan was intended to provide the Company with a vehicle by which equity-based incentives may be awarded to Eligible Persons (as such term is defined in the RSU/DSU Plan), to recognize and reward their significant contributions to the long-term success of the Company and to align their interests more closely with Shareholders, as well as to bring the Company’s compensation policies in line with trends in industry practice, and to preserve working capital of the Company by paying Eligible Persons with compensation in the form of share-based awards as opposed to cash. Pursuant to the RSU/DSU Plan, the Board (or a committee thereof) may grant restricted share unit awards (“**RSUs**”) and deferred share unit awards (“**DSUs**” and collectively with the RSUs, “**Awards**”) as incentive payments to Eligible Persons. The Board intends to use the Awards as part of the Company’s overall executive compensation plan. The maximum number of Awards that may be reserved for issuance under the RSU/DSU Plan is 12,512,213. No awards were granted under the RSU/DSU Plan in the financial year ended December 31, 2022.

Under the policies of the Exchange, a “rolling up to 10% and fixed up to 10%” incentive plan arrangement, such as the Stock Option Plan and RSU/DSU Plan, must be approved by the Shareholders on an annual basis. Accordingly, at the Meeting, Shareholders will be asked to consider and, if deemed appropriate, pass the RSU/DSU Plan Resolution. In order to be passed, the RSU/DSU Plan Resolution must be approved by at least a majority of the votes cast by Shareholders present virtually or represented by proxy at the Meeting.

Summary of the Material Provisions of the RSU/DSU Plan

The RSU/DSU Plan provides the Company a vehicle by which equity-based incentives may be awarded to the Eligible Persons to recognize and reward their significant contributions to the long-term success of the Company and to align their interests more closely with the Shareholders, as well as to bring the Company’s compensation policies in line with trends in industry practice, and to preserve working capital of the Company by paying Eligible Persons with compensation in the form of share-based awards as opposed to cash. Eligible Persons who are granted RSUs or DSUs under the RSU/DSU Plan are collectively referred to herein as “**Participants**” or “**Grantees**”. Under the RSU/DSU Plan, settlement of RSUs or DSUs shall be made by: (i) delivery of one (1) Common Share for each such RSU or DSU then being settled; or (ii) subject to approval of the Board in its sole discretion, payment of a cash equivalent.

RSUs are performance-based share units which will be granted to Eligible Persons under the RSU/DSU Plan based on both individual and corporate performance criteria as determined by the Board or the Granting Authority (as such term is defined in the RSU/DSU Plan). The RSUs vest and are paid out to the Participant at no later than three (3) years after the year in which the RSUs were granted. Non-vested RSUs are forfeited if the Participant voluntarily leaves their employment with the Company. RSUs provide the Company with a more transparent and objective tool for rewarding performance or compensating Participants, while providing the Participant with a better-defined incentive award.

The RSU/DSU Plan also makes provision for the use of DSUs as partial payment of an Eligible Person’s fees. A DSU is a notional share that has the same value as one (1) Common Share as at the grant date. DSUs are paid out to the Participant as Common Shares when they retire from or no longer provide service to the Company. A retiring Participant can defer the payout of their DSUs to the year following their departure from the Company. The use of DSUs has the advantage of encouraging higher levels of share ownership by the Participants, thereby aligning their interests more closely with that of the Company while also preserving cash for the Company.

The following is a summary of the additional important provisions of the RSU/DSU Plan. It is not a comprehensive discussion of all of the terms and conditions of the RSU/DSU Plan. Readers are advised to review the full text of the RSU/DSU Plan, which is attached hereto as Schedule “E”, to fully understand all terms and conditions of the RSU/DSU Plan.

Purpose

The RSU/DSU Plan brings the Company's compensation policies in line with trends in industry compensation practice. The RSU/DSU Plan includes provisions for granting RSUs as well as DSUs. Under the RSU/DSU Plan, settlement of RSUs or DSUs shall be made by: (i) delivery of one (1) Common Share for each such RSU or DSU then being settled; or (ii) subject to approval of the Board in its sole discretion, payment of a cash equivalent.

The RSU/DSU Plan advances the interests of the Company by encouraging Participants to receive equity-based compensation and incentives, thereby (i) increasing the proprietary interests of such persons in the Company, (ii) aligning the interests of such persons with the interests of Shareholders generally, (iii) encouraging such persons to remain associated with the Company, and (iv) furnishing such persons with an additional incentive in their efforts on behalf of the Company. The Board also contemplates that through the RSU/DSU Plan, the Company will be better able to compete for and retain the services of the individuals needed for the continued growth and success of the Company.

Administration

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

Eligible Persons

Under the RSU/DSU Plan, Awards may be granted to any Eligible Person. A Participant or Grantee is an Eligible Person to whom an Award has been granted under the RSU/DSU Plan. Pursuant to the terms of the RSU/DSU Plan and Exchange policies, no Awards may be granted to persons performing investor relations activities for the Company.

Number of Securities Issued or Issuable

Subject to the adjustment provisions provided for in the RSU/DSU Plan and applicable rules and regulations of all regulatory authorities to which the Company is subject (including the Exchange), the maximum number of Common Shares issuable upon exercise of the Awards under the RSU/DSU Plan is 12,512,213, (which represents 10% of the number of issued and outstanding Common Shares calculated in accordance with the policies of the Exchange as at October 21, 2022, being the date of adoption of the RSU/DSU Plan by the Board).

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

Maximum Grant to Any One Participant

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

- (a) the number of Common Shares which may be reserved for issue pursuant to the RSU/DSU Plan together with the Common Shares which may be reserved for issue pursuant to any employee- related plan of the Company or options for services granted by the Company, including the Option Plan, to any one Eligible Person within a twelve (12) month period may not exceed in the aggregate 5% of the number of Common Shares issued and outstanding on a non-diluted basis on the date of the grant of the Award unless the Company has received disinterested shareholder approval;

- (b) the number of Common Shares which may be reserved for issue pursuant to the RSU/DSU Plan together with the Common Shares which may be reserved for issue pursuant to any other employee-related plan of the Company or options for services granted by the Company, including the Stock Option Plan, to all insiders of the Company shall not exceed 10% of the number of Common Shares issued and outstanding on a non-diluted basis at any point in time unless the Company has received disinterested shareholder approval;
- (c) the number of Common Shares which may be reserved for issue pursuant to the RSU/DSU Plan together with the Common Shares which may be reserved for issue pursuant to any employee-related plan of the Company or options for services granted by the Company, including the Stock Option Plan, to all insiders of the Company within a 12 month period may not exceed in the aggregate 10% of the number of Common Shares issued and outstanding on a non-diluted basis on the date of the grant of the Award unless the Company has received disinterested shareholder approval; and
- (d) the number of Common Shares which may be reserved for issued pursuant to the RSU/DSU Plan together with the Common Shares which may be reserved for issue pursuant to any other share compensation arrangements of the Company, including the Option Plan, to any one consultant in any twelve (12) month period may not exceed 2% of the number of Common Shares issued and outstanding on a non-diluted basis on the date of the grant of the Award.

Restricted Share Units

The Granting Authority may determine the vesting schedule of any RSUs at the time of grant, provided that notwithstanding such determination and provided that no RSUs may vest within one (1) year of the date of grant except in the event of the death of the Participant or if the Participant ceases to be an Eligible Person in connection with a Change of Control (as such term is defined in the RSU/DSU Plan), takeover bid, reverse takeover or similar transaction, in the event of a Change of Control (as such term is defined in the RSU/DSU Plan) while the Grantee is employed by the Company or a wholly owned subsidiary of the Company, the termination of the Grantee by the Company without cause or in the event that the Grantee terminates employment with the Company and its subsidiaries by reason of Eligible Retirement (as such term is defined in the RSU/DSU Plan), death or total disability (as determined by the Granting Authority in good faith) (each an “**Accelerated Vesting Event**”), the non-vested RSUs will: (i) in the case of a Change of Control, termination without cause, Eligible Retirement or death being the Accelerated Vesting Event, immediately become 100% vested, or (ii) in the case of total disability being the Accelerated Vesting Event, vest on the 60th day following the date on which the Participant is determined to be totally disabled.

If the Grantee terminates employment with the Company and its subsidiaries for any reason other than such Eligible Retirement, total disability or death or termination without cause, any non-vested RSUs granted thereunder will be immediately cancelled without liability or compensation therefor and be of no further force and effect. For clarity, where the Grantee voluntarily terminates their employment with the Company or is otherwise terminated by the Company for cause, all non-vested RSUs of the Grantee shall be immediately cancelled without compensation or liability therefor and be of no further force and effect.

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

Settlement of Restricted Share Units

Payment to the Grantee in respect of vested RSUs will be made in the form of: (i) fully paid Common Shares, which will be evidenced by book entry registration or by a share certificate registered in the name of the Grantee; or (ii) subject to approval of the Board, in its sole discretion, a cash equivalent, as soon as practicable following the date on which the RSUs become vested, provided that the settlement date may not be later than the third anniversary of the date of grant of the RSU and all payments in respect of vested RSUs in the Grantee's notional account maintained by the Company will be paid in full on or before December 31 of the same calendar year.

Deferred Share Units

DSUs granted pursuant to the RSU/DSU Plan will be used as a means of reducing the cash payable by the Company in respect of a Participant's compensable amounts. In so doing, the interests of a Participant will become more closely aligned with those of the Company and its Shareholders.

Vesting of Deferred Share Units

Subject to the vesting provisions otherwise stipulated by the Granting Authority, where a Grantee is terminated for cause or resigns and, in the case of a director of the Company, is otherwise removed as a result of losing their eligibility to serve on the Board due to an order by a regulatory body or stock exchange or for culpable conduct as determined by the Granting Authority, all unvested DSUs in the Grantee's notional account maintained by the Company will be immediately cancelled without liability or compensation therefor and be of no further force and effect (unless otherwise determined by the Granting Authority).

No DSUs may vest within one year of the date of grant except in the event of the death of the Participant or if the Participant ceases to be an Eligible Person in connection with a Change of Control (as such term is defined in the RSU/DSU Plan), takeover bid, reverse takeover or similar transaction. Subject to the above, in the event of a Change of Control while the Grantee is employed by or is a director of the Company or a related entity or in the event of the Grantee being terminated without cause, the non-vested DSUs will immediately become 100% vested.

Settlement of Deferred Share Units

DSUs will be settled upon the third business day (or such other period of time as permitted by the Granting Authority under the grant agreement) following the Eligible Retirement or death of the applicable Participant or at the time the Participant otherwise ceases to hold office subject to payment or other satisfaction of all related withholding obligations in accordance with the provisions of the RSU/DSU Plan. Settlement of DSUs shall be made by payment of: (i) one Common Share for each such DSU then being settled; or (ii) subject to the approval of the Board, in its sole discretion, a cash equivalent.

Assignability

Awards granted under the RSU/DSU Plan are non-transferable and non-assignable to anyone other than to the estate of a Participant in the event of death and then only in accordance with the terms of the RSU/DSU Plan.

Procedure for Amending of the RSU/DSU Plan

Subject to the terms of the RSU/DSU Plan and any applicable requirements of the Exchange, the Granting Authority has the right at any time to amend the RSU/DSU Plan or any Award agreement thereunder, provided that the requisite Shareholder approval has been obtained by ordinary resolution. Notwithstanding the foregoing, Shareholder approval is not required for the amendments set out below:

- (a) amendments of a technical, clerical or "housekeeping" nature including, without limiting the generality of the foregoing, any amendments for the purpose of curing any ambiguity, error or omission in the RSU/DSU Plan or to correct or supplement any provision of the RSU/DSU Plan that is inconsistent with any other provision of the RSU/DSU Plan;
- (b) amendments necessary to comply with the provisions of applicable law and the applicable rules of the Exchange; and
- (c) any other amendment, whether fundamental or otherwise, not requiring Shareholder approval under applicable law or the rules of the Exchange.

Financial Assistance

The Company does not provide financial assistance to Participants to facilitate the purchase of Common Shares upon exercise of Awards under the RSU/DSU Plan.

Other Material Information

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

The foregoing is a summary of the RSU/DSU Plan and is qualified in its entirety by reference to the full text of the RSU/DSU Plan, which can be obtained from the Company on request. A copy of the RSU/DSU Plan will be available for viewing at the Meeting.

Pursuant to the policies of the Exchange, the Company is required to obtain Shareholder approval of the RSU/DSU Plan in connection with the implementation thereof and subsequently at each annual meeting of Shareholders. Accordingly, at the Meeting, Shareholders will be asked to re-approve an ordinary resolution to approve the RSU/DSU Plan.

A copy of the RSU/DSU Plan is attached hereto as Schedule "E".

The text of the RSU/DSU Plan Resolution, which management intends to place before the Meeting for the confirmation and re-approval of the RSU/DSU Plan is as follows:

"RESOLVED, as an Ordinary Resolution, THAT:

1. the restricted share unit and deferred share unit plan (the **"RSU/DSU Plan"**) of NG Energy International Corp. (the **"Corporation"**), as set forth in Schedule "E" of the management information circular of the Corporation dated December 7, 2023, and as approved by the Board of Directors of the Corporation on October 21, 2022, which provides for the grant of, be and is hereby ratified, confirmed and approved;
2. the Corporation be authorized to grant awards pursuant to and subject to the terms and conditions of the RSU/DSU Plan; and
3. any one director or officer of the Corporation be and is hereby authorized and directed for and in the name of and on behalf of the Corporation to execute or cause to be executed, whether under corporate seal of the Corporation or otherwise, and to deliver or cause to be delivered all such documents, instruments and other writings and to do or cause to be done all such acts and things, as in the opinion of such director or officer may be necessary or desirable in order to carry out the terms of the foregoing resolution, and to complete all transactions in connection with and pursuant to the RSU/DSU Plan and in compliance with the policies of the TSX Venture Exchange, such determination to be conclusively evidenced by the execution and delivery of such documents or the doing of any such act or thing."

IN THE ABSENCE OF CONTRARY INSTRUCTIONS, THE PERSONS NAMED IN THE ACCOMPANYING PROXY INTEND TO VOTE FOR CONFIRMATION AND RE-APPROVAL OF THE RSU/DSU PLAN AS SET FORTH ABOVE.

OTHER MATTERS

As of the date of this Circular, management knows of no other matters to be acted upon at the Meeting. However, should any other matters properly come before the Meeting, the Common Shares represented by the Proxy solicited

hereby will be voted on such matters in accordance with the best judgment of the persons voting the Common Shares represented by the Proxy.

ADDITIONAL INFORMATION

Additional information relating to the Company is on SEDAR+ at www.sedarplus.ca. Financial information relating to the Company is provided in the Company's comparative financial statements and related Management's Discussion and Analysis for the financial year ended December 31, 2022. Shareholders may contact the Company to request copies of financial statements and related Management's Discussion and Analysis at its head office, 25th Floor, 700 West Georgia St., Vancouver, British Columbia, V7Y 1B3.

APPROVAL OF THE DIRECTORS

The contents of this Circular and its distribution to Shareholders have been approved by the Board. The directors and officers of the Company have indicated their intention to vote their Common Shares in favour of all matters to be considered by Shareholders at the Meeting.

DATED at Vancouver, British Columbia this 7th day of December 2023.

“Serafino Iacono”

Serafino Iacono
Chief Executive Officer

SCHEDULE "A"
NG ENERGY INTERNATIONAL CORP.
FORM 52-110F2
AUDIT COMMITTEE DISCLOSURE

ITEM 1: THE AUDIT COMMITTEE'S CHARTER (the "Charter")

PURPOSE

The overall purpose of the audit committee (the "**Audit Committee**") of **NG ENERGY INTERNATIONAL CORP.** (the "**Corporation**") is to ensure that the Corporation's management has designed and implemented an effective system of internal financial controls, to review and report on the integrity of the financial statements and related financial disclosure of the Corporation, and to review the Corporation's compliance with regulatory and statutory requirements as they relate to financial statements, taxation matters and disclosure of financial information. It is the intention of the Corporation's board of directors (the "**Board**") that through the involvement of the Audit Committee, the external audit will be conducted independently of the Corporation's management to ensure that the independent auditors serve the interests of shareholders rather than the interests of management of the Corporation. The Audit Committee will act as a liaison to provide better communication between the Board and the external auditors. The Audit Committee will monitor the independence and performance of the Corporation's independent auditors.

COMPOSITION, PROCEDURES AND ORGANIZATION

- (1) The Audit Committee shall consist of at least three members of the Board.
- (2) At least two (2) members of the Audit Committee shall be independent and the Audit Committee shall endeavour to appoint a majority of independent directors to the Audit Committee, who in the opinion of the Board, would be free from a relationship which would interfere with the exercise of the Audit Committee members' independent judgment. At least one (1) member of the Audit Committee shall have accounting or related financial management expertise. All members of the Audit Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices applicable to the Corporation. For the purposes of this Charter, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.
- (3) The Board, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, shall appoint the members of the Audit Committee for the ensuing year. The Board may at any time remove or replace any member of the Audit Committee and may fill any vacancy in the Audit Committee.
- (4) Unless the Board shall have appointed a chair of the Audit Committee, the members of the Audit Committee shall elect a chair and a secretary from among their number.
- (5) The quorum for meetings shall be a majority of the members of the Audit Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and to hear each other.
- (6) The Audit Committee shall have access to such officers and employees of the Corporation and to the Corporation's external auditors, and to such information respecting the Corporation, as it considers to be necessary or advisable in order to perform its duties and responsibilities.
- (7) Meetings of the Audit Committee shall be conducted as follows:
 - (a) the Audit Committee shall meet at least four times annually at such times and at such locations as may be requested by the chair of the Audit Committee. The external auditors or any member of the Audit Committee may request a meeting of the Audit Committee;

- (b) the external auditors shall receive notice of and have the right to attend all meetings of the Audit Committee; and
 - (c) management representatives may be invited to attend all meetings except private sessions with the external auditors.
- (8) The internal auditors and the external auditors shall have a direct line of communication to the Audit Committee through its chair and may bypass management if deemed necessary. The Audit Committee, through its chair, may contact directly any employee in the Corporation as it deems necessary, and any employee may bring before the Audit Committee any matter involving questionable, illegal or improper financial practices or transactions.

ROLES AND RESPONSIBILITIES

- (1) The overall duties and responsibilities of the Audit Committee shall be as follows:
- (a) to assist the Board in the discharge of its responsibilities relating to the Corporation's accounting principles, reporting practices and internal controls and its approval of the Corporation's annual and quarterly consolidated financial statements and related financial disclosure;
 - (b) to establish and maintain a direct line of communication with the Corporation's internal and external auditors and assess their performance;
 - (c) to ensure that the management of the Corporation has designed, implemented and is maintaining an effective system of internal financial controls; and
 - (d) to report regularly to the Board on the fulfilment of its duties and responsibilities.
- (2) The duties and responsibilities of the Audit Committee as they relate to the external auditors shall be as follows:
- (a) to recommend to the Board a firm of external auditors to be engaged by the Corporation, and to verify the independence of such external auditors;
 - (b) to review and approve the fee, scope and timing of the audit and other related services rendered by the external auditors;
 - (c) review the audit plan of the external auditors prior to the commencement of the audit;
 - (d) to review with the external auditors, upon completion of their audit:
 - A. contents of their report;
 - B. scope and quality of the audit work performed;
 - C. adequacy of the Corporation's financial and auditing personnel;
 - D. co-operation received from the Corporation's personnel during the audit;
 - E. internal resources used;
 - F. significant transactions outside of the normal business of the Corporation;
 - G. significant proposed adjustments and recommendations for improving internal accounting controls, accounting principles or management systems; and
 - H. the non-audit services provided by the external auditors;
 - (e) to discuss with the external auditors the quality and not just the acceptability of the Corporation's accounting principles; and
 - (f) to implement structures and procedures to ensure that the Audit Committee meets the external auditors on a regular basis in the absence of management.

- (3) The duties and responsibilities of the Audit Committee as they relate to the internal control procedures of the Corporation are to:
- (a) review the appropriateness and effectiveness of the Corporation's policies and business practices which impact on the financial integrity of the Corporation, including those relating to internal auditing, insurance, accounting, information services and systems and financial controls, management reporting and risk management;
 - (b) review compliance under the Corporation's business conduct and ethics policies and to periodically review these policies and recommend to the Board changes which the Audit Committee may deem appropriate;
 - (c) review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls of the Corporation; and
 - (d) periodically review the Corporation's financial and auditing procedures and the extent to which recommendations made by the internal audit staff or by the external auditors have been implemented.
- (4) The Audit Committee is also charged with the responsibility to:
- (a) review the Corporation's quarterly statements of earnings, including the impact of unusual items and changes in accounting principles and estimates and report to the Board with respect thereto;
 - (b) review and approve the financial sections of:
 - A. the annual report to shareholders;
 - B. the annual information form, if required;
 - C. annual and interim management's discussion and analysis;
 - D. prospectuses;
 - E. news releases discussing financial results of the Corporation; and
 - F. other public reports of a financial nature requiring approval by the Board,and report to the Board with respect thereto;
 - (c) review regulatory filings and decisions as they relate to the Corporation's consolidated financial statements;
 - (d) review the appropriateness of the policies and procedures used in the preparation of the Corporation's consolidated financial statements and other required disclosure documents, and consider recommendations for any material change to such policies;
 - (e) review and report on the integrity of the Corporation's consolidated financial statements;
 - (f) review the minutes of any audit committee meeting of subsidiary companies;
 - (g) review with management, the external auditors and, if necessary, with legal counsel, any litigation, claim or other contingency, including tax assessments that could have a material effect upon the financial position or operating results of the Corporation and the manner in which such matters have been disclosed in the consolidated financial statements;
 - (h) review the Corporation's compliance with regulatory and statutory requirements as they relate to financial statements, tax matters and disclosure of financial information; and
 - (i) develop a calendar of activities to be undertaken by the Audit Committee for each ensuing year and to submit the calendar in the appropriate format to the Board following each annual general meeting of shareholders.
- (5) The Audit Committee shall have the authority:

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

ITEM 2: COMPOSITION OF THE AUDIT COMMITTEE

The current members of the Audit Committee are Don Sewell, Federico Restrepo-Solano and Brian T. O'Neill. All of the members are financially literate and are independent members of the Audit Committee. Don Sewell is the Chairman of the Audit Committee. "Independent" and "financially literate" have the meaning used in National Instrument 52-110 – *Audit Committees* ("NI 52-110") of the Canadian Securities Administrators.

ITEM 3: RELEVANT EDUCATION AND EXPERIENCE

NI 52-110 provides that an individual is "financially literate" if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

All of the members of the Corporation's Audit Committee are financially literate as that term is defined in NI 52-110. All members have an understanding of the accounting principles used by the Corporation to prepare its financial statements and have an understanding of its internal controls and procedures for financial reporting. In addition to each member's general business experience, the education and experience of each Audit Committee member relevant to the performance of their responsibilities as an Audit Committee member is as follows:

Mr. Don Sewell is a private and public company finance executive and former energy investment banker. Mr. Sewell currently serves as the Chief Financial Officer of a private global energy transition-focused royalty company in addition to leading energy transition investments for SAF Group. Prior to, he served as the Chief Financial Officer of a TSX-listed consumer-packaged goods company and spent several years in the energy investment banking groups of a big six Canadian bank and an independent energy investment dealer. Mr. Sewell brings a broad range of experience in corporate finance, capital markets, governance and securities regulatory matters given his public company leadership experience, in addition to advising on the completion of several billion dollars in energy sector M&A transactions and capital raises. Mr. Sewell holds a BSc degree from McGill University and is a CFA charterholder.

Mr. Federico Restrepo-Solano has an undergraduate degree from Universidad De Bogotá Jorge Tadeo Lozano and a graduate degree from Universidad del Rosario. Mr. Restrepo is partner and Corporate Director of Quartz Capital Partners, a strategic advisory firm. Mr. Restrepo has over 25 years of experience in the oil and mining sector.

Mr. Brian T. O'Neill is vice president of SAF Growth at the SAF Group. He is a former director of Gold-X Mining which was sold to Gran Colombia Gold (now Aris Gold). He spent nearly a decade in the practice of law with leading Canadian law firm, McCarthy Tétrault LLP. His practice began in the areas of corporate and commercial law, with a focus on mergers and acquisitions, corporate reorganizations, corporate finance, intellectual property and commercial transactions. He then shifted his practice to focus on corporate tax matters, with a particular emphasis on the tax-related aspects of mergers and acquisitions and corporate reorganizations. Mr. O'Neill received his B.Sc. Honours in Molecular Genetics, with first-class standing, and his L.L.B., with distinction, from the University of Alberta. He is a member of the Law Society of British Columbia and has completed CPA Canada's In-Depth Tax Course.

ITEM 4: AUDIT COMMITTEE OVERSIGHT

At no time since the commencement of the Corporation's financial year ended December 31, 2022 was a recommendation of the Audit Committee to nominate or compensate an external auditor (currently, PricewaterhouseCoopers LLP) not adopted by the Board.

ITEM 5: RELIANCE ON CERTAIN EXEMPTIONS

Since the effective date of NI 52-110, the Corporation has not relied on the exemptions contained in Section 2.4 or Part 8 of NI 52-110, in whole or in part. Section 2.4 provides an exemption from the requirement that the audit committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the fiscal year in

which the non-audit services were provided. Part 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

ITEM 6: PRE-APPROVAL POLICIES AND PROCEDURES

Formal policies and procedures for the engagement of non-audit services have yet to be formulated and adopted. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by the Board, and where applicable by the Audit Committee, on a case-by-case basis.

ITEM 7: EXTERNAL AUDITOR SERVICE FEES (BY CATEGORY)

The aggregate fees charged to the Corporation by the external auditor in each of the fiscal years ended December 31, 2021 and 2022 is as follows:

	<u>FYE 2022</u>	<u>FYE 2021</u>
Audit fees for the year ended December 31	\$337,050	\$123,050
Audit related fees ⁽¹⁾	Nil	Nil
Tax fees ⁽²⁾	Nil	Nil
All other fees (non-tax)	Nil	Nil
Total Fees:	\$337,050	\$123,050

Notes:

- (1) *These fees are for the quarterly reviews completed for the Corporation, statutory audits required for the Corporation's subsidiaries, and other assurance engagements required for regulatory filings.*
- (2) *These fees are for preparation and filing of the tax returns of the Corporation or the Corporation's subsidiaries.*

ITEM 8: EXEMPTION

In respect of the financial year ended December 31, 2022, the Corporation is relying on the exemption set out in section 6.1 of NI 52-110.

SCHEDULE "B"
NG ENERGY INTERNATIONAL CORP.
FORM 58-101F2
CORPORATE GOVERNANCE DISCLOSURE

Pursuant to National Instrument 58-101 *Disclosure of Corporate Governance Practices*, **NG ENERGY INTERNATIONAL CORP.** (the "**Corporation**") is required to and hereby discloses its corporate governance practices as follows.

ITEM 1. BOARD OF DIRECTORS

The board of directors of the Corporation (the "**Board**") facilitates its exercise of independent supervision over the Corporation's management through frequent meetings of the Board.

Messrs. Paes-Braga, O'Neill, Sewell, Pantin and Calderon Berti are "independent" in that they are free from any direct or indirect material relationship with the Corporation. A material relationship is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director's independent judgment. Serafino Iacono is the Chief Executive Officer of the Corporation and Federico Restrepo-Solano is the President and Chief Development Officer of the Corporation and are therefore not independent.

ITEM 2. DIRECTORSHIPS

The existing directors and any proposed directors of the Corporation are currently directors of the following other reporting issuers:

Name	Name of Reporting Issuer
Serafino Iacono	Aris Mining Corporation Denarius Metals Corp.
Federico Restrepo-Solano	Denarius Metals Corp.
Brian Paes-Braga	Nil.
Brian T O'Neill	Nil.
Don Sewell	Nil.
Ronald Pantin	Nil.
Humberto Calderon Berti	Nil.
Patricia Herrera Paba	Nil.

ITEM 3. ORIENTATION AND CONTINUING EDUCATION

The Board briefs all new directors with the policies of the Board, and other relevant corporate and business information.

ITEM 4. ETHICAL BUSINESS CONDUCT

The Board has found that the fiduciary duties placed on individual directors by the Corporation's governing corporate legislation and the common law, and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Corporation.

Under the corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Corporation and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, and disclose to the board the nature and extent of any interest of the director in any material contract or material transaction, whether made or proposed, if the director is a party to the contract or transaction, is a director or officer (or an individual acting in a similar capacity) of a party to the contract or transaction or has a material interest in a party to the contract or transaction. The director must then abstain from voting on the contract or transaction unless the contract or transaction: (i) relates primarily to their remuneration as a director, officer, employee or agent of the Corporation or an affiliate of the Corporation; (ii) is for indemnity or insurance for the benefit of the director in connection with the Corporation; or (iii) is with an affiliate of the Corporation. If the director abstains from voting after disclosure of their interest, the directors approve the contract or transaction and the contract or transaction was reasonable and fair to the Corporation at the time it was entered into, the contract or transaction is not invalid, and the director is not accountable to the Corporation for any profit realized from the contract or transaction. Otherwise, the director must have acted honestly and in good faith, the contract or transaction must have been reasonable and fair to the Corporation and the contract or transaction be approved by the shareholders by a special resolution after receiving full disclosure of its terms in order for the director to avoid such liability or the contract or transaction being invalid.

ITEM 5. NOMINATION OF DIRECTORS

The Board is responsible for identifying individuals qualified to become new Board members and recommending to the Board new director nominees for the next annual meeting of the shareholders.

New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Corporation, the ability to devote the time required, shown support for the Corporation's mission and strategic objectives, and a willingness to serve.

ITEM 6. COMPENSATION

The Board conducts reviews with regard to the directors' and chief executive officer's compensation once a year. To make its recommendation on the directors' and chief executive officer's compensation, the Board takes into account the types of compensation and the amounts paid to directors and chief executive officers of comparable publicly traded Canadian companies. For further information regarding the Corporation's compensation practices, see "*Statement of Executive Compensation*" in the Circular.

ITEM 7. OTHER BOARD COMMITTEES

In addition to the Audit Committee, the Board also has a Corporate Governance Committee and a ESG Committee.

The purpose of the Audit Committee is to service as an independent and objective party to monitor the Corporation's financial reporting and internal control system and review the Corporation's financial statements. Additionally, the Audit Committee will review and appraise the performance of the Corporation's external auditor and provide an open avenue of communication among the Corporation's external auditor, management and the Board.

The purpose of the Corporate Governance Committee is to assist the Board in fulfilling its responsibility to the shareholders, potential shareholders and the investment community by developing and recommending to the Board corporate governance principles that are applicable to the Corporation.

The purpose of the ESG Committee is to assist the Board in fulfilling the Corporation's social responsibility and sustainability mandate. The ESG Committee is responsible for supporting the Corporation's ongoing commitment to environmental, health and safety, corporate social responsibility, corporate governance, sustainability and other public policy matters relevant to the Corporation.

ITEM 8. ASSESSMENTS

The Board of Directors monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and committees.

SCHEDULE "C"
CHANGE IN AUDITOR REPORTING PACKAGE

(See attached)

NG Energy International Corp.
Change of Auditor Notice
Pursuant to National Instrument 51-102, Section 4.11

TO: **Alberta Securities Commission**
British Columbia Securities Commission
Financial and Consumer Affairs Authority of Saskatchewan
The Manitoba Securities Commission
Ontario Securities Commission
Financial and Consumer Services Commission, New Brunswick
Nova Scotia Securities Commission
Office of the Superintendent of Securities, Service Newfoundland & Labrador
Office of the Superintendent of Securities, Prince Edward Island

AND TO: **KPMG LLP**

AND TO: **PricewaterhouseCoopers LLP**

I. Former auditor

- a. On August 16, 2023, KPMG LLP resigned as the auditor of NG Energy International Corp. on its own initiative.
- b. The Board of Directors accepted the resignation of the auditor.
- c. The auditor's reports of KPMG on the financial statements of NG Energy International Corp. for the two years ended December 31, 2022 did not contain any modifications as to departures from generally accepted accounting principles or limitation in the scope of the audit.
- d. In connection with the audits for the two years ended December 31, 2022 and through to August 16, 2023, there have been no reportable events, as defined in the National Instrument.

II. Successor auditor

The reporting issuer appointed PricewaterhouseCoopers LLP as its new auditor as of September 18, 2023. The Board of Directors approved the appointment.

Dated at Vancouver, British Columbia, this 18th day of September 2023.

(signed) "*Jorge Fonseca*"

NG Energy International Corp.
per: **Jorge Fonseca, Chief Financial Officer**



KPMG LLP
205 5th Avenue SW
Suite 3100
Calgary AB
T2P 4B9
Telephone (403) 691-8000
Fax (403) 691-8008
www.kpmg.ca

To Alberta Securities Commission
British Columbia Securities Commission
Financial and Consumer Affairs Authority of Saskatchewan
The Manitoba Securities Commission
Ontario Securities Commission
Financial and Consumer Services Commission, New Brunswick
Nova Scotia Securities Commission
Office of the Superintendent of Securities, Service Newfoundland & Labrador
Office of the Superintendent of Securities, Prince Edward Island

September 20, 2023

Dear Sir/Madam

Re: Notice of Change of Auditors of NG Energy International Corp.

We have read the Notice of NG Energy International Corp. dated September 18, 2023 and are in agreement with the statements contained in such Notice.

Yours very truly,

A handwritten signature in black ink that reads 'KPMG LLP' in a cursive, stylized font.

Chartered Professional Accountants

Calgary, Canada



September 22, 2023

To:

British Columbia Securities Commission
Alberta Securities Commission
Financial and Consumer Affairs Authority of Saskatchewan
The Manitoba Securities Commission
Ontario Securities Commission
Financial and Consumer Services Commission (New Brunswick)
Nova Scotia Securities Commission
Office of the Superintendent of Securities, Service Newfoundland & Labrador
Office of the Superintendent of Securities (Prince Edward Island)

We have read the statements made by NG Energy International Corp. in the attached copy of change of auditor notice dated September 18, 2023, which we understand will be filed pursuant to Section 4.11 of National Instrument 51-102.

We agree with the statements concerning PricewaterhouseCoopers LLP in the change of auditor notice dated September 18, 2023.

Yours very truly,

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants

PricewaterhouseCoopers LLP
111-5th Avenue SW, Suite 3100, Calgary, Alberta, Canada T2P 5L3
T: +1 403 509 7500, F: +1 403 781 1825, www.pwc.com/ca

"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

SCHEDULE "D"
STOCK OPTION PLAN

(See attached.)

NG ENERGY INTERNATIONAL CORP.

INCENTIVE STOCK OPTION PLAN

November 30, 2022

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ARTICLE 1
DEFINITIONS AND INTERPRETATION

1.1 Defined Terms

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

- (a) "**Accelerated Vesting Event**" means the occurrence of any one of the following events:
 - (i) a take-over bid (as defined under applicable Securities Laws) is made for Common Shares or Convertible Securities which, if successful would result (assuming the conversion, exchange or exercise of the Convertible Securities, if any, that are the subject of the take-over bid) in any Person or Persons acting jointly or in concert (as determined under applicable Securities Laws) or Persons associated or affiliated with such Person or Persons (as determined under applicable Securities Laws) beneficially, directly or indirectly, owning shares that would, notwithstanding any agreement to the contrary, entitle the holders thereof for the first time to cast at least 50% of the votes attaching to all shares in the capital of the Corporation that may be cast to elect Directors;
 - (ii) the acquisition or continuing ownership by any Person or Persons acting jointly or in concert (as determined under applicable Securities Laws), directly or indirectly, of Common Shares or of Convertible Securities, which, when added to all other securities of the Corporation at the time held by such Person or Persons, Persons associated with such person or persons, or persons affiliated with such Person or Persons (as determined under applicable Securities Laws) (collectively, the "**Acquirors**"), and assuming the conversion, exchange or exercise of Convertible Securities beneficially owned by the Acquirors, results in the Acquirors beneficially owning shares that would, notwithstanding any agreement to the contrary, entitle the holders thereof for the first time to cast at least 50% of the votes attaching to all shares in the capital of the Corporation that may be cast to elect Directors;
 - (iii) an amalgamation, merger, arrangement or other business combination (a "**Business Combination**") involving the Corporation receives the approval of, or is accepted by, the securityholders of the Corporation (or all classes of securityholders whose approval or acceptance is required) or, if their approval or acceptance is not required in the circumstances, is approved or accepted by the Corporation and as a result of that Business Combination, parties to the Business Combination or securityholders of the parties to the Business Combination, other than the securityholders of the Corporation, own, directly or indirectly, shares of the continuing entity that entitle the holders thereof to cast at least 50% of the votes attaching to all shares in the capital of the continuing entity that may be cast to elect Directors;
- (b) "**Affiliate**" shall have the meaning ascribed thereto by the TSX Venture Exchange in Policy 1.1 – Interpretation;
- (c) "**Associate**" shall have the meaning ascribed thereto by the TSX Venture Exchange in Policy 1.1 – Interpretation;
- (d) "**Board**" means the board of directors of the Corporation or, as applicable, a committee consisting of not less than 3 directors of the Corporation duly appointed to administer this Plan;

- (e) "**Charitable Stock Option**" means an Option under this Plan granted by the Corporation to an Eligible Charitable Organization;
- (f) "**Charitable Organization**" means "charitable organization" as defined in the *Income Tax Act* (Canada) from time to time;
- (g) "**Common Shares**" means the common shares in the capital of the Corporation that are listed on the Exchange;
- (h) "**Consultant**" means, in relation to the Corporation, an individual (other than a Director, Officer or Employee of the Corporation or of any of its subsidiaries) or Company that:
 - (i) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Corporation or to any of its subsidiaries, other than services provided in relation to a Distribution;
 - (ii) provides the services under a written contract between the Corporation or any of its subsidiaries and the individual or the Company, as the case may be; and
 - (iii) in the reasonable opinion of the Corporation, spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or of any of its subsidiaries.
- (i) "**Consultant Company**" means a Consultant that is a Company;
- (j) "**Convertible Securities**" means any security of the Corporation which is convertible into Common Shares;
- (k) "**Corporation**" means NG Energy International Corp. and its successor entities;
- (l) "**Director**" means a director (as defined under Securities Laws) of the Corporation or of any of its subsidiaries;
- (m) "**Disinterested Shareholder Approval**" means approval by a majority of the votes cast by shareholders of the Corporation at the shareholders' meeting excluding those votes attaching to voting shares of the Corporation beneficially owned by:
 - (i) the Persons that hold or will hold the Security Based Compensation in question; and
 - (ii) Associates and Affiliates of those Persons.
- (n) "**Distribution**" has the meaning ascribed thereto by the Exchange;
- (o) "**Eligible Charitable Organization**" means:
 - (i) any Charitable Organization or Public Foundation which is a Registered Charity, but is not a Private Foundation; or
 - (ii) a Registered National Arts Service Organization;

- (p) **"Eligible Person"** means
- (i) a Director, Officer, Employee, Consultant or Management Company Employee of the Corporation or its subsidiaries, if any, at the time the option is granted, and includes companies that are wholly owned by Eligible Persons; or
 - (ii) an Eligible Charitable Organization at the time the Option is granted;
- (q) **"Employee"** means:
- (i) an individual who is considered an employee of the Corporation or its subsidiary under the *Income Tax Act* (Canada) and for whom income tax, employment insurance and Canada Pension Plan deductions must be made at source;
 - (ii) an individual who works full-time for the Corporation or its subsidiary providing services normally provided by an employee and who is subject to the same control and direction by the Corporation or its subsidiary over the details and methods of work as an employee of the Corporation or of the subsidiary, as the case may be, but for whom income tax deductions are not made at source; or
 - (iii) an individual who works for the Corporation or its subsidiary on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Corporation or its subsidiary over the details and methods of work as an employee of the Corporation, as the case may be, but for whom income tax deductions are not made at source.
- (r) **"Exchange"** means the TSX Venture Exchange or the NEX board of the TSX Venture Exchange, as the context requires, and any successor entity or the Toronto Stock Exchange if the Corporation is listed thereon;
- (s) **Exchange Hold Period"** has the meaning ascribed thereto in the TSX Venture Exchange's Corporate Finance Manual;
- (t) **"Expiry Date"** means the last day of the term for an Option, as set by the Board at the time of grant in accordance with section 5.2 and, if applicable, as amended from time to time;
- (u) **"Governmental Authorities"** means governments, regulatory authorities, governmental departments, agencies, commissions, bureaus, officials, ministers, Crown corporations, courts, bodies, boards, tribunals or dispute settlement panels or other law, rule or regulation-making organizations or entities:
- (i) having or purporting to have jurisdiction on behalf of any nation, province, territory or state or any other geographic or political subdivision of any of them; or
 - (ii) exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power;
- (v) **"Insider"** means
- (i) a director or senior officer of the Corporation;

- (ii) a director or senior officer of a Company that is an Insider or subsidiary of the Corporation;
 - (iii) a Person that beneficially owns or controls directly or indirectly, voting shares carrying more than 10% of the voting rights attached to all outstanding voting shares of the Corporation; or
 - (iv) the Corporation itself if it holds any of its own securities.
- (w) "**Investor Relations Activities**" has the meaning ascribed thereto in the TSX Venture Exchange's Corporate Finance Manual;
 - (x) "**Investor Relations Service Provider**" includes any Consultant that performs Investor Relations Activities and any Director, Officer, Employee or Management Company Employee whose role and duties primarily consist of Investor Relations Activities;
 - (y) "**Listed Shares**" are defined in section 1.1(g);
 - (z) "**Management Company Employee**" means an individual employed by a Company providing management services to the Corporation, which services are required for the ongoing successful operation of the business enterprise of the Corporation;
 - (aa) "**Material Information**" has the meaning ascribed thereto in the TSX Venture Exchange's Corporate Finance Manual;
 - (bb) "**Officer**" means an officer (as defined under Securities Laws) of the Corporation or of any of its subsidiaries;
 - (cc) "**Option**" means a non-transferable and non-assignable option to purchase Common Shares granted to an Eligible Person pursuant to the terms of this Plan;
 - (dd) "**Optionee**" means an Eligible Person of an Option granted by the Corporation;
 - (ee) "**Person**" means any individual, sole proprietorship, partnership, firm, entity, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, Governmental Authority, and where the context requires any of the foregoing when they are acting as trustee, executor, administrator or other legal representative;
 - (ff) "**Plan**" means this incentive stock option plan;
 - (gg) "**Private Foundation**" means "private foundation" as defined in the *Income Tax Act* (Canada) as amended from time to time;
 - (hh) "**Public Foundation**" means "public foundation" as defined in the *Income Tax Act* (Canada) as amended from time to time;
 - (ii) "**Registered Charity**" means "registered charity" as defined in the *Income Tax Act* (Canada) as amended from time to time;
 - (jj) "**Registered National Arts Service Organization**" means "registered national arts service organization" as defined in the *Income Tax Act* (Canada) as amended from time to time; and

- (kk) “**Securities Laws**” means securities legislation, securities regulation and securities rules, as amended, and the policies, notices, instruments and blanket orders in force from time to time that are applicable to the Corporation;
- (ll) “**Security Based Compensation Plan**” has the meaning ascribed thereto by the TSX Venture Exchange’s Corporate Finance Manual; and
- (mm) “**Termination Date**” means the date on which an Optionee ceases to be an Eligible Person.

1.2 **Interpretation**

- (a) References to the outstanding Common Shares at any point in time shall be computed on a non-diluted basis.
- (b) If the Corporation is listed on the Toronto Stock Exchange, the Company will have to amend the Plan to meet TSX policies.

ARTICLE 2 ESTABLISHMENT OF PLAN

2.1 **Purpose**

The purpose of this Plan is to advance the interests of the Corporation, through the grant of Options, by:

- (a) providing an incentive mechanism to foster the interest of Eligible Persons in the success of the Corporation, its Affiliates and its subsidiaries, if any;
- (b) encouraging Eligible Persons to remain with the Corporation, its Affiliates or its subsidiaries, if any; and
- (c) attracting new Directors, Officers, Employees and Consultants.

2.2 **Shares Reserved**

- (a) The aggregate number of Common Shares that may be reserved for issuance pursuant to Options shall not exceed 10% of the issued and outstanding Common Shares as at the date of grant of an Option, calculated in accordance with the policies of the Exchange. For greater certainty, if an Option is surrendered, terminated or expires without being exercised, the Common Shares reserved for issuance pursuant to such Option shall be available for new Options granted under this Plan. If the Corporation is listed on the NEX board of the TSX Venture Exchange, the maximum number of Options that may be reserved for issuance or issued in any 12 month period shall not exceed 10% of the issued and outstanding Common Shares of the Corporation as at the date of grant.
- (b) If there is a change in the issued and outstanding Common Shares by reason of any adjustment, other than in connection with a share consolidation or split, the Board shall make, as it shall deem advisable and subject to the prior acceptance of the Exchange, including adjustments related to an amalgamation, merger, arrangement, reorganization, spin-off, dividend or recapitalization, appropriate substitution and/or adjustment in:
 - (i) the number and kind of shares or other securities or property reserved or to be allotted for issuance pursuant to this Plan;

- (ii) the number and kind of shares or other securities or property reserved or to be allotted for issuance pursuant to any outstanding unexercised Options, and in the exercise price for such shares or other securities or property; and
 - (iii) accelerated vesting related to Investor Relations vesting provisions are subject to the prior approval of the Exchange, and if the Corporation undertakes an arrangement or is amalgamated, merged or combined with another corporation, the Board shall make such provision for the protection of the rights of Optionees as it shall deem advisable.
- (c) No fractional Common Shares shall be reserved for issuance under this Plan and the Board may determine the manner in which an Option, insofar as it relates to the acquisition of a fractional Common Share, shall be treated.
 - (d) The Corporation shall, at all times while this Plan is in effect, reserve and keep available such number of Common Shares as will be sufficient to satisfy the requirements of this Plan.
 - (e) Share capital adjustments are subject to prior approval of the Exchange, except where they relate to consolidations or splits.

2.3 Non-Exclusivity

Nothing contained herein shall prevent the Board from adopting such other incentive or compensation arrangements as it shall deem advisable.

2.4 Effective Date

This Plan shall be subject to the approval of any regulatory authority whose approval is required and any required shareholder approval. Any Options granted under this Plan prior to such approvals being given shall be conditional upon such approvals being given, and no such Options may be exercised unless and until such approvals are given.

ARTICLE 3 ADMINISTRATION OF PLAN

3.1 Administration

- (a) This Plan shall be administered by the Board or any committee established by the Board for the purpose of administering this Plan. Subject to the provisions of this Plan, the Board shall have the authority:
 - (i) to determine the Eligible Persons to whom Options are granted, to grant such Options, and to determine any terms and conditions, limitations and restrictions in respect of any particular Option grant, including but not limited to the nature and duration of the restrictions, if any, to be imposed upon the acquisition, sale or other disposition of Common Shares acquired upon exercise of the Option, and the nature of the events and the duration of the period, if any, in which any Optionee's rights in respect of an Option or Common Shares acquired upon exercise of an Option may be forfeited; and
 - (ii) to interpret the terms of this Plan, to make all such determinations and take all such other actions in connection with the implementation, operation and administration

of this Plan, and to adopt, amend and rescind such administrative guidelines and other rules and regulations relating to this Plan, as it shall from time to time deem advisable, including without limitation for the purpose of ensuring compliance with Section 3.3 and 3.4 hereof.

- (b) The Board's interpretations, determinations, guidelines, rules and regulations shall be conclusive and binding upon the Corporation, Eligible Persons, Optionees and all other Persons.
- (c) For stock options granted to Directors, Officers, Employees, Consultants or Management Company Employees, the Corporation and the Optionee are responsible for ensuring and confirming that the Optionee is a bona fide Director, Officer, Employee, Consultant or Management Company Employee, as the case may be.

3.2 Amendment, Suspension and Termination

The Board may amend, subject to the approvals of any regulatory authority and shareholders whose approvals are required, suspend or terminate this Plan or any provision herein. No such amendment, suspension or termination shall alter or impair any outstanding unexercised Options or any rights without the consent of such Optionee. If this Plan is suspended or terminated, the provisions of this Plan and any administrative guidelines, rules and regulations relating to this Plan shall continue in effect for the duration of such time as any Option remains outstanding.

3.3 Compliance with Laws

- (a) This Plan, the grant and exercise of Options hereunder and the Corporation's obligation to sell, issue and deliver any Common Shares upon exercise of Options shall be subject to all applicable federal, provincial and foreign laws, policies, rules and regulations, to the policies, rules and regulations of any stock exchanges or other markets on which the Common Shares are listed or quoted for trading and to such approvals by any Governmental Authority as may, in the opinion of counsel to the Corporation, be required. The Corporation shall not be obligated by the existence of this Plan or any provision of this Plan or the grant or exercise of Options hereunder to sell, issue or deliver Common Shares upon exercise of Options in violation of such laws, policies, rules and regulations or any condition or requirement of such approvals.
- (b) No Option shall be granted and no Common Shares sold, issued or delivered hereunder where such grant, sale, issue or delivery would require registration or other qualification of this Plan or of the Common Shares under the applicable Securities Laws of any foreign jurisdiction, and any purported grant of any Option or any sale, issue and delivery of Common Shares hereunder in violation of this provision shall be void. In addition, the Corporation shall have no obligation to sell, issue or deliver any Common Shares hereunder unless such Common Shares shall have been duly listed, upon official notice of issuance, with all stock exchanges on which the Common Shares are listed for trading.
- (c) Common Shares sold, issued and delivered to Optionees pursuant to the exercise of Options shall be subject to restrictions on resale and transfer under applicable Securities Laws and the requirements of any stock exchanges or other markets on which the Common Shares are listed or quoted for trading, and any certificates representing such Common Shares shall bear, as required, a restrictive legend in respect thereof.
- (d) All Options granted to Insiders of the Corporation, and all Options granted with an exercise price that is less than the applicable Market Price for the Common Shares (as defined by

the policies of the Exchange) at the date of grant, to the extent permitted by this Plan, will be subject to the Exchange Hold Period, and will bear a legend indicating such hold period.

3.4 Tax Withholdings

- (a) Notwithstanding any other provision contained herein, in connection with the exercise of an Option by an Optionee from time to time, as a condition to such exercise the Corporation shall require such Optionee to pay to the Corporation or the relevant Affiliate an amount as necessary so as to ensure that the Corporation or such Affiliate, as applicable, is in compliance with the applicable provisions of any federal, provincial or local laws relating to the withholding of tax or other required deductions relating to the exercise of such Options. In addition, the Corporation or the relevant Affiliate, as applicable shall be entitled to withhold from any amount payable to an Optionee, either under this Plan or otherwise, such amount as may be necessary so as to ensure that the Corporation or the relevant Affiliate is in compliance with the applicable provisions of any federal, provincial, local or foreign laws relating to the withholding of tax or other required deductions relating to the exercise of such Options. The Corporation may also satisfy any liability for any such withholding obligations, on such terms and conditions as the Corporation may determine in its discretion, by (a) requiring an Optionee, as a condition to the exercise of any Options, to make such arrangements as the Corporation may require so that the Corporation can satisfy such withholding obligations including, without limitation, requiring the Optionee to remit to the Corporation in advance, or reimburse the Corporation for, any such withholding obligations or (b) selling on the Optionee's behalf, or requiring the Optionee to sell, any Shares acquired by the Optionee under the Plan, or retaining any amount which would otherwise be payable to the Optionee in connection with any such sale.

ARTICLE 4 OPTION GRANTS

4.1 Eligibility and Multiple Grants

Options shall only be granted to Eligible Persons. An Eligible Person may receive Options on more than one occasion and may receive separate Options, with differing terms, on any one or more occasions, subject to the limitations set forth herein.

4.2 Option Agreement

Every Option shall be evidenced by an option agreement executed by the Corporation and the Optionee. In the event of any discrepancy between this Plan and an option agreement, the provisions of this Plan shall govern.

4.3 Limitation on Grants and Exercises

- (a) **To Insiders.** The aggregate number of Options granted or issued in any 12 month period to Insiders (as a group) pursuant to this Plan and any other Security Based Compensation Plan must not exceed 10% of the issued shares of the Corporation, calculated as at the date of grant (unless the Corporation has obtained the requisite Disinterested Shareholder Approval). In addition, the maximum number of Common Shares issuable pursuant to this Plan and any other Security Based Compensation Plan granted or issued to Insiders (as a group) must not exceed 10% of the issued shares of the Corporation at any point in time (unless the Corporation has obtained the requisite Disinterested Shareholder Approval).

- (b) **To any one Person.** The aggregate number of Options granted or issued in any 12 month period to any one Person (and companies wholly owned by that Person) pursuant to this Plan and any other Security Based Compensation Plan must not exceed 5% of the issued shares of the Corporation, calculated as at the date of grant (unless the Corporation has obtained the requisite Disinterested Shareholder Approval).
- (c) **To Consultants.** The aggregate number of Options granted or issued in any 12 month period to any one Consultant pursuant to this Plan and any other Security Based Compensation Plan must not exceed 2% of the issued shares of the Corporation, calculated as at the date of grant.
- (d) **To Investor Relations Service Providers.** The aggregate number of Options granted or issued in any 12 month period to all Investor Relations Service Providers pursuant to this Plan must not exceed 2% of the issued shares of the Corporation, calculated as at the date of grant. If the Corporation is listed on the NEX board of the TSX Venture Exchange, no Options are permitted to be granted to Investor Relations Service Providers.
- (e) **To Eligible Charitable Organizations.** The maximum aggregate number of Listed Shares of the Issuer that are issuable pursuant to all outstanding Charitable Stock Options must not exceed 1% of the Issued Shares of the Issuer, calculated as at the date the Charitable Stock Option is granted to the Eligible Charitable Organization.

ARTICLE 5 OPTION TERMS

5.1 Exercise Price

- (a) Subject to a minimum exercise price of \$0.05 per Common Share, the exercise price per Common Share for an Option shall be determined by the Directors or their delegates if any, but will in no event be less than Market Price for the Common Shares (as defined by the policies of the Exchange) at the date of grant.
- (b) A minimum exercise price cannot be established unless the Options are allocated to particular Persons.

5.2 Expiry Date; Additional Terms

- (a) Every Option granted shall, unless sooner terminated, have a term not exceeding and shall therefore expire no later than 10 years after the date of grant (subject to extension where the expiry date falls within a “blackout period”, pursuant to section 5.7) hereof.
- (b) A Charitable Stock Option must expire on or before the earlier of:
 - (i) the date that is 10 years from the date of grant of the Charitable Stock Option; and
 - (ii) the 90th day following the date that the holder of the Charitable Stock Option ceases to be an Eligible Organization.
- (c) Disinterested Shareholder Approval will be obtained for any reduction in the exercise price of Options, or the extension of the term of an Option, if the Optionee is an Insider of the Corporation at the time of the proposed amendment.

5.3 Vesting

- (a) Subject to subsection 5.3(b) herein and otherwise in compliance with the policies of the Exchange, the Board shall determine the manner in which an Option shall vest and become exercisable.
- (b) Options granted to any Investor Relations Service Provider must vest in stages over a period of not less than 12 months such that:
 - (i) no more than 1/4 of the Options vest no sooner than three months after the Options were granted;
 - (ii) no more than another 1/4 of the Options vest no sooner than six months after the Options were granted;
 - (iii) no more than another 1/4 of the Options vest no sooner than nine months after the Options were granted; and
 - (iv) the remainder of the Options vest no sooner than 12 months after the Options were granted.

5.4 Accelerated Vesting Event

Subject to section 2.2(b) and in compliance with the policies of the Exchange, upon the occurrence of an Accelerated Vesting Event, the Board will have the power, at its sole discretion and subject to the prior acceptance of the Exchange, to make such changes to the terms of Options as it considers fair and appropriate in the circumstances, including but not limited to:

- (a) accelerating the vesting of Options, conditionally or unconditionally;
- (b) terminating every Option if under the transaction giving rise to the Accelerated Vesting Event, options in replacement of the Options are proposed to be granted to or exchanged with the holders of Options, which replacement options treat the holders of Options in a manner which the Board considers fair and appropriate in the circumstances having regard to the treatment of holders of Shares under such transaction;
- (c) otherwise modifying the terms of any Option to assist the holder to tender into any take-over bid or other transaction constituting an Accelerated Vesting Event; or
- (d) following the successful completion of such Accelerated Vesting Event, terminating any Option to the extent it has not been exercised prior to successful completion of the Accelerated Vesting Event. The determination of the Board in respect of any such Accelerated Vesting Event shall for the purposes of this Plan be final, conclusive and binding.

5.5 Non-Assignability

Options may not be assigned or transferred.

5.6 Ceasing to be Eligible Person

- (a) If an Optionee who is a Director, Officer, Employee, Consultant or Management Company Employee is terminated for cause, each Option held by such Optionee shall terminate and therefore cease to be exercisable upon such termination for cause.

- (b) If an Optionee dies prior to otherwise ceasing to be an Eligible Person, each Option held by such Optionee shall be exercisable by the heirs or administrators of such Optionee and shall terminate and therefore cease to be exercisable no later than the earlier of the Expiry Date and the date which is twelve months from the date of the Optionee's death.
- (c) Unless an option agreement specifies otherwise, if an Optionee ceases to be an Eligible Person for any reason other than death or termination for cause, each Option held by the Optionee other than an Investor Relations Service Provider will cease to be exercisable 90 days after the Termination Date or for a "reasonable period" after the Optionee ceases to serve in such capacity, as determined by the Board, with such "reasonable period" not exceeding 12 months following the Termination Date. For Investor Relations Service Providers, Options shall cease to be exercisable 30 days after the Termination Date.
- (d) If any portion of an Option is not vested at the time an Optionee ceases, for any reason whatsoever, to be an Eligible Person, such unvested portion of the Option may not be thereafter exercised by the Optionee or its legal representative, as the case may be, provided that the Board may, in its discretion, thereafter permit the Optionee or its legal representative, as the case may be, to exercise all or any part of such unvested portion of the Option that would have vested prior to the time such Option otherwise terminates.

5.7 Blackout Periods

An Option will be automatically extended past the expiry date of an Option governed by the Plan if such expiry date falls within a period (a "**blackout period**") during which the Corporation prohibits Optionees from exercising their Options provided that the following requirements are satisfied:

- (a) The blackout period must be formally imposed by the Corporation pursuant to its internal trading policies as a result of the bona fide existence of undisclosed Material Information. For greater certainty, in the absence of the Corporation formally imposing a blackout period, the expiry date of any Options will not be automatically extended in any circumstances.
- (b) The blackout period must expire following the general disclosure of the undisclosed Material Information. The expiry date of the affected Options can be extended to no later than ten (10) business days after the expiry of the blackout period.
- (c) The automatic extension of an Optionee's Options will not be permitted where the Optionee or the Corporation is subject to a cease trade order (or similar order under Securities Laws) in respect of the Corporation's securities.
- (d) The automatic extension is available to all Eligible Persons under the Plan under the same terms and conditions.

ARTICLE 6 EXERCISE PROCEDURE

6.1 Exercise Procedure

An Option may be exercised from time to time, and shall be deemed to be validly exercised by the Optionee only upon the Optionee's delivery to the Corporation at its head office of:

- (a) a written notice of exercise addressed to the Corporate Secretary of the Corporation, specifying the number of Common Shares with respect to which the Option is being exercised;
- (b) a signed option agreement with respect to the Option being exercised;
- (c) a certified cheque or bank draft made payable to the Corporation for the aggregate exercise price for the number of Common Shares with respect to which the Option is being exercised, together with the amount necessary to satisfy any applicable tax withholding or remittance obligations under applicable Securities Laws; and
- (d) documents containing such representations, warranties, agreements and undertakings, including such as to the Optionee's future dealings in such Common Shares, as counsel to the Corporation reasonably determines to be necessary or advisable in order to comply with or safeguard against the violation of Securities Laws of any jurisdiction;

and on the business day following, the Optionee shall be deemed to be a holder of record of the Common Shares with respect to which the Option is being exercised, and thereafter the Corporation shall, within a reasonable amount of time, cause certificates for such Common Shares to be issued and delivered to the Optionee.

ARTICLE 7 AMENDMENT OF OPTIONS

7.1 Consent to Amend

The Board may amend any Option with the consent of the affected Optionee and the Exchange, including any shareholder approval required by the Exchange. For greater certainty, Disinterested Shareholder Approval is required for any reduction in the exercise price of an Option or the extension of the term of an Option if the Optionee is an Insider at the time of the proposed amendment.

7.2 Amendment Subject to Approval

If the amendment of an Option requires Exchange and shareholder approvals, such amendment may be made prior to such approvals being given, but no such amended Options may be exercised unless and until such approvals are given.

ARTICLE 8 MISCELLANEOUS

8.1 No Rights as Shareholder

Nothing in this Plan or any Option shall confer upon an Optionee any rights as a shareholder of the Corporation with respect to any of the Common Shares underlying an Option unless and until such Optionee shall have become the holder of such Common Shares upon exercise of such Option in accordance with the terms of the Plan.

8.2 No Right to Employment

Nothing in this Plan or any Option shall confer upon an Optionee any right to continue in the employ of the Corporation or any Affiliate or affect in any way the right of the Corporation or any Affiliate to terminate the Optionee's employment, with or without cause, at any time; nor shall anything in the Plan or any Option be deemed or construed to constitute an agreement, or an expression of intent, on the part of the Corporation or any Affiliate to extend the employment of any Optionee beyond the time which the Optionee would

normally be retired pursuant to the provisions of any present or future retirement plan of the Corporation or any Affiliate, or beyond the time at which he would otherwise be retired pursuant to the provisions of any contract of employment with the Corporation or any Affiliate.

8.3 Governing Law

This Plan, all option agreements, the grant and exercise of Options hereunder, and the sale, issue and delivery of Common Shares hereunder upon exercise of Options shall be, as applicable, governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein. The Courts of the Province of British Columbia shall have the exclusive jurisdiction to hear and decide any disputes or other matters arising herefrom.

SCHEDULE "E"
RSU/DSU PLAN

(See attached.)

NG ENERGY INTERNATIONAL CORP.

**RESTRICTED SHARE UNIT AND
DEFERRED SHARE UNIT
COMPENSATION PLAN**

**(As adopted by the Board of Directors on October 21, 2022
Effective Date: November 30, 2022)**

NG ENERGY INTERNATIONAL CORP.
(the "Issuer")

**RESTRICTED SHARE UNIT AND
DEFERRED SHARE UNIT COMPENSATION PLAN**
(the "RSU/DSU Plan")

1. PURPOSE

- (a) **Background.** The Issuer currently has in place the Stock Option Plan pursuant to which Options may be granted to purchase Shares. Subject to section 14 hereof, the Issuer now also adopts this RSU/DSU Plan on the terms and conditions herein set forth (as may be amended from time to time) in order to provide the Issuer with flexibility in designing various equity-based compensation arrangements for the Directors, Employees, Consultants and other Persons engaged to provide ongoing services to the Issuer and its subsidiaries, other than Persons involved in Investor Relations Activities relating to the Issuer. Persons involved in Investor Relations Activities relating to the Issuer may not receive any security-based compensation, other than Options. Section 14 hereof sets forth the provisions concerning the effective date of the RSU/DSU Plan, its termination and application to Awards under the existing and continuing Stock Option Plan.
- (b) **Purpose.** The purpose of this RSU/DSU Plan is to advance the interests of the Issuer by encouraging Directors, Employees and Consultants to receive equity-based compensation and incentives, thereby (i) increasing the proprietary interests of such Persons in the Issuer, (ii) aligning the interests of such Persons with the interests of the Issuer's shareholders generally, (iii) encouraging such Persons to remain associated with the Issuer, and (iv) furnishing such Persons with additional incentive in their efforts on behalf of the Issuer. The Board also contemplates that through the RSU/DSU Plan, the Issuer will be better able to compete for and retain the services of the individuals needed for the continued growth and success of the Issuer.

Restricted Share Units granted pursuant to this RSU/DSU Plan will be used to compensate Participants for their individual performance-based achievements and are intended to supplement stock option awards in this specific respect. The goal of such grants is to more closely tie Awards to individual performance based on established Performance Criteria.

Deferred Share Units granted pursuant to this RSU/DSU Plan will be used as a means of reducing the cash payable by the Issuer in respect of a Participant's compensable amounts. In so doing, the interest of each Participant will become more closely aligned with those of the Issuer and its shareholders.

2. DEFINITIONS

For purposes of this RSU/DSU Plan, the following terms shall have the meaning set forth below:

- (a) **"Accelerated Vesting Event"** means the occurrence of any one of the following events:
- (i) the death of a Participant;
 - (ii) the cessation of a Participant to be an Eligible Person in connection with a Change of Control, take-over bid, Reverse Takeover, or other similar transaction; or

- (iii) any other event pursuant to which the vesting of Awards may be accelerated in accordance with the policies and requirements of the TSXV, from time to time.
- (b) "**Act**" means the Business Corporations Act (British Columbia), or its successor, as amended, from time to time.
- (c) "**Associate**" has the meaning ascribed to that term by the TSXV.
- (d) "**Awards**" means, collectively, Restricted Share Units and Deferred Share Units.
- (e) "**Board**" means the board of directors of the Issuer.
- (f) "**Change of Control**" has the meaning ascribed to that term by the TSXV.
- (g) "**Committee**" means the Board, or if the Board so determine in connection with section 3 hereof, the committee of the Board authorized to administer the RSU/DSU Plan.
- (h) "**Company**" means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual.
- (i) "**Consultant**" means an individual (other than an Employee or a Director) or Company of which the individual is an employee or shareholder, that:
 - (i) is engaged to provide, on an ongoing bona fide basis, consulting, technical, management or other services to the Issuer or to any of its subsidiaries, other than services provided in relation to a Distribution;
 - (ii) provides the services under a written contract between the Issuer or any of its subsidiaries and the individual or the Company, as the case may be; and
 - (iii) in the reasonable opinion of the Issuer, spends or will spend a significant amount of time and attention on the affairs and business of the Issuer or of any of its subsidiaries.
- (j) "**Control**" means, with respect to any Person, the possession, directly or indirectly, severally or jointly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or credit arrangement, as trustee or executor, or otherwise.
- (k) "**Deferred Share Units**" means a right, granted in accordance with section 6 hereof, to a Participant by the Issuer as compensation for employment or consulting services or services as a Director, to receive, for no additional cash consideration, Shares on a deferred basis, and which may be paid in cash and/or Shares of the Issuer.
- (l) "**Director**" means a director, senior officer or Management Company Employee of the Issuer, or a director, senior officer or Management Company Employees of the Issuer's subsidiaries.
- (m) "**Disability**" means a physical injury or mental incapacity of a nature which the Committee determines prevents or would prevent the Grantee from satisfactorily performing the substantial and material duties of his or her position with the Issuer.

- (n) **"Disinterested Shareholder Approval"** means the approval of disinterested shareholders obtained in accordance with the policies and requirements of the TSXV.
- (o) **"Distribution"** has the meaning ascribed to that term by the TSXV.
- (p) **"Effective Date"** means the date as of which an Award shall take effect, provided that the Effective Date shall not be a date prior to the date the Granting Authority determines an Award shall be made and, unless otherwise specified by the Granting Authority, the Effective Date will be the date the Granting Authority determines an Award shall be made.
- (q) **"Eligible Person"** means, from time to time, any Director or Employee of the Issuer or of its subsidiary, any Consultant, other than Persons involved in Investor Relations Activities relating to the Issuer.
- (r) **"Eligible Retirement"** means, if determined by the Granting Authority in its sole discretion, termination of service, under circumstances as shall constitute retirement for age as determined by the Granting Authority or in accordance with the written policies established by the Granting Authority as they may be amended or revised from time to time, and if no age is specified, age 60.
- (s) **"Employees"** means:
 - (i) an individual who is considered an employee under the ITA (such as an individual for whom income tax, employment insurance and Canadian Pension Plan deductions must be made at the source) of the Issuer or of its subsidiary;
 - (ii) an individual who works full-time for the Issuer or its subsidiary providing services normally provided by an employee and who is subject to the same control and direction by the Issuer or its subsidiary over the details and methods of work as an employee of the Issuer or its subsidiary, but for whom income tax deductions are not made at the source; or
 - (iii) an individual who works for the Issuer or its subsidiary on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Issuer or its subsidiary over the details and methods of work as an employee of the Issuer or its subsidiary, but for whom income tax deductions are not made at the source.
- (t) **"Exchange"** means the TSXV or such other stock exchange where the Shares are listed for trading as at the relevant time.
- (u) **"Grant Date"** means the date on which an Award is granted to a Participant.
- (v) **"Granting Authority"** means the Board, the Committee or other committee, as applicable, that is charged with exercising the powers and responsibility as to a specific matter in question affecting this RSU/DSU Plan or an Award.
- (w) **"Insiders"** has the same meaning ascribed to that term by the TSXV.

- (x) **"Issuer"** means NG Energy International Corp., a corporation existing under the Act, and includes any successor corporation thereof.
- (y) **"Investor Relations Activities"** has the same meaning ascribed to that term by the TSXV.
- (z) **"ITA"** means the Income Tax Act (Canada) and any regulations thereunder as amended from time to time.
- (aa) **"Management Company Employee"** means an individual employed by a Person providing management services to the Issuer, which services are required for the ongoing successful operation of the business enterprise of the Issuer.
- (bb) **"Market Value"** of a Share as of a relevant date shall mean the fair market value as determined by the Granting Authority:
 - (i) in accordance with the rules of the TSXV if the Shares are then listed on such Exchange; or
 - (ii) if the Shares are not publicly traded at the time a determination of its fair market value is required to be made hereunder, the determination of fair market value shall be made in good faith by the Granting Authority using any fair and reasonable means selected in the Granting Authority's discretion.
- (cc) **"Option"** means an option granted in accordance with the terms of the Stock Option Plan to purchase a Share.
- (dd) **"Participants"** or **"Grantees"** means those individuals to whom Awards have been granted from time to time under the RSU/DSU Plan.
- (ee) **"Performance Criteria"** means such financial, personal and/or other performance criteria as may be determined by the Granting Authority with respect to Awards of Restricted Share Units and, for greater certainty, the Committee may take into consideration the present and potential contributions of and the services rendered by the particular Participant to the success of the Issuer and any other factors which the Granting Authority deems appropriate and relevant.
- (ff) **"Person"** means a Company or an individual.
- (gg) **"Restricted Period"** means the period established by the Granting Authority with respect to an Award during which the Award either remains subject to forfeiture or is not exercisable by the Participant.
- (hh) **"Restricted Share Unit"** means a right, granted in accordance with section 6 hereof, to a Participant by the Issuer as compensation for employment or consulting services or services as a Director, to receive, for no additional cash consideration, Shares upon specified vesting criteria being satisfied, and which may be paid in cash and/or Shares of the Issuer.
- (ii) **"Reverse Takeover"** has the meaning ascribed to that term by the TSXV.

- (jj) **"RSU/DSU Plan"** means this Restricted Share Unit and Deferred Share Unit Compensation Plan, as amended and restated from time to time.
- (kk) **"Shareholder Approval Date"** means the date on which this RSU/DSU Plan is approved by the shareholders of the Issuer.
- (ll) **"Shares"** means the common shares of the Issuer.
- (mm) **"Stock Option Plan"** means the Issuer's stock option plan as it exists on the date hereof and as may be amended from time to time.
- (nn) **"Termination"** means: (i) in the case of an Employee, the termination of the employment of the Employee with or without cause by the Issuer or its subsidiary or the cessation of employment of the Employee with the Issuer or its subsidiary, other than the Eligible Retirement, of the Employee; and (ii) in the case of a Consultant, the termination of the services of the Consultant by the Issuer or its subsidiary.
- (oo) **"TSXV"** means the TSX Venture Exchange.
- (pp) **"TSXV Hold Period"** means the day that is four months and one day after the date of granting of the Award.
- (qq) **"Vested"** or **"Vesting"** means, with respect to an Award, that the applicable conditions established by the Granting Authority or this RSU/DSU Plan have been satisfied or, to the extent permitted under the RSU/DSU Plan, waived, whether or not the Participant's rights with respect to such Award may be conditioned upon prior or subsequent compliance with any confidentiality, non-competition or non-solicitation obligations.

3. ADMINISTRATION

- (a) **Powers of the Board and the Committee.** Subject to and consistent with the terms of the RSU/DSU Plan, applicable law and applicable rules of the Exchange, and subject to the provisions of any charter adopted by the Board with respect to the powers, authority and operation of the Committee (as amended from time to time), the Board will have the general power to administer the RSU/DSU Plan in accordance with its terms (including all powers specified in clause 3(a)(ii) hereof and make all determinations required or permitted to be made, provided, however, that the Board may delegate all or any portion of such powers to the Committee or to other committees and provided, further, that with respect to Awards to Eligible Persons, the Committee shall have such powers as are set forth in clause 3(a)(i) hereof.
 - (i) **Specific Provisions Concerning Delegation of Authority to the Committee.** In addition to any authority of the Committee specified under any other terms of the RSU/DSU Plan, and insofar as Awards under the RSU/DSU Plan are to be made to Eligible Persons, the Committee will make recommendations to the Board with respect to Awards.

The foregoing shall not limit the Board in delegating any other powers to the Committee or in delegating any or all determinations or other powers with respect to certain types of Awards, including the full power to make Awards and to exercise the other powers set forth in clause 3(a)(ii) hereof and the other powers granted herein to the Granting Authority.

- (ii) Specific Powers of the Granting Authority. Without limiting subsection 3(a) hereof, the powers of the Granting Authority shall include the powers to, subject to compliance with subsection 10(c) hereof:
- (1) interpret the RSU/DSU Plan and instruments of grant evidencing the Awards;
 - (2) prescribe, amend and rescind such procedures and policies, and make all determinations it deems necessary or desirable for the administration and interpretation of the RSU/DSU Plan and instruments of grant evidencing Awards;
 - (3) determine those Persons who are eligible to be Participants, grant one or more Awards to such Persons and approve or authorize the applicable form and terms of the related instrument of grant;
 - (4) determine the terms and conditions of Awards granted to any Participant, including, without limitation, and subject always to the RSU/DSU Plan (1) subject to subsection 4(b) and 4(c), the type, and number of Shares subject to an Award, (2) the conditions to the Vesting of an Award or any portion thereof, including terms relating to lump sum or instalment Vesting, the period for achievement of any applicable Performance Criteria as a condition to Vesting and the conditions, if any, upon which Vesting of any Award or portion thereof will be waived or accelerated without any further action by the Granting Authority, (3) the circumstances upon which an Award or any portion thereof shall be forfeited, cancelled or expire, (4) the consequences of a Termination with respect to an Award, (5) the manner of exercise or settlement of the Vested portion of an Award, including whether an Award shall be settled on a current or deferred basis, and (6) whether and the terms upon which any Shares delivered upon exercise or settlement of an Award must continue to be held by a Participant for any specified period;
 - (5) set forms of consideration, if any, to be paid with respect to the settlement of an Award (except to the extent certain forms of consideration must be paid to satisfy the requirements of applicable law);
 - (6) determine whether and the extent to which any Performance Criteria or other conditions applicable to Vesting of an Award have been satisfied or shall be waived or modified;
 - (7) subject to receipt of all requisite Exchange or shareholder approvals required in respect of any amendment under the terms of this Plan or the policies of the Exchange, amend the terms of any instrument of grant or other documents evidencing Awards; provided, however, that other than permitted under subsection 5(d) hereof, no amendment of an Award may, without the consent of the holder of the Award, adversely affect such Person's rights with respect to such Award in any material respect;
 - (8) accelerate or waive any condition to the Vesting of any Award, all Awards, any class of Awards or Awards held by any group of Participants; and

- (9) determine whether and the extent to which adjustments shall be made pursuant to section 9 hereof and the terms of any such adjustments.

However, the Granting Authority shall not have any discretion under this subsection 3(a) or any other provisions of the RSU/DSU Plan that would modify the terms or conditions of any Award that is intended to be exempt from the definition of "salary deferral arrangement" in the ITA if the exercise of such discretion would cause the Award to not be or cease to be exempt. The Granting Authority will also exercise its discretion in good faith in accordance with the Issuer's intention that the terms of the instrument of grant evidencing the Awards and the modifications or waivers permitted hereby are in compliance with applicable law and the rules of the Exchange.

- (b) **Effects of Granting Authority's Decision.** Any action taken, interpretation or determination made, or any rule or regulation adopted by the Granting Authority pursuant to this RSU/DSU Plan shall be made in its sole discretion and shall be final, binding and conclusive on all affected Persons, including, without limitation, the Issuer, any of its subsidiaries, any Grantee, holder or beneficiary of an Award, any shareholder and any Eligible Person.
- (c) **Liability Limitation and Indemnification.** No member of the Granting Authority or the Board generally shall be liable for any action or determination made in good faith pursuant to the RSU/DSU Plan or any instrument of grant evidencing any Award granted under the RSU/DSU Plan. To the fullest extent permitted by law, the Issuer shall indemnify and save harmless, and shall advance and reimburse the expenses of, each Person made, or threatened to be made, a party to any action or proceeding in respect of the RSU/DSU Plan by reason of the fact that such Person is or was a member of the Granting Authority or is or was a member of the Board in respect of any claim, loss, damage or expense (including legal fees) arising therefrom.
- (d) **Delegation and Administration.** The Granting Authority may, in its discretion, delegate such of its powers, rights and duties under the RSU/DSU Plan, in whole or in part, to such committee, Person or Persons as it may determine, from time to time, on terms and conditions as it may determine, except the Granting Authority shall not, and shall not be permitted to, delegate any such powers, rights or duties: (i) with respect to the grant, amendment, administration or settlement of any Award of a Participant, (ii) with respect to the establishment or determination of the achievement of the Performance Criteria, or (iii) with respect to any matter that would be in violation of applicable law or the rules of any Exchange. The Granting Authority may also appoint or engage a trustee, custodian or administrator to administer and implement the RSU/DSU Plan or any aspect of it, subject to the exception of the immediately preceding sentence hereof.
- (e) **Bona Fide Employees, Consultants and Management Company Employees.** For Awards granted to Employees, Consultants or Management Company Employees, the Issuer and the Participant are responsible for ensuring and confirming that the Participant is a bona fide Employee, Consultant or Management Company Employee, as the case may be.

4. SHARES SUBJECT TO THE PLAN

- (a) **Aggregate Plan Limits.** Subject to adjustment pursuant to section 9 hereof, the maximum aggregate number of Shares that may be reserved for issue at any given time in connection

with the Awards granted under this RSU/DSU Plan shall not exceed 12,512,213 Shares (being [10]% of the issued and outstanding Shares as at October 21, 2022 the date on which the Board approved this RSU/DSU Plan) unless Disinterested Shareholder Approval for an additional listing of Shares under this RSU/DSU Plan has been obtained.

- (b) **Certain Additional Limits.** Notwithstanding anything to the contrary in this RSU/DSU Plan, as long as the Shares are listed on the TSXV,
- (i) the number of Shares which may be reserved for issue pursuant to this RSU/DSU Plan together with the Shares which may be reserved for issue pursuant to any other employee-related plan of the Issuer or options for services granted by the Issuer, including the Stock Option Plan, to any one Person within a 12 month period shall not exceed in the aggregate 5% of the number of Shares issued and outstanding on a non-diluted basis on the Grant Date unless the Issuer has received Disinterested Shareholder Approval;
 - (ii) the number of Shares which may be reserved for issue pursuant to this RSU/DSU Plan together with the Shares which may be reserved for issue pursuant to any other employee-related plan of the Issuer or options for services granted by the Issuer, including the Stock Option Plan, to all Insiders shall not exceed 10% of the number of Shares issued and outstanding on a non-diluted basis at any point in time unless the Issuer has received Disinterested Shareholder Approval;
 - (iii) the number of Shares which may be reserved for issue pursuant to this RSU/DSU Plan together with the Shares which may be reserved for issue pursuant to any other employee-related plan of the Issuer or options for services granted by the Issuer, including the Stock Option Plan, to all Insiders within a 12 month period shall not exceed in the aggregate 10% of the number of Shares issued and outstanding on a non-diluted basis on the Grant Date unless the Issuer has received Disinterested Shareholder Approval; and
 - (iv) the number of Shares which may be reserved for issue pursuant to this RSU/DSU Plan together with those Shares which may be reserved for issue pursuant to any other employee-related plan of the Issuer or options for services granted by the Issuer, including the Stock Option Plan, to any one Consultant in any 12 month period shall not exceed 2% of the number of Shares issued and outstanding on a non-diluted basis on the Grant Date.

For the purposes of determining compliance with the above restrictions, the Granting Authority will take into account Shares reserved or issued pursuant to Options together with Shares reserved or issued pursuant to all of the Issuer's security-based compensation arrangements (including this RSU/DSU Plan) to the extent required by applicable law and applicable rules of the TSXV.

- (c) **Source of Shares.** Except as expressly provided in the RSU/DSU Plan, Shares delivered to Participants in connection with the exercise or settlement of Awards may be authorized but unissued Shares, Shares purchased in the open-market or in private transactions. The Board shall take such action as may be necessary to authorize and reserve for issue from unissued Shares such number of Shares as may be necessary to permit the Issuer to meet its obligations under the RSU/DSU Plan, provided, however, that the Issuer may satisfy its obligations from treasury shares or Shares purchased in the open market or private transactions.

- (d) **Legends.** In addition to any resale restrictions required under applicable securities laws or the policies of the TSXV, all Awards issued to Insiders and any Shares issued upon the Vesting of the Awards prior to the expiry of the TSXV Hold Period, must be legended as prescribed under the policies of the TSXV with the TSXV Hold Period commencing on the date the Awards were granted.

5. GENERAL PROVISIONS RELATING TO AWARDS

- (a) **Eligibility.** Awards will be granted only to those Persons who are, at the time of the grant, Eligible Persons. If any Participant is (pursuant to the terms of his or her employment or otherwise) subject to a requirement that he or she not benefit personally from an Award, the Granting Authority may grant any Award to which such Person would otherwise be entitled to the Person's employer or to any other entity designated by them that directly or indirectly imposes such requirement on the Person. No Awards may be granted unless the Award is allocated to a particular Person or Persons. The Granting Authority shall have the power to determine other eligibility requirements with respect to Awards or types of Awards.
- (b) **Terms of Grant.** Subject to the other express terms of this RSU/DSU Plan, grants of Awards under the RSU/DSU Plan shall contain such terms and conditions as the Granting Authority may specify. Without limiting the foregoing,
- (i) Each Award granted under the RSU/DSU Plan shall be evidenced by an instrument of grant, in such form or forms as the Granting Authority shall approve from time to time, which shall set forth such terms and conditions consistent with the terms of the RSU/DSU Plan as the Granting Authority may determine. Each instrument of grant shall set forth, at a minimum, the type and Effective Date of the Award evidenced thereby, the number of Shares subject to such Awards and the applicable Vesting conditions. Reference in the RSU/DSU Plan to an instrument of grant shall include any supplements or amendments thereto.
- (ii) The term or Restricted Period of each Award that is a Restricted Share Unit shall be for such period as may be determined by the Granting Authority, provided, however, that in no event shall the term of any Restricted Share Unit exceed a period of 10 years (or such other shorter term as may be required in respect of an Award so that such Award does not constitute a "salary deferral arrangement" as defined in subsection 248(1) of the ITA), subject to extension of such term where such term expires during the Restricted Period, provided that such extension may not be longer than 10 business days after the expiry of the Restricted Period.
- (iii) The terms, conditions and/or restrictions contained in an Award may differ from the terms, conditions and restrictions contained in any other Awards.
- (iv) The Granting Authority may specify such other terms and conditions, consistent with the terms of the RSU/DSU Plan, as the Granting Authority shall determine or as shall be required under any other provisions of the RSU/DSU Plan. Such terms may include, without limitation, provisions requiring forfeiture of Awards in the event of termination of employment by the Participant and provisions permitting a Participant to make elections relating to his or her Award.

- (c) **Vesting Conditions.** Subject to the terms of the RSU/DSU Plan, the Granting Authority shall determine any and all conditions to the Vesting of all and/or any portion of Awards and shall specify the material terms thereof in the applicable instrument of grant on, or as soon as reasonably practicable following, the Effective Date of the Award. Vesting of an Award, or portion thereof, may be conditioned upon passage of time, continued employment, satisfaction of Performance Criteria, or any combination of the foregoing, as determined by the Granting Authority.
- (d) **Change of Control.** Unless otherwise provided in the Award or by direction of the Granting Authority as to all or any type of number of Awards, in the event of a Change of Control and notwithstanding any other Vesting or other restrictions or conditions, the Granting Authority may take whatever action with respect to the Awards outstanding that it deems necessary or desirable, including the following:
- (i) The Granting Authority may waive all restrictions and conditions of all Restricted Share Units and Deferred Share Units then outstanding with the result that those types of Awards shall be deemed satisfied, and the Restricted Period or other limitations on payment in full with respect thereto shall be deemed to have expired, as of the date of the Change of Control or such other date as may be determined by the Granting Authority, provided that, in no event shall a payment be made in respect of a Deferred Share Unit granted to a Participant prior to the date such Participant ceases to be an Employee or Director of the Issuer or of a subsidiary.
 - (ii) Notwithstanding the above provision of this subsection 5(d), but subject to any contractual rights created by the terms of an Award, the Granting Authority shall not be required to take any action described in the preceding provisions, and any decision made by the Granting Authority, in its sole discretion, not to take some or all of the actions described in the preceding provisions shall be final, binding and conclusive with respect to the Issuer and all other interested Persons. Any acceleration of Vesting shall be deemed to have occurred immediately prior to the Change of Control, no matter when the determination of the Granting Authority occurs.
 - (iii) If approved by the Board prior to or within 30 days after such time as a Change of Control shall be deemed to have occurred, the Board shall have at any time the right to require that all or any portion of the Awards be settled and discharged in cash based on the "cash value" of such Awards in lieu of settlement by issue of Shares. Such requirement may be specified in any arrangement relating to such Change of Control transaction to which the Issuer is a party or may be specified in any notice sent by the Issuer, which arrangement or notice may also specify the terms and timing of such settlement. If not so specified, the Board may require settlement at any time within a 45-day period immediately following the date that the Change of Control is deemed to have occurred. The Issuer may require Participants to verify the amount and completeness of any settlement of Awards as a condition to the final settlement and payment.
- (e) **Fractional Shares.** No fractional Shares shall be issued under the RSU/DSU Plan and there shall be no entitlement or payment for any fractional Shares and no payment shall be made in lieu of a fractional Share.

- (f) **Compliance with the ITA.** The terms and conditions applicable to any Award (or portion thereof) granted to a Participant who is subject to taxation under the ITA are intended to comply with the ITA. Without limiting the foregoing,
- (i) the terms of any such Award (or portion thereof) permitting the deferral of payment or other settlement thereof shall be subject to such requirements and shall be administered in such manner as the Committee may determine to be necessary or appropriate to comply with the applicable provisions of the ITA as in effect from time to time; and
 - (ii) any elections allowed to be exercised by a Participant shall be deemed to be void or shall be deemed amended or altered so as not to cause the Award to be considered a "salary deferral arrangement" under the ITA, as defined in subsection 248(1) or create adverse tax consequences under the ITA.

6. RESTRICTED SHARE UNITS AND DEFERRED SHARE UNITS

- (a) **Grants.** The Granting Authority may from time to time grant one or more Awards of Restricted Share Units and/or Deferred Share Units to Eligible Persons on such terms and conditions, consistent with the RSU/DSU Plan, as the Granting Authority shall determine and which terms shall be contained in a grant agreement substantially in the form annexed hereto as schedule A (in respect of Restricted Share Units) and schedule B (in respect of Deferred Share Units).
- (b) **Vesting Terms.** Restricted Share Units shall become Vested at such times, in such instalments and subject to such terms and conditions consistent with subsection 5(c) hereof as may be determined by the Granting Authority and set forth in the applicable instrument of grant, and provided that the conditions to Vesting of Restricted Share Units may be based on the Participant's continued employment and having regard to the satisfaction of any Performance Criteria established by the Granting Authority, provided however that Restricted Share Units shall become Vested and be paid out no later than December 31 of the third calendar year following the calendar year in which the Grantee rendered the services in respect of which the Award is being made. Unless otherwise provided at the time of the grant, the Vesting of Deferred Share Units shall occur at such times, in such instalments and subject to such terms and conditions as may be determined by the Granting Authority and set forth in the applicable instrument of grant. Notwithstanding the foregoing, in no event, other than an Accelerated Vesting Event, shall an Award, or any portion of an Award, be granted with a Vesting date that is less than one year following the Effective Date of the Award.
- (c) **Settlement.**
- (i) Unless otherwise determined by the Granting Authority (including by the terms of the instrument of grant evidencing the Award of the RSU/DSU Plan) and subject to the below and to subsection 6(b) hereof, Restricted Share Units shall be settled upon or as soon as reasonably practicable following the Vesting thereof and, subject to subsection 7(a) and 7(b), Deferred Share Units shall be settled on the third business day (or such other period of time as permitted by the Granting Authority under the grant agreement) following the Eligible Retirement, Disability or death of the applicable Participant or at the time of Termination, subject to payment or other satisfaction of all related withholding obligations in accordance

with the provisions of this RSU/DSU Plan. Notwithstanding the foregoing, upon the death of the Participant, all unvested Restricted Share Units credited to the Participant will Vest on the date the Issuer is duly notified of the Participant's death. The Shares represented by the Restricted Share Units held by the Participant shall be issued, as determined by the Granting Authority, to the Participant's estate forthwith.

- (ii) Settlement of Restricted Share Units and Deferred Shares Units in Shares shall be made by delivery of one Share for each such Restricted Share Unit or Deferred Share Unit then being settled.
 - (iii) Upon payment of any amount pursuant to settlement of Deferred Share Units or Restricted Share Units granted under this section 6 in Shares, the particular Deferred Share Units or Restricted Share Units in respect of which such payment was made shall be cancelled and no further payments (whether in Shares or otherwise) shall be made in relation to such Deferred Share Units or Restricted Share Units.
 - (iv) If any Restricted Share Unit or Deferred Share Unit is cancelled in accordance with the terms of the RSU/DSU Plan or the agreements evidencing the grant, the Shares reserved for issue pursuant to such Award shall, upon cancellation of such Restricted Share Unit or Deferred Share Unit, as applicable, revert to the RSU/DSU Plan and shall be available for other Awards.
- (d) **Dividend Equivalents.** Neither the Participant nor his or her legal personal representative shall have any rights or privileges of a shareholder in respect of any of the Shares issuable upon exercise of the Award granted to him or her (including any right to receive dividends or other distributions therefrom or thereon) unless and until certificates representing such Shares have been issued and delivered.
- (e) **Timing Requirements.** Notwithstanding any other provision of the RSU/DSU Plan, all amounts payable to, or in respect of a Grantee in respect of Deferred Share Units including, without limitation, the delivery of Shares, shall not be made prior to the date such Grantee ceases to be an Eligible Person and shall be paid or delivered on or before December 31 of the calendar year commencing immediately following the date the Grantee ceases to be an Eligible Person. All Deferred Share Units granted to a Participant shall have such terms and conditions as are necessary to comply with paragraph 6801(d) of the Regulations of the ITA.
- (f) **No Other Benefit.**
- (i) No amount will be paid to, or in respect of, a Participant (or a Person with whom the Participant does not deal at arm's length within the meaning of the ITA) under the RSU/DSU Plan to compensate for a downward fluctuation in the price of a Share or the value of any Award granted, nor will any other form of benefit be conferred upon, or in respect of, a Participant (or a person with whom the Participant does not deal at arm's length within the meaning of the ITA), for such purpose.
 - (ii) The Issuer makes no representations or warranties to Participants with respect to the RSU/DSU Plan or any Deferred Share Units or Restricted Share Units

whatsoever. Participants are expressly advised that the value of any Deferred Share Units or Restricted Share Units in the RSU/DSU Plan will fluctuate as the trading price of the Shares fluctuates.

- (iii) In seeking the benefits of participation in the RSU/DSU Plan, a Participant agrees to exclusively accept all risks associated with a decline in the trading price of the Shares and all other risks associated with the holding of Deferred Share Units or Restricted Share Units.

7. CONSEQUENCES OF TERMINATION

- (a) **General Provisions.** Unless otherwise determined by the Granting Authority (including by the terms of the instrument of grant evidencing the Award or the RSU/DSU Plan):
 - (i) Upon Termination of employment or service of a Grantee for any reason whatsoever other than death, total Disability, Eligible Retirement, termination without cause by the Issuer, subject to subsection 6(b) hereof, any non-vested Award granted pursuant to the RSU/DSU Plan outstanding at the time of such termination and all rights thereunder shall wholly and completely terminate and no further Vesting shall occur.
 - (ii) Upon Termination of employment or service of a Grantee for cause or as a result of retirement which is not Eligible Retirement or as a result of the resignation of the Grantee, subject to subsection 6(b) hereof, any non-Vested Award granted pursuant to the RSU/DSU Plan outstanding at the time of such termination and all rights thereunder shall wholly and completely terminate and no further Vesting shall occur.
- (b) **Discretion of the Granting Authority.** Subject to the approval of the Exchange (as applicable) and the terms of this RSU/DSU Plan, and specifically subsection 10(c) hereof, and without limiting the discretion of the Granting Authority, the Granting Authority may (whether by terms of the instrument of grant evidencing the Award or by its election notwithstanding the terms of an Award):
 - (i) allow non-Vested Awards to be treated as Vested upon Termination of employment or service of a Participant in the case of an Accelerated Vesting Event;
 - (ii) provide that the Awards with respect to certain classes, types or groups of Participants will have different acceleration, forfeiture, termination, continuation or other terms than other classes, types or groups of Participants;
 - (iii) subject to receipt of all requisite Exchange or shareholder approvals required in respect of any amendment under the terms of this Plan or the policies of the Exchange, provide for the continuation of any Award for such period which is not longer than 12 months and upon such terms and conditions as are determined by the Granting Authority in the event that a Participant ceases to be an Eligible Person; or
 - (iv) set any other terms for the exercise or termination of Awards upon termination of employment or service.

Notwithstanding the foregoing, all Awards granted to Participants who are subject to the ITA shall be on terms that will be designed to prevent them from being considered a "salary deferral arrangement" as defined in subsection 248(1) of the ITA.

- (c) **Leave of Absence.** If an Employee is on sick leave or other bona fide leave of absence, such Person shall be considered an "Employee" for purposes of an outstanding Award during the period of such leave, provided that it does not exceed 90 days (or such longer period as may be determined by the Granting Authority in its sole discretion), or, if longer, so long as the Person's right to reemployment is guaranteed either by statute or by contract. If the period of leave exceeds 90 days (or such longer period as may be determined by the Granting Authority in its sole discretion), the employment relationship shall be deemed to have been terminated on the 91st day (or the first day immediately following any period of leave in excess of 90 days as approved by the Granting Authority) of such leave, unless the Person's right to reemployment is guaranteed by statute or contract.

8. TRANSFERABILITY

- (a) **Transfer Restrictions.** Unless otherwise provided in the instrument of grant evidencing an Award, no Award, and no rights or interests therein, shall or may be assigned, transferred, sold, exchanged, encumbered, pledged or otherwise hypothecated or disposed of by a Participant other than by testamentary disposition by the Participant or the laws of intestate succession. No such interest shall be subject to execution, attachment or similar legal process including without limitation seizure for payment of the Participant's debts, judgments, alimony or separate maintenance.
- (b) **Transfer upon Death of Participant.** In the case where transfer is made following the death of a Participant to the Participant's legal personal representative, such legal personal representative may only receive the entitlement under the Award provided that it is exercised (if exercisable) at any time up to and including, but not after, 5:00 p.m. (Toronto time) on the date which is one year following the date of death of the Participant or up to 5:00 p.m. (Toronto time) on the date on which the Award granted to such participant expires, whichever is the earlier; such entitlement shall only occur in cases where the Award has Vested in accordance with the provisions of the RSU/DSU Plan and where it is found that the Participant is legally entitled to the Award.

9. ADJUSTMENTS

- (a) **No Restriction on Action.** The existence of the RSU/DSU Plan and/or the Awards granted hereunder shall not limit, affect or restrict in any way the right or power of the Board or the shareholders of the Issuer to make or authorize (i) any adjustment, recapitalization, reorganization or other change in the capital structure or business of the Issuer, (ii) any merger, consolidation, amalgamation or change in ownership of the Issuer, (iii) any issue of bonds, debentures, capital, preferred or prior preference shares ahead of or affecting the capital Share of the Issuer or the rights thereof, (iv) any dissolution or liquidation of the Issuer, (v) any sale or transfer of all or any part of the assets or business of the Issuer, or (vi) any other corporate act or proceeding with respect to the Issuer. No Participant or any other Person shall have any claim against any member of the Board or the Granting Authority, or the Issuer or any employees, officers or agents of the Issuer as a result of any such action.
- (b) **Recapitalization Adjustment**

- (i) In the event that (A) a dividend shall be declared upon the Shares or other securities of the Issuer payable in Shares or other securities of the Issuer, (B) the outstanding Shares shall be changed into or exchanged for a different number or kind of shares or securities of the Issuer or of another corporation or entity, whether through an arrangement, plan of arrangement, amalgamation, or other similar statutory procedure or a share recapitalization, subdivision, consolidation or otherwise, (C) there shall be any change, other than those specified in (A) or (B) above, in the number or kind of outstanding Shares or of any securities into which such Shares shall have been changed or for which they shall have been exchanged, or (D) there shall be a distribution of assets or shares to shareholders of the Issuer out of the ordinary course of business then, the Granting Authority shall determine, subject to the prior acceptance of the Exchange (except in relation to a Share consolidation or split), whether an adjustment in the number or kind of Shares theretofore authorized but not yet covered by Awards, in the number or kind of Shares theretofore subject to outstanding Awards, in the number or kind of Shares generally available for Awards or available in any calendar year under the RSU/DSU Plan and/or such other adjustment as may be appropriate should be made, in order to ensure that, after any such event, the Shares subject to the RSU/DSU Plan and each Participant's proportionate interest shall be maintained substantially as before the occurrence of the event, and if the Granting Authority determines that an adjustment should be made, such adjustment shall be made and be effective and binding for all purposes.
- (ii) Any adjustment to any Award granted to a Participant which has been designed to fall within a specific exemption to the definition of "salary deferral arrangement" in subsection 248(1) of the ITA shall be such as to ensure the continued availability of such exemption.

10. AMENDMENT AND TERMINATION

- (a) **General.** Subject to the provisions of subsection 10(c) hereof, the Board may amend, suspend or terminate this RSU/DSU Plan, or any portion thereof, at any time, subject to those provisions of applicable law and the rules of the Exchange, if any, that require the approval of shareholders or any governmental regulatory body.
- (b) **Amendments Specifically Permitted.** Without limiting the generality of the foregoing, the Board may make the following types of amendments to the RSU/DSU Plan without seeking shareholder approval (unless and to the extent prohibited by applicable law or rule of an Exchange):
 - (i) amendments of a technical, clerical or "housekeeping" nature including, without limiting the generality of the foregoing, any amendments for the purpose of curing any ambiguity, error or omission in the RSU/DSU Plan or to correct or supplement any provision of the RSU/DSU Plan that is inconsistent with any other provision of the RSU/DSU Plan, provided that such amendments do not have the effect of altering the scope, nature and intent of such provisions;
 - (ii) amendments necessary to comply with the provisions of applicable law and the applicable rules of the Exchange; and

- (iii) any other amendment, whether fundamental or otherwise, not requiring shareholder approval under applicable law or the rules of the Exchange.
- (c) **Shareholder Approval.** To the extent required by applicable law or by the rules of the Exchange, shareholder approval will be required for the following types of amendments:
- (i) any amendment extending the term of an Award beyond its original expiry date except as otherwise permitted by the RSU/DSU Plan;
 - (ii) any amendment extending the term of an Award beyond its original expiry date if the Grantee is an Insider at the time of the proposed extension (which would require Disinterested Shareholder Approval);
 - (iii) any amendment extending eligibility to participate in the RSU/DSU Plan to persons other than Eligible Persons;
 - (iv) any amendment increasing the maximum aggregate number of Shares that may be subject to issue at any given time in connection with Awards granted under the RSU/DSU Plan;
 - (v) any amendment to these amendment provisions;
 - (vi) the adoption of any option exchange involving an Award; and
 - (vii) any other amendment required to be approved by shareholder under applicable law or rules of a Exchange.

To the extent of any conflict between subsection 10(b) and subsection 10(c) hereof, subsection 10(c) shall prevail.

11. REGULATORY APPROVAL

Notwithstanding anything herein to the contrary, the Issuer shall not be obligated to cause to be issued any Shares or cause to be issued and delivered any certificates evidencing Shares pursuant to the RSU/DSU Plan, unless and until the Issuer is advised by its legal counsel that the issue and delivery of the Shares and such Share certificates is in compliance with all applicable laws, regulations, rules, orders of governmental or regulatory authorities in Canada, the United States and any other applicable jurisdiction, and the requirements of the Exchange. The Issuer shall in no event be obligated to take any action in order to cause the issue or delivery of Shares or such certificates to comply with any such laws, regulations, and delivery of such Shares or certificates and in order to ensure compliance with such laws, regulations, rules, orders and requirements, that the Participant, or any permitted transferee of the Participant under section 7 hereof or, after his or her death, the Participant's estate, as described in section 7 hereof, make such covenants, agreements and representations as the Granting Authority deems necessary or desirable.

12. NO ADDITIONAL RIGHTS

No Person shall have any claim or right to be granted Awards under the RSU/DSU Plan, and the grant of any Awards under the RSU/DSU Plan shall not be construed as giving a Participant any right to continue in the employment of the Issuer or affect the right of the Issuer to terminate the employment of a Participant. Unless otherwise determined by the Granting Authority, neither any period of notice, if any, nor any payment in lieu thereof, upon Termination shall be considered as extending the period of employment for

the purposes of the RSU/DSU Plan.

13. **MISCELLANEOUS PROVISION**

- (a) **Shareholder Rights.** A Participant shall not have the right or be entitled to exercise any voting rights, receive any dividends or have or be entitled to any other rights as a shareholder in respect of Shares subject to an Award unless and until such Shares have been paid for in full and issued and certificates therefor have been issued to the Participant. A Participant entitled to Shares as result of the settlement of a Restricted Share Unit or Deferred Share Unit shall not be deemed for any purpose to be, or have any such rights as a shareholder of the Issuer by virtue of such exercise or settlement, except to the extent a Share certificate is issued therefor and then only from the date such certificate is issued. No adjustment shall be made for dividends or distributions or other rights for which the record date is prior to the date such Share certificate is issued.
- (b) **Withholding.** The Issuer may withhold from any amount payable to a Participant, either under this RSU/DSU Plan or otherwise, such amount as may be necessary so as to ensure that the Issuer will be able to comply with the applicable provisions of any federal, provincial, state or local law relating to the withholding of tax or that any other required deductions are paid or otherwise satisfied, at the minimum statutory rate. Subject to the other provisions of the RSU/DSU Plan, the Issuer shall also have the right in its discretion to satisfy any such liability for withholding or other required deduction amounts by retaining or acquiring any Shares, or retaining any amount payable, which would otherwise be issued or delivered, provided or paid to a Participant hereunder. The Issuer may require a Participant, as a condition to the settlement of a Restricted Share Unit or a Deferred Share Unit, to pay or reimburse the Issuer for any such withholding (at the minimum statutory rate) or other required deduction amounts related to the settlement of Restricted Share Units or Deferred Share Units.
- (c) **Governing Law.** The RSU/DSU Plan, all instruments of grant evidencing Awards granted hereunder and any other agreements or other documents relating to the RSU/DSU Plan shall be interpreted and construed in accordance with the laws of Ontario (and the federal laws having application therein), except to the extent the terms of the RSU/DSU Plan, any supplement to the RSU/DSU Plan, or the Award in question expressly provides for application of the laws of another jurisdiction. The Granting Authority may provide that any dispute as to any Award shall be presented and determined in such forum as the Granting Authority may specify, including through binding arbitration. Any reference in the RSU/DSU Plan, in any instruments of grant evidencing Awards granted hereunder or in any other agreement or document relating to the RSU/DSU Plan to a provision of law or to a rule or regulation shall be deemed to include any successor law, rule or regulation of similar effect or applicability.
- (d) **Compliance with Securities Laws.** The obligation of the Issuer to issue and deliver Shares in accordance with the RSU/DSU Plan is subject to applicable securities legislation and to the receipt of any approvals that may be required from any regulatory authority or stock exchange having jurisdiction over the securities of the Issuer. If Shares cannot be issued to a Participant upon the exercise of an Award for any reason whatsoever, the obligation of the Issuer to issue such Shares shall terminate and any funds paid to the Issuer in connection with the exercise of such Award will be returned to the relevant Participant as soon as practicable.

- (e) **Compliance with Laws of Other Jurisdictions.** Awards may be granted to Participants who are citizens or residents of a jurisdiction other than Canada or the United States on such terms and conditions different from those under the RSU/DSU Plan as may be determined by the Granting Authority to be necessary or advisable to achieve the purposes of the RSU/DSU Plan while also complying with applicable local laws, customs and tax practices, including any such terms and conditions as may be set forth in any supplement to the RSU/DSU Plan intended to govern the terms of any such Award. In no event shall the eligibility, grant, exercise or settlement of an Award constitute a term of employment, or entitlement with respect to employment, of any employee.
- (f) **Funding.** Except as would not result in adverse tax consequences to a Participant, no provision of the RSU/DSU Plan shall require or permit the Issuer, for the purpose of satisfying any obligations under the RSU/DSU Plan, to purchase assets or place any assets in a trust or other entity to which contributions are made or otherwise to segregate any assets, nor shall the Issuer maintain separate bank accounts, books, records or other evidence of the existence of a segregated or separately maintained or administered fund for such purposes. Participants shall have no rights under the RSU/DSU Plan other than as unsecured general creditors of the Issuer, except that insofar as they may have become entitled to payment of additional compensation by performance of services, they shall have the same rights as other Eligible Persons under general law.
- (g) **No Guarantee of Tax Consequences.** Neither the Board, nor the Issuer nor the Granting Authority makes any commitment or guarantee that any specific tax treatment will apply or be available to any Person participating or eligible to participate hereunder.

14. **EFFECTIVE DATE AND TERM OF RSU/DSU PLAN**

- (a) **Effective Date of the Plan.** The RSU/DSU Plan shall initially become effective on the Shareholder Approval Date, and any subsequent amendments to the RSU/DSU Plan, shall become effective upon their adoption by the Board, subject to approval by the shareholders of the Issuer at the next annual meeting of shareholders of the Issuer or any adjournment thereof, to the extent required. The effective date of this RSU/DSU Plan, as so amended, shall be the date of approval by the shareholders of the Issuer. If the shareholders do not approve the RSU/DSU Plan, or any amendments to the RSU/DSU Plan requiring shareholder approval, the RSU/DSU Plan or such amendments shall not be effective, and any and all actions taken prior thereto under the amendments effected hereby, including the making of any Awards subject to such approval being obtained, shall be null and void or shall, if necessary, be deemed to have been fully rescinded. However, in such case the Stock Option Plan shall remain in effect.
- (b) **Effect on Existing Awards.** Subject to subsection 14(a) hereof all new Awards granted on or after the effective date of the amendments as provided in subsection 14(a) hereof are granted under and subject to the terms of this RSU/DSU Plan as amended and restated and all outstanding Options granted under the Stock Option Plan shall continue to be governed by the terms of the Stock Option Plan and to the terms of their individual option agreements as in effect from time to time including provisions concerning change of control or other related events.
- (c) **Termination.** The Board may suspend or terminate the RSU/DSU Plan at any time, provided that such suspension or termination shall not affect any Awards that became effective pursuant to the RSU/DSU Plan prior to such termination or suspension. The

RSU/DSU Plan shall automatically terminate on failure to receive requisite shareholder confirmation every year (or such other period of time as required by the Exchange) from the date of its initial approval by shareholders provided that such termination shall not affect any Awards that became effective pursuant to the RSU/DSU Plan prior to such termination.

**SCHEDULE A
RESTRICTED SHARE UNIT AGREEMENT**

[All Awards issued to Insiders must include the following legend:

Without prior written approval of the TSX Venture Exchange and compliance with all applicable securities legislation, the securities represented by this agreement and the shares issuable upon the vesting thereof may not be sold, transferred, hypothecated or otherwise traded on or through the facilities of TSX Venture Exchange or otherwise in Canada or to or for the benefit of a Canadian resident until [insert the date that is four months and one day after the Grant Date of the Award].

THIS RESTRICTED SHARE UNIT AGREEMENT (the "**Agreement**") is made as of the ● day of ●, ●.

B E T W E E N:

NG ENERGY INTERNATIONAL CORP.

(herein called the "Issuer")

- and -

●

(herein called the "Grantee")

This Agreement is made pursuant to the terms and conditions of the Issuer's Restricted Share Unit and Deferred Share Unit Compensation Plan (in effect from time to time, the "**RSU/DSU Plan**"), which is incorporated by reference herein. The Grantee accepts the terms and conditions of the RSU/DSU Plan and all rules and procedures adopted thereunder, as amended from time to time. In the event of any inconsistency between the terms of this Agreement and the terms of the RSU/DSU Plan, the terms of the RSU/DSU Plan shall prevail. Certain terms with initial capital letters used in this Agreement have the meanings set out in the RSU/DSU Plan.

Each RSU (as defined below) granted to the Grantee hereunder represents a right of the Grantee to receive one common share of the Issuer as presently constituted (each a "**Share**") on the terms set out herein.

The Issuer has granted to the Grantee, as of the Grant Date set out in exhibit 1 attached hereto, that number of restricted share units (the "**RSUs**") equal to the number of RSUs set out in exhibit 1 attached hereto, upon the terms and conditions set out in this Agreement, including the following:

Restricted Share Units. Each RSU granted to the Grantee hereunder represents a right of the Grantee to receive one Share on the date the said RSU vests.

Grantee's Notional Account. The Issuer shall maintain in its books a notional account for the Grantee (the "Grantee's Account") recording the number of RSUs granted to the Grantee and the number of RSUs that have Vested. Upon payment in satisfaction of vested RSUs through the issue of Shares from treasury, such Vested RSUs shall be cancelled.

Vesting. Subject to the earlier vesting provisions set out herein, the RSUs granted by the Issuer to the Grantee as set out on exhibit 1 attached hereto shall vest in accordance with the vesting provisions set out on exhibit 1 attached hereto (provided that in no event will the Grantee become entitled to acquire a fraction of a Share).

In the event of an Accelerated Vesting Event while the Grantee is employed by or is a director of the Issuer or a subsidiary of the Issuer, the non-vested RSUs will immediately become 100% vested.

If the Grantee terminates employment with the Issuer and its Subsidiaries for any reason other than death, any non-vested RSUs granted hereunder will be immediately cancelled without liability or compensation therefor and be of no further force and effect. For clarity, where the Grantee voluntarily terminates his/her employment with the Issuer or is otherwise terminated by the Issuer for cause, all non-Vested RSUs of the Grantee shall be immediately cancelled without compensation or liability

therefor and be of no further force and effect.

Settlement of Vested RSUs. Unless otherwise directed by the Issuer's directors in writing, payment to the Grantee in respect of Vested RSUs will be made in the form of Shares only and will be evidenced by book entry registration or by a certificate registered in the name of the Grantee as soon as practicable following the date on which the RSUs become Vested; provided that the settlement date shall not be later than the third anniversary of the Grant Date and all payments in respect of Vested RSUs in the Grantee's Account shall be paid in full on or before December 31 of the same calendar year.

No Shareholder Rights. The Grantee will have none of the rights of a shareholder of the Issuer with respect to any Shares underlying the RSUs, including the right to vote such shares and receive any dividends that may be paid thereon, until such time, if any, that the Grantee has been determined to be a shareholder of record by the Issuer's transfer agent or one or more certificates of Shares are delivered to the Grantee in settlement thereof. Further, nothing herein will confer upon the Grantee any right to remain in the employ of the Issuer or its Subsidiaries.

RSUs Non-Transferable. RSUs are non-transferable (except to a Grantee's estate as contemplated under this Agreement).

No Other Benefit. No amount will be paid to, or in respect of, the Grantee under the RSU/DSU Plan to compensate for a downward fluctuation in the value of the Shares, nor will any other form of benefit be conferred upon, or in respect of, the Grantee for such purpose.

The Issuer makes no representations or warranties to the Grantee with respect to the RSU/DSU Plan or the RSUs whatsoever. The Grantee is expressly advised that the value of the RSUs in the RSU/DSU Plan will fluctuate as the value of Shares fluctuates.

In seeking the benefits of participation in the RSU/DSU Plan, the Grantee agrees to exclusively accept all risks associated with a decline in the value of Shares and all other risks associated with participation in the RSU/DSU Plan.

Withholding Tax. As set out in section 13 of the RSU/DSU Plan, if the Issuer determines that under the requirements of applicable tax laws the Issuer is obligated to withhold for remittance to any taxing authority any amount, the Issuer may require the Grantee to pay to the Issuer, such amount as the Issuer is obliged to remit in connection with the issue of the Shares as set out in section 13 of the RSU/DSU Plan.

Income Taxes: The Grantee acknowledges that he/she will be liable for income tax relating to grants and dispositions of RSUs. The Grantee hereby acknowledges that the Issuer is making no representation to him/her regarding taxes applicable to the Grantee and the Grantee will confirm the tax treatment with his/her own tax advisor.

No Inducement. By executing a copy of this Agreement, the Grantee hereby accepts the grant of RSUs and hereby confirms and acknowledges that his or her participation in the RSU/DSU Plan is voluntary and that he or she has not been induced to enter into this Agreement or participate in RSU/DSU Plan by expectation of employment or continued employment with the Issuer.

Reorganization. The existence of any RSUs shall not affect in any way the right or power of the Issuer or its shareholders to make or authorize any adjustment, recapitalization, reorganization or other change in the Issuer's capital structure or its business, or any amalgamation, combination, merger or consolidation involving the Issuer or to create or issue any bonds, debentures, shares or other securities of the Issuer or the rights and conditions attaching thereto or to effect the dissolution or liquidation of the Issuer or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar nature or otherwise.

Binding Effect. This Agreement shall enure to the benefit of and be binding upon the Issuer and the Grantee and each of their respective heirs, executors, administrators and successors.

Unfunded and Unsecured RSU/DSU Plan. Unless otherwise determined by the Board, this Agreement and the RSU/DSU Plan shall be unfunded and the Issuer will not secure its obligations under this Agreement or the RSU/DSU Plan. To the extent any Grantee or his or her estate holds any rights by virtue of a grant of RSUs under this Agreement, such rights (unless otherwise determined by the Board) shall be no greater than the rights of an unsecured creditor of the Issuer.

Governing Law. This Agreement shall be governed by, and interpreted in accordance with, the laws of the Province of Ontario and the laws of Canada applicable therein, without regard to principles of conflict of laws.

Effective Date. The effective date of this Agreement shall be the Grant Date.

Severability. The invalidity or unenforceability of any provision of the RSU/DSU Plan or Agreement shall not affect the validity or enforceability of any other provision and any invalid or unenforceable provision shall be severed from this Agreement.

NG ENERGY INTERNATIONAL CORP.

Name:

Title:

Date:

GRANTEE

Signature of Grantee

Name:

Title:

Date:

EXHIBIT 1 TO SCHEDULE A
NG ENERGY INTERNATIONAL CORP.

RESTRICTED SHARE UNIT AND DEFERRED SHARE UNIT COMPENSATION PLAN

NOTICE OF RESTRICTED SHARE UNITS GRANTED

Grantee: _____

Address _____

You have been granted Restricted Share Units of NG ENERGY INTERNATIONAL CORP. (the "**Issuer**"), as follows:

Grant Date: _____

Number of Restricted Share Units: _____

Starting Value of Restricted Share Unit Grant: _____

Vesting Schedule: _____

By your signature and the signature of the Issuer's representative below, you and the Issuer agree that this Restricted Share Unit Grant is granted under and governed by the terms and conditions of the Issuer's Restricted Share Unit and Deferred Share Unit Compensation Plan, as amended from time to time.

NG ENERGY INTERNATIONAL CORP.

Name:

Title:

Date:

GRANTEE

Signature of Grantee

Name:

Title:

Date:

SCHEDULE B

DEFERRED SHARE UNIT AGREEMENT

[All Awards issued to Insiders must include the following legend:

Without prior written approval of the TSX Venture Exchange and compliance with all applicable securities legislation, the securities represented by this agreement and the shares issuable upon the vesting thereof may not be sold, transferred, hypothecated or otherwise traded on or through the facilities of TSX Venture Exchange or otherwise in Canada or to or for the benefit of a Canadian resident until [insert the date that is four months and one day after the Grant Date of the Award].

THIS DEFERRED SHARE UNIT AGREEMENT (the "Agreement") is made as of the ● day of ●, ●

B E T W E E N:

NG ENERGY INTERNATIONAL CORP.

(herein called the "Issuer")

- and -

●

(herein called the "Grantee")

This Agreement is made pursuant to the terms and conditions of the Issuer's Restricted Share Unit and Deferred Share Unit Compensation Plan (in effect from time to time, the "RSU/DSU Plan"), which is incorporated by reference herein. The Grantee accepts the terms and conditions of the RSU/DSU Plan and all rules and procedures adopted thereunder, as amended from time to time. In the event of any inconsistency between the terms of this Agreement and the terms of the RSU/DSU Plan, the terms of the RSU/DSU Plan shall prevail. Certain terms with initial capital letters used in this Agreement have the meanings set out in the RSU/DSU Plan.

The Issuer has granted to the Grantee, as of the Grant Date set out in exhibit 1 attached hereto, that number of deferred share units (the "DSUs") equal to the number of DSUs set out in exhibit 1 attached hereto upon the terms and conditions set out in this Agreement, including the following:

Definitions:

- (a) "**Distribution Date**" means either the Separation Date or such later date as the Grantee may elect (by written notice delivered to the Issuer prior to the Separation Date), provided that in no event shall a Grantee be permitted to elect a date which is later than December 1 of the calendar year following the calendar year in which the Separation Date occurs. In the case of death of a Grantee, the Distribution Date shall have the meaning ascribed to it under section 5 hereof;
- (b) "**Related Entity**" has the meaning ascribed to the term "related entity" in section 2.22 of National Instrument 45-106 – *Prospectus Exemptions* of the Canadian Securities Administrators, as amended from time to time; and
- (c) "**Separation Date**" means the date on which the Grantee ceases service as a director, and is not at that time an employee or officer, of the Issuer or a Related Entity.

Deferred Share Units. Each Vested DSU granted to the Grantee hereunder represents a right of the Grantee to receive one Share on the Distribution Date.

Grantee's Notional Account. The Issuer shall maintain in its books a notional account for the Grantee (the "Grantee's Account") recording the number of DSUs granted to the Grantee and the number of DSUs that have Vested. Upon payment in satisfaction of Vested DSUs through the issue of Shares on or about the Distribution Date (in accordance with the provisions herein), such Vested DSUs shall be cancelled as of the applicable Distribution Date.

Vesting. Subject to the earlier vesting provisions set out herein, the DSUs granted by the Issuer to the Grantee as set out on exhibit 1 attached hereto shall vest in accordance with the vesting provisions set out on exhibit 1 attached hereto, provided that where a Grantee is terminated for cause, resigns or, in the case of a director of the Issuer, is otherwise removed as a result of losing his/her eligibility to serve on the Board due to an order by a regulatory body or stock exchange or for culpable conduct as determined by the Granting Authority, all unvested DSUs in the Grantee's account shall be immediately cancelled without liability or compensation therefor and be of no further force and effect (unless otherwise determined by the Granting Authority).

Notwithstanding the vesting provisions above, in the event of an Accelerated Vesting Event while the Grantee is employed by or is a director of the Issuer or a Related Entity, the non-vested DSUs will immediately become 100% vested.

In no event will the Grantee become entitled to acquire a fraction of a Share.

Distribution of Vested DSUs. The Issuer shall within 10 business days after the Distribution Date issue to the Grantee a number of Shares equal to the number of Vested DSUs in the Grantee's Account. In the case of a Grantee's Death, the Distribution Date shall be on or before the 30th business day after the Issuer is duly notified of the death of the Grantee and such distribution shall be made to the estate of the Grantee.

Reporting of DSUs. Statements of the Grantee's Account will be provided to Grantees on an annual basis.

No Shareholder Rights. The Grantee will have none of the rights of a shareholder of the Issuer with respect to any Shares underlying the DSUs, including the right to vote such shares and receive any dividends that may be paid thereon, until such time, if any, that the Grantee has been determined to be a shareholder of record by the Issuer's transfer agent or one or more certificates of Shares are delivered to the Grantee in settlement thereof. Further, nothing herein will confer upon the Grantee any right to remain in the employ of the Issuer or its Subsidiaries.

DSUs Non-Transferable. DSUs are non-transferable (except to a Grantee's estate as provided for in this Agreement).

No Other Benefit. No amount will be paid to, or in respect of, the Grantee under the RSU/DSU Plan to compensate for a downward fluctuation in the value of the Shares, nor will any other form of benefit be conferred upon, or in respect of, the Grantee for such purpose.

The Issuer makes no representations or warranties to the Grantee with respect to the RSU/DSU Plan or the DSUs whatsoever. The Grantee is expressly advised that the value of the DSUs in the RSU/DSU Plan will fluctuate as the value of Shares fluctuates.

In seeking the benefits of participation in the RSU/DSU Plan, the Grantee agrees to exclusively accept all risks associated with a decline in the value of Shares and all other risks associated with participation in the RSU/DSU Plan.

Withholding Tax. As set out in section 13 of the RSU/DSU Plan, if the Issuer determines that under the requirements of applicable tax laws, the Issuer is obligated to withhold for remittance to any taxing authority any amount, the Issuer may require the Grantee to pay to the Issuer, such amount as the Issuer is obliged to remit in connection with the issue of the Shares as set out in section 13 of the RSU/DSU Plan.

Income Taxes: The Grantee acknowledges that he/she will be liable for income tax relating to grants and dispositions of DSUs. The Grantee hereby acknowledges that the Issuer is making no representation to him/her regarding taxes applicable to the Grantee and the Grantee will confirm the tax treatment with his/her own tax advisor.

No Inducement. By executing a copy of this Agreement, the Grantee hereby accepts the grant of DSUs and hereby confirms and acknowledges that his or her participation in the RSU/DSU Plan is voluntary and that he or she has not been induced to enter into this Agreement or participate in RSU/DSU Plan by expectation of employment or continued employment with the Issuer.

Reorganization. The existence of any DSUs shall not affect in any way the right or power of the Issuer or its shareholders to make or authorize any adjustment, recapitalization, reorganization or other change in the Issuer's capital structure or its business, or any amalgamation, combination, merger or consolidation involving the Issuer or to create or issue any bonds, debentures, shares or other securities of the Issuer or the rights and conditions attaching thereto or to effect the dissolution or liquidation of the Issuer or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar nature or otherwise.

Binding Effect. This Agreement shall enure to the benefit of and be binding upon the Issuer and the Grantee and each of their respective heirs, executors, administrators and successors.

Unfunded and Unsecured RSU/DSU Plan. Unless otherwise determined by the Board, this Agreement and the RSU/DSU Plan shall be unfunded and the Issuer will not secure its obligations under this Agreement or the RSU/DSU Plan. To the extent any Grantee or his or her estate holds any rights by virtue of a grant of DSUs under this Agreement, such rights (unless otherwise determined by the Board) shall be no greater than the rights of an unsecured creditor of the Issuer.

Governing Law. This Agreement shall be governed by, and interpreted in accordance with, the laws of the Province of Ontario and the laws of Canada applicable therein, without regard to principles of conflict of laws.

Effective Date. The effective date of this Agreement shall be the Grant Date.

Severability. The invalidity or unenforceability of any provision of the RSU/DSU Plan or this Agreement shall not affect the validity or enforceability of any other provision and any invalid or unenforceable provision shall be severed from this Agreement.

NG ENERGY INTERNATIONAL CORP.

Name:
Title:
Date:

GRANTEE

Signature of Grantee
Name:
Title:
Date:

EXHIBIT 1 TO SCHEDULE B

NG ENERGY INTERNATIONAL CORP.

**RESTRICTED SHARE UNIT AND DEFERRED SHARE UNIT
COMPENSATION PLAN**

NOTICE OF DEFERRED SHARE UNITS GRANTED

Grantee: _____

Address _____

You have been granted Deferred Share Units of NG ENERGY INTERNATIONAL CORP. (the "**Issuer**"), as follows:

Grant Date: _____

Number of Deferred Share Units: _____

Starting Value of Deferred Share Unit Grant: _____

Vesting Schedule: _____

By your signature and the signature of the Issuer's representative below, you and the Issuer agree that this Deferred Share Unit Grant is granted under and governed by the terms and conditions of the Issuer's Restricted Share Unit and Deferred Share Unit Compensation Plan, as amended from time to time.

NG ENERGY INTERNATIONAL CORP.

Name:

Title:

Date:

GRANTEE

Signature of Grantee

Name:

Title:

Date: