



**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING
OF SHAREHOLDERS
TO BE HELD ON AUGUST 20, 2024
and
MANAGEMENT INFORMATION CIRCULAR**

JULY 19, 2024

WHITEMUD RESOURCES INC.

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual general and special meeting (the “**Meeting**”) of holders of Class “A” Common Shares (“**Common Shares**”) of Whitemud Resources Inc. (the “**Corporation**”) will be held at 3900, 205 - 5 Avenue, SW, Calgary, Alberta T2P 3G8 on August 20, 2024 at the hour of 10:00 a.m. (Calgary time), for the following purposes:

1. to receive the audited financial statements of the Corporation for the financial year ended December 31, 2023 together with the auditors’ reports thereon;
2. to elect directors of the Corporation for the ensuing year;
3. to appoint the auditor of the Corporation for the ensuing year and to authorize the directors to fix the remuneration thereof;
4. to ratify and approve a Common Share Stock Option Plan; and
5. to transact such further and other business as may be properly brought before the Meeting or any adjournment thereof.

Every registered holder of Common Shares of the Corporation at the close of business on July 19, 2024 (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 Management Information Circular accompanying this Notice, which Management Information Circular forms part of this Notice.

Voting

Shareholders who are unable to attend the Meeting in person 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 Corporate Secretary of the Corporation, c/o Computershare, 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1 (Attention: Proxy Department). In order to be valid and acted upon at the Meeting, forms of proxy must be returned to the aforesaid address not less than 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 Management Information 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 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 Calgary, Alberta, this 19th day of July, 2024.

By Order of the Board of Directors

(signed) “Stan Owerko”

Stan Owerko

Chief Executive Officer

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PART I – GENERAL PROXY MATTERS SOLICITATION OF PROXIES

Purpose of Solicitation

The information contained in this Management Information Circular dated July 19, 2024 is furnished in connection with the solicitation of proxies by or on behalf of the management of Whitemud Resources Inc. (the “Corporation”) for use at the Meeting of the holders (“Shareholders”) of Class “A” Common Shares (“Common Shares”) to be held on August 20, 2024 at the hour of 10:00 a.m. (Calgary Time), and at any adjournment(s) thereof for the purposes set out in the accompanying Notice of Meeting (the “Notice”). The solicitation of proxies hereunder is made by management of the Corporation and will be made primarily by mail; however, proxies may also be solicited personally or by telephone, facsimile or other means of communication by regular employees of the Corporation. The cost of any such solicitation will be borne by the Corporation.

Appointment and Revocation of Proxy

A Shareholder has the right to designate a person (who need not be a Shareholder) in the place of the persons designated in the form of proxy furnished by the Corporation, to attend and act for such Shareholder at the Meeting. Such right may be exercised by inserting in the blank space provided on the proxy the name of the person to be designated and deleting therefrom the names of the persons named in the form of proxy or by completing another instrument of proxy and, in either case, delivering the resulting instrument of proxy to the Corporate Secretary of the Meeting prior to any matter upon which a vote has not already been cast pursuant to the authority conferred by the instrument of proxy.

A form of proxy will not be valid and will not be acted upon or voted unless it is duly completed and delivered to the attention of the Corporate Secretary of the Corporation, c/o Computershare, 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1 (Attention: Proxy Department), not less than 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or any adjournment(s) thereof. The instrument appointing a proxy shall be in writing and shall be executed by the Shareholder or the Shareholder’s attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized.

A record date for the determination of Shareholders entitled to receive notice of and vote at the Meeting has been set as July 19, 2024. Only holders of Common Shares of record as at that date are entitled to receive notice of the Meeting. Holders of Class “B” Non-Voting Common Shares are not entitled to notice and may not vote at the Meeting.

Any transferee who has acquired Common Shares after the close of business on July 19, 2024 (the “Record Date”) will also be entitled to exercise his or her voting rights attached to said shares at the Meeting or at any reconvening thereof, in case of adjournment, provided that such transferee produces properly endorsed share certificate(s) representing the Common Shares or otherwise establishes ownership thereof, and makes a written request, at least ten (10) days prior to the Meeting, that his or her name be included on the list of Shareholders.

In addition to any other manner permitted by law, a Shareholder who has given a proxy may revoke it as to any matter upon which a vote has not already been cast by completing an instrument in writing executed by the Shareholder or the Shareholder’s attorney authorized in writing, or if the Shareholder is a corporation, under its corporate seal by an officer or attorney thereof duly authorized, and by depositing such instrument of revocation either with the Corporate Secretary of the Corporation, c/o Computershare, 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1 (Attention: Proxy Department), at any time up to and including the last business day preceding the day of the Meeting, or with the Chairman of the Meeting on the date of the Meeting immediately prior to the commencement thereof or adjournment(s) thereof. In addition, a proxy may be revoked by the Shareholder personally attending at the Meeting and voting his or her Common Shares.

Voting of Proxies

All Common Shares represented at the Meeting by properly executed proxies will be voted or withheld from voting by the persons named in such proxy as proxy holder on any ballot that may be called for and where a choice with respect to any matter to be acted upon has been specified in the instrument of proxy, the shares represented by the proxy will be voted or withheld from voting in accordance with such specification. **In the absence of any such specifications, the management designees, if named as proxy, will vote in favour of all the matters set out thereon. The enclosed instrument of proxy confers discretionary authority upon the management designees, or other persons named as proxy, with respect to amendments to or variation of matters identified in the Notice and any other matters which may properly come before the Meeting. At the date of this Management Information Circular, the management of the Corporation is not aware of any such amendments, variations or other matters. If other matters should properly come before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote such proxy according to their best judgement.**

Voting of Shares

The Corporation has 34,026,300 Common Shares issued and outstanding as at July 19, 2024, each of which is entitled to one vote on any ballot conducted at the Meeting. Every resolution to be put before the Meeting shall be determined by a majority of the votes cast, in each case, in person or by proxy, by holders of Common Shares on the resolution. Holders of Class “B” Non-Voting Common Shares may not vote.

Advice to the Beneficial Shareholders

The information set forth in this section is of significant importance to any Shareholders who do not hold their Common Shares in their own name, referred to in this Management Information Circular as “Beneficial Shareholders”. Only proxies deposited by Shareholders whose names appear on the records of the Corporation as the registered holders of Common Shares can be recognized and acted upon at the Meeting. If Common Shares are listed in your account statement provided by your broker, then in almost all cases those Common Shares will not be registered in your name on the records of the Corporation. Such Common Shares will likely be registered under the name of such shareholder’s broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co., the registration name for The Canada Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms. Common Shares held by your broker or their nominee can only be voted upon your instructions. Without specific instructions, your broker or their nominee is prohibited from voting your shares. **Therefore, Beneficial Shareholders should ensure that instructions respecting voting of their Common Shares are communicated to the right person.**

Applicable regulatory policy requires your broker to seek voting instructions from you as a Beneficial Shareholder in advance of shareholder meetings. Every broker has its own mailing procedures and provides its own return instructions, which you should carefully follow in order to ensure that your Common Shares are voted at the Meetings. Often, the form of proxy supplied by your broker is identical to the form of proxy provided to registered shareholders. However, its purpose is limited to instructing the registered shareholder how to vote on your behalf. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (formerly ADP Investors Communications Inc.) (“**Broadridge**”). Broadridge mails a scannable voting instruction form in lieu of the form of proxy provided by the Corporation. The voting instruction form will name the same persons as the proxy to represent the Beneficial Shareholder at the Meeting. A Shareholder has the right to appoint a person (who need not be a Shareholder of the Corporation) other than the persons designated in the voting instruction form, to represent the Shareholder at the Meeting. To exercise this right, the Shareholder should insert the name of the desired representative in the blank space provided in the voting instruction form. You are asked to complete and return the voting instruction form to Broadridge by mail or facsimile. Alternatively, you can call Broadridge’s toll-free telephone number to vote your shares. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. If you receive a voting instruction form from Broadridge, it cannot be used as a proxy to vote shares directly at the Meeting as the proxy must be returned to Broadridge well in advance of the Meeting in order to have the shares voted or to appoint an alternative representative to attend at the Meeting in person to vote such shares.

PART II - MATTERS TO BE CONSIDERED AT THE MEETING

Financial Statements and Auditors Report

Shareholders will be presented with the annual financial statements of the Corporation for the fiscal year ended December 31, 2023. However, no action is required to be taken by Shareholders thereon.

Election of Directors

Shareholders will be asked to elect six (6) directors for the ensuing year. The persons named as proxyholders in the form of proxy accompanying this Management Information Circular intend to vote for the election of the nominees whose names are set forth below, unless the Shareholder who has given such proxy has directed that the Common Shares represented by such proxy be withheld from voting in respect of the election of a director or directors of the Corporation. Management of the Corporation does not contemplate that any of such nominees will be unable to serve as a director of the Corporation for the ensuing year but if that should occur for any reason prior to the Meeting or any adjournment thereof, the persons named in the form of proxy accompanying this Management Information Circular have the right to vote for the election of the remaining nominees and may vote for the election of a substitute nominee in their discretion. Each director of the Corporation elected at the Meeting will hold office until the first annual meeting of the Shareholders of the Corporation held following their election unless they resign or are removed as a director of the Corporation in accordance with the by-laws of the Corporation prior to such date.

The names and municipality of residence of the nominees, their position with the Corporation, their principal occupation during the last five years, the date upon which they became a director of the Corporation and the number of Common Shares beneficially owned, directly or indirectly, by them, or over which control or direction is exercised by them, as of July 19, 2024, are as follows:

Name and Province of Residence	Position	Principal Occupation	Date Elected/ Appointed Director	Common Shares Owned or Over Which Control or Direction is Exercised
Stan Owerko ⁽⁴⁾ Alberta, Canada	Director and Chief Executive Officer	Chief Executive Officer of the Corporation since 2011. President and Chief Executive Officer of Petrogas Energy Corp., which is in the liquid petroleum gas and crude oil marketing and logistics business, from 1986 to 2020. President and Chief Executive Officer of SAM Holdings Ltd. Chief Executive Officer of Midstream Energy Partners group, which is in the liquid petroleum gas and crude oil marketing and logistics business, since 2018. President and Chief Executive Officer of General Land & Power Corp., a renewable energy company, since 2019.	August 12, 2011	15,076,000 ⁽³⁾
Vincent Davoli ⁽²⁾⁽³⁾ Alberta, Canada	Director	Business consultant, director and formerly Senior Vice President of Ellis Don Construction Services since 1991. He joined Ellis Don in 1983 and has extensive experience in the construction industry.	August 12, 2011	Nil
Randy Findlay ⁽¹⁾⁽²⁾⁽³⁾ Alberta, Canada	Director	Corporate Director. Board Chair of Pembina Pipeline Corporation from April, 2014 to December, 2022.	May 31, 2023	Nil
Stanley W. Odut ⁽¹⁾⁽³⁾ Alberta, Canada	Director	Businessman. Director and Chief Executive Officer of Sifton Petroleum Inc., a crude oil and natural gas producer	May 31, 2023	Nil

Name and Province of Residence	Position	Principal Occupation	Date Elected/ Appointed Director	Common Shares Owned or Over Which Control or Direction is Exercised
Kelly Soucy ⁽¹⁾⁽²⁾ Alberta, Canada	Director	President and Chief Executive Officer of Swat Business Group Ltd., a consulting, civil works and water purification company. Previously, Vice President with Magnum Cementing Services, an oilfield cementing service company.	May 31, 2023	235,000
Derrick Armstrong Alberta, Canada	Proposed Director	Lawyer, Retired since 2014.	N/A	Nil

Notes:

- (1) Member of the Audit Committee.
- (2) Member of the Governance Committee.
- (3) Member of the Compensation, HR & HSE Committee
- (4) Mr. Owerko is the controlling shareholder of SAM Holdings Ltd. which owns 14,976,000 Common Shares.

Other than as set forth below, no proposed director:

- (a) is, as at the date of this Management Information Circular, or has been, within 10 years before the date of this Management Information Circular, a director, chief executive officer or chief financial officer of any company (including the Corporation) that,
 - (i) was subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
 - (ii) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer;
- (b) is, as at the date of this Management Information Circular, or has been within 10 years before the date of this Management Information Circular, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) has, within the 10 years before the date of this Management Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Mr. Findlay was a director of Spyglass Resources Corp., ("**Spyglass**"). Mr. Findlay ceased to be a board member in May, 2015 and Spyglass filed for receivership on November 26, 2015.

For purpose of the above, "order" means:

- (a) a cease trade order;
- (b) an order similar to a cease trade; or
- (c) an order that denied the relevant company access to any exemption under securities legislation,

that was in effect for a period of more than 30 consecutive days.

No proposed director has been subject to:

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

Appointment of Auditor

MNP LLP are the auditors of the Corporation. Shareholders will be asked to appoint MNP LLP as auditors for the ensuing year and to authorize the directors to fix their remuneration.

Unless specifically instructed in the proxy to withhold such vote, the persons named as proxyholders in the accompanying form of proxy intend to vote for the appointment of MNP LLP as auditors of the Corporation to hold office until the next annual general meeting of Shareholders and to authorize the directors to fix their remuneration.

Stock Option Plan

Shareholders previously approved a stock option plan for Common Shares (the “**Plan**”). The Plan has been revised in accordance with new requirements of the TSX Venture Exchange (“**TSXV**”). The text of the Plan is attached as Schedule “A”. Pursuant to TSXV policies, the Plan must be submitted to the Corporation’s Shareholders for re-approval at each annual general meeting.

The purpose of the Plan is to attract, retain and motivate directors, officers, employees and consultants of the Corporation and its subsidiaries and to closely align the personal interests of such directors, officers, employees and consultants with those of the Shareholders by providing them with the opportunity, through options, to acquire Common Shares. Options may be granted under the Plan to such directors, officers, employees, consultants or Management Company Employees (employees of companies providing management services to the Corporation required for its ongoing successful operation) of the Corporation or its subsidiaries as the Board of Directors may from time to time designate as participants (the “**Participants**”)

The maximum aggregate number of Common Shares that may be subject to options granted and outstanding under the Plan, together with Common Shares issuable pursuant to all other security based compensation of the Corporation, at any time shall be 10% of the number of the issued and outstanding Common Shares (“**Outstanding Common Shares**”) as at the date of grant or issuance of option.

The number of Common Shares subject to each stock option, the exercise price of each option (the “**Exercise Price**”), the expiration date of each option, the extent to which each option is exercisable and/or vested from time to time during the term of the option and any other terms and conditions relating to the options are to be determined by the Board of Directors. The term of an option shall not exceed ten years from the date of grant of the option. The period after which options terminate when a Participant ceases to be eligible to participate in the Plan depends upon the circumstances of their departure from the Corporation. Such circumstances and the associated expiry terms are described more fully in the Plan, appended to this Management Information Circular as Schedule “A”. The Exercise Price shall, in no circumstances, be lower than the Discounted Market Price (as defined in the TSXV policy 1.1) of such listed shares. The options are non-assignable.

Generally, the maximum aggregate number of Common Shares issuable pursuant to options granted under the Plan, and pursuant to any other security based compensation of the Corporation in any 12 month period to any one Person (and, where permitted under TSXV policy, any companies that are wholly owned by that Person) shall not exceed

five percent of the Outstanding Common Shares as at the date of grant or issuance, unless disinterested Shareholder approval is obtained.

Unless the Corporation obtains the requisite disinterested Shareholder approval pursuant to TSXV policy, the maximum aggregate number of Common shares issuable pursuant to options granted under the Plan, and pursuant to any other security based compensation of the Corporation to Insiders (as defined in TSXV Policy 1.1) (as a group) shall not exceed ten percent of the Outstanding Common Shares at any point in time.

Unless the Corporation obtains the requisite disinterested Shareholder approval pursuant to TSXV policy, the maximum aggregate number of Common Shares issuable pursuant to options granted under the Plan, and pursuant to any other security based compensation of the Corporation, in any 12 month period to Insiders (as defined in TSXV Policy 1.1) (as a group) shall not exceed ten percent of the Outstanding Common Shares as at the date of grant or issuance.

Generally, the maximum aggregate number of Common Shares issuable pursuant to options granted under the Plan, and pursuant to any other security based compensation of the Corporation, in any 12 month period to any one consultant shall not exceed two percent of the Outstanding Common Shares as at the date of grant or issuance.

The maximum aggregate number of Common Shares issuable pursuant to options granted under the Plan in any 12 month period to all investor relations service providers in aggregate shall not exceed two percent of the Outstanding Common Shares as at the date of grant or issuance.

Investor relations service providers may not receive any Security Based Compensation other than options.

As noted above, vesting of options shall be at the discretion of the Board of Directors. Where applicable, vesting of options will generally be subject to:

- (a) the Participant remaining employed by or continuing to provide services to the Corporation or any of its affiliates as well as, at the discretion of the Board of Directors, achieving certain milestones which may be defined by the Board of Directors from time to time or receiving a satisfactory performance review by the Corporation or any of its affiliates during the vesting period; or
- (b) the Participant remaining as a director of the Corporation or any of its affiliates during the vesting period.

Options granted to Participants employed to provide investor relations activities will vest:

- (a) over a period of not less than 12 months as to 25% on the date that is three months from the date of grant, and a further 25% on each successive date that is three months from the date of the previous vesting; or
- (b) such longer vesting period as the Board of Directors may determine.

The Board of Directors may from time to time amend or revise the terms of the Plan or may discontinue the Plan at any time, provided that no such action may in any manner adversely affect the rights under any options earlier granted to a participant under the Plan without the consent of that participant. Such amendments will generally require TSXV approval, which will be subject to Shareholder approval.

For more detail and for other terms of the Plan, please see Schedule "A".

At the Meeting, the Shareholders will be asked to consider and, if deemed appropriate, approve the following resolution to approve the Plan.

"BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:

1. The stock option plan (the "**Plan**") of the Corporation in the form attached as Schedule "A" to this Management Information Circular, be and is hereby approved with such modifications as may be required by the TSX Venture Exchange (the "**TSXV**");
2. The maximum number of Common Shares of the Corporation which may be issued under the Plan shall be equal to ten percent (10%) of the then issued and outstanding Common Shares of the Corporation from time to time, less any Common Shares issuable under any other Security Based Compensation Plan (as defined in TSXV Policy 4.4) of the Corporation; and
3. Any director or officer of the Corporation be and is hereby authorized and directed to do and perform all such acts and things and to execute and deliver or cause to be delivered, for, in the name of and on behalf of the Corporation (whether under the seal of the Corporation or otherwise) all such agreements, instruments and other documents as in such individual's opinion may be necessary or desirable to perform the terms of this resolution."

The resolution must be approved by a simple majority approval of the votes cast at the Meeting by the holders of Common Shares. If the Plan is not approved by Shareholders, the Corporation will have to consider other methods of compensating and providing incentives to directors, officers, employees and consultants.

Unless otherwise directed, the persons named as proxyholders in the accompanying form of proxy intend to vote the Common Shares represented by any such proxy FOR the resolution approving the Plan.

PART III - OTHER INFORMATION

Description of Securities

Common Shares

The Corporation is authorized to issue an unlimited number of Common Shares and an unlimited number of Class "B" Non-Voting Common Shares without nominal or par value, of which 34,026,300 Class "A" Common Shares and 326,499,700 Class "B" Non-Voting Common Shares were issued and outstanding as at July 19, 2024 as fully paid and non-assessable.

The holders of all of the Common Shares and Class "B" Non-Voting Common Shares are entitled to dividends, if, as and when declared by the Board of Directors and upon liquidation, to share equally such assets of the Corporation as are distributable to the holders of the Common Shares and Class "B" Non-Voting Common Shares. Class "A" Common Shareholders are entitled to one vote per share at meetings of Shareholders of the Corporation. Class "B" Non-Voting Common Shareholders are not entitled to vote.

Principal Shareholders

There are no shareholders owning, of record or beneficially, directly or indirectly, more than 10% of the issued and outstanding Common Shares of the Corporation as of the date of this Management Information Circular other than the following:

Shareholder	No. of Common Shares (%)
Stan Owerko ⁽¹⁾	15,076,000 Common Shares (44.0%)

Notes:

- (1) Includes 14,976,000 Class "A" Common Shares held by SAM Holdings Ltd. SAM Holdings Ltd. is owned and controlled by Stan Owerko.

Statement of Executive Compensation

Compensation Discussion and Analysis

Composition of the Corporate Governance and Compensation Committee

The Compensation, Human Resources and Health, Safety and Environment Committee (the “**Compensation, HR & HSE Committee**”) of the Corporation, comprised of Messrs. Davoli, Findlay, Odut and Owerko (three of whom are independent), makes determinations and recommendations to the directors of the Corporation with respect to the cash and incentive compensation of the executive officers of the Corporation. All have experience in executive compensation from their other executive or director positions.

The primary goal of the Committee in regards to compensation is to ensure that the overall compensation provided to the executive officers of the Corporation is determined with regard to, and is consistent with, the business strategies and objectives of the Corporation, such that the financial interests of the executive officers of the Corporation are congruent with the financial interests of the shareholders of the Corporation. The compensation program of the Corporation is designed to reward performance that is consistent with this goal.

In arriving at its compensation decisions, the Compensation, HR & HSE Committee considers a number of factors, including the responsibilities and experience of the individuals, the performance of the individuals, and the overall performance of the Corporation and the long-term interests of the Corporation. The Committee undertakes informal market comparisons of similar sized companies in the same industry and provides advice to the Board of Directors on developing appropriate compensation arrangements, including provisions for severance and change of control. Recommendations for executive compensation are made by the Committee to the full Board of Directors for approval.

The compensation program of the Corporation is comprised of salary, stock options, and non-equity compensation.

Base Salaries

The Compensation, HR & HSE Committee recommends to the Board of Directors of the Corporation base salaries for each of the executive officers of the Corporation, taking into consideration the recommendations from the Chief Executive Officer of the Corporation (other than for the Chief Executive Officer), the current potential contribution of the executive officer to the success of the Corporation and competitive industry pay practices for comparable positions at businesses of a comparable size.

Incentive Plan Awards

Stock Option Plan

The purpose of the stock option plan is to afford individuals who provide services to the Corporation or any of its subsidiaries or affiliates, including directors, officers, employees and consultants, an opportunity to obtain a proprietary interest in the Corporation by permitting them to purchase Common Shares and to aid in attracting, as well as retaining and encouraging the continued involvement of, such individuals with the Corporation. The Corporation has no outstanding stock options and no options have been granted under its current stock option plans.

Annual Incentive Plans – Non-Equity Compensation

In addition to base salaries, the Corporation may award cash bonuses to employees of the Corporation, including executive officers based on the performance of the Corporation and individual performance during the year. The award of a bonus is determined, in the case of employees, by senior management of the Corporation. Bonus levels for the Vice-Presidents, the Chief Financial Officer and the President are established by the Chief Executive Officer and approved by the Compensation, HR & HSE Committee and the Chief Executive Officer. The Chief Executive Officer’s bonus is established by the Corporate Governance and Compensation Committee in consultation with the Board of Directors. In the case of non-executive employees, bonuses are based on the employee’s contribution in

adding share value and reducing costs and the employee’s contribution to overall corporate goals. In the case of executive officers, including the Chief Executive Officer, bonus awards are discretionary and there are no specified targets or criteria set out, although matters such as the completion of annual goals, impact of efficiency of operations, and economic outcome of decisions within their respective areas of responsibility are considered in the determination of bonus awards. No maximum bonus has been established for any executive officer. No bonuses were awarded to the Named Executive Officers in either 2023 or 2022 as set forth under “*Summary Compensation Table*”.

The Compensation, HR & HSE Committee does not follow a specific process for determining perquisites and personal benefits as they do not form a significant portion of the Named Executive Officers compensation package. Any such compensation is determined by the Committee on an *ad hoc* basis.

Summary

The Compensation, HR & HSE Committee and the Board of Directors will continue to review compensation policies to ensure that they are competitive within the mining industry and consistent with the performance of the Corporation.

Summary Compensation Table

The following table sets forth certain information concerning the compensation paid to the Corporation’s Chief Executive Officer, President, Chief Financial Officer, (the “**Named Executive Officers**”) and directors at the end of the years ended December 31, 2023 and December 31, 2022.

Table of Compensation (excluding compensation securities)						
Name and principal position	Year	Salary (\$)	Bonus (\$)	Value of Perquisites (\$)	Value of other Compensation (\$)	Total Compensation (\$)
Stan Owerko <i>Chief Executive Officer</i>	2023	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil
David Storoshenko <i>President</i>	2023	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil
David Koplovich <i>Chief Financial Officer</i>	2023	Nil	Nil	Nil	Nil	Nil
	2022	6,000	Nil	Nil	Nil	6,000
Vincent Davoli <i>Director</i>	2023	Nil	Nil	Nil	Nil	Nil
	2022	N/A	N/A	N/A	N/A	N/A
Randy Findlay <i>Director</i>	2023	Nil	Nil	Nil	Nil	Nil
	2022	N/A	N/A	N/A	N/A	N/A
Stanley Odut <i>Director</i>	2023	Nil	Nil	Nil	Nil	Nil
	2022	N/A	N/A	N/A	N/A	N/A
Kelly Soucy ⁽¹⁾ <i>Director</i>	2023	Nil	Nil	Nil	Nil	220,271
	2022	N/A	N/A	N/A	N/A	225,561
Al Kroontje <i>Director until May, 2023</i>	2023	N/A	N/A	N/A	N/A	N/A
	2022	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) Mr. Soucy is President and CEO of SWAT Business Group Ltd., which received \$220,271 in consulting fees from the Corporation in 2023 (2022-\$225,561).

Stock Options and Other Compensation Securities

The following table describes all compensation securities granted or issued to each director and NEO during the most recently completed financial year.

Compensation Securities							
Name and position	Type of compensation security ⁽²⁾	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant ⁽¹⁾	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
Stan Owerko <i>Chief Executive Officer and Director</i>	Option	800,000 (2.3%)	December 19, 2023	\$0.125	\$0.125	\$0.16	December 19, 2027
David Storoshenko <i>President</i>	Option	200,000 (0.59%)	December 19, 2023	\$0.125	\$0.125	\$0.16	December 19, 2027
David Koplovich <i>Chief Financial Officer</i>	Option	150,000 (0.44%)	December 19, 2023	\$0.125	\$0.125	\$0.16	December 19, 2027
Vincent Davoli <i>Director</i>	Option	200,000 (0.59%)	December 19, 2023	\$0.125	\$0.125	\$0.16	December 19, 2027
Randy Findlay <i>Director</i>	Option	200,000 (0.59%)	December 19, 2023	\$0.125	\$0.125	\$0.16	December 19, 2027
Stanley Odut <i>Director</i>	Option	200,000 (0.59%)	December 19, 2023	\$0.125	\$0.125	\$0.16	December 19, 2027
Kelly Soucy <i>Director</i>	Option	200,000 (0.59%)	December 19, 2023	\$0.125	\$0.125	\$0.16	December 19, 2027

Notes:

- (1) All options are still outstanding as at December 31, 2023.
- (2) The options vest as 1/3 on the first, second and third anniversary of the date of grant.

Exercise of Compensation Securities by Directors and NEOs

No director or NEO has exercised any compensation securities during the most recently completed financial year.

Pension Plan Benefits

The Corporation does not provide any pension plan benefits or deferred compensation.

Termination and Change of Control Benefits

None of the Named Executive Officers have an employment contract in place. There are no agreements that provide for payment to any of the Named Executive Officers in the event a change of control.

Director Compensation

Other than the right to participate in the Plan and be granted options, directors of the Corporation do not receive any compensation for services rendered in such capacity. Executive officers of the Corporation who also act as directors do not receive any compensation for services rendered in such capacity other than as paid by the Corporation to such executive officers in their capacity as executive officers.

Consulting Agreement

Kelly Soucy provides consulting services related to marketing the Corporation's product, gaining product acceptance and research into new products and sales, pursuant to a consulting arrangement between SWAT Business Group Ltd. and the Corporation.

Securities Authorized for Issuance Under Equity Compensation Plans

Summary Table

The following table sets forth the number of Shares to be issued upon exercise of outstanding options, the weighted-average exercise price of such outstanding options and the number of Shares remaining available for future issuance under equity compensation plans as at July 19, 2024.

Plan Category	Number of Common Shares to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
	(a)	(b)	(c)
Equity compensation plans approved by security holders	3,000,000	\$0.125	402,630 Common Shares
Equity compensation plans not approved by security holders	Nil	N/A	Nil
Total	3,000,000	\$0.125	402,630 Common Shares

Interest of Management and Others in Material Transactions

Other than as set forth below and otherwise described herein, no informed person of the Corporation, director or executive officer of the Corporation or any associate or affiliate of such persons has had any material interest, direct or indirect, in any transaction of the Corporation during the last fiscal year.

Pursuant to an agreement made as of January 1, 2021, Midstream LPG Partnership ("**Midstream**") provides certain marketing and logistical services (the "**Services**") to the Corporation in connection with the Corporation's purchasing and selling of propane and butane. Midstream receives a management fee equal to 15% of the net profits realized by the Corporation through the performance of the Services. In addition, the Corporation reimburses Midstream for a certain portion of the cost of a marketing employee. Stan Owerko holds a 51% interest in Midstream.

Audit Committee

The directors of the Corporation have established the Audit Committee to consist of three directors: Mr. Findlay, Mr. Odut and Mr. Soucy. The Audit Committee is responsible for, and assists the Board of Directors in fulfilling its responsibility for: (i) the oversight and supervision of the audit of financial statements of the Corporation; (ii) the management of the relationship with the auditor of the Corporation; (iii) meeting with the auditor as required in connection with the audit services provided by the auditor; (iv) the oversight and supervision of the accounting and financial reporting practices and procedures of the Corporation; (v) the oversight and supervision of the adequacy of the Corporation's internal accounting controls and procedures; and (vi) the oversight and supervision of the quality and integrity of the Corporation's financial statements.

The Corporation is a Venture Issuer and relies on the exemption provided under National Instrument 52-110 with respect to the requirements for audit committee composition and reporting obligations.

The text of the mandate of the Audit Committee is attached as Schedule “B” to this Management Information Circular.

All Audit Committee members are considered to be independent directors. All members of the Audit Committee are considered to be financially literate.

Education and Experience

The following are brief descriptions of the qualifications of the current members of the Audit Committee:

Randy Findlay

Randy is a Corporate Director. Previously he was the Board Chair of Pembina Pipeline Corporation from April, 2014 to December, 2022.

Stanley Odut

Stanley is a Businessman, Director and Chief Executive Officer of Sifton Petroleum Inc., a crude oil and natural gas producer

Kelly Soucy

Kelly is the President and Chief Executive Officer of Swat Business Group Ltd., a consulting, civil works and water purification company. Previously he was a Vice President with Magnum Cementing Services, an oilfield cementing service company.

Pre-Approval Policies and Procedures

The Audit Committee reviews and pre-approves any engagement for non-audit services to be provided by the external auditors or its affiliates, together with estimated fees and considers the impact on the independence of the external auditor.

External Auditor Service Fees

The following table provides information about the fees billed to the Corporation for professional services rendered by MNP LLP, Chartered Accountants during the 2023 and 2022 fiscal years:

	<u>2023</u>	<u>2022</u>
Audit Related Fees⁽¹⁾	\$42,800	\$50,185
Tax Fees⁽²⁾	-	-
All Other Fees⁽³⁾	-	-
Total	<u>\$42,800</u>	<u>\$50,185</u>

Notes:

- (1) Audit fees consist of fees for the audit of the Corporation’s annual financial statements or services that are normally provided in connection with statutory and regulatory filings or engagements.
- (2) Tax fees consist of filing corporate tax returns.
- (3) All Other Fees consist of fees for services not included in Notes 1 and 2.

Audit Committee Oversight

At no time since the commencement of the Corporation's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board of Directors.

Reliance on Certain Exemptions

At no time since the commencement of the Corporation's most recently completed financial year has the Corporation relied on the exemption in Section 2.4 of NI 52-110 (De Minimis Non-audit Services), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

The Corporation is relying upon the exemption in Section 6.1 of NI 52-110 in respect of its reporting obligations under NI 52-110.

Corporate Governance

Corporate governance relates to the activities of the Board of Directors, the members of which are elected by and are accountable to the shareholders and takes into account the role of the individual members of management who are appointed by the Board of Directors and who are charged with the day-to-day management of the Corporation. The Board of Directors is committed to sound corporate governance practices, which are both in the interest of its shareholders and contribute to effective and efficient decision making.

Pursuant to National Instrument 58-101 - *Disclosure of Corporate Governance Practices* ("NI 58-101"), which came into effect for financial years ending on or after June 30, 2005, the Corporation is required to disclose its corporate governance practices as summarized below.

Board of Directors

The Board of Directors is currently comprised of five (5) members: Stan Owerko, Vincent Davoli, Randy Findlay, Stanley Odut and Kelly Soucy. All of these individuals are nominated for re-election at the Meeting. A sixth member, Derrick Armstrong has been nominated for election this year. Messrs. Davoli, Findlay, Odut and Soucy are independent directors of the Corporation, as is Mr. Armstrong.

NI 58-101 suggests that the board of directors of a public company should be constituted with a majority of individuals who qualify as "independent" directors. An "independent" director is a director who has no direct or indirect material relationship with the Corporation. A material relationship is a relationship which could, in the view of the board of directors, reasonably interfere with the exercise of a director's independent judgment.

Mr. Stan Owerko, Chief Executive Officer of the Corporation is a member of management. A corporation controlled by Mr. Owerko is majority shareholder of the Corporation and provides letter of credit financing to the Corporation. As a result, Mr. Owerko is not an independent director of the Corporation.

Other than Audit Committee and Compensation, HR & HSE Committee meetings, the independent directors do not hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. The Board of Directors of the Corporation facilitates independent supervision of management through meetings of the Board of Directors and through informal discussions among independent members of the Board of Directors and management. In addition, the Board of Directors have free access to the Corporation's external auditors, legal counsel and to any of the Corporation's officers.

Directorships

The following directors of the Corporation are also directors of the following reporting issuers (or the equivalent).

Stan Owerko

Mr. Owerko is a Director of Sifton Petroleum Inc.

Orientation and Continuing Education

The Corporation has not implemented a formal orientation and continuing education program. At present, new directors are given an outline of the nature of the Corporation's business, its corporate strategy and current issues with the Corporation. New directors are also expected to meet with management of the Corporation to discuss and better understand the Corporation's business and will be advised by counsel to the Corporation of their legal obligations as directors of the Corporation.

The introduction and education process will be reviewed on an annual basis by the Board of Directors and will be revised as necessary.

Ethical Business Conduct

The Board of Directors has considered adopting a written code of business conduct and ethics and has decided it is unnecessary to adopt such a code at the present time due to the size of the Corporation and the current activity level of the Corporation.

The Board of Directors is of the view 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 of Directors in which the director has an interest has been sufficient to ensure that the Board of Directors operates independently of management and in the best interests of the Corporation.

Nomination of Directors

The Governance Committee, consisting of Messrs. Davoli, Findlay and Soucy is currently responsible for development and implementation of principles and systems for the management of corporate governance and identifying qualified candidates and recommending nominees for director and board committee appointments. The Governance Committee annually reviews the general and specific criteria to consider when directors are being appointed to the Board of Directors. The objective of this review is to recommend that appointments be made to provide the best mix of skills and experience to guide the long-term strategy and ongoing business operations of the Corporation. The review takes into account the desirability of maintaining a balance of skills, experience and background, with appropriate diversity, along with the key common characteristics required for effective participation.

Compensation

The Compensation, HR & HSE Committee is currently responsible for reviewing all compensation strategy, objectives and policies; annually reviewing and assessing the performance of the executive officers; determining the compensation of executive officers and reviewing executive appointments.

It is also responsible for making recommendations to the Board in respect of compensation matters.

Other Board of Directors Committees

The Corporation has no standing committees at this time other than the Audit Committee, the Governance Committee and the Compensation, HR & HSE Committee as discussed above.

Assessments

The Board of Directors has not implemented a process for assessing its effectiveness. As a result of the Corporation's size, its stage of development and the limited number of individuals on the Board of Directors, the

Board of Directors consider a formal assessment process to be inappropriate at this time. The Board of Directors plan to continue evaluating its own effectiveness on an ad hoc basis.

The Board of Directors do not formally assess the performance or contribution of individual Board of Directors members or committee members.

Indebtedness of Directors and Executive Officers

None of the directors or executive officers of the Corporation are indebted to the Corporation.

Interest of Certain Persons in Matters to be Acted Upon

Except as described elsewhere herein, none of the directors or executive officers of the Corporation, nor any of their associates or affiliates, has any substantial interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

Additional Information

Additional information relating to the Corporation is available on SEDAR+ at www.sedarplus.ca. Financial information in respect of the Corporation and its affairs is provided in the Corporation's annual audited comparative financial statements for the years ended December 31, 2023 and December 31, 2022 and the related management's discussion and analysis. Shareholders may contact the Corporation to request copies of the Corporation's financial statements and management's discussion and analysis by telephone at (403) 809-4385 or by email at koplovid@telus.net.

Other Matters

Management of the Corporation knows of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Annual General and Special Meeting. However, if any other matter properly comes before the Meeting, the accompanying proxy will be voted on such matter in accordance with the best judgment of the person or persons voting the proxy.

Approval by the Board

The contents and sending of this Management Information Circular - Proxy Statement has been approved by the Board of Directors of the Corporation.

DATED July 19, 2024

**SCHEDULE “A”
STOCK OPTION PLAN**

WHITEMUD RESOURCES INC.

STOCK OPTION PLAN

1. Purpose of Plan

The purpose of the Whitemud Resources Inc. (the “**Corporation**”) Stock Option Plan (the “**Plan**”) is to assist the Corporation in attracting, retaining and motivating directors, officers, consultants and employees of the Corporation and its subsidiaries and to closely align the personal interests of such directors, officers, employees and consultants with those of the shareholders of the Corporation by providing them with the opportunity, through options, to acquire common shares (“**Common Shares**”) in the capital of the Corporation.

2. Interpretation

- (a) Unless otherwise defined in this Plan, capitalized terms shall have the meanings ascribed to such terms in the TSX Venture Exchange (“**TSXV**”) Corporate Finance Manual; and
- (b) **Black-out Period** means an interval of time during which the Corporation has determined that one or more Participants may not trade any securities of the Corporation because they may be in possession of undisclosed material information pertaining to the Corporation, or when in anticipation of the release of quarterly or annual financials, to avoid potential conflicts associated with a company's insider-trading policy or applicable securities legislation, (which, for greater certainty, does not include the period during which a cease trade order is in effect to which the Corporation or in respect of an Insider, that Insider, is subject).

3. Administration

The Plan shall be administered by the Board of Directors of the Corporation which shall have full and final authority and discretion, subject to the express provisions of the Plan, to interpret the Plan, to prescribe, amend and rescind rules and regulations relating to it and to make all other determinations deemed necessary or advisable for the administration of the Plan, subject to the rules and policies of any exchange or quotation system upon which the Corporation’s Common Shares are listed or quoted including the TSXV. The Board of Directors may delegate any or all of its authority and discretion with respect to the administration of the Plan to a Compensation Committee of Directors. When used hereafter in the Plan, Board of Directors shall be deemed to include the Compensation Committee acting on behalf of the Board of Directors.

4. Number of Shares Under Plan

The maximum aggregate number of Common Shares that may be subject to options granted and outstanding (“**Optioned Shares**”) under the Plan, together with Common Shares issuable pursuant to all other Security Based Compensation of the Corporation, at any time shall be 10% of the number of the issued and outstanding Common Shares (“**Outstanding Common Shares**”) as at the date of grant or issuance of option, provided that:

- (a) the maximum aggregate number of Common Shares issuable pursuant to options granted under the Plan, and pursuant to any other Security Based Compensation of the Corporation (but excluding securities expressly permitted and accepted for filing under Part 6 of TSXV Policy 4.4), in any 12 month period to any one Person (and, where permitted under TSXV policy, any Companies that are wholly owned by that Person) shall not exceed five percent of the Outstanding Common Shares as at the date of grant or issuance, unless disinterested Shareholder approval is obtained;
- (b) unless the Corporation obtains the requisite disinterested Shareholder approval pursuant to TSXV policy, the maximum aggregate number of Common shares issuable pursuant to options granted

under the Plan, and pursuant to any other Security Based Compensation of the Corporation to Insiders (as a group) shall not exceed ten percent of the Outstanding Common Shares at any point in time;

- (c) unless the Corporation obtains the requisite disinterested Shareholder approval pursuant to TSXV policy, the maximum aggregate number of Common Shares issuable pursuant to options granted under the Plan, and pursuant to any other Security Based Compensation of the Corporation, in any 12 month period to Insiders (as a group) shall not exceed ten percent of the Outstanding Common Shares as at the date of grant or issuance;
- (d) the maximum aggregate number of Common Shares issuable pursuant to options granted under the Plan, and pursuant to any other Security Based Compensation of the Corporation (excluding securities expressly permitted and accepted for filing by TSXV under Part 6 of TSXV Policy 4.4), in any 12 month period to any one Consultant shall not exceed two percent of the Outstanding Common Shares as at the date of grant or issuance;
- (e) the maximum aggregate number of Common Shares issuable pursuant to options granted under the Plan in any 12 month period to all Investor Relations Service Providers in aggregate shall not exceed two percent of the Outstanding Common Shares as at the date of grant or issuance;
- (f) Investor Relations Service Providers may not receive any Security Based Compensation other than Stock Options; and
- (g) if option rights granted to an individual under the Plan in respect of certain Optioned Shares expire or terminate for any reason without having been exercised, such Optioned Shares may be made available for other options to be granted under the Plan.

5. Eligibility

Options may be granted under the Plan to such directors, officers, Employees, Consultants or Management Company Employees of the Corporation or its subsidiaries as the Board of Directors may from time to time designate as participants (the “**Participants**”) under the Plan. Subject to the provisions of the Plan, the total number of Optioned Shares to be made available under the Plan and to each Participant, the time or times and price or prices at which options shall be granted, the time or times at which such options are exercisable and any conditions or restrictions on the exercise of options shall be in the full and final discretion of the Board of Directors.

6. Terms and Conditions

All options under the Plan shall be granted upon and subject to the terms and conditions hereinafter set forth.

(a) Exercise Price

The exercise price to each Participant of an option shall be as determined by the Board of Directors, but in any event, cannot be lower than the Discounted Market Price. Disinterested Shareholder approval will be obtained for any reduction in the exercise price of an option if the participant is an Insider of the Corporation at the time of the proposed amendment. Notwithstanding such disinterested Shareholder approval, no reduction in the exercise price of an Option shall result in an exercise price less than Discounted Market Price.

(b) Option Agreement

All options granted under the Plan shall be evidenced by means of an agreement (the “**Option Agreement**”) between the Corporation and each Participant in a form as may be approved by the Board of Directors, such approval to be conclusively evidenced by the execution of the Option

Agreement by any director of the Corporation other than the Participant. The Corporation shall represent in each Option Agreement that the Participant is a bona fide director, officer, employee or consultant of the Corporation or its subsidiaries.

(c) Length of Grant

Subject to Section 9 of the Plan, all options granted under the Plan shall expire not later than the tenth anniversary of the date such options were granted and may be exercised by the Participant as to such varying percentages, on a cumulative basis, during the terms thereof as the Board of Directors shall determine. Disinterested Shareholder approval will be obtained for the extension of the term of an option if the Participant is an Insider.

(d) Non-Assignability of Options

An option granted under the Plan shall not be transferable or assignable (whether absolutely or by way of mortgage, pledge or other charge) by a Participant other than to a Participant's Registered Retirement Savings Plan or wholly-owned corporation or by will or other testamentary instrument or the laws of succession and may be exercisable during the lifetime of the Participant only by such Participant.

(e) Right to Postpone Exercise

Each Participant, upon becoming entitled to exercise an option in respect of any Optioned Shares in accordance with the Option Agreement, shall thereafter be entitled to exercise the option to purchase such Optioned Shares at any time prior to the expiration or other termination of the Option Agreement or the option rights granted thereunder in accordance with such agreement.

(f) Exercise and Payment

Any option granted under the Plan may be exercised by a Participant or the legal representative of a Participant giving notice to the Corporation specifying the number of Common Shares in respect of which such option is being exercised, accompanied by payment (by cash or certified cheque payable to the Corporation) of the entire exercise price (determined in accordance with the Option Agreement) for the number of Common Shares specified in the notice. Upon any such exercise of an option by a Participant the Corporation shall promptly deliver to such Participant or the legal representative of such Participant, as the case may be, a share certificate in the name of such Participant or the legal representative of such Participant, as the case may be, representing the number of Common Shares specified in the notice.

(g) Rights of Participants

The Participants shall have no rights whatsoever as Shareholders in respect of any of the Optioned Shares (including, without limitation, any right to receive dividends or other distributions therefrom, voting rights, warrants or rights under any rights offering) other than in respect of Optioned Shares for which Participants have exercised their option to purchase and which have been issued by the Corporation.

(h) Third Party Offer

If at any time when an option granted under the Plan remains unexercised with respect to any Optioned Shares, an offer to purchase all of the Common Shares of the Corporation is made by a third party, the Corporation shall use its best efforts to bring such offer to the attention of the Participants as soon as practicable and the Corporation may, at its option, require the acceleration of the time for the exercise of the option rights granted under the Plan and of the time for the fulfilment of any conditions or restrictions on such exercise.

(i) Alterations in Shares

In the event of a share dividend, share split, issuance of Common Shares or instruments convertible into Common Shares (other than pursuant to the Plan) for less than market value, share consolidation, share reclassification, exchange of Common Shares, recapitalization, amalgamation, merger, consolidation, corporate Continuance, reorganization, liquidation or the like of or by the Corporation, the Board of Directors may, subject to any required prior acceptance by the TSXV, make such adjustment, if any, of the number of Optioned Shares, or of the exercise price, or both, as it shall deem appropriate to give proper effect to such event, including to prevent, to the extent possible, substantial dilution or enlargement of rights granted to Participants under the Plan. In any such event, the maximum number of Common Shares available under the Plan may be appropriately adjusted by the Board of Directors. If because of a proposed merger, amalgamation or other corporate Continuance or reorganization, the exchange or replacement of Common Shares in the Corporation for those in another corporation is imminent, the Board of Directors may, in a fair and equitable manner, determine the manner in which all unexercised option rights granted under the Plan shall be treated including, for example, requiring the acceleration of the time for the exercise of such rights by the Participants and of the time for the fulfilment of any conditions or restrictions on such exercise. All determinations of the Board of Directors under this paragraph (i) shall be full and final.

(j) Change of Control

In the event of the sale by the Corporation of all or substantially all of the property and assets of the Corporation as an entirety prior to the expiry time of options, such options may be exercised, as to all or any of the Common Shares in respect of which such options have not previously been exercised (including in respect of the right to purchase Common Shares not otherwise vested at such time), by a Participant at any time up to and including, but not after, thirty (30) days following the date of the completion of such sale or prior to the expiry time of such Options, whichever is earlier.

In the event the Corporation's common Shareholders receive a "take-over bid" as defined in the Securities Act (Alberta), as amended, or any successor legislation thereto, pursuant to which the offeror as a result of such take-over bid, if successful, would beneficially own in excess of 30% of the outstanding Common Shares of the Corporation, options may be exercised, as to all or any of the Common Shares in respect of which such options have not previously been exercised (including in respect of Common Shares not otherwise vested at such time), by a Participant at any time prior to the thirtieth (30th) day following the date of the take-over bid offer.

(k) Termination

If a Participant is dismissed as an officer, Employee, Consultant or Management Company Employee of the Corporation or one of its subsidiaries for cause, all unexercised option rights of that Participant under the Plan shall immediately become terminated and shall lapse notwithstanding the original term of the option granted to such Participant under the Plan.

(l) Retirement, Resignation or Dismissal

Unless otherwise provided in an Option Agreement, if a Participant ceases to be a director, officer, Employee, Consultant or Management Company Employee of the Corporation or of one of its subsidiaries as a result of:

- (i) retirement at the normal retirement age prescribed by the Corporation; or
- (ii) resignation; or

- (iii) dismissal without cause.

such Participant shall have the right for a period of 30 days (or until the normal expiry date of the option rights of such Participant if earlier) from the date of ceasing to be a director, officer, Employee, Consultant or Management Company Employee to exercise the option under the Plan with respect to all Optioned Shares of such Participant to the extent they were exercisable on the date of ceasing to be a director, officer, Employee, Consultant or Management Company Employee. Upon the expiration of such 30 day period all unexercised option rights of that Participant shall immediately become terminated and shall lapse notwithstanding the original term of the option granted to such Participant under the Plan.

- (m) Disabled Participant

If a Participant ceases to be a director, officer, Employee or Management Company Employee of, or Consultant to, the Corporation or of one of its subsidiaries as a result of disability or illness preventing the Participant from performing the duties routinely performed by such Participant, such Participant shall have the right for a period of 180 days (or until the normal expiry date of the option rights of such Participant if earlier) from the date of ceasing to be a director, officer, Employee, Management Company Employee or Consultant to exercise the option under the Plan with respect to all Optioned Shares of such Participant to the extent they were exercisable on the date of ceasing to be a director, officer, Employee, Management Company Employee or Consultant. Upon the expiration of such 180 day period all unexercised option rights of that Participant shall immediately become terminated and shall lapse notwithstanding the original term of the option granted to such Participant under the Plan.

- (n) Deceased Participant

In the event of the death of any Participant, the legal representatives of the deceased Participant shall have the right for a period of 180 days (or until the normal expiry date of the option rights of such Participant if earlier) from the date of death of the deceased Participant to exercise the deceased Participant's option with respect to all of the Optioned Shares of the deceased Participant to the extent they were exercisable on the date of death. Upon the expiration of such period all unexercised option rights of the deceased Participant shall immediately become terminated and shall lapse notwithstanding the original term of the option granted to the deceased Participant under the Plan.

- (o) Representation

For any options granted to directors, officers, Employees, Consultants or Management Company Employees, the Corporation represents and warrants that such optionee is a bona fide director, officer, Employee, Consultant or Management Company Employee, as the case may be.

7. Vesting of Options

Subject to Section 8 of the Plan, vesting of options shall be at the discretion of the Board of Directors. Where applicable, vesting of options will generally be subject to:

- (a) the Participant remaining employed by or continuing to provide services to the Corporation or any of its Affiliates as well as, at the discretion of the Board of Directors, achieving certain milestones which may be defined by the Board of Directors from time to time or receiving a satisfactory performance review by the Corporation or any of its Affiliates during the vesting period; or
- (b) the Participant remaining as a director of the Corporation or any of its Affiliates during the vesting period.

8. Vesting of Options Granted to Participants Conducting Investor Relations Activities

Notwithstanding Section 7, options granted to Participants employed to provide Investor Relations Activities will vest:

- (a) over a period of not less than 12 months as to 25% on the date that is three months from the date of grant, and a further 25% on each successive date that is three months from the date of the previous vesting; or
- (b) such longer vesting period as the Board of Directors may determine.

9. Extension of Options Expiring During Blackout Period

Should the expiry date for an option fall within a Blackout Period, such expiry date shall, subject to approval of the TSXV, be automatically extended without any further act or formality to that day which is the tenth (10th) business day after the end of the Blackout Period, such tenth business day to be considered the expiry date for such option for all purposes under the Plan. The tenth business day period referred to in this Section 9 may not be extended by the Board of Directors.

10. Amendment and Discontinuance of Plan

The Board of Directors may from time to time amend or revise the terms of the Plan or may discontinue the Plan at any time, provided that no such action may in any manner adversely affect the rights under any options earlier granted to a Participant under the Plan without the consent of that Participant. Such amendment will generally require TSXV approval, which will be subject to Shareholder approval.

11. No Further Rights

Nothing contained in the Plan nor in any option granted hereunder shall give any Participant or any other person any interest or title in or to any Common Shares of the Corporation or any rights as a Shareholder of the Corporation or any other legal or equitable right against the Corporation whatsoever other than as set forth in the Plan and pursuant to the exercise of any option, nor shall it confer upon the Participants any right to continue as director, officer, Employee, Management Company Employee of, or Consultant to, the Corporation or of its subsidiaries.

12. Compliance with Laws

The obligations of the Corporation to sell Common Shares and deliver share certificates under the Plan are subject to such compliance by the Corporation and the Participants as the Corporation deems necessary or advisable with all applicable corporate and Common Shares laws, rules and regulations.

**SCHEDULE “B”
AUDIT COMMITTEE CHARTER**

WHITEMUD RESOURCES INC.

The Audit Committee (the “Committee”) of the Board of Directors (the “Board”) of Whitemud Resources Inc. (“Corporation”) shall have the oversight responsibility, authority and specific duties as described below.

Composition, Independence and Compensation

The Committee shall be comprised of three or more directors as determined by the Board. The members shall be independent as determined by applicable regulatory requirements.

All members of the Committee shall have a working familiarity with basic finance and accounting practices, and shall have the ability to read and understand the financial statements of the Corporation and the accounting issues raised therein and at least one member of the Committee shall have accounting or related financial management expertise.

Members of the Committee shall be appointed by the Board and shall serve until their successors are duly appointed. The Chair of the Committee may be designated by the members of the Committee.

Responsibility

The Committee’s primary purpose is to assist the Board in fulfilling its oversight responsibilities with respect to (i) the integrity of the annual and quarterly financial statements to be provided to shareholders and regulatory bodies; (ii) the Corporation’s compliance with accounting and finance based legal and regulatory requirements; (iii) the independent auditor’s qualifications and independence; (iv) the system of internal accounting and financial reporting controls that management has established; and, (v) performance of the external audit process and the independent auditor. The Committee shall also prepare such reports as are required to be prepared by it by applicable securities law. In addition, the Committee provides an avenue for communication between each of the internal audit, the independent auditors, financial and senior management and the Board. The Committee shall have a clear understanding with the independent auditors that they must maintain an open and transparent relationship with the Committee, and that the ultimate accountability of the independent auditors is to the Committee, as representatives of the shareholders. The Committee shall make regular reports to the Board concerning its activities. The Committee, in its capacity as a committee of the Board, subject to shareholder approval requirements, is directly responsible for the appointment, compensation, retention and oversight of the work of the independent auditors.

The Committee shall make regular reports to the Board concerning its activities.

Meetings

The Committee shall meet at least four times annually and as many additional times as the Committee deems necessary to carry out its duties effectively. The Committee shall meet in separate sessions with management, the senior internal audit executive of the Corporation and the independent auditors at each regularly scheduled meeting.

Specific Duties

To carry out its oversight responsibilities, the Committee shall:

Audit Specific Duties

Auditor Qualifications and Selection

1. Subject to applicable law requiring shareholder approval of auditors, be solely responsible for selecting, retaining, compensating, overseeing and, where necessary, terminating the independent auditors, who shall

be registered with the Canadian Public Accountability Board. The independent auditor shall be required to report directly to the Committee. The Committee shall be entitled to adequate funding from the Corporation for the purpose of compensating the independent auditor for completing an audit and audit report.

2. Evaluate the independent auditor's qualifications, performance and independence. As part of that evaluation, at least annually obtain and review a report by the independent auditor describing: the firm's (auditor's) internal quality-control procedures; any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues; and (to assess the auditor's independence) all relationships between the independent auditor and the Corporation; and ensure that the independent auditors do not provide non-audit services that would disqualify them as independent under applicable regulations.
3. Review the experience and qualifications of the senior members of the independent auditor team and the quality control procedures of the independent auditor; ensure that the lead audit partner of the independent auditor is replaced periodically, in accordance with regulatory requirements applicable to the Corporation; recommend to the Board guidelines for the Corporation's hiring of senior employees and former employees of the independent auditor who were engaged on the Corporation's account.

Audit Process

1. Pre-approve all auditing services; subject to applicable securities laws, pre-approve the retention of the independent auditor for any significant non-audit services permitted under applicable securities law and the fee for such services. All pre-approvals of such non-audit services shall be disclosed as required by applicable securities law. The Committee may delegate to one or more of its members the authority to grant pre-approvals required hereunder provided that any pre-approvals so granted are presented in writing to the Committee at the next regularly scheduled meeting.
2. Meet with the independent auditor prior to the audit to review the scope and general extent of the independent auditor's annual audit including the planning and staffing of the audit. This review should include an explanation from the independent auditors of the factors considered by the auditors in determining their audit scope, including the major risk factors.
3. Require the independent auditor to provide a timely report setting forth (i) all critical accounting policies, significant accounting judgments and practices to be used; (ii) all alternative treatments of financial information within Generally Accepted Accounting Principles ("GAAP") that have been discussed with management, ramifications of the use of such alternative disclosures and treatments and the treatment preferred by the independent auditor; and, (iii) other material written communications between the independent auditor and management.
4. Upon completion of the annual audit, review the following with management and the independent auditors:
 - (a) The annual financial statements including related footnotes and the MD&A to be included in the Corporation's annual report to shareholders or included in the Corporation's Annual Information Form.
 - (b) The significant accounting judgements and reporting principles, practices and procedures applied by the Corporation in preparing its financial statements including any newly adopted accounting policies and the reasons for their adoption.
 - (c) The results of the audit of the financial statements and the related audit report thereon. The independent auditors should confirm to the Committee that no limitations were placed on the scope or nature of their audit procedures.

- (d) Significant changes to the audit plan, if any, and any serious disputes or difficulties with management encountered during the audit, including any problems or disagreements with management which, if not satisfactorily resolved, would have caused the independent auditors to issue a non-standard report on the Corporation's financial statements.
 - (e) The co-operation received by the independent auditors during their audit, including access to all requested records, data and information.
 - (f) Any other matters not described above that are required to be communicated by the independent auditors to the Committee pursuant to Auditing Standards.
5. Generally, as part of the review of the annual financial statements, receive an oral report(s), at least annually, concerning legal and regulatory matters that may have a material impact on the financial statements. Discuss major financial risk exposures and steps management has taken to monitor and control such exposures.

Ongoing Duties

1. Review and reassess the adequacy of this Mandate periodically and recommend any proposed changes to the Board for approval.
2. Report regularly to the Board and review with the Board any issues that arise with respect to the quality or integrity of the Corporation's financial statements, the Corporation's compliance with legal or regulatory requirements, the performance and independence of the Corporation's independent auditor, or the performance of the internal audit function.
3. Discuss the types of information that it is appropriate for the Corporation to disclose in earnings press releases or other earnings guidance. Review with management and the Corporation's independent auditors all quarterly financial statements and MD&A prior to the filing of such reports with the applicable securities regulators and prior to any public announcement of financial results for the periods covered, including the results of the independent auditor's reviews of the quarterly financial statements, significant adjustments, new accounting policies, and any disagreements between the independent auditors and management. The Chair of the Committee may represent the entire Committee for purposes of this review.
4. The Committee shall have the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties.
5. Perform any other activities consistent with this Mandate, the Corporation's By-Laws and applicable law, as the Committee or the Board deems necessary or appropriate.

Internal Control Supervision Duties

1. Review with the Corporation's management and the independent auditors the Corporation's internal accounting and financial reporting controls, any significant deficiencies in them and any proposed major changes to them.
2. Review with management, the Chief Financial Officer and the independent auditors the methods used to establish and monitor the Corporation's policies with respect to unethical or illegal activities by Corporation employees that may have a material impact on the financial statements.
3. Meet with management and the independent auditors to discuss any relevant significant recommendations that the independent auditors may have, particularly those characterized as "material" or "serious".
4. Review the appointment of the senior accounting executive.

5. Review with management any correspondence with regulators or governmental agencies and any employee complaints or published reports which raise material issues regarding the Corporation's financial statements or accounting policies.
6. Review with management and the independent auditor any off-balance sheet financing mechanisms, transactions or obligations of the Corporation.
7. Review with management and the independent auditor any related party transactions.
8. Establish, implement and, as necessary, revise the procedures for (i) the receipt, retention, and treatment of complaints received by the Corporation regarding accounting, financial reporting controls, or auditing matters; and, (ii) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
9. Review with the independent auditors the quality of the Corporation's accounting personnel; review with management the responsiveness of the independent auditors to the Corporation's needs.

Regulatory Compliance Duties

1. Prepare the necessary disclosure regarding the Committee and its duties and action as is required under applicable regulatory policy.
2. Prepare such reports as are required to be prepared by the Committee pursuant to applicable securities law.

Approved: April 3, 2007