

ReGen^{III}

NOTICE OF MEETING

and

MANAGEMENT INFORMATION CIRCULAR and PROXY STATEMENT

with respect to the

Annual General and Special Meeting of Shareholders

to be held on December 21, 2023

Dated: November 16, 2023

REGEN III CORP.
1245 – 200 Granville Street
Vancouver, British Columbia V6C 1S4

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual general and special meeting (the “**Meeting**”) of the shareholders (the “**Shareholders**”) of ReGen III Corp. (the “**Company**”) will be held at the offices of the Company, 1245 – 200 Granville Street, Vancouver, British Columbia, V6C 1S4, on December 21, 2023, at 10:30 a.m. (Vancouver time) for the following purposes:

1. to receive and consider the audited financial statements of the Company as at and for the years ended December 31, 2022, and 2021, together with the report of the auditors thereon;
2. to set the number of directors of the Company at six;
3. to elect the directors of the Company for the ensuing year;
4. to appoint the auditors of the Company and to authorize the directors of the Company to fix their remuneration;
5. to consider and, if thought advisable, to pass, with or without modification, an ordinary resolution approving the stock option plan of the Company;
6. to consider and, if thought advisable, to pass, with or without modification, an ordinary resolution for the reconfirmation of the Company’s shareholder rights plan, as more particularly described in the accompanying Management Information Circular; and
7. to transact such further or other business as may properly come before the Meeting or any adjournment or adjournments thereof.

The accompanying Management Information Circular provides additional information relating to the matters to be dealt with at the Meeting.

An “ordinary resolution” is a resolution passed by at least a majority of the votes cast by Shareholders who voted in respect of that resolution at the Meeting.

While registered shareholders are entitled to attend the Meeting in person we recommend that all Shareholders vote by proxy and accordingly ask that registered shareholders complete, date and sign the enclosed form of proxy, or another suitable form of proxy, and deliver it in accordance with the instructions set out in the form of proxy and in the Management Information Circular.

If you hold your Common Shares in a brokerage account, you are a non-registered shareholder (“Beneficial Shareholder”). Beneficial Shareholders who hold their Common Shares through a bank, broker or other financial intermediary should carefully follow the instructions found on the form of Proxy or VIF provided to them by their intermediary, in order to cast their vote.

SHAREHOLDERS ARE ENCOURAGED TO COMPLETE, DATE AND SIGN THE ENCLOSED FORM OF PROXY, AND TO RETURN IT IN THE ENVELOPE PROVIDED FOR THAT PURPOSE.

The board of directors of the Company has by resolution fixed the close of business on November 16, 2023, as the record date, being the date for the determination of the registered holders of common shares entitled to notice of and to vote at the Meeting or any adjournment thereof. Proxies may be voted in one of the following manners:

- (a) by using the internet at www.investorvote.com; or
- (b) by completing and signing the enclosed form of proxy and depositing it with the Company's transfer agent, Computershare Investor Services Inc., using one of the following methods:

By Mail: Computershare Investor Services Inc.
 Attention: Proxy Department
 135 West Beaver Creek
 PO Box 300
 Richmond Hill, Ontario
 L4B 4R5

By Facsimile: 416-263-9524 or 1-866-249-7775

If you vote your proxy using the internet, do not send back the form of proxy.

DATED at Vancouver, British Columbia, as of the 16th day of November 2023.

BY ORDER OF THE BOARD

Signed: "Gregory Clarkes"

Gregory Clarkes
Chairman of the Board and
Chief Executive Officer

REGEN III CORP.
1245 – 200 Granville Street
Vancouver, British Columbia V6C 1S4

MANAGEMENT INFORMATION CIRCULAR AND PROXY STATEMENT

GENERAL PROXY MATTERS

Solicitation of Proxies by Management

This Management Information Circular (the “**Circular**”) is being furnished in connection with the solicitation of proxies by the management of ReGen III Corp. (the “**Company**”) for use at the annual general and special meeting of shareholders of the Company (the “**Meeting**”) to be held at the offices of the Company, 1245 – 200 Granville Street, Vancouver, British Columbia V6C 1S4, on Thursday, December 21, 2023, at 10:30 a.m. (Vancouver time), and any adjournment thereof. This Circular contains information as at November 16, 2023, unless otherwise noted.

Cost and Manner of Solicitation

While it is expected that the solicitation will be primarily by mail, proxies may be solicited personally, or by facsimile or electronically by the directors or regular employees of the Company, or other proxy solicitation services. In accordance with National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”), arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of common shares of the Company (“**Common Shares**”). All costs of solicitation will be borne by the Company.

Appointment of Proxy

A shareholder entitled to vote at the Meeting, may, by means of a properly executed and deposited proxy, appoint a proxyholder or one or more alternate proxyholders, who need not be shareholders of the Company, to attend and act at the Meeting for the shareholder and on the shareholder’s behalf.

The individuals named in the enclosed form of proxy are directors or officers of the Company (“**Management Designees**”). **A shareholder wishing to appoint some other person (who need not be a shareholder of the Company) to represent him or her at the Meeting has the right to do so, either by inserting that person’s name in the blank space provided in the form of proxy and striking out the names of the Management Designees, or by completing another form of proxy, or by using the internet at www.investorvote.com.** A proxy will not be valid unless the completed, dated and signed form of proxy is deposited with Computershare Investor Services Inc. (“**Computershare**”) not less than 48 hours (excluding Saturdays, Sundays and statutory holidays) before the time for holding the Meeting or an adjournment thereof, or is delivered to the chair of the Meeting prior to the commencement of the Meeting, or an adjourned meeting. Proxies may be voted in one of the following manners:

- (a) by using the internet at www.investorvote.com; or
- (b) by completing and signing the enclosed form of proxy and depositing it with the Company’s transfer agent, Computershare, using one of the following methods:

By Mail: Computershare Investor Services Inc.
 Attention: Proxy Department
 135 West Beaver Creek
 PO Box 300
 Richmond Hill, Ontario
 L4B 4R5

By Facsimile: 416-263-9524 or 1-866-249-7775

If you vote your proxy using the internet, do not send back the form of proxy.

Revocation of Proxy

A registered shareholder who has given a proxy may revoke it by an instrument in writing duly executed by the shareholder or by a shareholder's attorney authorized in writing, or, where the shareholder is a corporation, by a duly authorized officer or attorney of the corporation, and delivered to the registered office of the Company at Suite 3810, Bankers Hall West, 888 – 3rd Street SW, Calgary, Alberta T2P 5C5 at any time up to and including the last business day preceding the day of the Meeting, or if adjourned, any reconvening thereof or in any other manner provided by law. A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

In addition, a proxy may be revoked by a registered shareholder executing another form of proxy bearing a later date and depositing the same at the offices of Computershare within the time period and in the manner set out above or by the registered shareholder personally attending the Meeting, withdrawing the proxy and voting the shares.

Voting of Proxies and Exercise of Discretion by Proxyholders

Unless a ballot is called for or required by law, voting at the Meeting will be by way of show of hands. Common Shares represented by a properly completed, executed and deposited proxy may be voted by the proxyholder on a show of hands, except where the proxyholder has conflicting instructions from more than one shareholder, in which case such proxyholder will not be entitled to vote on a show of hands. In addition, shares represented by proxies may be voted on any ballot. In either case, where a choice with respect to any matter to be acted upon has been specified in the proxy, the shares will be voted or withheld from voting accordingly.

IF A CHOICE WITH RESPECT TO ANY MATTER IS NOT CLEARLY SPECIFIED IN THE PROXY, THE MANAGEMENT DESIGNEES WILL VOTE THE SHARES REPRESENTED BY THE PROXY FOR EACH MATTER.

The enclosed form of proxy, when properly completed, executed and deposited and not revoked, confers discretionary authority upon the person appointed proxy thereunder to vote with respect to amendments or variations of matters identified in the accompanying Notice of Meeting, and with respect to other matters which may properly come before the Meeting. In the event that amendments or variations to matters identified in the Notice are properly brought before the Meeting or any further or other business is properly brought before the Meeting, the enclosed form of proxy confers discretionary authority on the Management Designees to vote in accordance with their best judgment on such matters or business. At the date of this Circular, management knows of no such amendment, variation or other matter which may be presented to the Meeting.

Advice to Beneficial Holders of Common Shares

Only registered holders of Common Shares or the persons they validly appoint as their proxies are permitted to vote at the Meeting. However, in many cases, Common Shares beneficially owned by a person (a “**Non-Registered Holder**”) are registered either: (i) in the name of an intermediary (an “**Intermediary**”) (including banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans) that the Non-Registered Holder deals with in respect of the shares, or (ii) in the name of a clearing agency (such as the Canadian Depository for Securities Limited) of which the Intermediary is a participant.

Distribution to Non-Objecting Beneficial Owner (“NOBO”)

In accordance with the requirements of the Canadian Securities Administrators and NI 54-101, the Company will have caused its agent to distribute copies of the Notice and this Circular (collectively, the “**meeting materials**”) as well as a Voting Instruction Form directly to those Non-Registered Holders who have provided instructions to an Intermediary that such Non-Registered Holder does not object to the Intermediary disclosing ownership information about the beneficial owner.

These securityholder materials are being sent to both registered and Non-Registered Holders of the securities. If you are a Non-Registered Holder, and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf.

By choosing to send these materials to you directly, the Company (and not the Intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request/or Voting Instruction Form enclosed with mailings to NOBOs.

The meeting materials distributed by the Company’s agent to NOBOs include a Voting Instruction Form. Please carefully review the instructions on the Voting Instruction Form for completion and deposit.

Distribution to Objecting Beneficial Owner (“OBO”)

In addition, the Company will have caused its agent to deliver copies of the meeting materials to the clearing agencies and Intermediaries for onward distribution to those Non-Registered Holders who have provided instructions to an Intermediary that the beneficial owner objects to the Intermediary disclosing ownership information about the beneficial owner.

Intermediaries are required to forward the meeting materials to OBOs unless an OBO has waived his or her right to receive them. Intermediaries generally use service companies such as Broadridge to forward the meeting materials to OBOs. Generally, those OBOs who have not waived the right to receive meeting materials will either:

- (a) be given a form of proxy which has already been signed by the Intermediary (typically by a facsimile stamped signature), which is restricted as to the number of shares beneficially owned by the OBO, but which is otherwise uncompleted. This form of proxy need not be signed by the OBO. In this case, the OBO who wishes to submit a proxy should properly complete the form of proxy and deposit it with Computershare with respect to the Common Shares beneficially owned by such OBO, in accordance with the instructions above; OR

- (b) more typically, be given a voting registration form which is not signed by the Intermediary and which, when properly completed and signed by the OBO and returned to the Intermediary or its service company, will constitute authority and instructions (often called a “**proxy authorization form**”) which the Intermediary must follow. Typically, the proxy authorization form will consist of a one page pre-printed form. Sometimes, instead of the one page pre-printed form, the proxy authorization form will consist of a regular printed proxy form accompanied by a page of instructions which contains a removable label containing a bar-code or other information. In order for the form of proxy to validly constitute a proxy authorization form, the OBO must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company.

In either case, the purpose of this procedure is to permit the OBO to direct the voting of the shares he or she beneficially owns.

Should a Non-Registered Holder who receives one of the above forms wish to vote at the Meeting in person, the Non-Registered Holder should strike out the names of the persons named in the form and insert the Non-Registered Holder’s name in the blank space provided. In either case, Non-Registered Holders should carefully follow the instructions, including those regarding when and where the proxy or proxy authorization form is to be delivered.

Management does not intend to pay for Intermediaries to forward the meeting materials and Voting Instructions Forms to OBOs and therefore an OBO will not receive the meeting materials and Voting Instructions Form unless his or her Intermediary assumes the cost of delivery.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

Voting Securities

The Company’s authorized share structure consists of an unlimited number of Common Shares without par value and an unlimited number of preferred shares (the “**Preferred Shares**”). As of November 16, 2023, the record date for voting at the Meeting, there were 118,355,547 Common Shares issued and outstanding and no Preferred Shares issued and outstanding. Each Common Share carries the right to one vote at meetings of shareholders of the Company. The Company has no other classes of voting securities.

Principal Holders

To the knowledge of the directors and executive officers of the Company, as at the date of this Circular, the only persons who beneficially own, or control or direct, directly or indirectly, voting securities of the Company carrying 10% or more of the voting rights attached to the Common Shares are as follows:

Name	Number of Shares Owned (Percentage of Class and Type of Ownership)	
	Common Shares ⁽¹⁾	Percentage of Voting Rights
Brad White ⁽¹⁾	12,604,090	10.65%

Notes:

- (1) Mr. White is a director of the Company.

Record Date

Any shareholder of record at the close of business on November 16, 2023 (the “**Record Date**”) who either personally attends the Meeting or who has submitted a properly executed and deposited form of proxy in the manner and subject to the provisions described above and which has not been revoked shall be entitled to vote or to have the shareholder’s shares voted at the Meeting.

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

Other than as disclosed below or elsewhere in this Circular, none of the directors or executive officers of the Company, no proposed nominee for election as a director of the Company, none of the persons who have been directors or executive officers of the Company since the commencement of the Company’s last completed financial year and no associate or affiliate or any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

STATEMENT OF EXECUTIVE COMPENSATION

The following sections outline the executive compensation practices of the Company with respect to those individuals who were: (i) acting as Chief Executive Officer (the “**CEO**”) of the Company, or in a similar capacity, for any part of the financial year ended December 31, 2022; (ii) acting as Chief Financial Officer (the “**CFO**”) of the Company, or in a similar capacity, for any part of such financial year; and (iii) 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 such financial year and whose total compensation was more than \$150,000 (collectively the “**NEOs**”).

Compensation Discussion and Analysis

The Company’s approach to executive compensation has historically been to provide suitable compensation for executives that is internally equitable, externally competitive and reflects individual achievement. The Company has attempted to maintain compensation arrangements that will attract and retain highly qualified individuals who are able and capable of carrying out the objectives of the Company. The board of directors of the Company (the “**Board**”) established and reviewed the Company’s overall compensation philosophy and its general compensation policies with respect to the CEO and other officers, including the corporate goals and objectives and the annual performance objectives relevant to such officers. The Board evaluated each officer’s performance in light of these goals and objectives and, based on its evaluation, determined and approved the salary, bonus, options and other benefits for such officers. In determining compensation matters, the Board considered a number of factors, including the Company’s performance, the value of similar incentive awards to officers performing similar functions at comparable companies, the awards given in past years and other factors it considers relevant. The overall objectives of the Company’s compensation strategy are to reward members of management for their efforts, while seeking to conserve cash. Until recently, compensation of the NEOs has emphasized conservation of cash.

Existing options held by the NEOs at the time of subsequent option grants are taken into consideration in determining the quantum or terms of any such subsequent option grants. Options have been granted to

directors, management, employees and certain service providers as long-term incentives to align the relevant individual's interests with those of the Company. The size of the option awards is in proportion to the deemed ability of the individual to make an impact on the Company's success.

The Board has considered the implications of the risks associated with the Company's compensation policies and practices. The Board considered the balance between long-term objectives and short-term financial goals incorporated into the Company's executive compensation program and whether or not NEOs are potentially encouraged to expose the Company to inappropriate or excessive risks. Risks, if any, may be identified and mitigated through regular meetings of the Compensation Committee (as defined below) and the Board. No risks have been identified arising from the Company's compensation policies and practices that are reasonably likely to have a material adverse effect on the Company.

The Company currently does not have a policy that restricts NEOs and directors 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 NEOs or director.

The Company has established a compensation committee which has been given the mandate to develop the Company's executive compensation philosophy and program and oversee the implementation thereof (the "**Compensation Committee**"). The Compensation Committee consists of three directors, namely, Gregory Clarkes, Bob Rennie and Larry Van Hatten. The Board believes that the members of the Compensation Committee collectively have the knowledge, experience and background required to fulfill the mandate of the Compensation Committee.

During the Company's most recently completed financial year, the Company has not retained a compensation consultant or advisor to assist the Compensation Committee or the Board in determining compensation for any of the Company's executive officers.

Summary of Executive Compensation

The following table summarizes the compensation paid during the financial years ended December 31, 2022, 2021, and 2020 to those individuals who were NEOs. Based on the foregoing, during the financial year ended December 31, 2022, the following individuals were NEOs of the Company: Gregory Clarkes, Mark Redcliffe, Thomas Lawlor, Stephen Martin, and Kimberly Hedlin.

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation		All other compensation (\$)	Total compensation (\$)
					Annual incentive plans (\$)	Long-term incentive plans (\$)		
Gregory Clarkes Chairman and Chief Executive Officer	2022	60,000	-	-	-	-	335,000 ⁽⁴⁾	395,000
	2021	60,000	-	888,379	150,000	-	335,000 ⁽⁴⁾	1,440,447
	2020	60,000	-	78,987	-	-	335,000 ⁽⁴⁾	481,551

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation			Total compensation (\$)
					Annual incentive plans (\$)	Long-term incentive plans (\$)	All other compensation (\$)	
Stephen Martin ⁽¹⁾ Former Chief Financial Officer	2022	240,000	-	354,725	-	-	-	594,725
	2021	48,308	-	80,615	-	-	-	128,923
Mark Redcliffe ⁽²⁾ President	2022	254,000	-	-	-	-	-	254,000
	2021	179,000	-	7,616	-	-	-	186,616
	2020	159,885	-	43,425	-	-	-	203,310
Thomas Lawlor ⁽³⁾ Chief Operating Officer	2022	312,382	-	192,445	-	-	-	504,827
	2021	106,760	-	85,497	-	-	-	192,469
Kimberly Hedlin ⁽⁵⁾ Vice President, Corporate Finance	2022	106,250	-	87,728	-	-	-	193,978

Notes:

- (1) Mr. Martin was appointed as Chief Financial Officer effective October 19, 2021. Mr. Martin resigned as Chief Financial Officer on June 22, 2023.
- (2) Effective February 28, 2022, Mr. Redcliffe was appointed as President.
- (3) Effective August 25, 2021, Mr. Lawlor was appointed as Chief Operating Officer.
- (4) Comprised of \$300,000 in consulting fees, \$30,000 in accrued directors' fees and \$5,000 in accrued fees for acting as Chair of the Company's Compensation Committee.
- (5) Effective April 19, 2022, Ms. Hedlin was appointed Vice President, Corporate Finance.

Incentive Plan Awards

The following table provides information regarding the incentive plan awards issued pursuant to the Stock Option Plan (as defined below) for each NEO outstanding as of December 31, 2022. The Company does not have any share-based awards.

Name	Option-based Awards			
	Number of Common Shares underlying Options	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽¹⁾
Gregory Clarkes ⁽³⁾⁽⁴⁾	1,500,000	0.63	February 2, 2023 ⁽²⁾	210,000
	720,000	0.70	March 13, 2023 ⁽²⁾	50,400
	1,700,000	0.80	April 1, 2023 ⁽²⁾	-

Stephen Martin	600,000	1.79	October 19, 2023 ⁽⁸⁾	-
Mark Redcliffe ⁽⁵⁾	-	-	-	-
Thomas Lawlor ⁽⁶⁾	600,000	1.23	August 25, 2023 ⁽²⁾	-
Kimberly Hedlin ⁽⁷⁾	200,000	1.64	April 19, 2024	-

Notes:

- (1) Calculated as the closing price of the Common Shares on the TSX Venture Exchange (the “**Exchange**”) on December 30, 2022, of \$0.77 less the exercise price, multiplied by the number of options.
- (2) Subsequent to December 31, 2022, these options expired unexercised.
- (3) Subsequent to December 31, 2022, on February 6, 2023, Mr. Clarkes was granted 1,500,000 options at an exercise price of \$0.77 per option, and valid until February 6, 2028.
- (4) Subsequent to December 31, 2022, on August 29, 2023, Mr. Clarkes was granted 2,420,000 options at an exercise price of \$0.75 per option, and valid until August 29, 2028.
- (5) Subsequent to December 31, 2022, on August 29, 2023, Mr. Redcliffe was granted 750,000 options at an exercise price of \$0.75 per option, and valid until August 29, 2028.
- (6) Subsequent to December 31, 2022, on August 29, 2023, Mr. Lawlor was granted 600,000 options at an exercise price of \$0.75 per option, and valid until August 29, 2028.
- (7) Subsequent to December 31, 2022, on August 29, 2023, Ms. Hedlin was granted 50,000 options at an exercise price of \$0.75 per option, and valid until August 29, 2028.
- (8) Subsequent to Mr. Martin’s resignation, these options were cancelled unexercised, pursuant to the Company’s Stock Option Plan.

The following table provides information regarding the value on vesting of options issued to the NEOs pursuant to the Stock Option Plan that vested during the financial year ended December 31, 2022. The Company does not have any other incentive plans or awards.

Name	Option-based awards – Value vested during the year (\$) ⁽¹⁾
Gregory Clarkes	Nil
Stephen Martin	354,725
Mark Redcliffe	Nil
Thomas Lawlor	192,445
Kimberly Hedlin	87,728

Notes:

- (1) Based on the closing price per Common Share on the TSXV on the applicable vesting date(s) during the financial year ended December 31, 2022.

Pension Plan Benefits

The Company does not provide pension plan benefits.

Termination and Change of Control Benefits

Except as disclosed herein, the Company does not have any employment contracts with any NEO, director or officer, nor does it have any arrangements with any NEO, director or officer for compensation in the event of resignation, retirement or other termination with the Company.

For the purposes of the employment agreements between the Company and each of Mr. Clarkes, Mr. Redcliffe, and Mr. Lawlor a Change of Control is defined as:

- a) the acquisition, directly or indirectly, by any person or group of persons acting in concert, within the meaning of the *Securities Act* (British Columbia), of common shares of the Company which, when

added to all other common shares of the Company at the time held directly or indirectly by such person or persons totals for the first time more than 50% of the outstanding common shares of the Company; or

- b) the acquisition, directly or indirectly, by any person, or group of persons acting in concert within the meaning of the *Securities Act* (British Columbia), of common shares of the Company which, when added to all other common shares of the Company at the time held directly or indirectly by such person or persons totals for the first time 30% of the outstanding common shares of the Company followed, within 12 months of such event, by the removal, by extraordinary resolution of the shareholders of the Company, of more than 51% of the then incumbent directors of the Company, or the election of a majority of new directors to the Company's incumbent board;
- c) consummation of a sale of all or substantially all of the assets of the Company, or a reorganization, merger, or other transaction, which has substantially the same effect; or
- d) any plan of arrangement, reorganization, merger or other transaction which has substantially the same effect as (a) to (c) immediately above.

For the purposes of the employment agreements between the Company and each of Mr. Clarkes, Mr. Redcliffe, and Mr. Lawlor, Good Cause is defined as when one of the following events occurs without their written consent:

- a) a reduction in the Employee's position, duties, responsibilities or status with the Company compared to those that existed immediately prior to such change or reduction;
- b) a material reduction by the Company in the Employee's salary or a change by the Company of the benefits plan; or
- c) a change in the principal place of work of the Employee to a location more than 75 kilometers from the then current place of work.

Gregory Clarkes

Commencing March 1, 2017, the compensation arrangements for Mr. Clarkes were modified such that Mr. Clarkes is paid a salary of \$5,000 per month and receives consulting fees of \$300,000 per year. Under the salary arrangement, if Mr. Clarkes is terminated without cause or within twelve months following a Change of Control (as defined below), whether Mr. Clarkes is terminated for any cause or Mr. Clarkes terminates the agreement for Good Cause (as defined below), he is entitled to a lump sum payment equal to 24 months' salary and benefits as well as all accrued and unpaid vacation pay, salary and reimbursement of all expenses. Additionally, Mr. Clarkes may be terminated upon any breach of the terms of the Clarkes Agreement, with just cause, due to death or disability, or Mr. Clarkes can terminate the agreement with 3 months' advance written notice plus one additional months' notice for each completed year of service, to a maximum of 6 months' notice (or with compensation in lieu of notice).

If Mr. Clarkes employment agreement were terminated for Good Cause on December 31, 2022, he would be entitled to a cash payment of \$124,615.

Under the consulting arrangement, either of Mr. Clarkes or the Company may terminate the arrangement on 30 days' notice.

If Mr. Clarke's consulting agreement were terminated on December 31, 2022, he would be entitled to a cash payment of \$26,250.

Mark Redcliffe

Mr. Redcliffe and the Company entered into an employment agreement (the "**Redcliffe Agreement**") commencing on April 23, 2018. Pursuant to the Redcliffe Agreement, effective June 1, 2021, the Company agreed to pay Mr. Redcliffe a salary \$17,000 per month. This amount was increased to \$22,000 per month on March 1, 2022.

The Redcliffe Agreement may be terminated at any time for just cause or incapacity. If terminated for just cause without notice or compensation. If terminated for incapacity Mr. Redcliffe will be entitled to four weeks' pay.

The Redcliffe Agreement may be terminated by either party with the greater of four weeks' written notice or the minimum notice required under the British Columbia *Employment Standards Act*.

In the event of a Change of Control, if Mr. Redcliffe's employment is terminated or he resigns for Good Cause (as defined in the Redcliffe Agreement), in each case, within 12 months following the Change of Control, Mr. Redcliffe is entitled to:

- a. the full amount of salary due through the termination date, plus any accrued vacation pay and expenses due;
- b. a lump sum payment equal to 12 months of salary; and
- c. a continuation of the Company's benefits plan until the earlier of 6 months or Mr. Redcliffe finding comparable benefits through other employment.

If the Redcliffe Agreement were terminated for Good Cause on December 31, 2022, Mr. Redcliffe would be entitled to a cash payment of \$284,308.

Thomas Lawlor

Mr. Lawlor and the Company entered into an employment agreement (the "**Lawlor Agreement**") commencing on August 25, 2021. Pursuant to the Lawlor Agreement, the Company agreed to pay Mr. Lawlor a salary of \$25,000 per month. Mr. Lawlor is also entitled to bonus payments up to \$750,000 payable in three tranches for successful completion of certain milestones.

The Lawlor Agreement may be terminated at any time for just cause or incapacity without notice or compensation. The Lawlor Agreement may be terminated by either party with six weeks' written notice.

In the event of a Change of Control or if his employment is terminated by the Company without cause, or if Mr. Lawlor's employment is terminated or he resigns for Good Cause following a Change of Control within 12 months of the Change of Control, Mr. Lawlor is entitled to:

- a. the full amount of his salary due through the termination date, plus any accrued vacation pay, benefits and expenses;
- b. a lump sum payment equal to 12 months of salary; and

- c. all bonuses to which Mr. Lawlor is eligible and which were not previously payable will become payable immediately.

If the Lawlor Agreement were terminated for Good Cause on December 31, 2022, Mr. Lawlor would be entitled to a cash payment of \$1,069,615.

Kimberly Hedlin

Ms. Hedlin and the Company entered into an employment agreement (the “**Hedlin Agreement**”) commencing on April 19, 2022. Pursuant to the Hedlin Agreement, the Company agreed to pay Ms. Hedlin a salary \$12,500 per month.

The Hedlin Agreement may be terminated at any time for just cause. If terminated for just cause without notice or compensation. The Hedlin Agreement may be terminated by either party with the minimum notice required under the Alberta *Employment Standards Code*.

If the Hedlin Agreement were terminated without cause on December 31, 2022, Ms. Hedlin would be entitled to a cash payment of \$11,346.

Compensation of Directors

Except as disclosed herein, there are no arrangements under which directors were compensated by the Company and its subsidiaries during the most recently completed financial year for their services in their capacity as directors or consultants.

Director Compensation Table

The following table provides information regarding compensation paid to the Company’s directors, who are not NEOs, during the financial year ended December 31, 2022.

Name⁽¹⁾	Fees earned (\$)	Option-based Awards (\$)	Non-Equity based compensation (\$)	All other Compensation (\$)	Total Compensation (\$)
Paul DiPasquale ⁽²⁾	1,250	-	-	-	1,250
Bob Rennie	30,000	-	-	-	30,000
Jose Luis Salinas Lanfranco	30,000	-	-	-	30,000
Larry Van Hatten	40,000	-	-	57,500 ⁽³⁾	97,500
Catherine Banat ⁽⁴⁾	44,629	534,738	-	20,231 ⁽⁵⁾	599,598

Notes:

- (1) Disclosure of Mr. Clarke’s compensation for services as a director is provided in the Summary Compensation Table.
- (2) Mr. DiPasquale resigned as a director on January 10, 2022.
- (3) Consulting fees paid to a company that is controlled by Mr. Van Hatten.
- (4) Ms. Banat was appointed as a director on January 10, 2022.
- (5) Consulting fees paid to Ms. Banat.

Director Incentive Plan Awards

The following table provides information regarding the incentive plan awards issued pursuant to the Stock Option Plan for each non-executive director outstanding as of December 31, 2022. The Company does not have any share-based awards.

Name	Option-based Awards			
	Number of Common Shares underlying Options	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽¹⁾
Bob Rennie ⁽²⁾	750,000	0.85	March 19, 2023 ⁽⁵⁾	-
Jose Luis Salinas Lanfranco	600,000	1.69	October 7, 2023 ⁽⁶⁾	-
Larry Van Hatten ⁽³⁾⁽⁴⁾	500,000	0.63	February 2, 2023 ⁽⁷⁾	70,000
	360,000	0.70	March 13, 2023 ⁽⁸⁾	25,200
	500,000	0.80	April 1, 2023 ⁽⁹⁾	-
Catherine Banat	600,000	1.77	January 10, 2024	-

Notes:

- (1) Calculated as the closing price of the Common Shares on the Exchange on December 30, 2022, of \$0.77 less the exercise price, multiplied by the number of options.
- (2) Subsequent to December 31, 2022, on August 29, 2023, Mr. Rennie was granted 750,000 options at an exercise price of \$0.75 per option, and valid until August 29, 2028.
- (3) Subsequent to December 31, 2022, on August 29, 2023, Mr. Van Hatten was granted 860,000 options at an exercise price of \$0.75 per option, and valid until August 29, 2028.
- (4) Subsequent to December 31, 2022, on February 6, 2023, Mr. Van Hatten was granted 500,000 options at an exercise price of \$0.77 per option, and valid until February 6, 2028.
- (5) Subsequent to December 31, 2022, on March 19, 2023, these options expired unexercised.
- (6) Subsequent to December 31, 2022, on October 7, 2023, these options expired unexercised.
- (7) Subsequent to December 31, 2022, on February 2, 2023, these options expired unexercised.
- (8) Subsequent to December 31, 2022, on March 13, 2023, these options expired unexercised.
- (9) Subsequent to December 31, 2022, on April 1, 2023, these options expired unexercised.

The following table provides information regarding the value on vesting of options issued to each director pursuant to the Stock Option Plan that vested during the financial year ended December 31, 2022. The Company does not have any other incentive plans or awards.

Name	Option-based awards – Value vested during the year (\$) ⁽¹⁾
Bob Rennie	Nil
Jose Luis Salinas Lanfranco	Nil
Larry Van Hatten	Nil
Catherine Banat	534,738

Notes:

- (1) Based on the closing price per Common Share on the TSXV on the applicable vesting date(s) during the financial year ended December 31, 2022.

Management Contracts

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

Stock Option Plan

The Company has a Stock Option Plan which was last amended on June 27, 2022, and last approved by Shareholders on July 29, 2022, (the “**Stock Option Plan**”). Policy 4.4 – *Security Based Compensation* of the TSXV Company Manual requires that rolling stock option plans must receive shareholder approval yearly, at an issuer’s annual general meeting. The details of the Stock Option Plan are set out under the heading “*Matters to be Considered – Approval of Stock Option Plan*” in this Circular.

The Stock Option Plan is for the benefit of the Company’s employees, directors, officers and consultants. The Stock Option Plan is intended to provide additional incentives to attract, retain and motivate directors, officers, employees and consultants.

The Stock Option Plan is a “rolling” plan and provides that the number of Common Shares issuable under the Stock Option Plan, together with all of the Company’s other previously established or proposed share compensation arrangements, may not exceed 10% of the total number of issued and outstanding Common Shares. In addition, the following restrictions apply to the Stock Option Plan: (i) the number of Common Shares reserved for issuance to any one individual under the Stock Option Plan will not exceed 5% of the issued and outstanding Common Shares; (ii) the aggregate number of Common Shares reserved for issuance to all individuals conducting investor relations activities in any 12-month period will not exceed 2% of the issued and outstanding Common Shares; and (iii) the number of Common Shares reserved for issuance to any one consultant in any twelve (12) month period under the Stock Option Plan will not exceed 2% of the issued and outstanding Common Shares.

Options granted under the Stock Option Plan are non-transferable and generally vest immediately. Options are exercisable for a period of up to ten (10) years from the date of the grant. The exercise price of an option granted under the Stock Option Plan is set by the Board at the time such option is allocated under the Stock Option Plan, and cannot be less than the applicable market price at the time of grant.

Employees, officers, directors, consultants, employees of any person providing management services to the Company, or any company wholly owned by any of the aforementioned are entitled to participate in the Stock Option Plan while they are engaged with the Company. If a participant under the Stock Option Plan dies while engaged with the Company, the right of that participant (or of that participant’s legal representative) to participate in the Stock Option Plan terminates as of the date of death, but any vested option may be exercised until the earlier of one year after the date of death of such participant and the date of expiration of the Option. If a participant under the Stock Option Plan ceases to be employed by or provide services to the Company, except in the case of termination for cause, any vested option may be exercised until the earlier of ninety (90) days after the participant ceases to be an eligible person under the Stock Option Plan and the date of expiration of the term otherwise applicable, or for such longer period as agreed by the Board and approved by the Exchange at any time prior to expiry of the Option. If a participant under the Stock Option Plan ceases to be employed by or provide services to the Company as a result of termination for cause, all options, whether or not vested, will terminate immediately without any right of exercise unless the Board extends the date of such termination to a later date, which must not exceed the earlier of the expiry date of the option and the date that is twelve (12) months after the participant ceases to be an eligible person under the Stock Option Plan.

Options granted under the Stock Option Plan may only be exercised during the lifetime of a participant by such participant personally and no assignment or transfer of options, whether voluntary, involuntary, by operation of law or otherwise, vests any interest or right in such options whatsoever in any assignee or transferee and immediately upon any assignment or transfer, or any attempt to make the same, such

options will terminate and be of no further force or effect. However, the Board retains discretion to waive this requirement, subject to the approval of the Exchange, and permit the participant or its legal representative to exercise all or any unvested part of an option if the option would have otherwise vested but for the participant ceasing to be an eligible person.

The Stock Option Plan is administered by the Board, which has authority and discretion, subject to the express provisions of the plan, to interpret the Stock Option Plan, to amend the Stock Option Plan and to make all other determinations deemed necessary or advisable for the administration of the Stock Option Plan. The Board has the right, in its sole discretion, to amend, suspend or terminate the Stock Option Plan or any portion thereof at any time, in accordance with applicable legislation, without obtaining the approval of shareholders; provided that any amendment to any provision of the Stock Option Plan will be subject to any required regulatory approval, stock exchange rules and the provisions of applicable law, if any, that require the approval of shareholders. Notwithstanding the foregoing, the Company will be required to obtain the approval of disinterested shareholders for any amendment related to: (i) the issuance to any one individual within a 12-month period a number of Common Shares exceeding 5% of the issued and outstanding Common Shares; and (ii) reducing the exercise price or extending the term for any outstanding options granted to an insider of the Company.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The table below sets out the outstanding options under the Stock Option Plan, being the Company's only compensation plan under which Common Shares were authorized for issuance, as of December 31, 2022.

	Number of securities to be issued upon exercise of outstanding options, warrants and rights ⁽³⁾	Weighted-average exercise price of outstanding options, warrants and rights ⁽³⁾	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) ⁽¹⁾⁽²⁾
Plan Category	(a)	(b)	(c)
Equity compensation plans approved by security holders	10,167,000	\$1.02	1,279,304
Equity compensation plans not approved by security holders	N/A	N/A	N/A
TOTAL	10,167,000	\$1.02	1,279,304

Notes:

- (1) The number of securities available for issuance under the Stock Option Plan is 10% of the issued and outstanding Common Shares from time to time.
- (2) From the year-end of December 31, 2022, to the date hereof, 9,310,000 options to purchase Common Shares have been granted, 200,000 options to purchase Common Shares have been exercised, and 8,385,000 options to purchase Common Shares have expired or were terminated. As of the date hereof, there are options outstanding to purchase 10,385,000 Common Shares, and therefore 1,450,554 options to purchase Common Shares remain available for future issuance as of the date hereof.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at the date of this Circular and at all times since the commencement of the financial year ended December 31, 2022, no current or former employee, director, executive officer or nominee for election as a director (a "Nominee") of the Company (nor any of their associates and/or affiliates) was indebted, including

under any securities purchase or other program, to (i) the Company or its subsidiaries, or (ii) any other entity which is, or was at any time since the commencement of the financial year ended December 31, 2022, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or its subsidiaries.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

For the purposes of this Circular, “**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 subsidiary of the Company;
- (c) any person or company who beneficially owns, directly or indirectly, voting securities of the Company or who exercises control or direction over 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 voting securities held by the person or company as underwriter in the course of a distribution; and
- (d) the Company if it has purchased, redeemed or otherwise acquired any of its own securities, for so long as it holds any of its securities.

Other than as set out in this Circular, no informed person, no proposed director of the Company and no associate or affiliate of any such informed person or proposed director, has any material interest, direct or indirect, in any material transaction since the commencement of the Company’s last completed financial year or in any proposed transaction, which, in either case, has materially affected or will materially affect the Company or any of its subsidiaries.

AUDIT COMMITTEE

National Instrument 52-110 – *Audit Committees (“NI 52-110”)* requires the Company, as a venture issuer, to disclose annually in its information circular certain information concerning the constitution of its audit committee and its relationship with its independent auditors.

Audit Committee Charter

The Company’s Audit Committee has a written charter to follow in carrying out its audit and financial review functions (the “**Audit Committee Charter**”), a copy of which is attached to this Circular as Schedule “A”. The Audit Committee reviews all financial statements of the Company prior to their publication, reviews audits, considers the adequacy of audit procedures, recommends the appointment of independent auditors, reviews and approves the professional services to be rendered by them, and reviews fees for audit services. The Audit Committee meets separately (without management present) with the Company’s auditors to discuss the various aspects of the Company’s financial statements and the independent audit.

Composition of the Audit Committee; Relevant Education and Experience

As of the date of this Circular, the Audit Committee consists of Larry Van Hatten, Jose Luis Salinas Lanfranco and Greg Clarkes. All members are considered to be “financially literate” within the meaning of Section 1.6 of National Instrument 52-110 – *Audit Committees (“NI 52-110”)*. Mr. Van Hatten is a Chartered Professional Accountant, Mr. Salinas is a lawyer and businessman with extensive business and corporate experience as an owner, shareholder, board director, advisor and consultant in a diverse range of public

and private operations and Mr. Clarkes has over 30 years' experience in the financial markets and has been a senior officer and director of many private and publicly listed companies.

A member of the Audit Committee is "independent" within the meaning of NI 52-110 if the member has no direct or indirect material relationship with the Company. A material relationship means a relationship which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment. In the Board's view, Mr. Van Hatten is not independent because he receives consulting fees from the Company and Mr. Clarkes is not independent due to his position as the CEO of the Company. The Company is relying on the exemption in Section 6.1 of NI 52-110 from Part 3 (*Composition of the Audit Committee*) of NI 52-110, including the requirement that all members of the audit committee be independent, which exemption is available to the Company because its securities are listed only on the Exchange.

Audit Committee Oversight

At no time since the commencement of the fiscal year ended December 31, 2022, was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

Pre-Approval Policies and Procedures

The Audit Committee may satisfy the requirement for the pre-approval of non-audit services by adopting specific policies and procedures for the engagement of non-audit services, if: (a) the pre-approval policies and procedures are detailed as to the particular service; (b) the Audit Committee is informed of each non-audit service; and (c) the procedures do not include delegation of the Audit Committee's responsibilities to management.

As of the date of this Circular, the Audit Committee has not adopted specific policies or procedures for the engagement of non-audit services.

External Auditor Service Fees

The Audit Committee has reviewed the nature and amount of the audit and non-audit services provided by the Company's current auditor, Ernst & Young LLP, to the Company to ensure auditor independence. Fees incurred with Ernst & Young LLP for audit and non-audit services in the last two fiscal years are outlined in the following table.

By Category	Year Ended December 31, 2022 (CAD\$)	Year Ended December 31, 2021 (CAD\$)
Audit Fees ⁽¹⁾	\$165,000	\$130,000
Audit-Related Fees ⁽²⁾	nil	\$60,000
Tax Fees ⁽³⁾	nil	nil
All Other Fees ⁽⁴⁾	nil	nil
Total	\$165,000	\$190,000

Notes:

- (1) "Audit fees" include aggregate fees billed by the Company's external auditor in each of the last two fiscal years for audit fees.
- (2) "Audited related fees" include the aggregate fees billed in each of the last two fiscal years for assurance and related services by the Company's external auditor that are reasonably related to the performance of the audit or review of the Company's financial statements and are not reported under "Audit fees" above. The services provided related to a public offering of shares by the Company.
- (3) "Tax fees" include the aggregate fees billed in each of the last two fiscal years for professional services rendered by the Company's external auditor for tax compliance, tax advice and tax planning.

- (4) "All other fees" include the aggregate fees billed in each of the last two fiscal years for products and services provided by the Company's external auditor, other than "Audit fees", "Audit related fees", and "Tax fees" above.

CORPORATE GOVERNANCE POLICIES

The Company and the Board recognize the importance of corporate governance to the effective management of the Company and to the protection of its stakeholders, particularly shareholders. National Policy 58-201 – *Corporate Governance Guidelines* provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Company. In addition, National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("NI 58-101") prescribes certain disclosure by the Company of its corporate governance practices. This disclosure is presented below. The Company's approach to significant issues of corporate governance is designed with a view to ensuring that the business and affairs of the Company are effectively managed so as to enhance shareholder value. The Board fulfills its mandate directly and through its committees at regularly scheduled meetings or as required. The directors are kept informed of the Company's operations at regular meetings and through reports and discussions with management on matters within their particular areas of expertise.

The Company has considered the applicable requirements and believes that its approach is appropriate and works effectively for the Company and its shareholders.

Board of Directors

Pursuant to NI 58-101, a director is independent if the director has no direct or indirect relationship with the issuer which could, in the view of the issuer's Board, be reasonably expected to interfere with the exercise of a member's independent judgment. Certain directors are deemed to have a material relationship with the issuer by virtue of their position or relationship with the Company. The Board is currently comprised of six members, four of whom the Board has determined are independent, being Ms. Banat and Messrs. Lanfranco, White, and Rennie. Mr. Clarke is not considered to be independent due to his position as CEO. Mr. Van Hatten is not considered to be independent because he receives consulting fees from the Company.

Other Public Company Directorships

None of the directors, or nominees for directorship, are directors of other reporting issuers.

Orientation and Continuing Education

The Board has not established a formal orientation and education program for new members of the Board. The current directors are experienced in boardroom procedures and corporate governance.

In order to orient new directors as to the nature and operation of the Company's business, they are given the opportunity to meet with key members of the management team to discuss the Company's business and activities. In addition, new directors receive copies of Board materials, corporate policies and procedures, and other information regarding the business and operations of the Company.

Directors are expected to keep themselves current with industry trends and developments and are encouraged to communicate with management and, where applicable, auditors, advisors and other consultants of the Company. Board members have access to the Company's legal counsel in the event of

any questions or matters relating to director responsibilities and to keep themselves current with changes in legislation. The Company's directors have full access to the Company's records.

Ethical Business Conduct

To encourage and promote a culture of ethical business conduct, the Board monitors the ethical conduct of the Company and ensures that it complies with applicable legal and regulatory requirements, such as those of relevant securities commissions and stock exchanges.

The Board has found that fiduciary duties placed on individual directors by the Company's governing corporate legislation, as well as the restrictions placed on the 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 Company.

Nomination of Directors

The Board considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board duties effectively and to maintain a diversity of view and experience. The Board does not have a nominating committee, and candidates for nomination to the Board are currently identified by the Board as a whole. In identifying new candidates, the Board takes into account a potential director's experience, skills and characteristics.

Compensation

The Board has appointed a compensation committee consisting of Gregory Clarkes, Bob Rennie and Larry Van Hatten to review and advise the Board with regard to the compensation of senior executives and directors. The Board regularly reviews the adequacy and form of the compensation of the directors, including the granting of stock options, to ensure the compensation realistically reflects the responsibilities and risks involved in being an effective director and that the compensation allows the Company to attract qualified candidates as directors.

Assessments

The Board, on an ad hoc basis, reviews its own performance to satisfy itself that the Board, its committees, and its individual directors are performing effectively.

MATTERS TO BE CONSIDERED

1. Financial Statements

The audited financial statements of the Company as at and for the years ended December 31, 2022, and 2021, together with the report of the auditors thereon (the "**Financial Statements**") will be presented to Shareholders at the Meeting. Copies of the Financial Statements, together with the Management's Discussion and Analysis, are available for review on www.sedarplus.ca and will be available from the Company at 1245 – 200 Granville Street, Vancouver, British Columbia V6C 1S4.

2. Setting the Number of Directors at Six

Management is proposing to set the number of directors of the Company at six, which is the number of directors currently on the Board.

Resolution on the Number of Directors of the Company

Shareholders will be asked at the Meeting to consider and, if deemed advisable, to pass, with or without modification, an ordinary resolution to set the number of directors of the Company at six. The proposed text of the Resolution on the Number of Directors of the Company is as follows:

“BE IT RESOLVED as an ordinary resolution of the holders of common shares of ReGen III Corp. (the **“Company”**) that:

- (1) the number of directors of the Company is hereby set at six; and
- (2) any one director or officer of the Company be and is hereby authorized and directed, for and on behalf of the Company, to do all things and to execute and deliver all documents and instruments as may be necessary or advisable to give effect to the true intent of these resolutions.”

In order to be adopted, the resolution to set the number of directors of the Company at six must be approved by a simple majority of votes cast at the Meeting by Shareholders who vote in person or by proxy. **Unless directed otherwise, the Management Designees intend to vote proxies in favour of setting the number of directors of the Company at six.**

3. Election of Directors

The term of office of each of the present six directors of the Company expires at the Meeting. **Unless directed otherwise, the Management Designees intend to vote proxies in the accompanying form in favour of the election of these Nominees.** Management does not contemplate that any of these Nominees will be unable to serve as a director. Each director elected at the Meeting will hold office until the next annual general meeting of the Company or until his successor is elected or appointed, unless his office is earlier vacated in accordance with the Articles of the Company, or with the provisions of the *Business Corporations Act* (Alberta).

The following table sets out the names of the Nominees for election as directors, the jurisdiction in which each is ordinarily resident, all offices of the Company now held by each of them, their present principal occupation or employment, the period of time for which each has been a director of the Company, and the number of Common Shares of the Company beneficially owned by each, directly or indirectly, or over which control or direction is exercised, as at November 16, 2023.

Name, Present Office and Province and Country of Residence	Present Principal Occupation or Employment	Date First Appointed as Director	No. of Common Shares Owned, Beneficially Controlled or Held⁽³⁾
Gregory M. Clarkes⁽¹⁾⁽²⁾ <i>Chairman of the Board and Chief Executive Officer</i> <i>British Columbia, Canada</i>	Chief Executive Officer, Chairman and Director of the Company	June 7, 2011	8,184,309
Catherine Banat <i>Director</i> <i>New York, United States of America</i>	Corporate Director	January 12, 2022	Nil
Jose Luis Salinas Lanfranco⁽¹⁾ <i>Director</i> <i>Panama</i>	Lawyer and Businessman	October 8, 2021	Nil
Bob Rennie⁽²⁾ <i>Director</i> <i>British Columbia, Canada</i>	Executive Director, Rennie Group	March 19, 2021	500,000
Larry Van Hatten⁽¹⁾⁽²⁾ <i>Director</i> <i>British Columbia, Canada</i>	Corporate Director	June 7, 2011	1,687,171
Brad White <i>Director</i> <i>Ontario, Canada</i>	Investment Executive	May 2, 2023	12,604,090

Notes:

- (1) Member of the Audit Committee. Mr. Van Hatten is the chair of the Audit Committee.
- (2) Member of the Compensation Committee. Mr. Clarkes is the chair of the Compensation Committee.
- (3) The number of Common Shares owned, controlled or directed by each Nominee, not being within the knowledge of the Company, has been furnished by each Nominee individually.

Mr. Gregory Clarkes has been the CEO and Chairman of the Board of the Company since June 2011. Mr. Clarkes was previously a director of MENA Hydrocarbons Inc., a junior oil and gas company listed on the Exchange, and Skye Resources Inc., a publicly traded resource company with a nickel project in Guatemala. Between October 1999 and March 2001, he was chief executive officer and director of Sextant Entertainment Group Inc., a publicly traded motion picture and entertainment company. Prior to that, between 1994 and 1997, he was chairman and managing director of Rainmaker Digital Pictures Corp., a publicly traded motion picture and entertainment company.

Ms. Catherine Banat is a financial services executive with over three decades of leadership experience in capital markets innovation, strategy, environmental, social and governance factors, and risk oversight. Ms. Banat has worked at some of the largest global financial institutions, including Goldman Sachs, JP Morgan,

Lehman Brothers, the 4th largest U.S. public pension plan, the New York City Retirement System and several asset managers across all asset classes, including RBC Global Asset Management and Paloma Partners. Between 2014 and 2021, Ms. Banat held the role of Institutional Portfolio Manager and then the role of Managing Director, Responsible Investing at RBC Global Asset Management. Ms. Banat is a recognized thought leader in sustainable investing. Ms. Banat holds an MBA from the Columbia University Graduate School of Business, a Bachelor of Science in Economics from the Wharton School and a Bachelor of Arts from the University of Pennsylvania.

As founder and executive director of the Rennie Group, Mr. Bob Rennie has redefined the business of real estate, offering specialized national and international marketing, data gathering intelligence information and technology services for over 40 years. Mr. Rennie is often recognized for his leadership in developing new and innovative strategies in risk management and marketing. Mr. Rennie's various philanthropic initiatives focus on mental health and education, while being an active voice and member of the arts communities locally, nationally and internationally. Mr. Rennie acts as President of the Board of Trustees at the Tate American Foundation, sits on the Board of Trustees at the School of the Art Institute of Chicago, acts as Chair, Art Institute of Chicago's Contemporary & Modern Art Committee, and is a Member, Musqueam Capital Corporation Advisory Board.

Mr. Jose Louis Salinas Lanfranco is a Peruvian, British and Panamanian businessman. Ms. Salinas has a background in law, business and risk management which have led him to have a varied and extensive professional experience in the private and public sectors. Mr. Salinas specializes in de-risking large-scale industrial and infrastructure projects through traditional tools, such as contractual development or insurance, and through innovative mechanisms, such as corporate engineering, financial vehicles and layering, with the goal to deliver robust asset and financial protections. Mr. Salinas also has extensive business and corporate experience as an owner, shareholder, board director, advisor and consultant in a diverse range of public and private operations, from mining to the energy and nuclear industries. Since 2014, Mr. Salinas has been a Partner and Managing Director at Mansal Group, a group of companies in the corporate services and consultancy sectors. Mr. Salinas studied Law at Pontificia Universidad Catolica and holds two postgraduate degrees. Mr. Salinas' first postgraduate degree is an LLM in International Commercial Law, International Transport and Insurance from Southampton University in the UK. Mr. Salinas' second postgraduate degree is an MBA with a focus on Enterprise Risk Management, Finance and Insurance from St. John's University in New York City.

Mr. Larry Van Hatten is a director of the Company. From May 2005 to June 2010, Mr. Van Hatten was a partner of Ernst & Young LLP, leading its Vancouver assurance practice until announcing his retirement in June 2010. Prior to May 2005, Mr. Van Hatten was the managing partner of Ellis Foster, Chartered Accountants, a Vancouver-based firm that merged into Ernst & Young LLP in May 2005. Mr. Van Hatten also served on the board of the BC Children's Hospital Foundation, which he chaired from 1996 to 1999. Mr. Van Hatten received his Chartered Accountant designation in 1975 and his Fellow Chartered Accountant designation in 2009. In 2010, he completed the academic requirements for the Directors Education Program.

Mr. Brad White is an investment executive with over 25 years of experience as a portfolio manager, with a focus on alternative investments, including public equities, hedge funds, shareholder activism, private equity, and venture capital. Prior to joining ReGen III, Mr. White served as a Co-founder of EdgeHill Partners, an alternative asset manager launched in 2010. He was also a Co-founder of Salida Capital, a \$1B+ alternative asset manager, where over an eight-year period, his funds recorded 30% compounded returns until his departure to start EdgeHill. Mr. White is currently an advisor to Blue Deer Capital Partners

in Toronto, a firm providing advisory services to mission-driven entrepreneurs across a variety of sectors. In addition, he was a Director of Orca Gold prior to its acquisition by Perseus Gold (PRU-AU).

Mr. White holds a Bachelor of Commerce from the Memorial University of Newfoundland and a CFA designation. Before fund management, he worked as an energy analyst at Morgan Stanley, TD Securities, and BMO Nesbitt Burns, compiling over 30 years of experience in capital markets. Mr. White is also the benefactor of both the Embley Park Foundation, a private philanthropic organization and the White Trading Lab at the Memorial University Business School.

Cease Trade Orders or Bankruptcies

Except as disclosed herein, no director of the Company or proposed director:

1. is, as at the date hereof, or has been, within 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company (including the Company) that,
 - (a) while that person was acting in that capacity, was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation (collectively, an “**Order**”), for a period of more than 30 consecutive days; or
 - (b) was subject to an Order that was issued, after the director, executive officer or chief financial officer ceased to be a director, chief executive officer or chief financial officer, in the company being the subject of such Order, that resulted from an event that occurred while that person was acting as director, chief executive officer or chief financial officer of that company.
2. has, within the 10 years before the date hereof, 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;
3. is, as at the date hereof, or has been within 10 years before the date hereof, a director or executive officer of any company (including the Company) 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
4. has been subject to:
 - (a) any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian 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.

In May 1997, Mr. Clarkes entered into a settlement agreement with the Autorité des Marchés Financiers. Mr. Clarkes admitted that in February 1995, he effected trades of a publicly traded company through Longshot Capital Inc. ("**Longshot**"), his private company, while he possessed insider information. Longshot paid the sum of \$113,512 to cover the settlement and, in part, the inquiry costs of the Autorité des Marchés Financiers.

4. Re-appointment of Auditors

The shareholders of the Company will be asked to vote for the re-appointment of Ernst & Young LLP as auditors of the Company for the ensuing year and to authorize the directors to set the auditors' remuneration. **Unless directed otherwise, the Management Designees intend to vote proxies in favour of a resolution re-appointing Ernst & Young LLP as auditors for the Company for the ensuing year, to hold office until the close of the next annual general meeting of shareholders, or until Ernst & Young LLP is removed from office or resigns, and to authorize the directors to set the remuneration for the auditors.** Ernst & Young LLP were first appointed as auditors of the Company on November 27, 2012.

5. Approval of Stock Option Plan

Policy 4.4 – *Security Based Compensation* of the TSXV Company Manual requires that rolling stock option plans must receive shareholder approval yearly, at an issuer's annual general meeting. The terms of the Stock Option Plan are unchanged from the version previously approved by Shareholders at the Company's last annual meeting of shareholders and are summarized above under "*Statement of Executive Compensation - Stock Option Plan*". The full text of the Stock Option Plan (as amended) can be found in Schedule "B" hereto.

The Shareholders will be asked to consider and, if thought fit, to pass an ordinary resolution approving and adopting the Stock Option Plan as the Company's stock option plan.

Stock Option Plan Resolution

Shareholders will be asked at the Meeting to consider and, if deemed advisable, to pass, with or without modification, an ordinary resolution (the "**Option Plan Resolution**") approving the Stock Option Plan. The proposed text of the Stock Option Plan Resolution is as follows:

"BE IT RESOLVED as an ordinary resolution of the holders of common shares of ReGen III Corp. (the "**Company**") that:

- (1) the stock option plan of the Company attached as Schedule "B" to the Information Circular dated November 16, 2023 (the "**Option Plan**") be and is hereby approved, adopted and ratified as the stock option plan of the Company;
- (2) all issued and outstanding stock options previously granted are hereby continued under and governed by the Option Plan;
- (3) any one director or officer of the Company be and is hereby authorized and directed, for and on behalf of the Company, to do all things and to execute and deliver all documents and instruments as may be necessary or advisable to give effect to the true intent of these resolutions; and

- (4) notwithstanding that this resolution has been passed by the shareholders of the Company, the directors of the Company are hereby authorized and empowered to amend the form of the Option Plan in order to satisfy the requirements or requests of any regulatory authority without requiring further approval of the shareholders of the Company or to revoke this resolution, without any further approval of the shareholders of the Company, at any time if such revocation is considered necessary or desirable by the directors.”

In order to be adopted, the Option Plan Resolution must be approved by a simple majority of votes cast at the Meeting by Shareholders who vote in person or by proxy. **Unless directed otherwise, the Management Designees intend to vote proxies in favour of the ordinary resolution approving the Option Plan.**

6. Reconfirmation of Shareholder Rights Plan

The Company entered into a shareholder rights plan agreement with Computershare Trust Company of Canada dated December 6, 2017 (the “**Rights Plan**”), which was previously approved by Shareholders at an annual general meeting of Shareholders held on December 6, 2017, and reconfirmed by Shareholders at an annual general meeting of Shareholders held on April 30, 2021. A copy of the Rights Plan is attached hereto as Schedule "C".

The Rights Plan provides that at or prior to the Company’s annual meeting of Shareholders in the year 2023, provided that a Flip-in Event (as defined therein) has not occurred prior to such time, the Board shall submit a resolution ratifying the continued existence of the Rights Plan until the termination of the annual meeting of Shareholders in the year 2026 to the Shareholders for approval.

The Company is seeking approval of the Reconfirmation Resolution (defined below) by Shareholders, in accordance with the terms of the Rights Plan, at the Meeting.

Objectives of the Rights Plan

The objectives of the Rights Plan are to ensure, to the extent possible, that all Shareholders are treated equally and fairly in connection with any take-over bid or similar proposal to acquire Common Shares. The Rights Plan will provide the Board and the Shareholders with more time to fully consider any unsolicited take-over bid for the Company without undue pressure, to allow the Board to pursue, if appropriate, other alternatives to maximize shareholder value and to allow additional time for competing bids to emerge.

Take-over bids may be structured in such a way as to be coercive or discriminatory in effect or may be initiated at a time when it will be difficult for the Board to prepare an adequate response. Such offers may result in Shareholders receiving unequal or unfair treatment, or not realizing the full value of their investment in the Company.

The Rights Plan discourages the making of any such offers by creating the potential for significant dilution to any offeror who does so. This potential is created through the issuance to all Shareholders of contingent rights to acquire additional Common Shares at a significant discount to the prevailing market price, which could, in certain circumstances, become exercisable by all Shareholders other than an offeror and its associates, affiliates and joint actors.

An offeror can avoid that potential by making an offer that either: (i) qualifies as a "permitted bid" under the Rights Plan, and therefore meets certain specified conditions which aim to ensure that all Shareholders are treated fairly and equally; or (ii) does not qualify as a "permitted bid" but is negotiated with the Company

and has been exempted by the Board from the application of the Rights Plan in light of the opportunity to bargain for agreed terms and conditions to the offer that are believed to be in the best interests of Shareholders.

The Rights Plan is designed to address the following concerns arising out of the existing legislative framework governing take-over bids in Canada:

1. *Unequal Treatment.* While existing securities legislation has substantially addressed many concerns of unequal treatment, there remains the possibility that control of an issuer may be acquired pursuant to a private agreement in which one large securityholder or a small group of securityholders dispose of their securities at a premium to the market price and that the premium is not shared with other securityholders. In addition, a person may slowly accumulate securities through stock exchange acquisitions which may result, over time, in an acquisition of control without payment of fair value for control or a fair sharing of a control premium among all securityholders. The Rights Plan addresses these concerns by applying to all acquisitions that would result in a person or company owning 20% or more of the Common Shares (subject to certain limited exceptions), to better ensure that all securityholders receive equal treatment.

2. *Pressure to Tender.* A Shareholder may feel pressured to tender to a bid that the Shareholder considers to be inadequate out of a concern that failing to tender may result in the Shareholder being left with illiquid or minority discounted securities in the Company. The permitted bid provisions are intended to ensure that a Shareholder will not feel pressure to tender. In order for a take-over bid to be a permitted bid it must remain open for acceptance for a further 10 days following public announcement that more than 50% of the Common Shares held by Independent Shareholders (as defined in the Rights Plan) have been deposited and not withdrawn as at the initial date of take-up or payment by the buyer.

The Company is not adopting the Rights Plan in response to or in anticipation of any acquisition or takeover bid that is known to the management of the Company. The Rights Plan is not intended to prevent a take-over of the Company, to secure continuance of current management or the directors in office, or to deter fair offers for the Common Shares. The Rights Plan may, however, increase the price paid by a potential offeror to obtain control of the Company and may discourage certain transactions.

The Rights Plan does not affect in any way the Company's financial condition. The initial issuance of the rights will not dilute the Common Shares and will not affect reported earnings or cash flow per share until the rights separate from the underlying Common Shares and become exercisable. The Rights Plan will not lessen or affect the duty of the Board to give due and proper consideration to any offer that is made and to act honestly, in good faith, and in the best interests of the Company. The Rights Plan is designed to provide the directors with sufficient time to seek out and identify alternative transactions on behalf of the Shareholders.

Reconfirmation Resolution

Shareholders will be asked at the Meeting to consider and, if deemed advisable, to pass, with or without modification, an ordinary resolution reconfirming the Rights Plan (the "**Reconfirmation Resolution**"). The proposed text of the Reconfirmation Resolution is as follows:

"BE IT RESOLVED as an ordinary resolution of the holders of common shares of ReGen III Corp. (the "**Company**") that:

- (1) the shareholder rights plan of the Company, as approved by shareholders of the Company on December 6, 2017, and reconfirmed by Shareholders on April 30, 2021, attached as Schedule "C" to the Information Circular dated November 16, 2023, (the "**Rights Plan**") be and is hereby reconfirmed and ratified until the termination of the annual meeting of the shareholders of the Company in the year 2026;
- (2) any one director or officer of the Company be and is hereby authorized and directed, for and on behalf of the Company, to do all things and to execute and deliver all documents and instruments as may be necessary or advisable to give effect to the true intent of these resolutions; and
- (3) notwithstanding that this resolution has been passed by the shareholders of the Company, the directors of the Company are hereby authorized and empowered to amend the form of the Rights Plan in order to satisfy the requirements or requests of any regulatory authority without requiring further approval of the shareholders of the Company or to revoke this resolution, without any further approval of the shareholders of the Company, at any time if such revocation is considered necessary or desirable by the directors."

In order to be adopted, the Reconfirmation Resolution must be approved by a simple majority of votes cast by at the Meeting by: (i) Shareholders who vote in person or by proxy; and (ii) Independent Shareholders (as defined in the Rights Plan). As at November 16, 2023, the Company has determined that no Shareholders are considered non-Independent Shareholders under the Rights Plan. **Unless directed otherwise, the management nominees named in the accompanying Instrument of Proxy intend to vote FOR the ordinary resolution approving the reconfirmation of the Rights Plan.**

Additional Information

Additional information relating to the Company may be found under the profile of the Company on SEDAR+ at www.sedarplus.ca including in the Company's most recently filed annual information form. Additional financial information is provided in the Company's audited financial statements and related management's discussion and analysis for the financial year ended December 31, 2022, which can be found under the profile of the Company on SEDAR+. Shareholders may also request these documents from the Company by telephone at 604-806-5275.

Board of Directors Approval

The contents of this Circular and the sending thereof to the shareholders of the Company have been approved by the Board.

BY ORDER OF THE BOARD

Signed: "Gregory Clarkes"

Gregory Clarkes
Chairman of the Board and
Chief Executive Officer

Vancouver, British Columbia
November 16, 2023

SCHEDULE "A"

AUDIT COMMITTEE CHARTER

1. Mandate

The primary function of the audit committee (the "**Committee**") is to assist the Board of Directors in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company's systems of internal controls regarding finance and accounting, and the Company's auditing, accounting and financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Company's policies, procedures and practices at all levels. The Committee's primary duties and responsibilities are to:

- Serve as an independent and objective party to monitor the Company's financial reporting and internal control system and review the Company's financial statements.
- Review and appraise the performance of the Company's external auditors.
- Provide an open avenue of communication among the Company's auditors, financial and senior management and the Board of Directors.

2. Composition

The Committee shall be comprised of three directors as determined by the Board of Directors, the majority of whom shall be independent directors, pursuant to the policies of the TSX Venture Exchange.

At least one member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Company's Charter, the definition of "financially literate" is 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 presumably be expected to be raised by the Company's financial statements.

The members of the Committee shall be elected by the Board of Directors at its first meeting following the annual shareholders' meeting. Unless a Chair is elected by the full Board of Directors, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.

3. Meetings

The Committee shall meet at least twice annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee will meet at least annually with management and the external auditors in separate sessions.

The minutes of the Committee meetings shall accurately record the decisions reached and shall be distributed to the Audit Committee members with copies to the Board of Directors, the Chief Financial Officer or such other officer acting in the capacity and the external auditor.

4. Responsibilities and Duties

To fulfill its responsibilities and duties, the Committee shall:

Documents/Reports Review

- (a) Review and update this Charter annually.

- (b) Review the Company's financial statements, MD&A and any annual and interim earnings, press releases before the Company publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.

External Auditors

- (a) Require the external auditors to report directly to the Committee.
- (b) Review annually the performance of the external auditors who shall be ultimately accountable to the Board of Directors and the Committee as representatives of the shareholders of the Company.
- (c) Obtain annually, a formal written statement of external auditors setting forth all relationships between the external auditors and the Company and confirming their independence from the Company.
- (d) Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors.
- (e) Take, or recommend that the full Board of Directors take, appropriate action to oversee the independence of the external auditors.
- (f) Recommend to the Board of Directors the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval and the compensation of the external auditors.
- (g) Review with management and the external auditors the terms of the external auditors' engagement letter.
- (h) At each meeting, consult with the external auditors, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements.
- (i) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.
- (j) Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.
- (k) Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:
 - (i) the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount of revenues paid by the Company to its external auditors during the fiscal year in which the non-audit services are provided;
 - (ii) such services were not recognized by the Company at the time of the engagement to be non-audit services; and
 - (iii) such services are promptly brought to the attention of the Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board of

Directors to whom authority to grant such approvals has been delegated by the Committee.

Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval such authority may be delegated by the Committee to one or more independent members of the Committee.

Financial Reporting Processes

- (a) In consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external.
- (b) Consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.
- (c) Consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management.
- (d) Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments.
- (e) Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
- (f) Review any significant disagreement among management and the external auditors regarding financial reporting.
- (g) Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.
- (h) Review certification process.
- (i) Establish procedures for:
 - (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
 - (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

Other

- (a) Review any related-party transactions.

5. Authority

The Committee may:

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

The Committee shall have unrestricted access to the Company's personnel and documents and will be provided with the resources necessary to carry out its responsibilities.

SCHEDULE “B”

**REGEN III CORP.
(the “Company”)**

SHARE OPTION PLAN

**Dated for Reference August 15, 2011
as amended July 22, 2016 and June 27, 2022**

**ARTICLE 1
PURPOSE AND INTERPRETATION**

Purpose

- 1.1 The purpose of this Plan is to advance the interests of the Company by encouraging equity participation in the Company through the acquisition of Common Shares of the Company. It is the intention of the Company that this Plan will at all times be in compliance with TSX Venture Policies (or, if applicable, NEX Policies) and any inconsistencies between this Plan and TSX Venture Policies (or, if applicable, NEX Policies) will be resolved in favour of the latter.

Definitions

- 1.2 In this Plan
- (a) **Affiliate** means a company that is a parent or subsidiary of the Company, or that is controlled by the same entity as the Company;
 - (b) **Associate** has the meaning set out in the *Securities Act*;
 - (c) **Black-out Period** means an interval of time during which the Company has determined that one or more Participants may not trade any securities of the Company because they may be in possession of undisclosed material information pertaining to the Company, 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 Company or in respect of an Insider, that Insider, is subject);
 - (d) **Board** means the board of directors of the Company or any committee thereof duly empowered or authorized to grant Options under this Plan;
 - (e) **Change of Control** includes situations where after giving effect to the contemplated transaction and as a result of such transaction:
 - (i) any one Person holds a sufficient number of voting shares of the Company or resulting company to affect materially the control of the Company or resulting company, or,

- (ii) any combination of Persons, acting in concert by virtue of an agreement, arrangement, commitment or understanding, holds in total a sufficient number of voting shares of the Company or its successor to affect materially the control of the Company or its successor,

where such Person or combination of Persons did not previously hold a sufficient number of voting shares to materially affect control of the Company or its successor and, in the absence of evidence to the contrary, any Person or combination of Persons acting in concert by virtue of an agreement, arrangement, commitment or understanding, holding more than 20% of the voting shares of the Company or resulting company is deemed to materially affect control of the Company or resulting company;

- (f) **Common Shares** means the common shares without par value in the capital of the Company providing such class is listed on the TSX Venture (or, NEX, as the case may be);
- (g) **Company** means the company named at the top hereof and includes, unless the context otherwise requires, all of its Affiliates and successors according to law;
- (h) **Consultant** means an individual or Consultant Company, other than an Employee, Officer or Director that:
 - (i) provides on an ongoing bona fide basis, consulting, technical, managerial or like services to the Company or an affiliate of the Company, other than services provided in relation to a Distribution;
 - (i) provides the services under a written contract between the Company or an Affiliate and the individual or the Consultant Company;
 - (ii) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the business and affairs of the Company or an Affiliate of the Company; and
 - (iii) has a relationship with the Company or an Affiliate of the Company that enables the individual or Consultant Company to be knowledgeable about the business and affairs of the Company;
 - (iv) Consultant Company means for an individual consultant, a company or partnership of which the individual is an employee, shareholder or partner;
- (j) **Directors** means the directors of the Company as may be elected from time to time;
- (k) **Discounted Market Price** has the meaning assigned by Policy 1.1 of the TSX Venture Policies;
- (l) **Disinterested Shareholder Approval** means approval by a majority of the votes cast by all the Company's shareholders at a duly constituted shareholders' meeting, excluding votes attached to Common Shares beneficially owned by Insiders who are Service Providers or their Associates;

- (m) **Distribution** has the meaning assigned by the *Securities Act*, and generally refers to a distribution of securities by the Company from treasury;
- (n) **Effective Date for an Option** means the date of grant thereof by the Board;
- (o) **Employee** means:
 - (i) an individual who is considered an employee under the *Income Tax Act* Canada (i.e. for whom income tax, employment insurance and CPP deductions must be made at source);
 - (ii) an individual who works full-time for the Company or a subsidiary thereof providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source; or
 - (iii) an individual who works for the Company 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 Company over the details and methods of work as an employee of the Company, but for whom income tax deductions need not be made at source;
- (p) **Exchange Hold Period** has the meaning assigned by Policy 1.1 of the TSX Venture Policies;
- (q) **Exercise Price** means the amount payable per Common Share on the exercise of an Option, as determined in accordance with the terms hereof;
- (r) **Expiry Date** means the day on which an Option lapses as specified in the Option Commitment therefor or in accordance with the terms of this Plan;
- (s) **Insider** means an insider as defined in the TSX Venture Policies or as defined in securities legislation applicable to the Company;
- (t) **Investor Relations Activities** has the meaning assigned by Policy 1.1 of the TSX Venture Policies;
- (u) **Management Company Employee** means an individual employed by a Person providing management services to the Company which are required for the ongoing successful operation of the business enterprise of the Company, but excluding a Person engaged in Investor Relations Activities;
- (v) **Market Price** has the meaning assigned by Policy 1.1 of the TSX Venture Policies;
- (w) **NEX** means a separate board of the TSX Venture for companies previously listed on the TSX Venture or the Toronto Stock Exchange which have failed to maintain compliance with the ongoing financial listing standards of those markets;
- (x) **NEX Issuer** means a company listed on NEX;

- (y) **NEX Policies** means the rules and policies of NEX as amended from time to time;
- (z) **Officer** means a Board appointed officer of the Company;
- (aa) **Option** means the right to purchase Common Shares granted hereunder to a Service Provider;
- (bb) **Option Commitment** means the notice of grant of an Option delivered by the Company hereunder to a Service Provider and substantially in the form of Schedule A attached hereto;
- (cc) **Optioned Shares** means Common Shares that may be issued in the future to a Service Provider upon the exercise of an Option;
- (dd) **Optionee** means the recipient of an Option hereunder;
- (ee) **Outstanding Shares** means at the relevant time, the number of issued and outstanding Common Shares of the Company from time to time;
- (ff) **Participant** means a Service Provider that becomes an Optionee;
- (gg) **Person** includes a company, any unincorporated entity, or an individual;
- (hh) **Plan** means this share option plan, the terms of which are set out herein or as may be amended;
- (ii) **Plan Shares** means the total number of Common Shares which may be reserved for issuance as Optioned Shares under the Plan as provided in §2.2;
- (jj) **Regulatory Approval** means the approval of the TSX Venture and any other securities regulatory authority that has lawful jurisdiction over the Plan and any Options issued hereunder;
- (kk) **Securities Act** means the *Securities Act*, R.S.B.C. 1996, c. 418, or any successor legislation;
- (ll) **Service Provider** means a Person who is a bona fide Director, Officer, Employee, Management Company Employee, Consultant or Company Consultant, and also includes a company, 100% of the share capital of which is beneficially owned by one or more Service Providers;
- (mm) **Share Compensation Arrangement** means any Option under this Plan but also includes any other stock option, stock option plan, employee stock purchase plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Common Shares to a Service Provider;
- (nn) **Shareholder Approval** means approval by a majority of the votes cast by eligible shareholders of the Company at a duly constituted shareholders' meeting;

- (oo) **Take Over Bid** means a take-over bid as defined in Multilateral Instrument 62-104 (Take-over Bids and Issuer Bids) or the analogous provisions of securities legislation applicable to the Company;
- (pp) **TSX Venture** means the TSX Venture Exchange and any successor thereto; and
- (qq) **TSX Venture Policies** means the rules and policies of the TSX Venture as amended from time to time.

Other Words and Phrases

- 1.3 Words and phrases used in this Plan but which are not defined in the Plan, but are defined in the TSX Venture Policies (and, if applicable, the NEX Policies), will have the meaning assigned to them in the TSX Venture Policies (and, if applicable, NEX Policies).

Gender

- 1.4 Words importing the masculine gender include the feminine or neuter, words in the singular include the plural, words importing a corporate entity include individuals, and vice versa.

ARTICLE 2 **SHARE OPTION PLAN**

Establishment of Share Option Plan

- 2.1 The Plan is hereby established to recognize contributions made by Service Providers and to create an incentive for their continuing assistance to the Company and its Affiliates.

Maximum Plan Shares

- 2.2 The maximum aggregate number of Plan Shares that may be reserved for issuance under the Plan at any point in time is 10% of the Outstanding Shares at the time Plan Shares are reserved for issuance as a result of the grant of an Option, less any Common Shares reserved for issuance under share options granted under Share Compensation Arrangements other than this Plan, unless this Plan is amended pursuant to the requirements of the TSX Venture Policies (and, if applicable, NEX Policies).

Eligibility

- 2.3 Options to purchase Common Shares may be granted hereunder to Service Providers of the Company, or its affiliates, from time to time by the Board. Service Providers that are not individuals will be required to undertake in writing not to effect or permit any transfer of ownership or option of any of its securities, or to issue more of its securities (so as to indirectly transfer the benefits of an Option), as long as such Option remains outstanding, unless the written permission of the TSX Venture and the Company is obtained.

Options Granted Under the Plan

- 2.4 All Options granted under the Plan will be evidenced by an Option Commitment in the form attached as Schedule A, showing the number of Optioned Shares, the term of the Option, a reference to vesting terms, if any, and the Exercise Price.
- 2.5 Subject to specific variations approved by the Board, all terms and conditions set out herein will be deemed to be incorporated into and form part of an Option Commitment made hereunder.

Limitations on Issue

- 2.6 Subject to §2.10, the following restrictions on issuances of Options are applicable under the Plan:
- (a) no Service Provider can be granted an Option if that Option would result in the total number of Options, together with all other Share Compensation Arrangements granted to such Service Provider in the previous 12 months, exceeding 5% of the Outstanding Shares, unless the Company has obtained Disinterested Shareholder Approval to do so;
 - (b) the aggregate number of Options granted to all Service Providers conducting Investor Relations Activities in any 12-month period cannot exceed 2% of the Outstanding Shares, calculated at the time of grant, without the prior consent of the TSX Venture (or NEX, as the case may be); and
 - (c) the aggregate number of Options granted to any one Consultant in any 12 month period cannot exceed 2% of the Outstanding Shares, calculated at the time of grant, without the prior consent of the TSX Venture.

Options Not Exercised

- 2.7 In the event an Option granted under the Plan expires unexercised or is terminated by reason of dismissal of the Optionee for cause or is otherwise lawfully cancelled prior to exercise of the Option, the Optioned Shares that were issuable thereunder will be returned to the Plan and will be eligible for re-issuance.

Powers of the Board

- 2.8 The Board will be responsible for the general administration of the Plan and the proper execution of its provisions, the interpretation of the Plan and the determination of all questions arising hereunder. Without limiting the generality of the foregoing, the Board has the power to
- (a) allot Common Shares for issuance in connection with the exercise of Options;
 - (b) grant Options hereunder;
 - (c) subject to any necessary Regulatory Approval, amend, suspend, terminate or discontinue the Plan, or revoke or alter any action taken in connection therewith, except that no general amendment or suspension of the Plan will, without the prior written consent of all Optionees, alter or impair any Option previously granted under the Plan unless the alteration or impairment occurred as a result of a change in the TSX Venture Policies or the Company's tier classification thereunder; and

- (d) delegate all or such portion of its powers hereunder as it may determine to one or more committees of the Board, either indefinitely or for such period of time as it may specify, and thereafter each such committee may exercise the powers and discharge the duties of the Board in respect of the Plan so delegated to the same extent as the Board is hereby authorized so to do.

Amendment of the Plan by the Board of Directors

2.9 Subject to the requirements of the TSX Venture Policies and the prior receipt of any necessary Regulatory Approval, the Board may in its absolute discretion, amend or modify the Plan or any Option granted as follows:

- (a) it may make amendments which are of a typographical, grammatical or clerical nature only;
- (b) it may change the vesting provisions of an Option granted hereunder, subject to prior written approval of the TSX Venture, if applicable;
- (c) it may change the termination provision of an Option granted hereunder which does not entail an extension beyond the original Expiry Date of such Option;
- (d) it may make amendments necessary as a result in changes in securities laws applicable to the Company;
- (e) if the Company becomes listed or quoted on a stock exchange or stock market senior to the TSX Venture, it may make such amendments as may be required by the policies of such senior stock exchange or stock market; and
- (f) it may make such amendments as reduce, and do not increase, the benefits of this Plan to Service Providers.

Amendments Requiring Disinterested Shareholder Approval

2.10 The Company will be required to obtain Disinterested Shareholder Approval prior to any of the following actions becoming effective:

- (a) the Plan, together with all of the Company's other previous Share Compensation Arrangements, could result at any time in:
 - (i) the aggregate number of Common Shares reserved for issuance under Options granted to Insiders exceeding 10% of the Outstanding Shares in the event that this Plan is amended to reserve for issuance more than 10% of the Outstanding Shares;
 - (ii) the number of Optioned Shares issued to Insiders within a one-year period exceeding 10% of the Outstanding Shares in the event that this Plan is amended to reserve for issuance more than 10% of the Outstanding Shares; or,
 - (iii) the issuance to any one Optionee, within a 12-month period, of a number of Common Shares exceeding 5% of the Outstanding Shares; or

- (b) any reduction in the Exercise Price or extension of the term of an Option previously granted to an Insider.

Options Granted Under the Company's Previous Share Option Plans

- 2.11 Any option granted pursuant to a stock option plan previously adopted by the Board which is outstanding at the time this Plan comes into effect shall be deemed to have been issued under this Plan and shall, as of the date this Plan comes into effect, be governed by the terms and conditions hereof.

Repricing of Options Granted to Non-Insiders

- 2.12 Any reduction in the exercise price of an Option held by an Optionee who is not an Insider at the time of the proposed amendment is subject to shareholder approval.

ARTICLE 3 **TERMS AND CONDITIONS OF OPTIONS**

Exercise Price

- 3.1 The Exercise Price of an Option will be set by the Board at the time such Option is allocated under the Plan, and cannot be less than the Market Price.

Term of Option

- 3.2 An Option can be exercisable for a maximum of 10 years from the Effective Date.

Option Amendment

- 3.3 Subject to §2.10(b), the Exercise Price of an Option may be amended only if at least six (6) months have elapsed since the later of the date of commencement of the term of the Option, the date the Common Shares commenced trading on the TSX Venture, or the date of the last amendment of the Exercise Price.
- 3.4 An Option must be outstanding for at least one year before the Company may extend its term, subject to the limits contained in §3.2.
- 3.5 Any proposed amendment to the terms of an Option must be approved by the TSX Venture prior to the exercise of such Option.

Vesting of Options

- 3.6 Subject to §3.7, vesting of Options shall be at the discretion of the Board and, with respect to any particular Options granted under the Plan, in the absence of a vesting schedule being specified at the time of grant, all such Options shall vest immediately. Where applicable, vesting of Options will generally be subject to:
 - (a) the Service Provider remaining employed by or continuing to provide services to the Company or any of its Affiliates as well as, at the discretion of the Board, achieving certain

milestones which may be defined by the Board from time to time or receiving a satisfactory performance review by the Company or any of its Affiliates during the vesting period; or

- (b) the Service Provider remaining as a Director of the Company or any of its Affiliates during the vesting period.

Vesting of Options Granted to Consultants Conducting Investor Relations Activities

3.7 Notwithstanding §3.6, Options granted to Consultants conducting 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 may determine.

Effect of Take Over Bid

3.8 If a Take Over Bid is made to the shareholders generally then the Company shall immediately upon receipt of notice of the Take Over Bid, notify each Optionee currently holding an Option of the Take Over Bid, with full particulars thereof whereupon such Option may, notwithstanding §3.6 and §3.7 or any vesting requirements set out in the Option Commitment, be immediately exercised in whole or in part by the Optionee, subject to approval of the TSX Venture (or the NEX, as the case may be) for vesting requirements imposed by the TSX Venture Policies.

Extension of Options Expiring During Blackout Period

3.9 Should the Expiry Date for an Option fall within a Blackout Period, such Expiry Date shall, subject to approval of the TSX Venture (or the NEX, as the case may be), 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. Notwithstanding §2.8, the ten Business Day period referred to in this §3.9 may not be extended by the Board.

Optionee Ceasing to be Director, Employee or Service Provider

3.10 Options may be exercised after the Service Provider has left his/her employ/office or has been advised by the Company that his/her services are no longer required or his/her service contract has expired, until the term applicable to such Options expires, except as follows:

- (a) in the case of the death of an Optionee, any vested Option held by him at the date of death will become exercisable by the Optionee's lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such Optionee and the date of expiration of the term otherwise applicable to such Option;
- (b) an Option granted to any Service Provider will expire 90 days (or such other time, not to exceed one year, as shall be determined by the Board as at the date of grant or agreed to by the Board and the Optionee at any time prior to expiry of the Option) after the date the Optionee ceases to be employed by or provide services to the Company, and only to the

extent that such Option was vested at the date the Optionee ceased to be so employed by or to provide services to the Company; and

- (c) in the case of an Optionee being dismissed from employment or service for cause, such Optionee's Options, whether or not vested at the date of dismissal will immediately terminate without right to exercise same.

Non Assignable

- 3.11 Subject to §3.10, all Options will be exercisable only by the Optionee to whom they are granted and will not be assignable or transferable.

Adjustment of the Number of Optioned Shares

- 3.12 The number of Common Shares subject to an Option will be subject to adjustment in the events and in the manner following:

- (a) in the event of a subdivision of Common Shares as constituted on the date hereof, at any time while an Option is in effect, into a greater number of Common Shares, the Company will thereafter deliver at the time of purchase of Optioned Shares hereunder, in addition to the number of Optioned Shares in respect of which the right to purchase is then being exercised, such additional number of Common Shares as result from the subdivision without an Optionee making any additional payment or giving any other consideration therefor;
- (b) in the event of a consolidation of the Common Shares as constituted on the date hereof, at any time while an Option is in effect, into a lesser number of Common Shares, the Company will thereafter deliver and an Optionee will accept, at the time of purchase of Optioned Shares hereunder, in lieu of the number of Optioned Shares in respect of which the right to purchase is then being exercised, the lesser number of Common Shares as result from the consolidation;
- (c) in the event of any change of the Common Shares as constituted on the date hereof, at any time while an Option is in effect, the Company will thereafter deliver at the time of purchase of Optioned Shares hereunder the number of shares of the appropriate class resulting from the said change as an Optionee would have been entitled to receive in respect of the number of Common Shares so purchased had the right to purchase been exercised before such change;
- (d) in the event of a capital reorganization, reclassification or change of outstanding equity shares (other than a change in the par value thereof) of the Company, a consolidation, merger or amalgamation of the Company with or into any other company or a sale of the property of the Company as or substantially as an entirety at any time while an Option is in effect, an Optionee will thereafter have the right to purchase and receive, in lieu of the Optioned Shares immediately theretofore purchasable and receivable upon the exercise of the Option, the kind and amount of shares and other securities and property receivable upon such capital reorganization, reclassification, change, consolidation, merger, amalgamation or sale which the holder of a number of Common Shares equal to the number of Optioned Shares immediately theretofore purchasable and receivable upon

the exercise of the Option would have received as a result thereof. The subdivision or consolidation of Common Shares at any time outstanding (whether with or without par value) will not be deemed to be a capital reorganization or a reclassification of the capital of the Company for the purposes of this §3.12;

- (e) an adjustment will take effect at the time of the event giving rise to the adjustment, and the adjustments provided for in this section are cumulative;
- (f) the Company will not be required to issue fractional shares in satisfaction of its obligations hereunder. Any fractional interest in a Common Share that would, except for the provisions of this §3.12, be deliverable upon the exercise of an Option will be cancelled and not be deliverable by the Company; and
- (g) if any questions arise at any time with respect to the Exercise Price or number of Optioned Shares deliverable upon exercise of an Option in any of the events set out in this §3.12, such questions will be conclusively determined by the Company's auditors, or, if they decline to so act, any other firm of Chartered Accountants, in Vancouver, British Columbia (or in the city of the Company's principal executive office) that the Company may designate and who will be granted access to all appropriate records and such determination will be binding upon the Company and all Optionees.

ARTICLE 4

COMMITMENT AND EXERCISE PROCEDURES

Option Commitment

- 4.1 Upon grant of an Option hereunder, an authorized officer of the Company will deliver to the Optionee an Option Commitment detailing the terms of such Options and upon such delivery the Optionee will be subject to the Plan and have the right to purchase the Optioned Shares at the Exercise Price set out therein subject to the terms and conditions hereof, including any additional requirements contemplated with respect to the payment of required withholding taxes on behalf of Optionees.

Manner of Exercise

- 4.2 An Optionee who wishes to exercise his Option may do so by delivering
- (a) a written notice to the Company specifying the number of Optioned Shares being acquired pursuant to the Option; and
 - (b) a certified cheque, wire transfer or bank draft payable to the Company for the aggregate Exercise Price for the Optioned Shares being acquired, plus any required withholding tax amount subject to §4.3.

Tax Withholding and Procedures

- 4.3 Notwithstanding anything else contained in this Plan, the Company may, from time to time, implement such procedures and conditions as it determines appropriate with respect to the withholding and remittance of taxes imposed under applicable law, or the funding of related

amounts for which liability may arise under such applicable law. Without limiting the generality of the foregoing, an Optionee who wishes to exercise an Option must, in addition to following the procedures set out in §4.2 and elsewhere in this Plan, and as a condition of exercise:

- (a) deliver a certified cheque, wire transfer or bank draft payable to the Company for the amount determined by the Company to be the appropriate amount on account of such taxes or related amounts; or
- (b) otherwise ensure, in a manner acceptable to the Company (if at all) in its sole and unfettered discretion, that the amount will be securely funded;

and must in all other respects follow any related procedures and conditions imposed by the Company.

Delivery of Optioned Shares and Hold Periods

- 4.4 As soon as practicable after receipt of the notice of exercise described in §4.2 and payment in full for the Optioned Shares being acquired, the Company will direct its transfer agent to issue to the Optionee the appropriate number of Optioned Shares. If the Exercise Price is set below the then current market price of the Common Shares on the TSX Venture at the time of grant, or if the Optioned Shares are being issued to an Insider of the Company, the certificate representing the Optioned Shares or written notice in the case of uncertificated shares will include a legend stipulating that the Optioned Shares issued are subject to a four-month Exchange Hold Period commencing the date of the Option Commitment.

ARTICLE 5 **GENERAL**

Employment and Services

- 5.1 Nothing contained in the Plan will confer upon or imply in favour of any Optionee any right with respect to office, employment or provision of services with the Company, or interfere in any way with the right of the Company to lawfully terminate the Optionee's office, employment or service at any time pursuant to the arrangements pertaining to same. Participation in the Plan by an Optionee is voluntary.

No Representation or Warranty

- 5.2 The Company makes no representation or warranty as to the future market value of Common Shares issued in accordance with the provisions of the Plan or to the effect of the *Income Tax Act* (Canada) or any other taxing statute governing the Options or the Common Shares issuable thereunder or the tax consequences to a Service Provider. Compliance with applicable securities laws as to the disclosure and resale obligations of each Participant is the responsibility of each Participant and not the Company.

Interpretation

- 5.3 The Plan will be governed and construed in accordance with the laws of the Province of British Columbia.

Continuation of Plan

- 5.4 The Plan will become effective from and after August 15, 2011, and will remain effective provided that the Plan, or any amended version thereof receives Shareholder Approval at each annual general meeting of the holders of Common Shares of the Company subsequent to August 15, 2011.

Amendment of the Plan

- 5.5 The Board reserves the right, in its absolute discretion, to at any time amend, modify or terminate the Plan with respect to all Common Shares in respect of Options which have not yet been granted hereunder. Any amendment to any provision of the Plan will be subject to any necessary Regulatory Approvals unless the effect of such amendment is intended to reduce (but not to increase) the benefits of this Plan to Service Providers.

SCHEDULE A TO SHARE OPTION PLAN

OPTION COMMITMENT

Notice is hereby given that, effective this ___ day of _____, _____ (the “**Effective Date**”) ReGen III Corp. (the “**Company**”) has granted to _____ (the “**Optionee**”), an Option to acquire _____ Common Shares (“**Optioned Shares**”) up to 5:00 p.m. Vancouver time on the _____ day of _____, _____ (the “**Expiry Date**”) at an Exercise Price of Cdn\$ _____ per share.

Optioned Shares are to vest immediately.

OR

Optioned Shares will vest [INSERT VESTING SCHEDULE AND TERMS]

The Option shall expire ___ days after the Optionee ceases to be employed by or provide services to the Company.

The grant of the Option evidenced hereby is made subject to the terms and conditions of the Plan, which are hereby incorporated herein and form part hereof.

To exercise your Option, deliver a written notice specifying the number of Optioned Shares you wish to acquire, together with a certified cheque, wire transfer or bank draft payable to the Company for the aggregate Exercise Price. A certificate or written notice in the case of uncertificated shares for the Optioned Shares so acquired will be issued by the transfer agent as soon as practicable thereafter and may bear a minimum four month non-transferability legend from the date of this Option Commitment, the text of which is as follows. [Note: A Company may grant stock options without a hold period, provided the exercise price of the options is set at or above the market price of the Company’s shares and provided the Optionee is not an Insider of the Company. If a four month hold period is applicable, the following legend must be placed on the certificate or the written notice in the case of uncertificated shares.]

“WITHOUT PRIOR WRITTEN APPROVAL OF THE TSX VENTURE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL 12:00 A.M. (MIDNIGHT) ON [insert date 4 months from the date of grant].”

The Company and the Optionee represent that the Optionee under the terms and conditions of the Plan is a bona fide Service Provider (as defined in the Plan), entitled to receive Options under TSX Venture Policies.

The Optionee also acknowledges and consents to the collection and use of Personal Information (as defined in the Policies of the TSX Venture Exchange) by both the Company and the TSX Venture (or the NEX, as the case may be) as more particularly set out in the Acknowledgement - Personal Information in use by the TSX Venture (or the NEX, as the case may be) on the date of this Option Commitment.

REGEN III CORP.

Authorized Signatory

[insert name of optionee]

Signature of Optionee

SCHEDULE "C"

REGEN III CORP.

SHAREHOLDER RIGHTS PLAN AGREEMENT

DATED AS OF DECEMBER 6, 2017

SHAREHOLDER RIGHTS PLAN AGREEMENT

Dated as of December 6, 2017

between

GEN III OIL CORPORATION

and

COMPUTERSHARE TRUST COMPANY OF CANADA
as Rights Agent

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SHAREHOLDER RIGHTS PLAN

THIS AGREEMENT dated as of the 6th day of December, 2017,

BETWEEN:

GEN III OIL CORPORATION, a corporation incorporated under the laws of Alberta (hereinafter referred to as the "**Corporation**")

- and -

COMPUTERSHARE TRUST COMPANY OF CANADA, a trust company incorporated under the laws of Canada (hereinafter referred to as the "**Rights Agent**")

WHEREAS:

- A. the Board of Directors has determined that it is advisable for the Corporation to adopt a shareholder rights plan (the "**Rights Plan**") to ensure, to the extent possible, the fair treatment of all Shareholders in connection with any take-over bid for the securities of the Corporation and to provide the Board of Directors with sufficient time to evaluate unsolicited take-over bids and to explore and develop alternatives to maximize shareholder value;
- B. at the annual meeting of Shareholders held on December 6, 2017, the Shareholders approved:
 - (i) the adoption of the Rights Plan until the termination of the annual meeting of Shareholders in the year 2020; and
 - (ii) this Agreement;
- C. in connection with the adoption of the Rights Plan, this Agreement provides for:
 - (i) the issuance, effective at the Record Time, of one right (a "**Right**") in respect of each Voting Share outstanding at the Record Time; and
 - (ii) the issuance of one Right in respect of each Voting Share issued after the Record Time and prior to the earlier of the Separation Time and the Expiration Time;
- D. each Right entitles the holder thereof, after the Separation Time, to purchase securities of the Corporation pursuant to the terms and subject to the conditions set forth herein;
- E. the Corporation desires to appoint the Rights Agent to act on behalf of the Corporation and the holders of Rights, and the Rights Agent is willing to so act, in connection with the issuance, transfer, exchange and replacement of Rights Certificates, the exercise of Rights and other matters referred to herein;

- F. the foregoing recitals are made as representations and statements of fact by the Corporation and not by the Rights Agent;
- G. all capitalized terms used in the foregoing recitals which are not otherwise defined shall have the meanings attributed thereto in this Agreement;

NOW THEREFORE in consideration of the premises and the respective agreements set forth herein, the parties hereby agree as follows:

ARTICLE 1

CERTAIN DEFINITIONS

1.1 Certain Definitions

For purposes of this Agreement, the following terms have the meanings indicated:

- (a) "**ABCA**" shall mean the *Business Corporations Act* (Alberta), RSA 2000, c. B-9 and the regulations thereunder, each as may be amended from time to time, and any comparable or successor laws or regulations thereto.
- (b) "**Acquiring Person**" shall mean any Person who is the Beneficial Owner of 20% or more of the outstanding Voting Shares; provided, however, that the term "Acquiring Person" shall not include:
- (i) the Corporation or any Subsidiary of the Corporation;
 - (ii) any Person who becomes the Beneficial Owner of 20% or more of the outstanding Voting Shares as a result of any one or a combination of:
 - (A) an acquisition or redemption or conversion by the Corporation of Voting Shares which, by reducing the number of Voting Shares outstanding, increases the percentage of Voting Shares Beneficially Owned by such Person to 20% or more of the Voting Shares then outstanding ("**Share Acquisitions or Redemptions**");
 - (B) Voting Share acquisitions made pursuant to a Permitted Bid or a Competing Permitted Bid ("**Permitted Bid Acquisitions**");
 - (C) Voting Share acquisitions (1) in respect of which the Board of Directors has waived the application of Section 3.1 pursuant to Sections 5.1(b), (c) or (d), or (2) which were made on or prior to the Record Time, or (3) which were made pursuant to a dividend reinvestment plan of the Corporation, or (4) pursuant to the receipt and/or exercise of rights issued by the Corporation to all the holders of the Voting Shares to subscribe for or purchase Voting Shares or Convertible Securities, provided that such rights are acquired directly from the Corporation and not from any other Person and provided that such Person does not thereby acquire a greater percentage of Voting Shares or Convertible Securities than the Person's percentage of Voting Shares Beneficially Owned immediately prior to the receipt and/or exercise of such rights, or

(5) pursuant to a distribution by the Corporation of Voting Shares or Convertible Securities (and the conversion of such Convertible Securities) made pursuant to a prospectus or by way of private placement, provided that such Person does not thereby acquire a greater percentage of such Voting Shares or Convertible Securities than the Person's percentage of Voting Shares Beneficially Owned immediately prior to such distribution, or (6) pursuant to a plan of arrangement, amalgamation or other statutory procedure requiring the approval of Shareholders, or (7) which are made as an intermediate step in a series of related transactions in connection with an acquisition by the Corporation or its Subsidiaries of a Person or assets, provided that the acquiror of such Voting Shares distributes or is deemed to distribute such Voting Shares to its securityholders within 10 Business Days of the completion of such acquisition, and following such distribution no Person has become the Beneficial Owner of 20% or more of the Corporation's then outstanding Voting Shares, or (8) pursuant to a distribution by the Corporation of Voting Shares or Convertible Securities upon the exercise by an individual employee of options granted under a share option plan of the Corporation or rights to purchase securities granted under a share purchase plan of the Corporation, provided that (i) all necessary stock exchange approvals for such share option plan or share purchase plan have been obtained and such share option plan or share purchase plan complies with the terms and conditions of such approvals, and (ii) such Person does not become the Beneficial Owner of more than 25% of the Voting Shares outstanding immediately prior to the distribution, and in making this determination the Voting Shares to be issued to such Person in the distribution shall be deemed to be held by such Person but shall not be included in the aggregate number of outstanding Voting Shares immediately prior to the distribution ("**Exempt Acquisitions**");

- (D) the acquisition of Voting Shares upon the exercise of Convertible Securities received by such Person pursuant to a Permitted Bid Acquisition, an Exempt Acquisition or a Pro Rata Acquisition (as defined below) ("**Convertible Security Acquisitions**"); or
- (E) acquisitions as a result of a distribution of Voting Shares (other than a regular periodic cash dividend), a Voting Share split or other event pursuant to which such Person receives or acquires Voting Shares or Convertible Securities on the same *pro rata* basis as all other Shareholders, provided that such Person does not thereby acquire a greater percentage of such Voting Shares or Convertible Securities than the Person's percentage of Voting Shares Beneficially Owned immediately prior to such acquisition ("**Pro Rata Acquisitions**");

provided, however, that if such Person shall become the Beneficial Owner of 20% or more of the Voting Shares then outstanding by reason of any one or a combination of (i) Share Acquisitions or Redemptions, (ii) Permitted Bid Acquisitions, (iii) Exempt Acquisitions, (iv) Convertible Security Acquisitions, or (v) Pro Rata Acquisitions and, after such Share Acquisitions or Redemptions or Permitted Bid Acquisitions or Exempt

Acquisitions or Convertible Security Acquisitions or Pro Rata Acquisitions, such Person becomes the Beneficial Owner of more than an additional 1.00% of the number of Voting Shares outstanding other than pursuant to any one or a combination of Share Acquisitions or Redemptions, Permitted Bid Acquisitions, Exempt Acquisitions or Convertible Security Acquisitions or Pro Rata Acquisitions, then as of the date of any such acquisition such Person shall become an "Acquiring Person";

- (iii) a Person who is the Beneficial Owner of 20% or more of the outstanding Voting Shares at the Record Time provided, however, that this exception shall not be, and shall cease to be, applicable to such a Person in the event that such Person shall, after the Record Time (A) cease to Beneficially Own 20% or more of the outstanding Voting Shares, or (B) become the Beneficial Owner of more than an additional 1.00% of the number of Voting Shares outstanding as at the Record Time other than pursuant to Share Acquisitions or Redemptions, Permitted Bid Acquisitions, Exempt Acquisitions, Convertible Security Acquisitions or Pro Rata Acquisitions;
 - (iv) for a period of 10 days after the Disqualification Date, any Person who becomes the Beneficial Owner of 20% or more of the outstanding Voting Shares as a result of such Person becoming disqualified from relying on clause 1.1(e)(B) solely because such Person makes or announces an intention to make a Take-over Bid, either alone or by acting jointly or in concert with any other Person. For the purposes of this definition, "**Disqualification Date**" means the first date of public announcement that any Person is making or intends to make a Take-over Bid; or
 - (v) an underwriter or member of a banking or selling group acting in such capacity that becomes the Beneficial Owner of 20% or more of the Voting Shares in connection with a distribution of securities.
- (c) "**Affiliate**", when used to indicate a relationship with a specified Person, shall mean a Person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such specified Person.
- (d) "**Associate**" of a specified individual shall mean any individual to whom such specified individual is married or with whom such specified individual is living in a conjugal relationship outside marriage, or any relative of such specified individual who has the same residence as such specified individual.
- (e) A Person shall be deemed the "**Beneficial Owner**", and to have "**Beneficial Ownership**", of, and to "**Beneficially Own**":
- (i) any securities which such Person or any of such Person's Affiliates or Associates owns at law or in equity and any related instalment receipts;
 - (ii) any securities which such Person or any of such Person's Affiliates or Associates has the right to acquire (A) upon the exercise of any Convertible Securities, or (B) pursuant to any agreement, arrangement or understanding, provided such right is exercisable within a period of 60 days, whether or not on condition or the

happening of any contingency or the making of any payment (other than customary agreements with and between underwriters and banking group or selling group members with respect to a distribution of securities or pursuant to a pledge of securities); and

- (iii) any securities which are Beneficially Owned within the meaning of clauses 1.1(e)(i) or (ii) above by any other Person with whom such Person is acting jointly or in concert;

provided, however, that a Person shall not be deemed the "Beneficial Owner", or to have "Beneficial Ownership", of, or to "Beneficially Own", any security:

- (A) where (1) the holder of such security has agreed to deposit or tender such security pursuant to a Permitted Lock-up Agreement to a Take-over Bid made by such Person or any of such Person's Affiliates or Associates or any other Person referred to in clause 1.1(e)(iii), or (2) such security has been deposited or tendered pursuant to a Take-over Bid made by such Person or any of such Person's Affiliates or Associates or any other Person referred to in clause 1.1(e)(iii) until the earliest time at which any such tendered security is accepted unconditionally for payment or exchange or is taken up and paid for; or
- (B) where such Person, any of such Person's Affiliates or Associates or any other Person referred to in clause 1.1(e)(iii), holds such security provided that (1) the ordinary business of such Person (the "**Investment Manager**") includes the management of investment funds for others and such security is held by the Investment Manager in the ordinary course of such business in the performance of such Investment Manager's duties for the account of any other Person, including non-discretionary accounts held on behalf of a client by a broker or dealer registered under applicable laws, or (2) such Person (the "**Trust Company**") is licensed to carry on the business of a trust company under applicable laws and, as such, acts as trustee or administrator or in a similar capacity in relation to the estates of deceased or incompetent Persons or in relation to other accounts and holds such security in the ordinary course of such duties for the estates of deceased or incompetent Persons or for such other accounts, or (3) such Person (the "**Plan Trustee**") is the administrator or trustee of one or more pension funds or plans (each a "**Plan**") registered under applicable laws and holds such security for the purposes of its activity as such, or (4) such Person is a Plan or is a Person established by statute (the "**Statutory Body**") for purposes that include, and the ordinary business or activity of such Person includes the management of investment funds for employee benefit plans, pension plans, insurance plans (other than plans administered by insurance companies) or various public bodies, or (5) such Person is a Crown agent or agency; or (6) such Person (the "**Fund Manager**") is the manager or trustee of a mutual fund (a "**Mutual Fund**") that is registered or qualified to issue its securities to investors under the securities laws of any province or territory of Canada or the laws of the United States of America or such

Person is a Mutual Fund; provided in any of the above cases, that the Investment Manager, the Trust Company, the Plan Trustee, the Plan, the Statutory Body, the Crown agent or agency, the Fund Manager or the Mutual Fund, as the case may be, is not then making a Take-over Bid or has not announced a current intention to make a Take-over Bid, other than an Offer to Acquire Voting Shares or other securities pursuant to a distribution by the Corporation, by means of a Permitted Bid or by means of ordinary market transactions (including pre-arranged trades entered into in the ordinary course of business of such Person) executed through the facilities of a stock exchange or organized over-the-counter market, alone or by acting jointly or in concert with any other Person; or

- (C) because such Person is a client of or has an account with the same Investment Manager as another Person on whose account the Investment Manager holds such security, or where such Person is a client of or has an account with the same Trust Company as another Person on whose account the Trust Company holds such security, or where such Person is a Plan and has a Plan Trustee who is also a Plan Trustee for another Plan on whose account the Plan Trustee holds such security; or
- (D) where such Person (i) is a client of an Investment Manager and such security is owned at law or in equity by the Investment Manager, or (ii) has an account with a Trust Company and such security is owned at law or in equity by the Trust Company, or (iii) is a Plan and such security is owned at law or in equity by the Plan Trustee; or
- (E) where such Person is the registered holder of securities as a result of carrying on the business of, or acting as a nominee of, a securities depository.

For purposes of this Agreement, the percentage of Voting Shares Beneficially Owned by any Person shall be and be deemed to be the product determined by the formula:

$$100 \times A/B$$

Where:

A = the number of votes for persons to be elected as directors of the Corporation attaching to the Voting Shares Beneficially Owned by such Person; and

B = the number of votes for persons to be elected as directors of the Corporation attaching to all outstanding Voting Shares.

For the purposes of the foregoing formula, where any Person is deemed to Beneficially Own unissued Voting Shares which may be acquired pursuant to Convertible Securities, such Voting Shares shall be deemed to be outstanding for the purpose of calculating the percentage of Voting Shares Beneficially Owned by such Person in both the numerator and the denominator, but no other unissued Voting Shares which may be acquired

pursuant to any other outstanding Convertible Securities held by other Persons shall, for the purposes of that calculation, be deemed to be outstanding.

- (f) **"Board of Directors"** shall mean the board of directors of the Corporation.
- (g) **"Business Day"** shall mean any day other than a Saturday, Sunday or a day that is treated as a holiday at the Corporation's executive offices in Calgary, Alberta or in Vancouver, British Columbia.
- (h) **"Close of Business"** on any given date shall mean the time on such date (or, if such date is not a Business Day, the time on the next succeeding Business Day) at which the office of the transfer agent for the Shares in Calgary, Alberta (or, after the Separation Time, the offices of the Rights Agent in Calgary, Alberta) becomes closed to the public.
- (i) **"Competing Permitted Bid"** shall mean a Take-over Bid that:
 - (i) is made after a Permitted Bid has been made and prior to the expiry of the Permitted Bid;
 - (ii) satisfies all components of the definition of a Permitted Bid other than the requirements set out in clause (ii) of that definition; and
 - (iii) contains, and the take-up and payment for securities tendered or deposited is subject to, an irrevocable and unqualified condition that no Shares will be taken up or paid for pursuant to the Take-over Bid prior to the Close of Business on the date that is no earlier than the later of:
 - (A) the earliest date on which Shares may be taken up or paid for under any Permitted Bid or other Competing Permitted Bid that is then in existence, and
 - (B) the last day of the minimum initial deposit period that such Take-over Bid must remain open for deposits of securities thereunder pursuant to NI 62-104 after the date of the Take-over Bid constituting the Competing Permitted Bid.
- (j) **"Convertible Securities"** shall mean at any time:
 - (i) any right (contractual or otherwise and regardless of whether such right constitutes a security) to acquire Voting Shares; and
 - (ii) any securities issued by the Corporation from time to time (other than the Rights) carrying any exercise, conversion or exchange right;

which is then exercisable or exercisable within a period of 60 days from that time pursuant to which the holder thereof may acquire Voting Shares or other securities which are convertible into or exercisable or exchangeable for Voting Shares (in each case, whether such right is then exercisable or exercisable within a period of 60 days from that time and whether or not on condition or the happening of any contingency or the making of any payment).

- (k) **"Exercise Price"** shall mean, as of any date, the price at which a holder may purchase the securities issuable upon exercise of one whole Right and, until adjustment thereof in accordance with the terms hereof, shall be:
- (i) until the Separation Time, an amount equal to three times the Market Price, from time to time, per Common Share; and
 - (ii) from and after the Separation Time, an amount equal to three times the Market Price, as at the Separation Time, per Common Share.
- (l) **"Expiration Time"** shall mean the earlier of:
- (i) the Termination Time; and
 - (ii) the termination of the annual meeting of the Shareholders in the year 2020;
- or, if the continued existence of the Rights Plan provided for by this Agreement is ratified at such annual meeting by resolution passed by a majority of votes cast by: (i) Shareholders; and (ii) if applicable, Independent Shareholders who vote in respect thereof in accordance with Section 5.17, "Expiration Time" shall mean the earlier of the Termination Time and the termination of the annual meeting of Shareholders in the year 2023.
- (m) **"Flip-in Event"** shall mean a transaction occurring as a result of which any Person shall become an Acquiring Person.
- (n) **"Independent Shareholders"** shall mean Shareholders excluding (i) any Acquiring Person, or (ii) any Person that is making or has announced a current intention to make a Take-over Bid (including a Permitted Bid and a Competing Permitted Bid) other than a Person referred to in Section 1.1(e)(iii)(B), but excluding any such Person if the Take-over Bid so announced or made by such Person has been withdrawn, terminated or expired, or (iii) any Affiliate or Associate of such Acquiring Person or Persons referred to in clause (ii), or (iv) any Person acting jointly or in concert with such Acquiring Person or a Person referred to in clause (ii), or (v) a Person who is a trustee of any employee benefit plan, share purchase plan, deferred profit sharing plan or any similar plan or trust for the benefit of employees of the Corporation or a Subsidiary of the Corporation, unless the beneficiaries of the plan or trust direct the manner in which the Voting Shares are to be voted or direct whether the Voting Shares are to be tendered to a Take-over Bid.
- (o) **"Market Price"** per security of any securities on any date of determination shall mean the average of the daily Closing Prices Per Security of such securities (determined as described below) on each of the 20 consecutive Trading Days through and including the Trading Day immediately preceding such date; provided, however, that if an event of a type analogous to any of the events described in Section 2.3 hereof shall have caused the price used to determine the Closing Price Per Security on any Trading Day not to be fully comparable with the price used to determine the Closing Price Per Security on such date of determination or, if the date of determination is not a Trading Day, on the immediately preceding Trading Day, each such price so used shall be appropriately adjusted in a manner analogous to the applicable adjustment provided for in Section 2.3

hereof in order to make it fully comparable with the price per security used to determine the Closing Price Per Security on such date of determination or, if the date of determination is not a Trading Day, on the immediately preceding Trading Day. The "**Closing Price Per Security**" of any securities on any date shall be:

- (i) the closing board lot sale price or, if such price is not available, the average of the closing bid and asked prices, for such securities as reported by the principal Canadian stock exchange (as determined by the Board of Directors) on which such securities are listed or admitted to trading, or if for any reason neither such prices is available on such day or the securities are not listed or admitted to trading on a Canadian stock exchange, the closing board lot sale price or, if such price is not available, the average of the closing bid and asked prices, for such securities as reported by such other securities exchange on which such securities are listed or admitted for trading;
- (ii) if, for any reason, none of such prices is available on such date or the securities are not listed or admitted to trading on a Canadian stock exchange or other securities exchange, the last sale price, or in case no sale takes place on such date, the average of the high bid and low asked prices for such securities in the over-the-counter market, as quoted by any reporting system then in use (as selected by the Board of Directors); or
- (iii) if the securities are not listed or admitted to trading as contemplated in clause 1.1(o)(i) or (ii), the average of the closing bid and asked prices as furnished by a professional market maker making a market in the securities selected by the Board of Directors;

provided, however, that if on any such date the Closing Price Per Security cannot be determined in accordance with the foregoing, the Closing Price Per Security of such securities on such date shall mean the fair value per Share of such securities on such date as determined by a nationally recognized investment dealer or investment banker with respect to the fair value per security of such securities; provided further that if an event of a type analogous to any of the events described in Section 2.3 hereof has caused any price used to determine the Market Price on any Trading Day not to be fully comparable with the price as so determined on the Trading Day immediately preceding such date of determination, each price so used shall be appropriately adjusted in a manner analogous to the applicable adjustment provided for in Section 2.3 hereof in order to make it fully comparable with the price on the Trading Day immediately preceding such date of determination.

- (p) "**NI 62-104**" shall mean National Instrument 62-104 – *Take-Over Bids and Issuer Bids* adopted by Canadian securities regulatory authorities, as may be amended from time to time, and any comparable or successor instrument thereto.
- (q) "**Offer to Acquire**" shall include:
 - (i) an offer to purchase, or a solicitation of an offer to sell, securities; and

- (ii) an acceptance of an offer to sell securities, whether or not such offer to sell has been solicited;

or any combination thereof, and the Person accepting an offer to sell shall be deemed to be making an offer to acquire to the Person that made the offer to sell.

- (r) "**Offeror's Securities**" shall mean Voting Shares Beneficially Owned on the date of an Offer to Acquire by any Person who is making a Take-over Bid and by such Person's Affiliates and Associates and by any Person acting jointly or in concert with such Person or such Person's Affiliates and Associates and "**Offeror**" means a Person who has announced (and has not withdrawn) an intention to make or who has made (and has not withdrawn) a Take-over Bid other than a Person who has completed a Permitted Bid or a Competing Permitted Bid.
- (s) "**Permitted Bid**" shall mean a Take-over Bid made by a Person by means of a take-over bid circular and which also complies with the following additional provisions:
 - (i) the Take-over Bid is made to all holders of Shares of the Corporation, other than the Offeror;
 - (ii) the Take-over Bid contains, and the take-up and payment for Shares tendered or deposited thereunder is subject to, an irrevocable and unqualified condition that no Shares shall be taken up or paid for pursuant to the Take-over Bid prior to the Close of Business on a date which is not earlier than 105 days following the date of the Take-over Bid or such shorter minimum initial deposit period that a Take-over Bid (that is not exempt from the general Take-over Bid requirements contained in Part 2 of NI 62-104) must remain open for deposits of securities thereunder, in the applicable circumstances at such time, pursuant to NI 62-104;
 - (iii) the Take-over Bid contains an irrevocable and unqualified condition that, unless the Take-over Bid is withdrawn, Shares may be deposited pursuant to the Take-over Bid at any time prior to the Close of Business on the date of first take-up or payment for Shares and that all Shares deposited pursuant to the Take-over Bid may be withdrawn at any time prior to the Close of Business on such date;
 - (iv) the Take-over Bid contains an irrevocable and unqualified condition that more than 50% of the outstanding Shares held by Independent Shareholders, determined as at the date of first take-up or payment for Shares under the Take-over Bid, must be deposited to the Take-over Bid and not withdrawn at the Close of Business on the date of first take-up or payment for Shares; and
 - (v) the Take-over Bid contains an irrevocable and unqualified condition that in the event that more than 50% of the then outstanding Shares held by Independent Shareholders shall have been deposited to the Take-over Bid and not withdrawn as at the date of first take-up or payment for Shares under the Take-over Bid, the Offeror will make a public announcement of that fact and the Take-over Bid will remain open for deposits and tenders of Shares for not less than 10 days from the date of such public announcement;

provided that if a Take-over Bid constitutes a Competing Permitted Bid, the term "Permitted Bid" shall also mean the Competing Permitted Bid.

(t) **"Permitted Lock-up Agreement"** shall mean an agreement (the **"Lock-up Agreement"**) between a Person, any of such Person's Affiliates or Associates or any other Person referred to in clause 1.1(e)(iii) and one or more Shareholders or holders of Convertible Securities (each such holder herein referred to as a **"Locked-up Person"**) (the terms of which are publicly disclosed and a copy of which is made available to the public, including the Corporation, not later than the date the Lock-up Bid (as defined below) is publicly announced or, if the Lock-up Bid has been publicly announced prior to the date of the Lock-up Agreement, forthwith and in any event not later than the first Business Day immediately following the date of the Lock-up Agreement) pursuant to which each such Locked-up Person agrees to deposit or tender Shares and/or Convertible Securities to a Take-over Bid (the **"Lock-up Bid"**) made or to be made by the Person, any of such Person's Affiliates or Associates or any other Person referred to in clause 1.1(e)(iii), provided that:

(i) the Lock-up Agreement permits the Locked-up Person to withdraw its Shares and/or Convertible Securities from the Lock-up Agreement in order to deposit or tender the Shares and/or Convertible Securities to another Take-over Bid or to support another transaction prior to the Shares and/or Convertible Securities being taken up and paid for under the Lock-up Bid, so long as the other Take-over Bid or transaction:

(A) offers a price or value per Share or Convertible Security that exceeds the price or value per Share or Convertible Security offered under the Lock-up Bid; or

(B) is for a number of Shares and/or Convertible Securities which is greater than the number of Shares and/or Convertible Securities, as applicable, that the Offeror has offered to purchase under the Lock-up Bid by such number as may have been agreed to in the Lock-up Agreement, provided that such agreed upon number is not greater than 7% of the number of Shares and/or Convertible Securities offered to be purchased under such Lock-up Bid at a price or value per Share or Convertible Security that is not less than the price or value per Share or Convertible Security, as applicable, offered under such Lock-up Bid; or

(C) offers a price or value for each Share or Convertible Security which is greater than the price or value for each Share or Convertible Security offered under the Lock-up Bid by as much as or more than a specified amount provided that such specified amount is not greater than 7% of the price or value offered under such Lock-up Bid; and,

for greater clarity, the Lock-up Agreement may (1) contain a right of first refusal, (2) require a period of delay to give the Person who made the Lock-up Bid an opportunity to match or better the consideration or value offered in the other Take-over Bid or transaction or to offer to purchase or otherwise acquire the same number of Shares and/or Convertible Securities subject to the other Take-

over Bid or transaction, or (3) contain other similar limitations on a Locked-up Person's right to withdraw Shares and/or Convertible Securities from the Lock-up Agreement, so long as any such limitation does not preclude the exercise by the Locked-up Person of the right to withdraw Shares and/or Convertible Securities during the period of the other Take-over Bid or transaction; and

(ii) no "break-up" fees, "top-up" fees, penalties, expenses or other amounts that exceed in the aggregate the greater of:

(A) the cash equivalent of 2.5% of the price or value of the consideration payable under the Lock-up Bid to the Locked-up Person; and

(B) 50% of the amount by which the price or value of the consideration payable under another Take-over Bid or transaction to a Locked-up Person exceeds the price or value of the consideration that such Locked-up Person would have received under the Lock-up Bid;

shall be payable by such Locked-up Person pursuant to the Lock-up Agreement in the event such Locked-up Person fails to deposit or tender Shares and/or Convertible Securities to the Lock-up Bid or withdraws Shares and/or Convertible Securities previously tendered thereto in order to deposit or tender such Shares and/or Convertible Securities to another Take-over Bid or support another transaction.

(u) "**Person**" shall mean any individual, firm, partnership, association, trust, trustee, personal representative, body corporate, corporation, unincorporated organization, syndicate, government or governmental agency, or other entity.

(v) "**Record Time**" shall mean the Close of Business on December 6, 2017.

(w) "**Rights Certificate**" shall mean the certificate representing the Rights substantially in the form of Exhibit "A" hereto, or such other written document (including without limitation a Direct Registration System statement or other book-entry confirmation) evidencing registered ownership of the Rights that may be issued by the Corporation and is satisfactory to the Corporation and the Rights Agent.

(x) "**Securities Act**" shall mean the *Securities Act*, RSA 2000, c. S-4, and the rules and regulations thereunder, each as may be amended from time to time, and any comparable or successor laws, rules or regulations thereto.

(y) "**Separation Time**" shall mean, subject to Section 5.1(d), the Close of Business on the tenth Trading Day after the earlier of:

(i) the Share Acquisition Date;

(ii) the date of the commencement of, or first public announcement of the intent of any Person (other than the Corporation or any Subsidiary of the Corporation) to commence a Take-over Bid (other than a Take-over Bid which is a Permitted Bid or a Competing Permitted Bid or a Take-over Bid in respect of which the Board of Directors has waived the application of Section 3.1), provided that, if any Take-

over Bid referred to in this clause (ii) expires, is cancelled, terminated or otherwise withdrawn prior to the Separation Time, such Take-over Bid shall be deemed, for purposes of this Section 1.1(y), never to have been made; and

- (iii) the date upon which a Permitted Bid or Competing Permitted Bid ceases to be such;

or such later date as may be determined by the Board of Directors acting in good faith; provided, however that if any Take-over Bid referred to in Section 1.1(y)(ii) above expires, is not made or is cancelled, terminated or otherwise withdrawn prior to the Separation Time, such Take-over Bid shall be deemed, for the purposes of this definition, never to have been commenced, made or announced and further provided that if the Board of Directors determines, pursuant to 5.1, to waive the application of Section 3.1 to a Flip-In Event, then the Separation Time in respect of such Flip-In Event shall be deemed never to have occurred.

- (z) "**Share Acquisition Date**" shall mean the first date of public announcement (which, for purposes of this definition, shall include, without limitation, a report filed pursuant to Section 5.2(1) of NI 62-104 or Section 182.1 of the Securities Act or any successor or equivalent provision of any of the foregoing) by the Corporation or an Acquiring Person of facts indicating that a Person has become an Acquiring Person.
- (aa) "**Shareholders**" shall mean the holders of Voting Shares from time to time.
- (bb) "**Shares**" shall mean the common shares of the Corporation as constituted on the date hereof and any other shares of the Corporation into which such shares may be subdivided, consolidated, reclassified or changed.
- (cc) "**Subsidiary**" of any specified Person shall mean any corporation or other entity controlled by such specified Person.
- (dd) "**Take-over Bid**" shall mean an Offer to Acquire Voting Shares or Convertible Securities, where the Voting Shares subject to the Offer to Acquire, together with the Voting Shares into which the securities subject to the Offer to Acquire are convertible, and the Offeror's Securities, constitute in the aggregate 20% or more of the outstanding Voting Shares at the date of the Offer to Acquire.
- (ee) "**Termination Time**" shall mean the time at which the right to exercise Rights shall terminate pursuant to Section 5.1 or 5.17 hereof.
- (ff) "**Trading Day**", when used with respect to any securities, shall mean a day on which the principal securities exchange on which such securities are listed or admitted to trading is open for the transaction of business or, if the securities are not listed or admitted to trading on any securities exchange, a Business Day.
- (gg) "**Voting Shares**" shall mean the Shares and any other securities of the Corporation entitling the holder to vote generally in the election of directors.

1.2 Currency

All sums of money which are referred to in this Agreement are expressed in lawful money of Canada.

1.3 Acting Jointly or in Concert

For purposes of this Agreement and in addition to the meaning set forth in NI 62-104, a Person is acting jointly or in concert with another Person if such Person has any agreement, arrangement or understanding (whether formal or informal and whether or not in writing) with such other Person to acquire or Offer to Acquire any Voting Shares (other than (i) customary agreements with and between underwriters and banking group or selling group members with respect to a distribution of securities, and (ii) pursuant to a pledge of securities in the ordinary course of business).

1.4 Control

A Person is "**controlled**" by another Person or two or more other Persons acting jointly or in concert if:

- (a) in the case of a body corporate, securities entitled to vote in the election of directors of such body corporate carrying more than 50% of the votes for the election of directors are held, directly or indirectly, by or for the benefit of the other Person or Persons acting jointly or in concert and the votes carried by such securities are entitled, if exercised, to elect a majority of the board of directors of such body corporate; or
- (b) in the case of a limited partnership the other Person, or one of the other Persons acting jointly or in concert, is a general partner of the limited partnership; or
- (c) in the case of a Person which is not a body corporate or a limited partnership, more than 50% of the voting or equity interests of such entity are held, directly or indirectly, by or for the benefit of the other Person or Persons acting jointly or in concert;

and "**controls**", "**controlling**" and "**under common control with**" shall be interpreted accordingly.

1.5 Definition of Agreement

For purposes of this Agreement, "**Agreement**" means this Shareholder Rights Plan Agreement, as amended or supplemented from time to time. References in this Agreement to "**hereto**", "**hereof**", "**herein**", "**hereby**" and "**hereunder**" and similar expressions mean and refer to this Agreement as a whole and not to any particular part of this Agreement.

1.6 Fiduciary Duties of the Directors

Nothing contained herein shall be construed to suggest or imply that the Board of Directors shall not be entitled to recommend that holders of the Voting Shares and/or Convertible Securities reject or accept any Take-over Bid or take any other action including the commencement, prosecution, defence or settlement of any litigation and the solicitation of additional or alternative Take-over Bids or other proposals to shareholders that the directors believe are necessary or appropriate in the exercise of their fiduciary duties.

1.7 Holder of Rights and Shares and References to Certificates

As used in this Agreement, unless the context otherwise requires: (a) the term "**holder**" of any Rights shall mean the registered holder of such Rights (or, prior to the Separation Time, the associated Shares), and (b) the term "**certificate**", when used in the context of a share certificate or Rights Certificate, shall include any other advice, statement or acknowledgement that is evidence of book-entry registered ownership of the applicable securities as may be adopted from time to time by the Corporation, including a Direct Registration System statement.

ARTICLE 2 **THE RIGHTS**

2.1 Issue of Rights; Legend on Share Certificates

- (a) One Right has been issued in respect of each Voting Share outstanding as at the Record Time and in respect of each Voting Share issued after the Record Time. One Right shall continue to be issued in respect of each Voting Share issued after the date of this Agreement and prior to the earlier of the Separation Time and the Expiration Time.
- (b) Certificates or other evidence of registration (including a Direct Registration System statement or other book-entry confirmation) for Voting Shares issued after the Record Time but prior to the earlier of the Separation Time and the Expiration Time shall evidence one Right for each Voting Share represented thereby and, commencing as soon as reasonably practicable after the Record Time, shall have impressed on, printed on, written on or otherwise affixed to them the following legend:

“Until the Separation Time (as defined in the Rights Agreement referred to below), this [certificate/Direct Registration System statement] also evidences and entitles the holder hereof to certain Rights as set forth in a Shareholder Rights Plan Agreement dated December 6, 2017, as such from time to time may be amended, restated, varied or replaced, (the "**Rights Agreement**") between GEN III Oil Corporation and Computershare Trust Company of Canada, as Rights Agent, the terms of which are hereby incorporated herein by reference and a copy of which is on file at the executive office of GEN III Oil Corporation. In certain circumstances, as set forth in the Rights Agreement, such Rights may be amended or redeemed, may expire, may become void (if, in certain cases, they are "Beneficially Owned" by an "Acquiring Person", as such terms are defined in the Rights Agreement, or a transferee thereof) or may be evidenced by separate certificates and may no longer be evidenced by this [certificate/Direct Registration System statement]. GEN III Oil Corporation will mail or arrange for the mailing of a copy of the Rights Agreement to the holder of this [certificate/Direct Registration System statement], without charge, as soon as practicable after the receipt of a written request therefor.”

Certificates or other evidence of registration (including a Direct Registration System statement or other book-entry confirmation) representing Voting Shares that are issued and outstanding at the Record Time shall evidence one Right for each Voting Share

evidenced thereby notwithstanding the absence of the foregoing legend until the earlier of the Separation Time and the Expiration Time.

2.2 Initial Exercise Price; Exercise of Rights; Detachment of Rights

- (a) Subject to adjustment as herein set forth, each Right will entitle the holder thereof, after the Separation Time and prior to the Expiration Time, to purchase, for the Exercise Price as at the Business Day immediately preceding the day of exercise of the Right, one Share.

Notwithstanding any other provision of this Agreement, any Rights held by the Corporation or any of its Subsidiaries shall be void.

- (b) Until the Separation Time:
- (i) no Right may be exercised; and
 - (ii) each Right will be evidenced by the certificate for the associated Voting Share registered in the name of the holder thereof (which certificate shall also be deemed to be a Rights Certificate) and will be transferable only together with, and will be transferred by a transfer of, such associated Voting Share.
- (c) After the Separation Time and prior to the Expiration Time, the Rights (i) may be exercised; and (ii) the registration and transfer of the Rights shall be independent of Voting Shares. Promptly following the Separation Time the Rights Agent will mail to each holder of record of Voting Shares as of the Separation Time and, in respect of each Convertible Security converted into Voting Shares after the Separation Time and prior to the Expiration Time, promptly after such conversion, the Corporation will prepare or cause to be prepared and the Rights Agent will mail to the holder so converting (other than in either case an Acquiring Person and any Transferee whose rights are or become void pursuant to Section 3.1(b) and, in respect of any Rights Beneficially Owned by such Acquiring Person or Transferee which are not held of record by such Acquiring Person or Transferee, the holder of record of such Rights (a "**Nominee**")) at such holder's address as shown by the records of the Corporation (the Corporation hereby agreeing to furnish copies of such records to the Rights Agent for this purpose), (x) a Rights Certificate with registration particulars appropriately completed, representing the number of Rights held by such holder at the Separation Time and having such marks of identification or designation and such legends, summaries or endorsements printed thereon as the Corporation may deem appropriate and as are not inconsistent with the provisions of this Agreement, or as may be required to comply with any law or with any rule or regulation made pursuant thereto or with any rule or regulation of any stock exchange or quotation system on which the Rights may from time to time be listed or traded, or to conform to usage, and (y) a disclosure statement prepared by the Corporation describing the Rights; provided that a Nominee shall be sent the materials provided for in (x) and (y) above in respect of all Voting Shares or Convertible Securities held of record by it which are not Beneficially Owned by an Acquiring Person.
- (d) Rights may be exercised in whole or in part on any Business Day (or on any other day which, in the city at which an Election to Exercise (as hereinafter defined) is duly

submitted to the Rights Agent in accordance with this Agreement, is not a Saturday, Sunday or a day that is treated as a holiday in such city) after the Separation Time and prior to the Expiration Time by submitting to the Rights Agent (at its office in Calgary, Alberta or at any other office of the Rights Agent in the cities designated from time to time for that purpose by the Corporation with the approval of the Rights Agent), the Rights Certificate evidencing such Rights together with an election to exercise such Rights (an "**Election to Exercise**") substantially in the form attached to the Rights Certificate duly completed and executed by the holder or his executors or administrators or other personal representatives or his or their legal attorney duly appointed by an instrument in writing in form and executed in a manner satisfactory to the Rights Agent, accompanied by payment by certified cheque, banker's draft or money order payable to the order of the Corporation, of a sum equal to the Exercise Price multiplied by the number of Rights being exercised and a sum sufficient to cover any transfer tax or charge which may be payable in respect of any transfer involved in the transfer or delivery of Rights Certificates or the issuance or delivery of certificates for Shares in a name other than that of the holder of the Rights being exercised.

- (e) Upon receipt of a Rights Certificate, with an Election to Exercise accompanied by payment as set forth in Section 2.2(d) above, which does not indicate that the Rights represented thereby are null and void as provided by Section 3.1(b), the Rights Agent (unless otherwise instructed by the Corporation in the event that the Corporation is of the opinion that the Rights cannot be exercised in accordance with this Agreement) will thereupon promptly:
 - (i) requisition from the transfer agent of the Shares certificates or other evidence of ownership of Shares for the number of Shares to be purchased (the Corporation hereby irrevocably authorizing its transfer agent to comply with all such requisitions);
 - (ii) when appropriate, requisition from the Corporation the amount of cash to be paid in lieu of issuing fractional Shares;
 - (iii) after receipt of the Share certificates, deliver the same to or to the order of the registered holder of such Rights Certificate, registered in such name or names as may be designated by such holder;
 - (iv) when appropriate, after receipt, deliver such cash to or to the order of the registered holder of the Rights Certificate; and
 - (v) tender to the Corporation all payments received on the exercise of the Rights.
- (f) In case the holder of any Rights shall exercise less than all the Rights evidenced by such holder's Rights Certificate, a new Rights Certificate evidencing the Rights remaining unexercised will be issued by the Rights Agent to such holder or to such holder's duly authorized assigns.
- (g) The Corporation covenants and agrees that it will:

- (i) take all such action as may be necessary and within its power to ensure that all Shares delivered upon exercise of Rights shall, at the time of delivery of the certificates for such Shares (subject to payment of the Exercise Price), be duly and validly authorized, executed, issued and delivered as fully paid and non-assessable;
- (ii) take all such action as may be necessary and within its power to comply with any applicable requirements of the ABCA, the Securities Act, the securities acts or comparable legislation of each of the other provinces and territories of Canada and the rules and regulations thereunder and any other applicable law, rule or regulation, in connection with the issuance and delivery of the Rights Certificates and the issuance of any Shares upon exercise of Rights;
- (iii) use reasonable efforts to cause all Shares issued upon exercise of Rights to be listed on the principal exchanges or traded in the over-the-counter markets on which the Shares were traded immediately prior to the Share Acquisition Date;
- (iv) cause to be reserved and kept available out of its authorized and unissued Shares a number of Shares that, as provided in this Agreement, will from time to time be sufficient to permit the exercise in full of all outstanding Rights;
- (v) pay when due and payable any and all Canadian federal and provincial transfer taxes (for greater certainty not including any income taxes of the holder or exercising holder or any liability of the Corporation to withhold tax) and charges which may be payable in respect of the original issuance or delivery of the Rights Certificates or certificates for Shares, provided that the Corporation shall not be required to pay any transfer tax or charge which may be payable in respect of any transfer involved in the transfer or delivery of Rights Certificates or the issuance or delivery of certificates for Shares in a name other than that of the holder of the Rights being transferred or exercised; and
- (vi) after the Separation Time, except as permitted by Section 5.1, not take (or permit any Subsidiary to take) any action if at the time such action is taken it is reasonably foreseeable that such action will diminish substantially or otherwise eliminate the benefits intended to be afforded by the Rights.

2.3 Adjustments to Exercise Price; Number of Rights

The Exercise Price, the number and kind of securities subject to purchase upon exercise of each Right and the number of Rights outstanding are subject to adjustment from time to time as provided in this Section 2.3.

- (a) In the event the Corporation shall at any time after the Record Time and prior to the Expiration Time:
 - (i) declare or pay a dividend on the Shares payable in Shares (or other shares of the Corporation or securities exchangeable for or convertible into or giving a right to acquire Shares or other shares of the Corporation) other than pursuant to any

optional program of the Corporation by which dividends may be applied to the purchase from the Corporation of additional Shares;

- (ii) subdivide or change the then outstanding Shares into a greater number of Shares;
- (iii) combine or change the then outstanding Shares into a smaller number of Shares; or
- (iv) issue any Shares (or other shares of the Corporation or securities exchangeable for or convertible into or giving a right to acquire Shares or other shares of the Corporation) in respect of, in lieu of or in exchange for existing Shares in a reclassification, amalgamation, merger, statutory arrangement or consolidation;

the Exercise Price and the number of Rights outstanding, or, if the payment or effective date therefor shall occur after the Separation Time, the securities purchasable upon exercise of Rights shall be adjusted in the manner set forth below. If the Exercise Price and number of Rights outstanding are to be adjusted (x) the Exercise Price in effect after such adjustment shall be equal to the Exercise Price in effect immediately prior to such adjustment divided by the number of Shares (or other shares of the Corporation) (the "**Expansion Factor**") that a holder of one Share immediately prior to such distribution, subdivision, change, combination or issuance would hold thereafter as a result thereof and (y) each Right held prior to such adjustment shall become that number of Rights equal to the Expansion Factor, and the adjusted number of Rights will be deemed to be allocated among the Voting Shares with respect to which the original Rights were associated (if they remain outstanding) and the Voting Shares issued in respect of or in connection with such distribution, subdivision, change, combination or issuance (for certainty, including in respect of any concurrent distribution, subdivision, change, combination or issuance in respect of the Special Voting Shares), so that each such Voting Share (or other share of the Corporation) will have exactly one Right associated with it. If the securities purchasable upon exercise of Rights are to be adjusted, the securities purchasable upon exercise of each Right after such adjustment will be the number of securities that a holder of the securities purchasable upon exercise of one Right immediately prior to such distribution, subdivision, change, combination or issuance would hold thereafter as a result thereof. If after the Record Time and prior to the Expiration Time the Corporation shall issue any securities other than Shares in a transaction of a type described in Section 2.3(a)(i) or (iv), such securities shall be treated herein as nearly equivalent to Shares as may be practicable and appropriate under the circumstances and the Corporation and the Rights Agent agree to amend this Agreement in order to effect, and will not consolidate with, amalgamate with or into or enter into a statutory arrangement with, any other Person unless such Person agrees to be bound by the terms of an amendment effecting, such treatment. If an event occurs which would require an adjustment under both this Section 2.3 and Section 3.1 hereof, the adjustment provided for in this Section 2.3 shall be in addition to, and shall be made prior to, any adjustment required pursuant to Section 3.1 hereof. Adjustments pursuant to this Section 2.3(a) shall be made successively whenever an event referred to in this Section 2.3(a) occurs.

In the event the Corporation shall at any time after the Record Time and prior to the Separation Time issue any Shares otherwise than in a transaction referred to in the preceding paragraph, each such Share so issued shall automatically have one new Right associated with it, which Right shall be evidenced by the certificate representing such Share.

- (b) In the event the Corporation shall at any time after the Record Time and prior to the Expiration Time fix a record date for the making of a distribution to all holders of Shares of rights or warrants entitling them (for a period expiring within 60 calendar days after such record date) to subscribe for or purchase Shares (or securities convertible into or exchangeable for or carrying a right to purchase or subscribe for Shares) at a price per Share (or, if a security convertible into or exchangeable for or carrying a right to purchase or subscribe for Shares, having a conversion, exchange or exercise price (including the price required to be paid to purchase such convertible or exchangeable security or right per Share)) less than the Market Price per Share on such record date, the Exercise Price shall be adjusted in the manner set forth below. The Exercise Price in effect after such record date shall equal the Exercise Price in effect immediately prior to such record date multiplied by a fraction, of which the numerator shall be the number of Shares outstanding on such record date plus the number of Shares which the aggregate offering price of the total number of Shares so to be offered (and/or the aggregate initial conversion, exchange or exercise price of the convertible or exchangeable securities or rights so to be offered to holders of Shares (including the price required to be paid to purchase such convertible or exchangeable securities or rights)) would purchase at such Market Price and of which the denominator shall be the number of Shares outstanding on such record date plus the number of additional Shares to be offered for subscription or purchase to holders of Shares (or into which the convertible or exchangeable securities or rights so to be offered are initially convertible, exchangeable or exercisable). In case such subscription price may be paid in a consideration part or all of which shall be in a form other than cash, the value of such consideration shall be as determined in good faith by the Board of Directors whose determination shall be described in a statement filed with the Rights Agent and shall be binding on the Rights Agent and the holders of Rights. Such adjustment shall be made successively whenever such a record date is fixed. For purposes of this paragraph (b), the granting of the right to purchase Shares (whether from treasury Shares or otherwise) pursuant to any dividend, distribution or interest reinvestment plan and/or any share purchase plan providing for the reinvestment of dividends, distributions or interest payable on securities of the Corporation and/or the investment of periodic optional payments and/or employee benefit or similar plans (so long as such right to purchase is in no case evidenced by the delivery of rights or warrants) shall not be deemed to constitute an issue of rights or warrants by the Corporation; provided, however, that in the case of any dividend, distribution or interest reinvestment plan, the right to purchase Shares is at a price per Share of not less than 90% of the current market price per Share (determined as provided in such plans) of the Shares.
- (c) In the event the Corporation shall at any time after the Record Time and prior to the Expiration Time fix a record date for the making of a distribution to all holders of Shares of evidences of indebtedness or assets (other than a regular periodic cash distribution or a distribution paid in Shares) or rights or warrants (excluding those referred to in Section 2.3(b)), the Exercise Price shall be adjusted in the manner set forth below. The

Exercise Price in effect after such record date shall equal the Exercise Price in effect immediately prior to such record date less the fair market value (as determined in good faith by the Board of Directors) of the portion of the assets, evidences of indebtedness, rights or warrants so to be distributed applicable to each of the securities purchasable upon exercise of one Right (such determination to be described in a statement filed with the Rights Agent and the holders of the Rights). Such adjustment shall be made successively whenever such a record date is fixed.

- (d) Each adjustment made pursuant to this Section 2.3 shall be made as of:
 - (i) the payment or effective date for the applicable distribution, subdivision, change, combination or issuance, in the case of an adjustment made pursuant to paragraph (a) above; and
 - (ii) the record date for the applicable distribution, in the case of an adjustment made pursuant to paragraph (b) or (c) above subject to readjustment to reverse the same if such distribution shall not be made.
- (e) In the event the Corporation shall at any time after the Record Time and prior to the Expiration Time issue any securities of the Corporation (other than Shares), or rights or warrants to subscribe for or purchase any such securities of the Corporation, or securities convertible into or exchangeable for any such securities of the Corporation, in a transaction referred to in clause (a)(i) or (a)(iv) above, or if the Corporation shall take any other action (other than the issue of Shares) which might have a negative effect on the holders of Rights, if the Board of Directors acting in good faith determines that the adjustments contemplated by paragraphs (a), (b) and (c) above are not applicable or will not appropriately protect the interests of the holders of Rights, the Corporation may determine what other adjustments to the Exercise Price, number of Rights and/or securities purchasable upon exercise of Rights would be appropriate and, if the adjustments contemplated by paragraphs (a), (b) and (c) above are applicable, notwithstanding such paragraphs, the adjustments so determined by the Corporation rather than the adjustments contemplated by paragraphs (a), (b) and (c) above, shall be made. The Corporation and the Rights Agent shall amend this Agreement in accordance with Section 5.4(b) and (c), as the case may be, to provide for such adjustments.
- (f) Whenever an adjustment to the Exercise Price is made pursuant to this Section 2.3, the Corporation shall:
 - (i) promptly prepare a certificate setting forth such adjustment and a brief statement of the facts accounting for such adjustment;
 - (ii) promptly file with the Rights Agent and with each transfer agent for the Shares a copy of such certificate; and
 - (iii) cause notice of the particulars of such adjustment or change to be given to the holders of the Rights by way of press release or by such other means as the Corporation may determine.

Failure to file such certificate or to cause such notice to be given as aforesaid, or any defect therein, shall not affect the validity of such adjustment.

- (g) Irrespective of any adjustment or change in the securities purchasable upon exercise of the Rights, the Rights Certificates theretofore and thereafter issued may continue to express the securities so purchasable which were expressed in the initial Rights Certificates issued hereunder.
- (h) Notwithstanding anything herein to the contrary, no adjustment in the Exercise Price shall be required unless such adjustment would require an increase or decrease of at least one per cent in the Exercise Price; provided, however, that any adjustments which by reason of this Section 2.3(h) are not required to be made shall be carried forward and taken into account in any subsequent adjustment. All calculations under Section 2.3 shall be made to the nearest cent or to the nearest ten-thousandth of a Share. Notwithstanding the first sentence of this Section 2.3(h), any adjustment required by Section 2.3 shall be made no later than the earlier of:
 - (i) three years from the date of the transaction which gives rise to such adjustment; or
 - (ii) the Expiration Date.
- (i) Each Right originally issued by the Corporation subsequent to any adjustment made to the Exercise Price hereunder shall evidence the right to purchase, at the adjusted Exercise Price, the number of Shares purchasable from time to time hereunder upon exercise of a Right immediately prior to such issue, all subject to further adjustment as provided herein.
- (j) In any case in which this Section 2.3 shall require that an adjustment in the Exercise Price be made effective as of a record date for a specified event, the Corporation may elect to defer until the occurrence of such event the issuance to the holder of any Right exercised after such record date the number of Shares and other securities of the Corporation, if any, issuable upon such exercise over and above the number of Shares and other securities of the Corporation, if any, issuable upon such exercise on the basis of the Exercise Price in effect prior to such adjustment; provided, however, that the Corporation shall deliver to such holder an appropriate instrument evidencing such holder's right to receive such additional Shares (fractional or otherwise) or other securities upon the occurrence of the event requiring such adjustment.
- (k) Notwithstanding anything contained in this Section 2.3 to the contrary, the Corporation shall be entitled to make such reductions in the Exercise Price, in addition to those adjustments expressly required by this Section 2.3, as and to the extent that in their good faith judgment the Board of Directors determines to be advisable, in order that any:
 - (i) consolidation or subdivision of Shares;
 - (ii) issuance (wholly or in part for cash) of Shares or securities that by their terms are convertible into or exchangeable for Shares;
 - (iii) distributions; or

(iv) issuance of rights, options or warrants referred to in this Section 2.3,

hereafter made by the Corporation to holders of its Shares, shall not be taxable to such Shareholders or shall subject such Shareholders to a lesser amount of tax.

2.4 Date on Which Exercise is Effective

Each Person in whose name any certificate for Shares or other securities, if applicable, is issued upon the exercise of Rights shall for all purposes be deemed to have become the holder of record of the Shares represented thereby on, and such certificate or other evidence of registration shall be dated, the date upon which the Rights Certificate evidencing such Rights was duly surrendered (together with a duly completed Election to Exercise) and payment of the Exercise Price for such Rights (and any applicable transfer taxes and other governmental charges payable by the exercising holder hereunder) was made; provided, however, that if the date of such surrender and payment is a date upon which the Share transfer books of the Corporation are closed, such Person shall be deemed to have become the record holder of such Shares on, and such certificate or other evidence of registration shall be dated, the next succeeding Business Day on which the Share transfer books of the Corporation are open.

2.5 Execution, Authentication, Delivery and Dating of Rights Certificates

- (a) The Rights Certificates shall be executed on behalf of the Corporation by any two officers or directors of the Corporation. The signature of any of these officers or directors on the Rights Certificates may be manual, electronic or facsimile. Rights Certificates bearing the manual, electronic or facsimile signatures of individuals who were at any time the proper officers or directors of the Corporation shall bind the Corporation, notwithstanding that such individuals or any of them have ceased to hold such offices prior to the countersignature and delivery of such Rights Certificates. Promptly after the Corporation learns of the Separation Time, the Corporation will notify the Rights Agent of such Separation Time and will deliver Rights Certificates executed by the Corporation to the Rights Agent for countersignature, and the Rights Agent shall countersign (manually, electronically or by facsimile signature in a manner satisfactory to the Corporation) and mail such Rights Certificates to the holders of the Rights pursuant to Section 2.2(c) hereof. No Rights Certificate shall be valid for any purpose until countersigned by the Rights Agent as aforesaid.
- (b) Each Rights Certificate shall be dated the date of countersignature thereof.

2.6 Registration, Registration of Transfer and Exchange

- (a) The Corporation will cause to be kept a register (the "**Rights Register**") in which, subject to such reasonable regulations as it may prescribe, the Corporation will provide for the registration and transfer of Rights. The Rights Agent is hereby appointed "Rights Registrar" for the purpose of maintaining the Rights Register for the Corporation and registering Rights and transfers of Rights as herein provided and the Rights Agent hereby accepts such appointment. In the event that the Rights Agent shall cease to be the Rights Registrar, the Rights Agent will have the right to examine the Rights Register at all reasonable times.

- (b) After the Separation Time and prior to the Expiration Time, upon surrender for registration of transfer or exchange of any Rights Certificate, and subject to the provisions of Section 2.6(d) below, the Corporation will execute, and the Rights Agent will countersign and deliver, in the name of the holder or the designated transferee or transferees, as required pursuant to the holder's instructions, one or more new Rights Certificates evidencing the same aggregate number of Rights as did the Rights Certificates so surrendered.
- (c) All Rights issued upon any registration of transfer or exchange of Rights Certificates shall be the valid obligations of the Corporation, and such Rights shall be entitled to the same benefits under this Agreement as the Rights surrendered upon such registration of transfer or exchange.
- (d) Every Rights Certificate surrendered for registration of transfer or exchange shall be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the Corporation or the Rights Agent, as the case may be, duly executed by the holder thereof or such holder's attorney duly authorized in writing. As a condition to the issuance of any new Rights Certificate under this Section 2.6, the Corporation may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the reasonable fees and expenses of the Rights Agent) in connection therewith.

2.7 Mutilated, Destroyed, Lost and Stolen Rights Certificates

- (a) If any mutilated Rights Certificate is surrendered to the Rights Agent prior to the Expiration Time, the Corporation shall execute and the Rights Agent shall countersign and deliver in exchange therefor a new Rights Certificate evidencing the same number of Rights as did the Rights Certificate so surrendered.
- (b) If there shall be delivered to the Corporation and the Rights Agent prior to the Expiration Time (i) evidence to their satisfaction of the destruction, loss or theft of any Rights Certificate and (ii) such security and indemnity as may be required by them in their sole discretion to save each of them and any of their agents harmless, then, in the absence of notice to the Corporation or the Rights Agent that such Rights Certificate has been acquired by a bona fide purchaser, the Corporation shall execute and upon its request the Rights Agent shall countersign and deliver, in lieu of any such destroyed, lost or stolen Rights Certificate, a new Rights Certificate evidencing the same number of Rights as did the Rights Certificate so destroyed, lost or stolen.
- (c) As a condition to the issuance of any new Rights Certificate under this Section 2.7, the Corporation may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the reasonable fees and expenses of the Rights Agent) connected therewith.
- (d) Every new Rights Certificate issued pursuant to this Section 2.7 in lieu of any destroyed, lost or stolen Rights Certificate shall evidence an original additional contractual obligation of the Corporation, whether or not the destroyed, lost or stolen Rights Certificate shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this

Agreement equally and proportionately with any and all other Rights duly issued hereunder.

2.8 Persons Deemed Owners of Rights

The Corporation, the Rights Agent and any agent of the Corporation or the Rights Agent may deem and treat the Person in whose name a Rights Certificate (or, prior to the Separation Time, the associated Share certificate or other evidence of registration) is registered as the absolute owner thereof and of the Rights evidenced thereby for all purposes whatsoever. As used in this Agreement, unless the context otherwise requires, the term "holder" of any Rights shall mean the registered holder of such Rights (or, prior to the Separation Time, the associated Shares).

2.9 Delivery and Cancellation of Certificates

All Rights Certificates surrendered upon exercise or for redemption, registration of transfer or exchange shall, if surrendered to any Person other than the Rights Agent, be delivered to the Rights Agent and, in any case, shall be promptly cancelled by the Rights Agent. The Corporation may at any time deliver to the Rights Agent for cancellation any Rights Certificates previously countersigned and delivered hereunder which the Corporation may have acquired in any manner whatsoever, and all Rights Certificates so delivered shall be promptly cancelled by the Rights Agent. No Rights Certificate shall be countersigned in lieu of or in exchange for any Rights Certificates cancelled as provided in this Section 2.9, except as expressly permitted by this Agreement. The Rights Agent shall, subject to applicable law, destroy all cancelled Rights Certificates and deliver a certificate of destruction to the Corporation.

2.10 Agreement of Rights Holders

Every holder of Rights by accepting the same consents and agrees with the Corporation and the Rights Agent and with every other holder of Rights that:

- (a) he will be bound by and subject to the provisions of this Agreement, as amended from time to time in accordance with the terms hereof, in respect of all Rights held;
- (b) prior to the Separation Time, each Right will be transferable only together with, and will be transferred by a transfer of, the associated Voting Share;
- (c) after the Separation Time, the Rights Certificates will be transferable only on the Rights Register as provided herein;
- (d) prior to due presentment of a Rights Certificate (or, prior to the Separation Time, the certificate or other evidence of ownership of the associated Shares) for registration of transfer, the Corporation, the Rights Agent and any agent of the Corporation or the Rights Agent may deem and treat the Person in whose name the Rights Certificate (or, prior to the Separation Time, the associated Share certificate or other evidence of registration) is registered as the absolute owner thereof and of the Rights evidenced thereby (notwithstanding any notations of ownership or writing on such Rights Certificate or the associated share certificate made by anyone other than the Corporation or the Rights Agent) for all purposes whatsoever, and neither the Corporation nor the Rights Agent shall be affected by any notice to the contrary;

- (e) such holder of Rights has waived his right to receive any fractional Rights or any fractional Shares or other securities upon exercise of a Right (except as provided herein);
- (f) subject to the provisions of Section 5.4, without the approval of any holder of Rights and upon the sole authority of the Board of Directors acting in good faith this Agreement may be supplemented or amended from time to time to cure any ambiguity or to correct or supplement any provision contained herein which may be inconsistent with the intent of this Agreement or is otherwise defective; and
- (g) notwithstanding anything in this Agreement to the contrary, neither the Corporation nor the Rights Agent shall have any liability to any holder of a Right or any other Person as a result of its inability to perform any of its obligations under this Agreement by reason of any preliminary or permanent injunction or other order, decree or ruling issued by a court of competent jurisdiction or by a governmental, regulatory or administrative agency or commission, or any statute, rule, regulation or executive order promulgated or enacted by any governmental authority, prohibiting or otherwise restraining performance of such obligation.

ARTICLE 3

ADJUSTMENTS TO THE RIGHTS IN THE EVENT OF CERTAIN TRANSACTIONS

3.1 Flip-in Event

- (a) Subject to Sections 3.1(b), 5.1(b), 5.1(c) and 5.1(d) hereof, in the event that prior to the Expiration Time a Flip-in Event shall occur, each Right shall thereafter constitute, effective as at the Closing of Business on the tenth Trading Day after the Share Acquisition Date, or such longer period as may be required to satisfy the requirements of the Securities Act and the applicable securities acts or comparable legislation of each of the provinces and territories of Canada, the right to purchase from the Corporation, upon exercise thereof in accordance with the terms hereof, that number of Shares having an aggregate Market Price on the date of consummation or occurrence of such Flip-in Event equal to twice the Exercise Price for an amount in cash equal to the Exercise Price (such right to be appropriately adjusted in a manner analogous to the applicable adjustment provided for in Section 2.3 in the event that after such date of consummation or occurrence an event of a type analogous to any of the events described in Section 2.3 shall have occurred with respect to such Shares).
- (b) Notwithstanding the foregoing or any other provisions of this Agreement, upon the occurrence of any Flip-in Event, any Rights that are or were Beneficially Owned on or after the earlier of the Separation Time or the Share Acquisition Date by:
 - (i) an Acquiring Person (or any Affiliate or Associate of an Acquiring Person or any Person acting jointly or in concert with an Acquiring Person or any Affiliate or Associate of an Acquiring Person); or
 - (ii) a transferee, direct or indirect (a "**Transferee**"), from an Acquiring Person (or any Affiliate or Associate of an Acquiring Person or any Person acting jointly or in concert with an Acquiring Person or any Affiliate or Associate of an Acquiring Person) where such Transferee becomes a transferee concurrently with or

subsequent to the Acquiring Person becoming such, whether or not for consideration, that the Board of Directors acting in good faith has determined is part of a plan, arrangement or scheme of an Acquiring Person (or any Affiliate or Associate of an Acquiring Person or any Person acting jointly or in concert with an Acquiring Person or any Affiliate or Associate of an Acquiring Person) that has the purpose or effect of avoiding clause (i) of this Section 3.1(b),

shall become void without any further action and any holder of such Rights (including Transferees) shall thereafter have no right to exercise such Rights under any provision of this Agreement and shall not have any other rights whatsoever in respect of such Rights, whether under any provision of this Agreement or otherwise.

- (c) Any Rights Certificate that represents Rights Beneficially Owned by a Person described in either clauses (i) or (ii) of Section 3.1(b) or transferred to any nominee of any such Person, and any Rights Certificate issued upon transfer, exchange, replacement or adjustment of any other Rights Certificate referred to in this sentence, shall contain the following legend:

“The Rights represented by this Rights Certificate were Beneficially Owned by a Person who was an Acquiring Person or who was an Affiliate or an Associate of an Acquiring Person (as such terms are defined in the Rights Agreement) or a Person who was acting jointly or in concert with any of them. This Rights Certificate and the Rights represented hereby are void or shall become void in the circumstances specified in Section 3.1(b) of the Rights Agreement.”

provided, however, that the Rights Agent shall not be under any responsibility to ascertain the existence of facts that would require the imposition of such legend but shall be required to impose such legend only if instructed to do so by the Corporation or if a holder fails to certify upon transfer or exchange in the space provided on the Rights Certificate that such holder is not an Acquiring Person or an Affiliate or Associate thereof or any Person acting jointly or in concert with an Acquiring Person or any Affiliate or Associate of an Acquiring Person.

- (d) From and after the Separation Time, the Corporation shall do all such acts and things as shall be necessary and within its power to ensure compliance with the provisions of this Section 3.1, including without limitation, all such acts and things as may be required to satisfy the requirements of the ABCA, the Securities Act and the securities laws or comparable legislation of each of the provinces and territories of Canada in respect of the issue of Shares upon the exercise of Rights in accordance with this Agreement.

ARTICLE 4

THE RIGHTS AGENT

4.1 General

- (a) The Corporation hereby appoints the Rights Agent to act as agent for the Corporation and the holders of Rights in accordance with the terms and conditions hereof, and the Rights Agent hereby accepts such appointment. The Corporation may from time to time appoint such co-rights agents ("**Co-Rights Agents**") as it may deem necessary or

desirable, subject to the approval of the Rights Agent. In the event the Corporation appoints one or more Co-Rights Agents, the respective duties of the Rights Agent and Co-Rights Agents shall be as the Corporation may determine with the approval of the Rights Agent and the Co-Rights Agent. The Corporation agrees to pay to the Rights Agent reasonable compensation for all services rendered by it hereunder and, from time to time, on demand of the Rights Agent, its reasonable expenses and counsel fees and other disbursements incurred in the execution and administration of this Agreement and the exercise and performance of its duties hereunder (including the reasonable fees and other disbursements of any expert retained by the Rights Agent with the approval of the Corporation, such approval not to be unreasonably withheld). The Corporation also agrees to indemnify the Rights Agent for, and to hold it harmless against, any loss, liability, or expense, incurred without gross negligence, bad faith or wilful misconduct on the part of the Rights Agent, for anything done, suffered or omitted by the Rights Agent in connection with the acceptance, execution and administration of this Agreement and the exercise and performance of its duties hereunder, including legal costs and expenses of defending against any claim or liability, which right to indemnification will survive the termination of this Agreement and the resignation or removal of the Rights Agent.

- (b) The Rights Agent shall be protected and shall incur no liability for or in respect of any action taken, suffered or omitted by it in connection with its administration of this Agreement in reliance upon any certificate for or other evidence of ownership of Voting Shares, Rights Certificate, certificate for other securities of the Corporation, instrument of assignment or transfer, power of attorney, endorsement, affidavit, letter, notice, direction, consent, certificate, opinion, statement, or other paper or document believed by it to be genuine and to be signed, executed and, where necessary, verified or acknowledged, by the proper Person or Persons.
- (c) The Corporation shall inform the Rights Agent in a reasonably timely manner of events which may materially affect the administration of this Agreement by the Rights Agent.
- (d) Notwithstanding any other provision of this Agreement, and whether such losses or damages are foreseeable or unforeseeable, the Rights Agent shall not be liable under any circumstances whatsoever for any (i) breach by any other party of securities law or other rule of any securities regulatory authority, (ii) lost profits or (iii) special, indirect, incidental, consequential, exemplary, aggravated or punitive losses or damages.
- (e) Notwithstanding any other provision of this Agreement, any liability of the Rights Agent shall be limited, in the aggregate, to the amount of fees paid by the Corporation to the Rights Agent under this Agreement in the twelve (12) months immediately prior to the Rights Agent receiving the first notice of the claim.

4.2 Merger, Amalgamation or Consolidation or Change of Name of Rights Agent

- (a) Any corporation into which the Rights Agent or any successor Rights Agent may be merged or amalgamated or with which it may be consolidated, or any corporation resulting from any merger, amalgamation, statutory arrangement or consolidation to which the Rights Agent or any successor Rights Agent is a party, or any corporation succeeding to the unitholder or stockholder services business of the Rights Agent or any successor Rights Agent, will be the successor to the Rights Agent under this Agreement

without the execution or filing of any paper or any further act on the part of any of the parties hereto, provided that such corporation would be eligible for appointment as a successor Rights Agent under the provisions of Section 4.4 hereof. In case, at the time such successor Rights Agent succeeds to the agency created by this Agreement, any of the Rights Certificates have been countersigned but not delivered, any such successor Rights Agent may adopt the countersignature of the predecessor Rights Agent and deliver such Rights Certificates so countersigned; and in case at that time any of the Rights Certificates have not been countersigned, any successor Rights Agent may countersign such Rights Certificates either in the name of the predecessor Rights Agent or in the name of the successor Rights Agent; and in all such cases such Rights Certificates will have the full force provided in the Rights Certificates and in this Agreement.

- (b) In case at any time the name of the Rights Agent is changed and at such time any of the Rights Certificates shall have been countersigned but not delivered, the Rights Agent may adopt the countersignature under its prior name and deliver Rights Certificates so countersigned; and in case at that time any of the Rights Certificates shall not have been countersigned, the Rights Agent may countersign such Rights Certificates either in its prior name or in its changed name; and in all such cases such Rights Certificates shall have the full force provided in the Rights Certificates and in this Agreement.

4.3 Duties of Rights Agent

The Rights Agent undertakes the duties and obligations imposed by this Agreement upon the following terms and conditions, by all of which the Corporation and the holders of certificates for Voting Shares and Convertible Securities and the holders of Rights Certificates, by their acceptance thereof, shall be bound:

- (a) The Rights Agent may retain and consult with legal counsel (who may be legal counsel for the Corporation) and the opinion of such counsel will be full and complete authorization and protection to the Rights Agent as to any action taken or omitted by it in good faith and in accordance with such opinion; the Rights Agent may also, with the approval of the Corporation (such approval not to be unreasonably withheld) and at the expense of the Corporation, consult with such other experts as the Rights Agent shall consider necessary or appropriate to properly carry out the duties and obligations imposed under this Agreement and the Rights Agent shall be entitled to act and rely in good faith on the advice of any such expert.
- (b) Whenever in the performance of its duties under this Agreement the Rights Agent deems it necessary or desirable that any fact or matter be proved or established by the Corporation prior to taking or suffering any action hereunder, such fact or matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a certificate signed by persons believed by the Rights Agent to be any two officers or directors of the Corporation and delivered to the Rights Agent; and such certificate will be full authorization to the Rights Agent for any action taken or suffered in good faith by it under the provisions of this Agreement in reliance upon such certificate.

- (c) The Rights Agent will be liable hereunder only for its own gross negligence, bad faith or wilful misconduct.
- (d) The Rights Agent will not be liable for or by reason of any of the statements of fact or recitals contained in this Agreement or in the certificates for Voting Shares or the Rights Certificates (except its countersignature thereof) or be required to verify the same, but all such statements and recitals are and will be deemed to have been made by the Corporation only.
- (e) The Rights Agent will not be under any responsibility in respect of the validity of this Agreement or the execution and delivery hereof (except the due authorization, execution and delivery hereof by the Rights Agent) or in respect of the validity or execution of any Share certificate or Rights Certificate (except its countersignature thereof); nor will it be responsible for any breach by the Corporation of any covenant or condition contained in this Agreement or in any Rights Certificate; nor will it be responsible for any change in the exercisability of the Rights (including the Rights becoming void pursuant to Section 3.1(b) hereof) or any adjustment required under the provisions of Section 2.3 hereof or responsible for the manner, method or amount of any such adjustment or the ascertaining of the existence of facts that would require any such adjustment (except with respect to the exercise of Rights after receipt of the certificate contemplated by Section 2.3 describing any such adjustment); nor will it by any act hereunder be deemed to make any representation or warranty as to the authorization of any Shares to be issued pursuant to this Agreement or any Rights or as to whether any Shares will, when issued, be duly and validly authorized, executed, issued and delivered and fully paid and non-assessable.
- (f) The Corporation agrees that it will perform, execute, acknowledge and deliver or cause to be performed, executed, acknowledged and delivered all such further and other acts, instruments and assurances as may reasonably be required by the Rights Agent for the carrying out or performing by the Rights Agent of the provisions of this Agreement.
- (g) The Rights Agent is hereby authorized and directed to accept instructions with respect to the performance of its duties hereunder from any persons believed by the Rights Agent to be any two officers or directors of the Corporation, and to apply to such persons for advice or instructions in connection with its duties, and it shall not be liable for any action taken or suffered by it in good faith in reliance upon instructions of any such persons; it is understood that instructions to the Rights Agent shall, except where circumstances make it impracticable or the Rights Agent otherwise agrees, be given in writing and, where not in writing, such instructions shall be confirmed in writing as soon as reasonably possible after the giving of such instructions.
- (h) The Rights Agent and any unitholder or stockholder, director, officer or employee of the Rights Agent may buy, sell or deal in Voting Shares, Rights or other securities of the Corporation or become pecuniarily interested in any transaction in which the Corporation may be interested, or contract with or lend money to the Corporation or otherwise act as fully and freely as though the Rights Agent were not Rights Agent under this Agreement. Nothing herein shall preclude the Rights Agent from acting in any other capacity for the Corporation or for any other legal entity.

- (i) The Rights Agent may execute and exercise any of the rights or powers hereby vested in it or perform any duty hereunder either itself or by or through its attorneys or agents, and the Rights Agent will not be answerable or accountable for any act, omission, default, neglect or misconduct of any such attorneys or agents or for any loss to the Corporation resulting from any such act, omission, default, neglect or misconduct, provided reasonable care was exercised in the selection and continued employment thereof.

4.4 Change of Rights Agent

The Rights Agent may resign and be discharged from its duties under this Agreement upon 30 days notice (or such lesser notice as is acceptable to the Corporation) in writing mailed to the Corporation, and to each transfer agent of Shares by registered or certified mail, and to the holders of the Rights in accordance with Section 5.8. The Corporation may remove the Rights Agent upon 30 days' notice in writing given to the Rights Agent and to each transfer agent of the Shares (by personal delivery, or registered or certified mail). If the Rights Agent should resign or be removed or otherwise become incapable of acting, the Corporation will appoint a successor to the Rights Agent. If the Corporation fails to make such appointment within a period of 30 days after such removal or after it has been notified in writing of such resignation or incapacity by the resigning or incapacitated Rights Agent, then the resigning Rights Agent (at the Corporation's expense) or any holder of any Rights (which holder of Rights shall also submit his Rights Certificate for inspection by the Corporation) may apply to any court of competent jurisdiction for the appointment of a new Rights Agent. Any successor Rights Agent, whether appointed by the Corporation or by such a court, shall be a corporation incorporated under the laws of Canada or a province thereof authorized to carry on the business of a trust company in the Province of Alberta. After appointment, the successor Rights Agent will be vested with the same powers, rights, duties and responsibilities as if it had been originally named as Rights Agent without further act or deed; but the predecessor Rights Agent shall deliver and transfer to the successor Rights Agent any property at the time held by it hereunder, and execute and deliver any further assurance, conveyance, act or deed necessary for the purpose. Not later than the effective date of any such appointment, the Corporation will file notice thereof in writing with the predecessor Rights Agent and each transfer agent of the Shares, and mail a notice thereof in writing to the holders of the Rights. Failure to give any notice provided for in this Section 4.4, however, or any defect therein, shall not affect the legality or validity of the resignation or removal of the Rights Agent or the appointment of the successor Rights Agent, as the case may be.

4.5 Privacy Provision

The parties acknowledge that federal and/or provincial legislation that addresses the protection of individuals' personal information (collectively, "**Privacy Laws**") applies to obligations and activities under this Agreement. Despite any other provision of this Agreement, neither party will take or direct any action that would contravene, or cause the other to contravene, applicable Privacy Laws. The Corporation will, prior to transferring or causing to be transferred personal information to the Rights Agent, obtain and retain required consents of the relevant individuals to the collection, use and disclosure of their personal information, or will have determined that such consents either have previously been given upon which the parties can rely or are not required under the Privacy Laws. The Rights Agent will use commercially reasonable efforts to ensure that its services hereunder comply with Privacy Laws.

4.6 Compliance with Money Laundering Legislation

The Rights Agent shall retain the right not to act and shall not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, the Rights Agent reasonably determines that

such an act might cause it to be in non-compliance with any applicable anti-money laundering or anti-terrorist legislation, regulation or guideline. Further, should the Rights Agent reasonably determine at any time that its acting under this Agreement has resulted in it being in non-compliance with any applicable anti-money laundering or anti-terrorist legislation, regulation or guideline, then it shall have the right, notwithstanding Section 4.4, to resign on 10 days' written notice to the Corporation, provided: (i) that the Rights Agent's written notice shall describe the circumstances of such non-compliance; and (ii) that if such circumstances are rectified to the Rights Agent's satisfaction within such 10-day period, then such resignation shall not be effective.

4.7 Administration of Agreement

The Corporation shall inform the Rights Agent in a reasonably timely manner of events which may materially affect the administration of this Agreement by the Rights Agent and, at any time upon request, shall provide to the Rights Agent an incumbency certificate certifying the then current officers of the Corporation; provided that failure to inform the Rights Agent of any such events, or any defect therein shall not affect the validity of any action taken hereunder in relation to such events.

ARTICLE 5 MISCELLANEOUS

5.1 Redemption and Termination

- (a) The Board of Directors may, with the prior consent of Shareholders or of the holders of Rights given in accordance with Section 5.1(f) or (g), as the case may be, and in each case prior to the occurrence of a Flip-in Event as to which the application of Section 3.1 has not been waived pursuant to the provisions of this Section 5.1, elect to redeem all but not less than all of the then outstanding Rights at a redemption price of \$0.00001 per Right appropriately adjusted in a manner analogous to the applicable adjustment provided for in Section 2.3 in the event that an event of the type analogous to any of the events described in Section 2.3 shall have occurred (such redemption price being herein referred to as the "**Redemption Price**").
- (b) The Board of Directors may, with the prior consent of the Shareholders given in accordance with Section 5.1(f), determine, at any time prior to the occurrence of a Flip-in Event as to which the application of Section 3.1 has not been waived pursuant to this Section 5.1, if such Flip-in Event would occur by reason of an acquisition of Voting Shares otherwise than pursuant to a Take-over Bid made by means of a take-over bid circular sent to all holders of Shares and otherwise than in the circumstances set forth in Section 5.1(d), to waive the application of Section 3.1 to such Flip-in Event. In the event that the Board of Directors proposes such a waiver, the Board of Directors shall extend the Separation Time to a date subsequent to and not more than ten Business Days following the meeting of Shareholders called to approve such waiver.
- (c) The Board of Directors may, at its option, prior to the occurrence of a Flip-in Event as to which the application of Section 3.1 has not been waived under this clause, determine, upon prior written notice to the Rights Agent, to waive the application of Section 3.1 to that Flip-in Event provided that the Flip-in Event would occur by reason of a Take-over Bid made by means of a take-over bid circular to all holders of Shares; further provided that if the Board of Directors waives the application of Section 3.1 to such a Flip-in Event,

the Board of Directors shall be deemed to have waived the application of Section 3.1 to any other Flip-in Event occurring by reason of any Take-over Bid made by means of a take-over bid circular to all holders of Shares which is made prior to the expiry of any Take-over Bid in respect of which a waiver is, or is deemed to have been, granted under this Section 5.1(c).

- (d) The Board of Directors may, in respect of any Flip-in Event, waive the application of Section 3.1 to that Flip-in Event, provided that both of the following conditions are satisfied:
- (i) the Board of Directors has determined that the Acquiring Person became an Acquiring Person by inadvertence and without any intent or knowledge that it would become an Acquiring Person; and
 - (ii) such Acquiring Person has reduced its Beneficial Ownership of Voting Shares such that at the time of waiver pursuant to this Section 5.1(d) it is no longer an Acquiring Person and has provided the Board of Directors with satisfactory evidence thereof;

and in the event of any such waiver, for the purposes of this Agreement, such Flip-in Event shall be deemed not to have occurred and the Separation Time shall be deemed not to have occurred as a result of such Person having inadvertently become an Acquiring Person.

- (e) The Board of Directors shall, without further formality, be deemed to have elected to redeem the Rights at the Redemption Price on the date that a Person who has made a Permitted Bid or a Take-over Bid in respect of which the Board of Directors has waived, or is deemed to have waived, pursuant to Section 5.1(c), the application of Section 3.1, takes up and pays for the Voting Shares pursuant to the terms and conditions of the Permitted Bid or Take-over Bid, as the case may be.
- (f) If a redemption of Rights pursuant to Section 5.1(a) or a waiver of a Flip-in Event pursuant to Section 5.1(b) is proposed at any time prior to the Separation Time, such redemption or waiver shall be submitted for approval to the Shareholders. Such approval shall be deemed to have been given if the redemption or waiver is approved by the affirmative vote of a majority of the votes cast by Independent Shareholders represented in person or by proxy at a meeting of such holders duly held in accordance with applicable laws and the Corporation's constating documents.
- (g) If a redemption of Rights pursuant to Section 5.1(a) is proposed at any time after the Separation Time, such redemption shall be submitted for approval to the holders of Rights. Such approval shall be deemed to have been given if the redemption is approved by holders of Rights by a majority of the votes cast by the holders of Rights represented in person or by proxy at and entitled to vote at a meeting of such holders. For the purposes hereof, each outstanding Right (other than Rights which are Beneficially Owned by any Person referred to in clauses (i) to (v) inclusive of the definition of Independent Shareholders) shall be entitled to one vote, and the procedures for the calling, holding and conduct of the meeting shall be those, as nearly as may be, which are provided in

applicable laws and the Corporation's constituting documents with respect to meetings of Shareholders.

- (h) Where a Take-over Bid that is not a Permitted Bid is withdrawn or otherwise terminated after the Separation Time has occurred and prior to the occurrence of a Flip-in Event, the Board of Directors may elect to redeem all the outstanding Rights at the Redemption Price and reissue Rights under this Agreement to holders of record of Voting Shares immediately following such time of redemption. Notwithstanding such redemption, all of the provisions of this Agreement shall continue to apply as if the Separation Time had not occurred and it shall be deemed not to have occurred and Rights shall remain attached to the outstanding Voting Shares, subject to and in accordance with the provisions of this Agreement.
- (i) If the Board of Directors elects or is deemed to have elected to redeem the Rights, and, in circumstances where Section 5.1(a) is applicable, such redemption is approved by the Shareholders or the holders of Rights in accordance with Section 5.1(f) or (g), as the case may be, the right to exercise the Rights will thereupon, without further action and without notice, terminate and the only right thereafter of the holders of Rights will be to receive the Redemption Price.
- (j) Within 10 Business Days after the Board of Directors electing or having been deemed to have elected to redeem the Rights or, if Section 5.1(a) is applicable within 10 Business Days after the Shareholders or the holders of Rights have approved a redemption of Rights in accordance with Section 5.1(f) or (g), as the case may be, the Corporation shall give notice of redemption to the holders of the then outstanding Rights by mailing such notice to each such holder at its last address as it appears upon the register of the Rights Agent or, prior to the Separation Time, on the register of the Transfer Agent or the Corporation, as applicable, for the Voting Shares. Any notice which is mailed in the manner herein provided will be deemed given, whether or not the holder receives the notice. Each such notice of redemption will state the method by which the payment of the Redemption Price will be made. The Corporation may not redeem, acquire or purchase for value any Rights at any time in any manner other than that specifically set forth in this Section 5.1 or in connection with the purchase of Voting Shares prior to the Separation Time.
- (k) The Corporation shall give prompt notice to the Rights Agent of any waiver of the application of Section 3.1 made by the Board of Directors under this Section 5.1.

5.2 Expiration

No Person shall have any rights pursuant to this Agreement or in respect of any Right after the Expiration Time, except the Rights Agent as specified in Section 4.1(a) of this Agreement.

5.3 Issuance of New Rights Certificates

Notwithstanding any of the provisions of this Agreement or of the Rights to the contrary, the Corporation may, at its option, issue new Rights Certificates evidencing Rights in such form as may be approved by the Board of Directors to reflect any adjustment or change in the number of or kind or class

of Shares purchasable upon exercise of Rights made in accordance with the provisions of this Agreement.

5.4 Supplements and Amendments

- (a) The Corporation may make amendments to this Agreement without the approval of any holders of Rights or Voting Shares to correct any clerical or typographical error. The Corporation may make amendments to this Agreement without the approval of any holders of Rights or Voting Shares, but subject to confirmation at the next meeting of Shareholders: (i) which are required to maintain the validity of this Agreement as a result of any change in any applicable legislation, rules or regulations thereunder, or (ii) to take into account the issuance by the Corporation of classes or series of shares other than the Shares. Notwithstanding anything in this Section 5.4 to the contrary, no such supplement or amendment shall be made to the provisions of Article 4 except with the written concurrence of the Rights Agent to such supplement or amendment.
- (b) Subject to Section 5.4(a), the Corporation may, with the prior consent of the Shareholders obtained as set forth below, at any time prior to the Separation Time, supplement, amend, vary, rescind or delete any of the provisions of this Agreement and the Rights (whether or not such action would materially adversely affect the interests of the holders of Rights generally) provided that no such amendment, variation or deletion shall be made to the provisions of Article 4 except with the written concurrence of the Rights Agent thereto. Such consent shall be deemed to have been given if the action requiring such approval is authorized by the affirmative vote of a majority of the votes cast by: (i) Shareholders; and (ii) Independent Shareholders present or represented at and entitled to be voted at a meeting of the Shareholders duly called and held in compliance with applicable laws and the Corporation's constating documents.
- (c) Subject to Section 5.4(a), the Corporation may, with the prior consent of the holders of Rights, at any time on or after the Separation Time, supplement, amend, vary, rescind or delete any of the provisions of this Agreement and the Rights (whether or not such action would materially adversely affect the interests of the holders of Rights generally), provided that no such amendment, variation or deletion shall be made to the provisions of Article 4 except with the written concurrence of the Rights Agent thereto. Such consent shall be deemed to have been given if such amendment, variation or deletion is authorized by the affirmative votes of the holders of Rights present or represented at and entitled to be voted at a meeting of the holders and representing 50% plus one of the votes cast in respect thereof.
- (d) Any approval of the holders of Rights shall be deemed to have been given if the action requiring such approval is authorized by the affirmative votes of the holders of Rights present or represented at and entitled to be voted at a meeting of the holders of Rights and representing a majority of the votes cast in respect thereof. For the purposes hereof, each outstanding Right (other than Rights which are void pursuant to the provisions hereof) shall be entitled to one vote, and the procedures for the calling, holding and conduct of the meeting shall be those, as nearly as may be, which are provided in applicable laws and the Corporation's constating documents with respect to meetings of Shareholders.

- (e) Any amendments made by the Corporation to this Agreement pursuant to Section 5.4(a) which are required to maintain the validity of this Agreement as a result of any change in any applicable legislation, rules or regulations thereunder, or to take into account the issuance by the Corporation of classes or series of shares other than the Shares shall:
- (i) if made before the Separation Time, be submitted to the Shareholders at the next meeting of Shareholders and the Shareholders may, by the majority referred to in Section 5.4(b), confirm or reject such amendment;
 - (ii) if made after the Separation Time, be submitted to the holders of Rights at a meeting to be called for on a date not later than immediately following the next meeting of Shareholders and the holders of Rights may, by resolution passed by the majority referred to in Section 5.4(d), confirm or reject such amendment.

Any such amendment shall be effective from the date of the resolution of the Board of Directors adopting such amendment, until it is confirmed or rejected or until it ceases to be effective (as described in the next sentence) and, where such amendment is confirmed, it continues in effect in the form so confirmed. If such amendment is rejected by the Shareholders or the holders of Rights or is not submitted to the Shareholders or holders of Rights as required, then such amendment shall cease to be effective from and after the termination of the meeting at which it was rejected or to which it should have been but was not submitted or from and after the date of the meeting of holders of Rights that should have been but was not held, and no subsequent resolution of the Board of Directors to amend this Agreement to substantially the same effect shall be effective until confirmed by the Shareholders or holders of Rights as the case may be.

5.5 Fractional Rights and Fractional Shares

- (a) The Corporation shall not be required to issue fractions of Rights or to distribute Rights Certificates which evidence fractional Rights. After the Separation Time there shall be paid to the registered holders of the Rights Certificates (provided the Rights represented by such Rights Certificates are not void pursuant to the provisions of Section 3.1(b)) with regard to which fractional Rights would otherwise be issuable, an amount in cash (rounded to the nearest cent) equal to the same fraction of the Market Price of a whole Right in lieu of such fractional Rights as of the date such fractional Rights would otherwise be issuable.
- (b) The Corporation shall not be required to issue fractional Shares upon exercise of the Rights or to distribute certificates which evidence fractional Shares. In lieu of issuing fractional Shares, the Corporation shall pay to the registered holder of Rights Certificates at the time such Rights are exercised as herein provided, an amount in cash (rounded to the nearest cent) equal to the same fraction of the Market Price of one Share at the date of such exercise.

5.6 Rights of Action

Subject to the terms of this Agreement, rights of action in respect of this Agreement, other than rights of action vested solely in the Rights Agent, are vested in the respective holders of the Rights; and any holder of any Rights, without the consent of the Rights Agent or of the holder of any other Rights,

may, on such holder's own behalf and for such holder's own benefit and the benefit of other holders of Rights, enforce, and may institute and maintain any suit, action or proceeding against the Corporation to enforce, or otherwise act in respect of, such holder's right to exercise such holder's Rights, or Rights to which he is entitled, in the manner provided in this Agreement and in such holder's Rights Certificate. Without limiting the foregoing or any remedies available to the holders of Rights it is specifically acknowledged that the holders of Rights would not have an adequate remedy at law for any breach of this Agreement and will be entitled to specific performance of the obligations under, and injunctive relief against actual or threatened violations of, the obligations of any Person subject to this Agreement.

5.7 Holder of Rights Not Deemed a Holder of Shares

No holder, as such, of any Rights shall be entitled to vote, receive dividends or be deemed for any purpose the holder of Shares or any other securities which may at any time be issuable on the exercise of Rights, nor shall anything contained herein or in any Rights Certificate be construed to confer upon the holder of any Rights, as such, any of the rights of a holder of Shares or any right to vote in respect of recommending persons to be elected as directors of the Corporation or upon any matter submitted to Shareholders at any meeting thereof, or to give or withhold consent to any action by the Corporation, or to receive notice of meetings or other actions affecting Shareholders (except as provided in Section 5.8 hereof), or to receive dividends or subscription rights or otherwise, until such Rights, or Rights to which such holder is entitled, shall have been exercised in accordance with the provisions hereof.

5.8 Notices

- (a) Notices or demands to be given or made in connection with this Agreement by the Rights Agent or by the holder of any Rights to or on the Corporation shall be sufficiently given or made if delivered or sent by mail, postage prepaid or by fax or other form of recorded electronic communication (with, in the case of fax or other form of recorded electronic communication, an original copy of the notice or demand sent by first class mail, postage prepaid, to the Corporation following the giving of the notice or demand by fax or other form of recorded electronic communication), addressed (until another address is filed in writing with the Rights Agent) as follows:

GEN III Oil Corporation
910 – 1050 West Pender Street
Vancouver, British Columbia V6E 3S7

Attention: Chief Financial Officer
Fax: (604) 806-4875

- (b) Notices or demands to be given or made in connection with this Agreement by the Corporation or by the holder of any Rights to or on the Rights Agent shall be sufficiently given or made if delivered or sent by mail, postage prepaid, or by fax or other form of recorded electronic communication (with, in the case of fax or other form of recorded electronic communication, an original copy of the notice or demand sent by first class mail, postage prepaid, to the Rights Agent following the giving of the notice or demand by fax or other form of recorded electronic communication), addressed (until another address is filed in writing with the Corporation) as follows:

Computershare Trust Company of Canada
510 Burrard Street, 3rd floor
Vancouver, BC, V6C 3B9

Attention: Client Services
Fax: (604) 661 9401

- (c) Notices or demands to be given or made in connection with this Agreement by the Corporation or the Rights Agent to or on the holder of any Rights shall be sufficiently given or made if delivered or sent by first class mail, postage prepaid, addressed to such holder at the address of such holder as it appears upon the register of the Rights Agent or, prior to the Separation Time, on the register of the Corporation for the Voting Shares.
- (d) Any notice given or made in accordance with this Section 5.8 shall be deemed to have been given and to have been received on the day of delivery, if so delivered, on the third Business Day (excluding each day during which there exists any general interruption of postal service due to strike, lockout or other cause) following the mailing thereof, if so mailed, and on the day of faxing or sending by other means of recorded electronic communication (provided such faxing or sending is during the normal business hours of the addressee on a Business Day and if not, on the first Business Day thereafter). Each of the Corporation and the Rights Agent may from time to time change its address for notice by notice to the other given in the manner aforesaid.
- (e) If mail service is or is threatened to be interrupted at a time when the Corporation or the Rights Agent wishes to give a notice or demand hereunder to or on the holders of the Rights, the Corporation or the Rights Agent may, notwithstanding the foregoing provisions of this Section 5.8, give such notice by means of publication once in each of two successive weeks in the business section of the National Post or the national edition of the Globe and Mail or in such other publication or publications as may be designated by the Corporation and notice so published shall be deemed to have been given on the date on which the first publication of such notice in any such publication has taken place.

5.9 Costs of Enforcement

The Corporation agrees that if the Corporation fails to fulfil any of its obligations pursuant to this Agreement, then the Corporation will reimburse the holder of any Rights for the costs and expenses (including legal fees) incurred by such holder in actions to enforce his rights pursuant to any Rights or this Agreement.

5.10 Successors

All the covenants and provisions of this Agreement by or for the benefit of the Corporation or the Rights Agent shall bind and enure to the benefit of their respective successors and assigns hereunder.

5.11 Benefits of this Agreement

Nothing in this Agreement shall be construed to give to any Person other than the Corporation the Rights Agent and the holders of the Rights any legal or equitable right, remedy or claim under this

Agreement and this Agreement shall be for the sole and exclusive benefit of the Corporation, the Rights Agent and the holders of the Rights.

5.12 Descriptive Headings

Descriptive headings appear herein for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

5.13 Governing Law

This Agreement and each Right issued hereunder shall be deemed to be a contract made under the laws of the Province of Alberta and for all purposes shall be governed by and construed in accordance with the laws of such Province applicable to contracts to be made and performed entirely within such Province.

5.14 Language

Les parties aux présentes ont exigé que la présente convention ainsi que tous les documents et avis qui s'y rattachent et/ou qui en découleront soient rédigés en langue anglaise. The parties hereto have required that this Agreement and all documents and notices related thereto and/or resulting therefrom be drawn up in the English language.

5.15 Counterparts

This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument.

5.16 Severability

If any term or provision hereof or the application thereof to any circumstance is, in any jurisdiction and to any extent, invalid or unenforceable, such term or provision shall be ineffective as to such jurisdiction to the extent of such invalidity or unenforceability without invalidating or rendering unenforceable the remaining terms and provisions hereof or the application of such term or provision to circumstances other than those as to which it is held invalid or unenforceable.

5.17 Reconfirmation

At or prior to the annual meeting of Shareholders in the year 2020, provided that a Flip-in Event has not occurred prior to such time (other than a Flip-in-Event which has been waived by the Board of Directors in accordance with the terms of this Agreement), the Board of Directors shall submit a resolution ratifying the continued existence of the Rights Plan provided for by this Agreement until the termination of the annual meeting of Shareholders in the year 2023 to the Shareholders for their consideration and, if thought advisable, approval. Unless a majority of the votes cast by: (1) the Shareholders; and (ii) the Independent Shareholders who vote in respect of such resolution are voted in favour of the continued existence of this Agreement until the termination of the annual meeting of Shareholders of the Corporation in the year 2023, this Agreement and all outstanding Rights shall terminate and be of no further force and effect as at and after the termination of such annual meeting.

5.18 Regulatory Approvals

Any obligation of the Corporation or action or event contemplated by this Agreement shall be subject to the receipt of any requisite approval or consent from any governmental or regulatory authority having jurisdiction in respect of such matter including, without limiting the generality of the foregoing, any necessary approvals of the TSX Venture Exchange or any other applicable stock exchange or market. Without limiting the generality of the foregoing, any issuance or delivery of debt or equity securities (other than non-convertible debt securities) of the Corporation upon the exercise of Rights and any amendment or supplement to this Agreement shall be subject to the prior consent of the TSX Venture Exchange or any other stock exchange on which the Shares may then be listed. For greater certainty, unless advised in writing by the Corporation to the contrary, the Rights Agent shall be entitled to assume that all such required approvals and consents have been obtained.

5.19 Declaration as to Non-Canadian Holders

If in the opinion of the Board of Directors (who may rely upon the advice of counsel) any action or event contemplated by this Agreement would require compliance by the Corporation with the securities laws or comparable legislation of a jurisdiction outside Canada, the Board of Directors acting in good faith shall take such actions as it may deem appropriate to ensure such compliance. In no event shall the Corporation or the Rights Agent be required to issue or deliver Rights or securities issuable on exercise of Rights to persons who are citizens, residents or nationals of any jurisdiction other than Canada or the United States, in which such issue or delivery would be unlawful without registration of the relevant Persons or securities for such purposes.

5.20 Determinations and Actions by the Board of Directors

All actions and determinations (including all omissions with respect to the foregoing) which are done or made by the Board of Directors, in good faith pursuant to or in connection with the administration of this Agreement, shall not subject any member of the Board of Directors to any liability whatsoever to the holders of the Rights.

5.21 Notice of Proposed Actions

In case the Corporation shall propose after the Separation Time and prior to the Expiration Time:

- (a) to effect or permit (in cases where the Corporation's permission is required) any Flip-in Event; or
- (b) to effect the liquidation, dissolution or winding up of the Corporation or the sale of all or substantially all of the Corporation's assets,

then, in each such case, the Corporation shall give to each holder of a Right, in accordance with Section 5.8 hereof, a notice of such proposed action, which shall specify the date on which such Flip-in Event, liquidation, dissolution, or winding up is to take place, and such notice shall be so given at least 10 Business Days prior to the date of taking of such proposed action by the Corporation.

5.22 Time of the Essence

Time shall be of the essence in this Agreement.

5.23 Force Majeure

No party shall be liable to the other, or held in breach of this Agreement, if prevented, hindered, or delayed in the performance or observance of any provision contained herein by reason of act of God, riots, terrorism, acts of war, epidemics, governmental action or judicial order, earthquakes, or any other similar causes (including, but not limited to, mechanical, electronic or communication interruptions, disruptions or failures). Performance times under this Agreement shall be extended for a period of time equivalent to the time lost because of any delay that is excusable under this Section.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

GEN III OIL CORPORATION

Per: "Larry Van Hatten"
Name: Larry Van Hatten
Title: Director

Per: "Rick Low"
Name: Rick Low
Title: Chief Financial Officer

COMPUTERSHARE TRUST COMPANY OF CANADA

Per: "Jessica Kadatz"
Name: Jessica Kadatz
Title: Relationship Manager

Per: "Derek Lim"
Name: Derek Lim
Title: Relationship Manager

EXHIBIT A

FORM OF RIGHTS CERTIFICATE

Certificate No. _____ Rights _____

THE RIGHTS ARE SUBJECT TO REDEMPTION, AT THE OPTION OF THE CORPORATION, ON THE TERMS SET FORTH IN THE RIGHTS AGREEMENT. IN CERTAIN CIRCUMSTANCES (SPECIFIED IN SECTION 3.1(b) OF THE RIGHTS AGREEMENT), RIGHTS BENEFICIALLY OWNED BY AN ACQUIRING PERSON OR TRANSFEREES OF AN ACQUIRING PERSON OR ITS AFFILIATES OR ASSOCIATES (AS SUCH TERMS ARE DEFINED IN THE RIGHTS AGREEMENT) OR ANY PERSON ACTING JOINTLY OR IN CONCERT WITH ANY OF THEM, MAY BECOME VOID.

Rights Certificate

This certifies that _____, or registered assigns, is the registered holder of the number of Rights set forth above, each of which entitles the registered holder thereof, subject to the terms, provisions and conditions of the Shareholder Rights Plan Agreement dated December 6, 2017, as such may, from time to time, be amended, restated, varied or replaced (the "**Rights Agreement**") between GEN III Oil Corporation (the "**Corporation**"), a corporation incorporated under the laws of Alberta, and Computershare Trust Company of Canada, a trust company incorporated under the laws of Canada, as rights agent (the "**Rights Agent**", which term shall include any successor Rights Agent under the Rights Agreement), to purchase from the Corporation at any time after the Separation Time (as such term is defined in the Rights Agreement) and prior to the earlier of: (i) Termination Time (as such term is defined in the Rights Agreement) and (ii) the termination of the annual meeting of the Corporation in the year 2020 (or, if the continued existence of the Rights Plan provided for by this Rights Agreement is ratified at such annual meeting by a resolution passed by a majority of votes cast by the Shareholders and the Independent Shareholders (as such term is defined in the Rights Agreement) who vote in respect thereof, the termination of the annual meeting of holders of shares of the Corporation ("**Shares**") in the year 2023), one fully paid Share at the Exercise Price referred to below, upon presentation and surrender of this Rights Certificate together with the Form of Election to Exercise duly executed and submitted to the Rights Agent at its principal office in Calgary, Alberta or in such other cities as may be designated by the Corporation from time to time. The Exercise Price shall be three times the Market Price (as such term is defined in the Rights Agreement) per Right and shall be subject to adjustment in certain events as provided in the Rights Agreement.

In certain circumstances described in the Rights Agreement, the number of Shares which each Right entitles the registered holder thereof to purchase shall be adjusted as provided in the Rights Agreement.

This Rights Certificate is subject to all of the terms, provisions and conditions of the Rights Agreement which terms, provisions and conditions are hereby incorporated herein by reference and made a part hereof and to which Rights Agreement reference is hereby made for a full description of the rights, limitations of rights, obligations, duties and immunities thereunder of the Rights Agent, the Corporation and the holders of the Rights Certificates. Copies of the Rights Agreement are on file at the executive office of the Corporation and are available upon written request.

This Rights Certificate, with or without other Rights Certificates, upon surrender at any of the offices of the Rights Agent designated for such purpose, may be exchanged for another Rights Certificate

or Rights Certificates of like tenor and date evidencing an aggregate number of Rights equal to the aggregate number of Rights evidenced by the Rights Certificate or Rights Certificates surrendered. If this Rights Certificate shall be exercised in part, the registered holder shall be entitled to receive, upon surrender hereof, another Rights Certificate or Rights Certificates for the number of whole Rights not exercised.

Subject to the provisions of the Rights Agreement, the Rights evidenced by this Certificate may be redeemed by the Corporation at a redemption price of \$0.00001 per Right, subject to adjustment in certain events, under certain circumstances at its option.

No fractional Shares will be issued upon the exercise of any Rights evidenced hereby, but in lieu thereof a cash payment will be made, as provided in the Rights Agreement.

No holder of this Rights Certificate, as such, shall be entitled to vote or receive dividends or be deemed for any purpose the holder of Shares or of any other securities which may at any time be issuable upon the exercise hereof, nor shall anything contained in the Rights Agreement or herein be construed to confer upon the holder hereof, as such, any of the rights of a holder of Shares or to give or withhold consent to any action of the Corporation, or to receive notice of meetings or other actions affecting Shareholders (except as provided in the Rights Agreement), or to receive dividends or subscription rights, or otherwise, until the Rights evidenced by this Rights Certificate shall have been exercised as provided in the Rights Agreement.

This Rights Certificate shall not be valid or obligatory for any purpose until it shall have been countersigned by the Rights Agent.

WITNESS the facsimile signature of the proper officers of the Corporation.

Date: _____

GEN III OIL CORPORATION

By: _____
Authorized Officer

By: _____
Authorized Officer

Countersigned:

COMPUTERSHARE TRUST COMPANY OF CANADA

By: _____
Authorized Officer

FORM OF ASSIGNMENT

(To be executed by the registered holder if such holder desires to transfer the Rights represented by this Rights Certificate.)

FOR VALUE RECEIVED _____ hereby sells, assigns and transfers to

_____ *(Please print name and address of transferee)*

the Rights represented by this Rights Certificate, together with all right, title and interest therein, and hereby irrevocably constitutes and appoints _____ as attorney, to transfer the within Rights on the books of the Corporation, with full power of substitution.

Dated: _____

Signature

(Please print name of signatory)

Signature Guaranteed: (Signature must correspond to name as written upon the face of this Rights Certificate in every particular, without alteration or enlargement or any change whatsoever.)

Signature must be guaranteed by a Canadian chartered bank, a Canadian trust company, a member of a recognized stock exchange or a member of the Securities Transfer Association Medallion (STAMP) Program.

CERTIFICATE

(To be completed if true)

The undersigned party transferring Rights hereunder, hereby represents, for the benefit of all holders of Rights and Shares, that the Rights evidenced by this Rights Certificate are not, and, to the knowledge of the undersigned, have never been, Beneficially Owned by an Acquiring Person or an Affiliate or Associate thereof or by any Person acting jointly or in concert with any of the foregoing (all capitalized terms are used as defined in the Rights Agreement).

Dated: _____

Signature

(Please print name of signatory)

(Form of Assignment to be attached to each Rights Certificate)

FORM OF ELECTION TO EXERCISE

TO: GEN III OIL CORPORATION

The undersigned hereby irrevocably elects to exercise _____ whole Rights represented by the attached Rights Certificate to purchase the Shares (or other securities or property) issuable upon the exercise of such Rights and requests that certificates for such Shares (or other securities or title to such property) be issued in the name of:

(Name)

(Street)

(City and State or Province)

(Country, Postal Code or Zip Code)

SOCIAL INSURANCE, SOCIAL SECURITY OR OTHER
TAXPAYER IDENTIFICATION NUMBER

If such number of Rights shall not be all the Rights evidenced by this Rights Certificate, a new Rights Certificate for the balance of such Rights shall be registered in the name of and delivered to:

(Name)

(Street)

(City and State or Province)

(Country, Postal Code or Zip Code)

SOCIAL INSURANCE, SOCIAL SECURITY OR OTHER
TAXPAYER IDENTIFICATION NUMBER

Dated: _____

Signature

(Please print name of signatory)

Signature Guaranteed: (Signature must correspond to name as written upon the face of this Rights Certificate in every particular, without alteration or enlargement or any change whatsoever.)

If the Form of Election to Exercise indicates that either Shares (or other securities or title to such property) or the balance of Rights not being exercised are to be issued to a person or persons other than the registered holder of the Rights Certificate, the signature of such holder on the Form of Election to Exercise must be guaranteed by a Canadian chartered bank, a Canadian trust company, a member of a recognized stock exchange or a member of the Securities Transfer Association Medallion (STAMP) Program.

CERTIFICATE

(To be completed if true)

The undersigned party exercising Rights hereunder, hereby represents, for the benefit of all holders of Rights and Shares, that the Rights evidenced by this Rights Certificate are not, and, to the knowledge of the undersigned, have never been, Beneficially Owned by an Acquiring Person or an Affiliate or Associate thereof or by any Person acting jointly or in concert with any of the foregoing (all capitalized terms are used as defined in the Rights Agreement).

Dated: _____

Signature

(Please print name of signatory)

(Form of Election to Exercise to be attached to each Rights Certificate)

NOTICE

In the event the certification set forth above in the Form of Election to Exercise is not completed upon exercise of the Right(s) evidenced hereby or in the event that the certification set forth above in the Form of Assignment is not completed upon the assignment of the Right(s) evidenced hereby, the Corporation will deem the Beneficial Owner of the Right(s) evidenced by this Rights Certificate to be an Acquiring Person or an Affiliate or Associate thereof (as defined in the Rights Agreement) and, in the case of an assignment, will affix a legend to that effect on any Rights Certificates issued in exchange for this Rights Certificate.

(Notice to be attached to each Rights Certificate)

