



ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD ON JUNE 14, 2024

**NOTICE OF MEETING AND
MANAGEMENT INFORMATION CIRCULAR**

MAY 7, 2024

CANASIA ENERGY CORP.
1505, 505 – 3rd Street SW
Calgary, Alberta
T2P 3E6

May 7, 2024

Dear Shareholder:

You are invited to attend the annual meeting of holders of common shares of CanAsia Energy Corp. to be held at the offices of McCarthy Tétrault LLP, Suite 4000, 421 – 7th Avenue SW, Calgary, Alberta, on Friday, June 14, 2024, commencing at 9:00 a.m. (Calgary time).

The items of business to be acted on by the shareholders are set forth in the accompanying notice of meeting and management information circular. As your vote is important, your shares should be represented at the meeting whether or not you are able to attend. If you do not plan to attend, please appoint a proxyholder in the manner described in the notice of meeting and management information circular so that your shares can be voted at the meeting in accordance with your instructions.

If you have questions about CanAsia Energy Corp., please contact me by email at jeff@canasiacorp.com.

Sincerely,

(signed) Jeff Chisholm
President and Chief Executive Officer

CANASIA ENERGY CORP.

NOTICE OF MEETING

NOTICE IS GIVEN that the annual meeting (the “**Meeting**”) of the holders of common shares (“**Shares**”) of CanAsia Energy Corp. (the “**Corporation**”) will be held at the offices of McCarthy Tétrault LLP, Suite 4000, 421 – 7th Avenue SW, Calgary, Alberta, on Friday, June 14, 2024, commencing at 9:00 a.m. (Calgary time), for the following purposes, each as described in the management information circular (the “**Circular**”) accompanying this notice of meeting:

1. to receive the financial statements of the Corporation for the year ended December 31, 2023 and the auditor’s report thereon;
2. to appoint KPMG LLP as auditor of the Corporation for the financial year ended December 31, 2024 and authorize the board of directors to fix the remuneration of the auditor;
3. to elect the board of directors;
4. to approve the Corporation’s equity incentive plan for the ensuing year; and
5. to transact such other business as may be properly brought before the Meeting or any adjournment thereof.

The board of directors has fixed May 3, 2024 (the “**Record Date**”) as the record date for the determination of shareholders entitled to notice of and to vote at the Meeting and at any adjournment thereof.

Only shareholders of record on the Record Date are entitled to receive notice of and to vote at the Meeting, except to the extent that a shareholder of record transfers his or her Shares after the record date and the transferee produces properly endorsed share certificates or otherwise establishes that he or she owns the Shares, and demands, not later than ten days before the Meeting, that his or her name be included in the list of shareholders entitled to vote.

A registered shareholder may attend the Meeting in person or may be represented by proxy. Shareholders who are unable to attend the Meeting in person are requested to date, sign and return the accompanying form of proxy for use at the Meeting. To be effective, the form of proxy must be dated, signed and deposited with Computershare Trust Company of Canada (i) in person or by mail using the enclosed return envelope or one addressed to Computershare Trust Company of Canada, 8th Floor North Tower, 100 University Avenue, Toronto, Ontario, M5J 2Y1, (ii) by telephone 1 866 732 VOTE (8683) toll free, or (iii) through the internet at www.investorvote.com, not less than 48 hours, excluding Saturdays, Sundays and holidays, preceding the Meeting or any adjournment thereof. The proxy deposit deadline is 9:00 a.m. (Calgary time) on June 12, 2024. The time limit for the deposit of proxies may also be waived or extended by the Chair of the Meeting at his discretion, without notice.

The Circular also describes the procedures for beneficial owners of Shares to give voting instructions to a broker, investment dealer, trust company, bank or other nominee (including CDS Clearing and Depository Services Inc.) that is the registered holder of those Shares.

DATED at Calgary, Alberta as of May 7, 2024.

By Order of the Board of Directors,

(signed) Jeff Chisholm
President and Chief Executive Officer

CANASIA ENERGY CORP.
MANAGEMENT INFORMATION CIRCULAR

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PROXY SOLICITATION MATTERS

Purpose of Solicitation

This management information circular (the “**Circular**”) is furnished by CanAsia Energy Corp. (“**CanAsia**” or the “**Corporation**”) in connection with the solicitation of proxies by management of the Corporation for use at the annual meeting (the “**Meeting**”) of holders (“**Shareholders**”) of common shares of the Corporation (“**Shares**” or “**CanAsia Shares**”) to be held at the offices of McCarthy Tétrault LLP, Suite 4000, 421 – 7th Avenue SW, Calgary, Alberta, on Friday, June 14, 2024, commencing at 9:00 a.m. (Calgary time), and at any adjournment thereof, for the purposes set forth in the accompanying notice of the Meeting and this Circular. The information contained in this Circular is given as of May 7, 2024 unless otherwise specifically stated and has been approved by the board of directors of the Corporation (the “**Board**”).

Appointment of Proxies

The enclosed proxy is solicited by and on behalf of management of the Corporation. The persons named in the enclosed form of proxy are officers of the Corporation. **A Shareholder submitting a form of proxy has the right to appoint a person (who need not be a Shareholder) other than the persons designated in the form of proxy to attend and act for him or her at the Meeting. A Shareholder desiring to appoint some other person to represent him or her at the Meeting may do so either by inserting such other person’s name in the blank space provided in the form of proxy or by completing another form of proxy.**

A Registered Shareholder (as defined below) may attend the Meeting in person or may be represented by proxy. Shareholders who are unable to attend the Meeting in person are requested to date, sign and return the accompanying form of proxy for use at the Meeting. To be effective, the form of proxy must be dated, signed and deposited with Computershare Trust Company of Canada (i) in person or by mail using the enclosed return envelope or one addressed to Computershare Trust Company of Canada, 8th Floor North Tower, 100 University Avenue, Toronto, Ontario, M5J 2Y1 or (ii) by telephone 1 866 732 VOTE (8683) toll free or (iii) through the internet at www.investorvote.com, not less than 48 hours, excluding Saturdays, Sundays and holidays, preceding the Meeting or any adjournment. The proxy deposit deadline is 9:00 a.m. (Calgary time) on June 12, 2024. The time limit for the deposit of proxies may also be waived or extended by the Chair of the Meeting at his discretion, without notice.

Solicitation will be primarily by mail, but some proxies may be solicited personally or by telephone, facsimile transmission or other electronic means by officers, directors or employees of the Corporation at a nominal cost. All costs in connection with the solicitation of proxies will be borne by the Corporation.

Voting of Proxies

All Shares represented at the Meeting by properly executed proxies will be voted or withheld from voting in accordance with the instructions of the Shareholder (including voting on any ballot), and if the Shareholder specifies a choice with respect to any matter to be acted upon, the Shares represented by the proxy will be voted accordingly. **In the absence of any such specification, the persons named in the form of proxy, who are officers of the Corporation, will, if named as proxy, vote in favor of the resolutions set forth in the accompanying notice of the Meeting.**

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to (a) amendments or variations to matters identified in the notice of the Meeting and (b) other matters which may properly come before the Meeting or any adjournment thereof. As at the date of this Circular, management of the Corporation knows of no amendments, variations or other matters to come before the Meeting other than the matters referred to in the notice of the Meeting. If any such amendment, variation or other matter properly comes before the Meeting, the Shares represented by proxies in favor of

management will be voted on such matters in accordance with the best judgment of the person named in the proxy.

Revocation of Proxies

A Shareholder who has given a proxy may revoke it as to any matter upon which a vote has not already been cast pursuant to the authority conferred by the proxy. Subject to compliance with the requirements set forth in the following paragraph, the giving of a proxy will not affect the right of a holder of Shares to attend and vote in person at the Meeting.

A Shareholder who has given a proxy may revoke it at any time prior to the exercise thereof either by (a) signing a form of proxy bearing a later date and depositing the same at either the offices of Computershare Trust Company of Canada at 8th Floor North Tower, 100 University Avenue, Toronto, Ontario, M5J 2Y1 or the Corporation's registered office at Suite 4000, 421 – 7th Avenue SW, Calgary, Alberta T2P 4K9 at any time up to and including the last business day preceding the day of the Meeting or any adjournment thereof, or with the chairman of the Meeting before any vote in respect of which the proxy is to be used shall have been taken, or (b) attending the Meeting in person and registering with the scrutineers as a Shareholder personally present.

Voting Shares

The authorized share capital of the Corporation consists of an unlimited number of Shares. As at May 3, 2024 (the "**Record Date**"), there were 112,793,907 Shares issued and outstanding.

Each Share carries the right to one vote at meetings of Shareholders, to receive dividends if, as and when declared by the board of directors of the Corporation (the "**Board**") and to receive pro rata the remaining property and assets of the Corporation upon its dissolution or winding up, subject to the rights of shares having priority over the Shares (of which, currently, there are none).

Record Date

The Board has fixed May 3, 2024 as the Record Date for the Meeting. Shareholders of record at the close of business on the Record Date are entitled to receive notice of the Meeting and to vote those Shares held as at the Record Date.

Persons who are transferees of any Shares acquired after the Record Date and who have produced properly endorsed certificates evidencing such share ownership or who otherwise establish to the satisfaction of the Corporation ownership thereof and demand, not later than 10 days before the Meeting, or such other time as is acceptable to the Corporation, that their names be included in the list of Shareholders, are entitled to vote at the Meeting.

Only forms of proxy from Registered Shareholders as of the Record Date can be recognized and voted at the Meeting. Persons who are Beneficial Shareholders (as defined below) as of the Record Date will be entitled to vote at the Meeting in accordance with the procedures established pursuant to Canadian Securities Administrators National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**").

Advice to Beneficial Shareholders

Holders of Shares who do not hold their Shares in their own name but instead hold their Shares through another person, such as a brokerage firm or financial institution, are commonly known as "**beneficial**" or "**non-registered**" Shareholders ("**Beneficial Shareholders**"). They are advised to carefully follow the instructions enclosed in their proxy package when completing their voting instruction card. Every intermediary (brokerage firm) has its own mailing procedure and provides its own return instructions which should be carefully followed. All references to Shareholders in this Circular, the accompanying form of proxy

and notice of the Meeting are to Shareholders of record ("**Registered Shareholders**") unless specifically stated otherwise.

The Corporation will not send its proxy-related materials directly to non-objecting Beneficial Shareholders under NI 54-101. We intend to pay for intermediaries to forward the proxy-related materials to objecting Beneficial Shareholders.

If you are a Beneficial Shareholder and wish to vote in person at the Meeting, please contact your broker or agent well in advance of the Meeting to determine how you can do so.

Notice-and-Access

The Corporation has elected to use the "**notice-and-access**" provisions under NI 54-101 (the "**Notice-and-Access Provisions**") for the Meeting in respect of mailings to its Beneficial Shareholders. The Notice-and-Access Provisions are rules developed by the Canadian Securities Administrators that reduce the volume of materials that must be physically mailed to shareholders by allowing a reporting issuer to post an information circular in respect of a meeting of its shareholders and related materials online.

Principal Holders of Voting Shares

To the knowledge of the Corporation's directors and executive officers, as at the date of this Circular, the only persons or corporations who may beneficially own, or control or direct, directly or indirectly, voting securities carrying 10% or more of the voting rights attached to the issued and outstanding Shares are as set out below.

Name of Shareholder	Number of Shares Owned⁽¹⁾	Percentage of Shares Owned⁽²⁾
Risco Energy Investments (SEA) Limited	20,000,000	17.7%
Jeff Chisholm	12,795,500	11.3%

Notes:

- (1) Information as to the number of Shares beneficially owned or over which control or direction is exercised is not within the knowledge of CanAsia.
- (2) Based on 112,793,907 issued and outstanding Shares as at the Record Date.

As at the Record Date, the directors and officers of CanAsia own, directly or indirectly, or exercise control over 23,306,967 Shares, representing approximately 20.7% of the issued and outstanding Shares.

Compensation Governance

The Board has formed a compensation committee (the "**Compensation Committee**"), the members of which are Michael Hibberd (Chair), Richard Alexander and Gerald Macey. Each is an independent director. Mr. Hibberd is a member of the compensation committee of two other public companies and Mr. Alexander is a member of the compensation committee of one other public company. By virtue of education, professional designation and experience in other public oil and gas companies, the Committee members collectively have the skills and experience that enable the Committee to make decisions on the suitability of the Corporation's compensation policies and practices. Mr. Hibberd is not standing for re-election at the Meeting. The Board is expected to appoint director nominee Chris Newton to the Compensation Committee and to appoint Mr. Richard Alexander as Chair of the Compensation Committee following the Meeting to adjust for the departure of Mr. Hibberd.

The Corporation adopted a Compensation Committee Charter in November 2022. The mandate of the Committee is to (a) review annually and recommend to the Board the Corporation's executive officer and director compensation philosophy, strategy and principles, which will take into account the Corporation's

strategic and annual business plans, the link between executive officer pay and financial and non-financial performance and the Corporation's risk profile, and (b) oversee the design and administration of the Corporation's executive officer and director compensation plans, policies and programs.

Compensation Discussion and Analysis

The Corporation's executive compensation program has been designed to attract and retain highly qualified and motivated individuals, and to provide fair and competitive compensation in accordance with industry standards and with the individual's expertise and experience. The compensation program consists of three principal components: (i) base salaries; (ii) annual bonuses; and (iii) long-term compensation comprised of options to purchase Shares. The Compensation Committee reviews the various aspects of the compensation program from time to time to ensure its effectiveness and whether it adequately reflects the Corporation's business objectives. The Corporation does not use a peer group to determine the compensation of its Named Executive Officers.

Base Salaries

In recognition of the early stage of development of the Corporation, the President & Chief Executive Officer has elected to receive no base salary. The Board of Directors of the Corporation will review the President & Chief Executive Officer's base salary on an annual basis. The intention is that a base salary will be paid to the President & Chief Executive Officer in the future, when he and the directors determine that it is appropriate to do so based on the Corporation's status of operations at such time.

The annual base salary for the Vice President, Finance & Chief Financial Officer is, and it is anticipated that any future annual base salary of the President & Chief Executive Officer will be, competitive with amounts paid to executives of oil and gas companies of similar size and operations. Salary increases for each executive will be established based on the performance of the executive and competitiveness with the market. This will be periodically determined by consulting with compensation consultants and participating in third party salary surveys as well as by reviewing other external market data.

Annual Bonuses

Each of the executive officers will be eligible for an annual bonus based on the performance of the Corporation, including relative to its peers, and on the officer's individual performance. Factors considered for evaluating performance and determining bonus amounts may include increases in resources, reserves, production and share price and other factors such as operating efficiencies, cash flow, debt and equity financings, farmout transactions, development of new areas and purchase and/or sale transactions. The evaluation may consider those factors and also recognize a number of other factors, including the multiple roles played by the executives. Special bonuses or retention payments may also be awarded in exceptional cases on the recommendation of the Compensation Committee. Pursuant to his executive employment agreement, the President & Chief Executive Officer is entitled to receive a bonus upon the achievement of certain milestones by the Corporation, including a sale or farmout of the Sawn Lake heavy oil project and successfully capturing an onshore Thailand concession.

Equity Incentives

The Corporation has an equity incentive plan (the "**Equity Incentive Plan**"), the purpose of which is to encourage and permit selected employees, officers, directors and consultants ("**Participants**") of CanAsia and its affiliates to work towards and participate in the success of CanAsia. The Equity Incentive Plan seeks to achieve that purpose by permitting awards in the form of Options, Share Appreciation Rights, Restricted Share Units and/or Deferred Share Units, each as defined in the Equity Incentive Plan ("**Awards**").

The Equity Incentive Plan was accepted by the TSX Venture Exchange (the "**TSXV**") in July 2022 and approved by shareholders of Pan Orient Energy Corp. ("**Pan Orient**") at a special meeting of Pan Orient shareholders on August 25, 2022. At that meeting, Pan Orient shareholders also approved a plan of

arrangement pursuant to which, among other things, Pan Orient shareholders received CanAsia Shares on a one-for-one basis, Pan Orient transferred to CanAsia all of Pan Orient's non-Thailand assets and CanAsia assumed all of Pan Orient's non-Thailand liabilities. The Equity Incentive Plan must be approved by Shareholders at each annual meeting and was last approved at the annual meeting of Shareholders held on September 22, 2023.

As of the date of this Circular, the Corporation has outstanding Options to purchase 1,675,000 Shares, exercisable at \$0.23 per Share and expiring on November 22, 2027. No Options were granted during the year ended December 31, 2023.

Administration

The Board administers the Equity Incentive Plan and may delegate this responsibility to the Compensation Committee or another committee of the Board.

Limits and Shares Available

The limits of the CanAsia Equity Incentive Plan are as follows:

1. *All Participants (Shares Issuable At Any Time)*. The aggregate number of Shares that may be reserved for issuance to Participants at any time under (a) the Equity Incentive Plan and (b) any other security based compensation arrangements involving the issuance of Shares from treasury, cannot exceed 10% of the total issued and outstanding Shares.
2. *Insiders (Shares Issuable At Any Time)*. The aggregate number of Shares that may be reserved for issuance to "**insiders**" (as defined in the *Securities Act (Alberta)*), as a group, at any time under (a) the Equity Incentive Plan and (b) any other security based compensation arrangements involving the issuance of Shares from treasury, cannot exceed 10% of the total issued and outstanding Shares.
3. *Insiders (Awards in 12 Months)*. The aggregate number of Shares underlying or relating to Awards granted in a 12 month period to "**insiders**", as a group, under (a) the Equity Incentive Plan and (b) any other security based compensation arrangements involving the issuance of Shares from treasury, cannot exceed 10% of the total issued and outstanding Shares.
4. *One Participant (Awards in 12 Months)*. The aggregate number of Shares underlying or relating to Awards granted in a 12 month period to any one Participant (other than a consultant or an investor relations service provider) under (a) the Equity Incentive Plan and (b) any other security based compensation arrangements involving the issuance of Shares from treasury, cannot exceed 5% of the total issued and outstanding Shares.
5. *One Consultant (Awards in 12 Months)*. The aggregate number of Shares underlying or relating to Awards granted in a 12 month period to any one consultant under (a) the Equity Incentive Plan and (b) any other security based compensation arrangements involving the issuance of Shares from treasury, cannot exceed 2% of the total issued and outstanding Shares.
6. *Investor Relations Service Providers (Option Awards in 12 Months)*. Investor relations service providers may only be granted Options. The aggregate number of Shares underlying or relating to Options granted in a 12 month period to investor relations service providers (as a group) under (a) the Equity Incentive Plan and (b) any other security based compensation arrangements involving the issuance of Shares from treasury, cannot exceed 2% of the total issued and outstanding Shares.

Any increase in the number of issued and outstanding Shares will result in an increase in the available number of Awards issuable under the Equity Incentive Plan. Any Shares issued upon the exercise, vesting

or settlement of Awards under the Equity Incentive Plan will allow for corresponding additional grants of Awards under the Equity Incentive Plan. If the right to receive Shares covered by an Award granted under the Equity Incentive Plan or to which such an Award relates (a) lapses, expires, or terminates, (b) is surrendered, forfeited or otherwise terminated, or (c) is canceled without the delivery of Shares or other consideration, such Shares will be, or will become, available for granting Awards under the Equity Incentive Plan.

Types of Awards, Eligibility and Terms of Awards

Awards in the form of Options, Share Appreciation Rights, Restricted Share Units and Deferred Share Units may be granted to employees, officers, directors and consultants of CanAsia and its affiliates (provided that Deferred Share Units can only be granted to employees, officers and directors).

Subject to the limitations in the Equity Incentive Plan, when granting Awards, the Compensation Committee has the authority to fix the terms and conditions of the Awards. Those terms and conditions include the exercise price of Options, the base amount of Share Appreciation Rights, vesting conditions and criteria of Awards, the form and method of payout, the expiry of the Awards and any other terms or conditions as the Compensation Committee deems appropriate. The terms and conditions fixed by the Compensation Committee for granted Awards will be set out in individual Award agreements.

The Compensation Committee may fix vesting criteria for Options, Share Appreciation Rights or Restricted Share Units (but not Deferred Share Units) based on the performance of CanAsia or an affiliate (in which case, those Awards will be referred to as “**Performance Options**”, “**Performance Share Appreciation Rights**” or “**Performance Restricted Share Units**”, respectively).

In the Equity Incentive Plan, “**Fair Market Value**” with respect to Shares means, as determined by CanAsia and, if applicable, acceptable to the TSXV, (a) the closing market price for Shares on the TSXV on the relevant date or (b) the volume weighted average trading price for Shares on the TSXV for the five trading days on which the Shares traded immediately preceding the relevant date.

Subject to certain restrictions, Awards may be settled in authorized and unissued Shares, outstanding Shares acquired on the open market by an independent broker, or cash (or a combination thereof).

Options

An Option (as defined in the Equity Incentive Plan) represents a right to purchase a Share at a purchase price determined by the Compensation Committee at the date of grant. The purchase price (referred to as the “**exercise price**”) must not be less than Fair Market Value as at the date of grant. The Board may permit, at any time before the exercise of an Option, that the Option may be exercised on a “**cashless exercise**”, “**net exercise**” or other basis, as permitted by the TSXV.

The Option’s term must not exceed a period of five years from the date of grant, unless the Option would expire during a blackout period imposed by CanAsia under its policies, in which case the Option’s expiry date will be automatically extended to the date that is ten business days after the last day of the blackout period.

Share Appreciation Rights

A Share Appreciation Right (as defined in the Equity Incentive Plan) represents a right to a payment of cash or Shares (or a combination of both) equal to the Fair Market Value of a Share on the date the Share Appreciation Right is settled less the base amount of the Share Appreciation Right, subject to deduction of applicable withholding taxes.

The base amount of a Share Appreciation Right set by the Compensation Committee must not be less than the Fair Market Value of a Share on the date of grant.

A Share Appreciation Right will expire on the earlier of: (a) December 15th of the calendar year in which the Share Appreciation Right vested; and (b) the fifth anniversary of the date the Share Appreciation Right was granted. If the date on which a Share Appreciation Right is to expire occurs during a blackout period, then the expiry date will be the earlier of: (a) ten business days after the last day of such blackout period; and (b) December 15th of the calendar year in which the Share Appreciation Right vests, and the Share Appreciation Right will be deemed to have been settled on that date.

Restricted Share Units

A Restricted Share Unit (as defined in the Equity Incentive Plan) represents a right to receive, on the vesting date, a Share or a cash payment equal to the Fair Market Value of one Share (or a combination of both), subject to deduction of any applicable withholding taxes.

Restricted Share Units will be paid out as soon as practicable following the date on which the Restricted Share Units vest. The payment date must be no later than December 15th of the third year following the end of the “**Restricted Share Unit Service Year**”. (The Restricted Share Unit Service Year will be specified by the Compensation Committee at the time of granting the Restricted Share Unit and may be the current or immediately preceding calendar year.)

Deferred Share Units

Deferred Share Units (as defined in the Equity Incentive Plan) have all of the rights and restrictions that may be applicable to Restricted Share Units except that the Deferred Share Units may not be redeemed until the Participant has ceased to hold all offices, employment and directorships with CanAsia and its affiliates (as interpreted under the *Income Tax Act* (Canada)).

No payment may be made in respect of a Deferred Share Unit until after the Participant ceases to be an employee, officer or director of CanAsia or any affiliate, unless the Participant dies before then (referred to as the “**triggering event**”). All payments must be made no later than December 15th of the year commencing immediately after the occurrence of a triggering event.

On the redemption date, the Deferred Share Units will be redeemed and the Fair Market Value, which is determined as of the triggering event, will be paid in cash or Shares (or a combination of both), subject to deduction of any applicable withholding taxes.

Subject to such rules and conditions as the Compensation Committee may impose, a Participant may elect, irrevocably, no later than December 15th of the calendar year preceding the year in which the election is to be effective, to have all or a portion of his ordinary cash compensation to be paid for services to be performed in the calendar year following the date of the election satisfied by way of Deferred Share Units.

Early Termination of Awards

Death or Disability

Upon the death or long-term disability of a Participant who is an employee, officer or director, (a) unvested Awards will become vested Awards, (b) vested Options and vested Share Appreciation Rights will remain exercisable for 12 months, unless they expire before then, and (c) vested Restricted Share Units and Deferred Share Units will be paid out.

Termination for Cause

If a Participant’s employment is terminated for cause, (a) unvested Awards will terminate, (b) vested Options and vested Share Appreciation Rights will remain exercisable for 90 days, unless they expire before then, and (c) vested Restricted Share Units and Deferred Share Units will be paid out.

Termination Without Cause

If a Participant's employment is terminated without cause, (a) unvested Awards will, subject to the Board's discretion or the terms of the Participant's employment agreement, become vested Awards or terminate, (b) vested Options and vested Share Appreciation Rights will remain exercisable for 90 days, unless they expire before then, and (c) vested Restricted Share Units and Deferred Share Units will be paid out.

Voluntary Resignation or Retirement or Termination of Consulting Agreement

If a Participant resigns or retires voluntarily or ceases to be a consultant to CanAsia or an affiliate, (a) unvested Awards will terminate, (b) vested Options and vested Share Appreciation Rights will remain exercisable for 90 days, unless they expire before then, and (c) vested Restricted Share Units and Deferred Share Units will be paid out.

Non-employee Directors

If a non-employee director fails to be re-elected, then such event will be treated as a "**termination without cause**". If a non-employee director voluntarily chooses to not stand for re-election, then such event will be treated as a "**voluntary resignation**".

Amendments

The Equity Incentive Plan specifies that Shareholder approval is required for any amendments to the Equity Incentive Plan or any Award that would:

1. change the persons eligible to be granted Awards;
2. change the maximum percentage of Shares that may be reserved under the Equity Incentive Plan for issuance pursuant to Awards;
3. change the limits under the Equity Incentive Plan on the number of Awards that may be granted to any one person or any category of persons;
4. change the method for determining the Option exercise price or Share Appreciation Right base amount (if the Share Appreciation Right is or may be payable in Shares);
5. change the maximum term of Awards;
6. change the expiry and termination provisions applicable to Awards;
7. reduce the Option exercise price or Share Appreciation Right base amount (if the Share Appreciation Right is or may be payable in Shares) of (a) any Award held by an insider or (b) any Award held by a non-insider if less than six months have elapsed since the later of the Award grant date and the last such amendment;
8. change any method or formula for calculating prices, values or amounts under the Equity Incentive Plan that may result in a benefit to a Participant; or
9. amend the Equity Incentive Plan's amending provision.

Subject to the above, the Board may, without Shareholder approval, amend, alter, suspend, discontinue, cancel or terminate the Equity Incentive Plan or any Awards granted under the Equity Incentive Plan, provided that no amendment, alternation, suspension, discontinuation, cancellation or termination would, without the consent of the holder, materially impair the rights of any Participant under any Award previously granted.

Proposed Changes of Control

If a change of control of CanAsia is proposed, the Board may (subject to any written employment, consultancy or engagement agreements), determine the treatment of outstanding Awards, including whether to accelerate vesting of Awards under the Equity Incentive Plan. The Equity Incentive Plan defines “**change of control**” to mean the occurrence of any of the following events:

1. the acquisition by any person, or any persons acting jointly or in concert, whether directly or indirectly, of voting securities of CanAsia which, together with all other voting securities of CanAsia held by such persons, constitutes, in the aggregate, more than 30% of all outstanding voting securities of CanAsia;
2. an amalgamation, arrangement or other form of business combination of CanAsia with another corporation which results in the holders of voting securities of that other corporation holding, in the aggregate, more than 50% of all outstanding voting securities of the corporation resulting from the business combination;
3. a sale, disposition, lease or exchange to or with another person or persons (other than an Affiliate) of property of CanAsia representing 50% or more of the net book value of the assets of CanAsia, determined as of the date of the most recently published audited annual or unaudited quarterly interim financial statements of CanAsia;
4. a change in the composition of the Board over any twelve month period such that more than 50% of the persons who were directors of CanAsia at the beginning of the period are no longer directors at the end of the period, unless such change is a consequence of normal attrition; or
5. any other event which in the opinion of the Board constitutes a change of control of CanAsia.

Securities Authorized for Issuance under Equity Compensation Plans

The following table sets forth information with respect to the Corporation’s Equity Incentive Plan, the only compensation plan under which equity securities of the Corporation are authorized for issuance, as at December 31, 2023.

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options	Weighted Average Exercise Price of Outstanding Options	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans
Equity compensation plan approved by securityholders	1,675,000	\$0.23	9,604,390

Executive Compensation

Named Executive Officer and Director Compensation

The following table discloses all compensation, other than stock options and other compensation securities, paid by CanAsia or its subsidiaries in the financial years ended December 31, 2023 and December 31, 2022 to the President & Chief Executive Officer, the Vice President, Finance, Chief Financial Officer & Corporate Secretary, and the Vice President, Operations of CanAsia’s subsidiary, Andora Energy Corporation (“**Andora**”) (the “**Named Executive Officers**”) and to the directors of CanAsia.

Table of Compensation Excluding Compensation Securities

Name and position	Year (¹)	Salary, consulting fee, retainer or commission (\$)	Bonus⁽²⁾ (\$)	Committee or meeting fees (\$)	Value of perquisites⁽³⁾ (\$)	Value of all other compensation⁽⁴⁾ (\$)	Total compensation (\$)
Jeff Chisholm ⁽⁵⁾ President, Chief Executive Officer & Director	2023	0	0	0	0	47,600	47,600
	2022	0	0	0	0	0	0
Marcel Nunes Vice President, Finance, Chief Financial Officer & Corporate Secretary	2023	194,400	0	0	5,771	10,200	210,371
	2022	68,539	0	0	1,924	0	70,463
Craig Pichach ⁽⁶⁾ Vice President, Operations, Andora Energy Corporation	2023	175,000	0	0	6,339	68,000	249,339
	2022	61,626	0	0	2,237	0	63,863
Richard Alexander Director	2023	0	0	57,534	0	0	57,534
	2022	0	0	20,221	0	0	20,221
Michael Hibberd ⁽⁷⁾ Director	2023	0	0	49,103	0	37,400	86,503
	2022	0	0	17,040	0	0	17,040
Gerald Macey Director (Chairman)	2023	0	0	60,137	0	37,400	97,537
	2022	0	0	20,575	0	0	20,575
Cameron Taylor Director	2023	0	0	44,603	0	0	44,603
	2022	0	0	17,040	0	0	17,040

Notes:

- (1) CanAsia was incorporated on May 27, 2022 and commenced active operations on August 25, 2022. All compensation reported for 2022 in the table above is for the period from CanAsia's commencement of operations on August 25, 2022 through December 31, 2022.
- (2) Bonuses are approved by the Board on the recommendation of the Compensation Committee or approved by the board of directors of Andora on the recommendation of its Compensation Committee. No bonuses were paid by either CanAsia or Andora for 2022 or 2023 performance.
- (3) Perquisites for Messrs. Nunes and Pichach were comprised of parking and life insurance.
- (4) On February 28, 2023, the board of directors of Andora accepted a formal proposal made by CanAsia with respect to a transaction (the "**Andora Transaction**") whereby the outstanding shares of Andora were consolidated (the "**Consolidation**"). All fractional shares resulting from the Consolidation were redeemed by Andora and cancelled and the holders thereof received a cash redemption payment of \$0.044 for each pre-Consolidation share of Andora. As part of the Andora Transaction, all issued and outstanding options to acquire shares of Andora were surrendered for their "in-the-money" value of \$0.034 per option. Amounts in the "value of other compensation" column represent payments resulting from the surrender of such options.
- (5) In recognition of the early stage of development of CanAsia, Mr. Chisholm elected to receive no salary in both 2022 and 2023.
- (6) Mr. Pichach is the Vice President, Operations of CanAsia's subsidiary, Andora. He was employed by Andora throughout 2022, at an annual salary of \$175,000. His salary for the year ended December 31, 2022 in the table above only includes the salary paid to him from August 25, 2022, when CanAsia acquired ownership of Andora.
- (7) Mr. Hibberd is not standing for re-election at the Meeting.

Stock Options and Other Compensation Securities

No compensation securities were granted or issued to the Named Executive Officers or directors by CanAsia or its subsidiaries in the financial year ended December 31, 2023 for services provided or to be provided, directly or indirectly, to CanAsia or any of its subsidiaries.

No compensation securities were exercised by the Named Executive Officers or directors during the financial year ended December 31, 2023.

Executive Employment Agreements

In recognition of the early stage of development of CanAsia, Jeff Chisholm (President & Chief Executive Officer) has elected to receive no annual base salary. However, Mr. Chisholm and CanAsia entered into an executive employment agreement effective April 26, 2024 to formally evidence the terms of Mr. Chisholm's employment relationship and provide for certain payments upon a change of control of CanAsia or the termination of Mr. Chisholm. An executive employment agreement was entered into by CanAsia with Marcel Nunes (Vice President, Finance, Chief Financial Officer & Corporate Secretary) effective August 25, 2022. An executive employment agreement was entered into by Andora Energy Corporation with Craig Pichach (Vice President of Operations of Andora) in August 2012.

The agreements with Messrs. Chisholm, Nunes and Pichach provide for a payment to the executive if his employment is terminated (a) by CanAsia or Andora (as applicable, and referred to in this and the next paragraph as the "**employer**") without cause or (b) by the executive upon a change of control coupled with a diminished level of responsibility or material reduction of compensation. A change of control is defined (in summarized form) as: (a) the acquisition of voting securities of the employer to hold more than 40% of all outstanding voting securities (other than by CanAsia in the case of securities of Andora); (b) an amalgamation, arrangement or other business combination of the employer with another entity that results in the holders of securities of that other entity holding more than 50% of the voting securities of the resulting entity; (c) the sale, lease or exchange of all or substantially all of the property of the employer, other than in the ordinary course of business; (d) a change in the composition of the board of directors of the employer over any twelve month period such that more than 50% of the persons who were directors at the beginning of the period are no longer directors at the end of the period, unless as a consequence of normal attrition; or (e) any determination by the majority of incumbent members of the board of directors of the employer that a change of control has occurred or is about to occur.

If the employment of Mr. Chisholm is terminated without cause or upon a change of control, coupled with a diminished level of responsibility, then he is entitled to a termination payment equal to the greater of (i) \$300,000 and (ii) 150% of his annual base salary at the date of termination, less withholdings for income taxes and other purposes required by law, and, (a) any unvested Awards held by Mr. Chisholm will become vested Awards, (b) any vested Options and vested Share Appreciation Rights held by Mr. Chisholm will remain exercisable for 90 days, unless they expire before then, and (c) any vested Restricted Share Units and Deferred Share Units held by Mr. Chisholm will be paid out.

If the employment of Mr. Nunes or Mr. Pichach is terminated without cause or upon a change of control, coupled with a diminished level of responsibility, then he is entitled to a termination payment of: (a) 150% of annual base salary for Mr. Nunes and 100% of annual base salary for Mr. Pichach; plus (b) an amount equal to the annual bonus payment, if any, in respect of the previous year; plus (c) an additional 10% of the amount in (a) for the loss of group benefits; less (d) withholdings for income taxes and other purposes required by law, and, (a) any unvested Awards held by such officers will become vested Awards, (b) any vested Options and vested Share Appreciation Rights held by such officers will remain exercisable for 90 days, unless they expire before then, and (c) any vested Restricted Share Units and Deferred Share Units held by such officers will be paid out.

The following table sets forth for each Named Executive Officer the estimated incremental payments, payables, and benefits under the agreements due to termination of employment for the particular Named Executive Officer, assuming that the triggering event took place on December 31, 2023.

<u>Name</u>	<u>Salary (\$)</u>	<u>Bonus⁽¹⁾ (\$)</u>	<u>Benefits (\$)</u>	<u>Options⁽²⁾ (\$)</u>	<u>Total Payment (\$)</u>
Jeff Chisholm ⁽³⁾	0	0	0	0	0
Marcel Nunes	291,600	0	29,160	0	320,760
Craig Pichach ⁽⁴⁾	175,000	0	17,500	0	192,500

Notes:

- (1) No bonuses are payable or were paid for 2023 performance.
- (2) Calculated for CanAsia options as the difference between the \$0.135 closing price of Shares on the TSXV on December 29, 2023 (the last trading day in 2023) and the exercise price of in-the-money options (there were none) held by the Named Executive Officer on that date. Includes vested options on that date plus unvested options that would vest upon a termination of employment.
- (3) In recognition of the early stage of development of CanAsia, Jeff Chisholm (President & Chief Executive Officer) elected to receive no salary in 2023. Mr. Chisholm did not have a written executive employment agreement in place as at December 31, 2023. Mr. Chisholm entered into a written executive employment agreement with CanAsia effective April 26, 2024. Under the terms of that agreement, Mr. Chisholm is entitled to a lump sum payment upon termination of his employment with CanAsia in certain circumstances equal to the greater of (i) \$300,000 and (ii) 150% of his Base Salary in effect at the date of termination, less withholdings for income taxes and other purposes required by law.
- (4) Compensation is paid to Mr. Pichach by CanAsia's subsidiary, Andora.

Pension Plan Benefits

The Corporation does not have any defined benefit or defined contribution pension plans or deferred compensation plans for Named Executive Officers.

Indebtedness of Directors And Executive Officers

No director, executive officer or other senior officer of the Corporation, or any associate of any such director or officer is, or has been at any time since the beginning of the most recently completed financial year of the Corporation, indebted to the Corporation or is, or at any time since the incorporation of the Corporation has any indebtedness of any such person been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation.

Interest of Certain Persons in Matters to be Acted Upon

Management of the Corporation is not aware of any material interest of any director, executive officer or anyone who has held office as such since the beginning of the Corporation's last financial year, any nominee for director, or of any associate or affiliate of any of the foregoing, in any matter to be acted on at the Meeting other than the election of directors.

Interest of Insiders in Material Transactions

There are no material interests, direct or indirect, of any informed person of the Corporation, nominee for director, or associate or affiliate of any informed person or nominee for director, in any transaction since the commencement of the most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries.

Audit Committee

Canadian Securities Administrators' National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”) requires the Corporation to disclose annually certain information relating to the Corporation’s audit committee (the “**Audit Committee**”) and its relationship with the Corporation’s independent auditor.

Audit Committee Charter, Composition and Relevant Education and Experience

The Audit Committee is governed by its charter that is attached as Schedule “B” to this Circular.

The Audit Committee is comprised of the following directors: Richard Alexander (Chair), Michael Hibberd, Gerald Macey and Cameron Taylor. Mr. Hibberd is not standing for re-election at the Meeting and the Board is expected to appoint director nominee Chris Newton to the Audit Committee to adjust for the departure of Mr. Hibberd. Each of the current members of the Audit Committee and Mr. Newton are considered “**independent**” and “**financially literate**” within the meaning of NI 52-110.

The education and experience of each Audit Committee member that is relevant to the performance of his responsibilities is as follows:

Name	Relevant Education and Experience
Richard Alexander	Richard Alexander has a breadth of financial and operational experience in the energy sector. From January 2013 to March 2016, he was a director and the President and Chief Executive Officer of Parallel Energy Trust. From July 2011 to December 2012, he was a director of Marquee Energy Ltd. From May 2006 to June 2011, he held various positions at AltaGas Ltd., including the position of President. He was also the Vice President, Finance and Chief Financial Officer of Niko Resources Ltd. from September 2003 to April 2006 and the Vice President, Investor Relations and Communications of Husky Energy Inc. from July 2000 to August 2003. Mr. Alexander received a Bachelor of Business Management from Ryerson Polytechnical Institute (now named Toronto Metropolitan University) and is a Certified Management Accountant and a Chartered Financial Analyst. Mr. Alexander is the lead independent director and the chair of the audit committee of Global Water Resources, Inc. and was until June 2018 the lead independent director and a member of the audit committee of Oryx Petroleum Corporation Limited.
Michael Hibberd	Mr. Hibberd has significant energy project planning and capital markets experience. He spent 12 years with ScotiaMcLeod (now named Scotia Capital Inc.) in corporate finance in Toronto and Calgary, focusing on oil and gas, mining and communications companies. He was a Director and Senior Vice-President, Corporate Finance at ScotiaMcLeod until 1995. In 1995, Mr. Hibberd established a corporate finance advisory business focused on providing advice to companies based in Calgary with North American and International operations. He has been actively involved in development and privatization projects in North America, Central Asia, the Middle East and South America. Mr. Hibberd is a director of Canacol Energy Ltd., D2 Lithium Corp., PetroFrontier Corp. and Sunshine Oilsands Ltd. He is the chairman of the audit committee of Canacol and PetroFrontier. He is the Chairman of Canacol and PetroFrontier and the Non-Executive Vice-Chairman of Sunshine.
Gerald Macey	Mr. Macey has over 40 years of international and domestic oil industry experience and was an Executive Vice President Exploration at EnCana Corporation until 2004. He has been a director of Addax Petroleum Corporation, Gran Tierra Energy Inc., Oryx Petroleum Corporation Limited and Verenex Energy Inc., each of which was or is an international oil and gas

company listed on the TSX. Mr. Macey was a member of the audit committee of Gran Tierra, Oryx and Verenex.

Cameron Taylor

Mr. Taylor is a geoscientist with over 30 years of experience in frontier, foothills, deep Devonian and heavy oil exploration. He is the Chairman, Chief Executive Officer and a member of the audit committee of ROK Resources Inc. Mr. Taylor held executive positions with Villanova 4 Oil Corp., Villanova Oil Corp., Villanova Resources Inc. and Villanova Energy Corp. until their respective sales and prior to that with Keystone Energy Corp., Keystone Energy Inc. and Canadian 88 Energy Corp. Each company is or was an oil and gas company focused on exploration and production in Western Canada.

Chris Newton

(Director nominee expected to be appointed to the Audit Committee following the Meeting)

Mr. Newton co-founded the Risco Energy Investment group in 2010 and served as Director of Business Development at Risco. Mr. Newton has a career spanning 45 years in upstream oil and gas covering the full spectrum of exploration, development and production in Australasia and SE Asia. Prior to Risco, former positions included: Managing Director of Fletcher Challenge in Brunei, Managing Director of Shell Deepwater Borneo, President of Santos-Indonesia and CEO of Jakarta-listed oil and gas company, EMP. Most recently, Mr. Newton had served 7 years as Executive Chairman at Tap Oil Ltd., until the sale of the company. Mr. Newton was an active Director of the Indonesian Petroleum Association between 2003 to 2008, including serving as President from 2004 to 2007. He remains the oil and gas advisor to the Jakarta based Castle Asia Group and is a Non-Executive Director of ASX listed Lion Energy Limited. Mr. Newton has a Geology Degree from Collingwood College, University of Durham, England (1978) and a Post Graduate Diploma in Applied Finance and Investment from the Securities Institute of Australia (1993).

Audit Committee Oversight, Pre-Approval Policies and Procedures and External Auditor Service Fees

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

The Audit Committee Charter attached as Schedule "B" sets forth, in section 18, the specific policies and procedures that the Audit Committee has adopted for the engagement of non-audit services.

The fees billed by the Corporation's external auditor in the financial periods ended December 31, 2023 and December 31, 2022 are set out in the table below. The Corporation was incorporated on May 27, 2022 and commenced active operations on August 25, 2022. Tax fees were incurred for tax planning and compliance services.

<u>Financial Period Ending</u>	<u>Audit Fees</u>	<u>Audit-Related Fees</u>	<u>Tax Fees</u>	<u>All Other Fees</u>
December 31, 2023	\$234,524	Nil	\$58,508	Nil
December 31, 2022	\$68,950	Nil	\$33,999	Nil

Reliance on Exemption

The Corporation is relying on the exemption in section 6.1 of NI 52-110 for issuers listed on the TSXV which allows for an exemption from Part 5 (Reporting Obligations) providing for the short form of disclosure of audit committee procedures.

Corporate Governance Disclosure

The Board considers good corporate governance to be central to the effective and efficient operation of the Corporation. The Canadian Securities Administrators have published guidelines for issuers to consider in developing their own corporate governance practices. Annual disclosure of those practices is required. The Corporation's corporate governance practices are set forth below.

Board of Directors

The Corporation currently has five directors, four of whom are independent. The definition of independence used by the Board is that used by the Canadian Securities Administrators. A director is independent if he or she has no direct or indirect material relationship with the Corporation. A “**material relationship**” is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director's independent judgment. Certain types of relationships are by their nature considered to be material relationships.

Directors Richard Alexander, Michael Hibberd, Gerald Macey and Cameron Taylor are independent. Director Jeff Chisholm is not independent because he is the President and Chief Executive Officer of the Corporation. Gerald Macey is the non-executive Chairman of the Board. Chris Newton is nominated for election as a director at the Meeting and is also independent.

The Corporation adopted a Board of Directors Charter in November 2022. The Board is responsible for the overall stewardship of the Corporation and for supervising the management of the business and affairs of the Corporation with a view to the best interests of the Corporation.

The Board exercises its independent supervision over the Corporation's management through a combination of formal meetings of the Board as well as informal discussions amongst the Board members. The independent directors can also hold scheduled meetings at which non-independent directors or members of management are not in attendance. Where matters arise at Board meetings which require decision making and evaluation by independent or non-management directors, the meeting breaks into an in camera session among the independent or non-management directors.

Directorships

Certain directors are also directors of other issuers that are reporting issuers (or the equivalent), as follows:

<u>Director</u>	<u>Other Directorships</u>	<u>Stock Exchange Listing</u>
Richard Alexander	Global Water Resources, Inc.	Toronto Stock Exchange & NASDAQ
Jeff Chisholm	ROK Resources Inc.	TSXV
Michael Hibberd	Canacol Energy Ltd.	Toronto Stock Exchange, OTCQX & Bolsa de Valores de Colombia
	D2 Lithium Corp.	TSXV
	PetroFrontier Corp.	TSXV
	Sunshine Oilsands Ltd.	Stock Exchange of Hong Kong
Cameron Taylor	ROK Resources Inc.	TSXV
Chris Newton	Lion Energy Limited	Australian Securities Exchange

Orientation and Continuing Education

Changes to the Board are infrequent so there is no need for a formal orientation program for directors. However, new director nominees, such as Chris Newton, will be provided with access to management and

such other information and resources as they may require in order to understand the nature and operation of the Corporation's business and the role of the board and its committees, as well as the contribution individual directors are expected to make.

The Board does not provide formal continuing education for directors. Directors maintain the skill and knowledge necessary to meet their obligations as directors through a combination of their existing education, experience as businessmen and managers, service as directors of other issuers and advice from the Corporation's legal counsel, auditor and other advisers.

Ethical Business Conduct

The Board takes various steps to encourage and promote a culture of ethical business conduct at CanAsia. This includes required adherence to the Corporation's Code of Business Conduct and Ethics. The skill and knowledge of Board members and advice from counsel ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or officer has a material interest. Directors and officers are required to disclose dealings in any of the geographic areas in which the Corporation operates. They are also subject to the general obligation under corporate law to disclose and not vote on any material contract or transaction with the Corporation in which the director or officer has an interest.

Nomination of Directors

The Corporation's governance committee (the "**Governance Committee**") reviews, from time to time, the size of the Board; assesses the competencies, skills and personal qualities required of directors in light of the Corporation's circumstances, business strategies and applicable regulatory requirements; reviews the competencies, skills and personal qualities of, and contributions made by, each existing director; makes recommendations for any changes to the composition of the Board; and identifies individuals qualified to become new directors and submits recommendations to the Board for its consideration and decision.

Compensation

The Board has formed a Compensation Committee. The Committee's members and mandate are described above under "Compensation Governance".

Non-management directors receive a base annual retainer of \$18,750 and a fee of \$1,500 for each directors' meeting and committee meeting attended. The Chairman of the Board receives an additional annual retainer of \$10,000, the chair of the Audit Committee receives an additional annual retainer of \$9,000 and members of each committee of the Board receive an additional annual retainer of \$4,000. Non-management directors are also compensated through grants of stock options. The Board believes that the compensation of non-management directors realistically reflects the responsibilities and risk involved in being an effective director.

Other Board Committees

In addition to the Audit Committee and the Compensation Committee, each of which are described above, the Board has formed the Governance Committee and a reserves committee (the "**Reserves Committee**").

The Governance Committee is comprised of Messrs. Macey (Chair), Alexander and Hibberd. Its mandate, set out in a Governance Committee Charter that was adopted in November 2022, includes the composition of the Board; Board and committee mandates; Board, committee and director monitoring and evaluation; dealings with management; succession planning and executive development; director and officer insurance; and corporate governance disclosure. The Board is expected to appoint director nominee Chris Newton to the Governance Committee to adjust for the departure of Mr. Hibberd.

The Reserves Committee is comprised of Messrs. Taylor (Chair), Macey and Chisholm. Its mandate, set out in a Reserves Committee Charter that was adopted in November 2022, is to assist the Board and make recommendations in respect of the required independent evaluation and review of the Corporation's oil and gas reserves, any voluntary independent evaluation and review of the Corporation's contingent resources or prospective resources and the disclosure of reserves data, any resources data and other oil and gas information.

Assessments

The Governance Committee is responsible for assessing the effectiveness of the Board as a whole, the committees of the Board and the contribution of individual directors.

Additional Information

Financial information of the Corporation is provided in the Corporation's financial statements and management's discussion and analysis for its most recently completed financial year. A copy of these documents may be obtained by contacting CanAsia Energy Corp. at 1505, 505 – 3rd Street SW, Calgary, Alberta, T2P 3E6, Phone: (403) 294-1770, Fax: (403) 294-1780.

Copies of these documents as well as additional information relating to the Corporation contained in documents filed by the Corporation with Canadian Securities Regulatory Authorities may also be accessed through the Corporation's profile on SEDAR+ at www.sedarplus.com.

BUSINESS TO BE ACTED UPON AT THE MEETING

1. Financial Statements and Auditor's Report

The Corporation's audited financial statements for the period ended December 31, 2023, and the auditor's report thereon, will be submitted at the Meeting. No vote is required or will be taken regarding the Corporation's audited financial statements.

2. Appointment of Auditor

The *Business Corporations Act* (Alberta) provides that the shareholders of a corporation shall, by ordinary resolution, appoint an auditor to hold such position until the close of the next annual meeting. The *Business Corporations Act* also provides that the remuneration of the auditor be fixed by the shareholders or if not so fixed shall be fixed by the directors.

The current auditor of the Corporation is KPMG LLP, which has been the Corporation's auditor since its incorporation in 2022. The Audit Committee has recommended to the Board that KPMG LLP be nominated for re-appointment as auditor of the Corporation for the financial year ended December 31, 2024, at a remuneration to be fixed by the Board.

In the absence of contrary instructions, the persons named in the accompanying form of proxy intend to vote the Shares represented thereby in favor of the appointment KPMG LLP, Chartered Professional Accountants, as auditor of the Corporation to hold office until the next annual meeting of Shareholders or until its successors are appointed, at a remuneration to be fixed by the Board.

3. Election of Directors

Number of Directors

The Corporation is required by its Articles to have a minimum of three and a maximum of nine directors. By-Law No. 1 of the Corporation provides that the number of directors is to be determined by resolution of the directors. The directors resolved that the number of directors is five. Accordingly, the number of directors to be elected at the Meeting will be five.

There are provisions in the Articles and By-Law No. 1 of the Corporation which permit the Board to appoint additional directors between annual meetings of Shareholders, provided that the total number of directors so appointed does not exceed one-third of the number of directors elected at the previous annual meeting. A maximum of one additional director could be appointed in this manner between the Meeting and the next annual meeting of Shareholders.

Management Nominees

The persons named below are the nominees of management for election as directors. Each director elected will hold office until his successor is elected or appointed, unless his office is earlier vacated under any of the relevant provisions of the Articles of the Corporation or the *Business Corporations Act* (Alberta).

The following table sets out the name of each of the persons proposed to be nominated for election as a director; all positions and offices in the Corporation presently held by the individual; the individual's principal occupation at present and the individual's principal occupation during the preceding five years; the period during which the individual has served as a director; and the number of voting shares of the Corporation that the individual has advised are beneficially owned by him, or over which control or direction is exercised by him, directly or indirectly, as of the date hereof. Michael Hibberd is not standing for re-election at the Meeting.

<u>Name and Place of Residence</u>	<u>Present and Principal Occupation during the last five years</u>	<u>Date of Appointment as Director</u>	<u>Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly⁽⁶⁾</u>
Richard Alexander ⁽²⁾⁽³⁾⁽⁴⁾ Calgary, Alberta, Canada	Corporate director and retired oil and gas company executive.	July 18, 2022	1,250,000
Jeff Chisholm ⁽⁵⁾ Bangkok, Thailand	President and Chief Executive Officer of the Corporation since May 2022. President, Chief Executive Officer and a director of Pan Orient Energy Corp. (oil and gas company) from 2005 to August 2022.	May 27, 2022	12,795,500
Gerald Macey ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾ Calgary, Alberta, Canada	Retired oil and gas company executive.	July 18, 2022	6,438,800
Cameron Taylor ⁽²⁾⁽⁵⁾ Wolseley, Saskatchewan, Canada	Chairman and Chief Executive Officer of ROK Resources Inc. (oil and gas company) since November 2019.	July 18, 2022	2,402,667
Chris Newton ⁽⁷⁾ Singapore, Singapore	Corporate director. Executive Chairman of Tap Oil Pty Ltd. from February 2018 to November 2023 and advisor to Tap Energy (Thailand) Pty Ltd. from November 2023 to April 2024.	N/A	Nil

Notes:

- (1) Non-executive Chairman of the Board.
- (2) Member of the Audit Committee. Richard Alexander is the Chair of the Audit Committee.
- (3) Member of the Compensation Committee. Michael Hibberd is currently the Chair of the Compensation Committee and is not standing for re-election at the Meeting. Richard Alexander is expected to be appointed Chair of the Compensation Committee following the Meeting to adjust for the departure of Michael Hibberd.
- (4) Member of the Governance Committee. Gerald Macey is the Chair of the Governance Committee.
- (5) Member of the Reserves Committee. Cameron Taylor is the Chair of the Reserves Committee.
- (6) The information as to Shares beneficially owned, or controlled or directed, directly or indirectly, not being within the knowledge of the Corporation, has been furnished by the respective individuals or has been extracted from public filings or the register of shareholdings maintained by the Corporation's transfer agent.
- (7) Mr. Newton has not previously served as a Director of the Corporation. As part of the Corporation's recent financing, the Corporation agreed to nominate an individual selected by Risco Energy Investment (SEA) Limited ("Risco") for election as a director. Risco has requested that the Corporation nominate Mr. Newton for election as a Director at the Meeting. Risco beneficially owns, or controls or directs, directly or indirectly, 20,000,000 Shares representing 17.7% of the issued and outstanding Shares of the Corporation. The Board is expected to appoint Mr. Newton to the Audit Committee, Compensation Committee and Governance Committee following his election to the Board.

In the absence of contrary instructions, the persons named in the accompanying form of proxy intend to vote the Shares represented thereby in favor of the election to the Board of those persons designated as nominees for election as directors. The Board does not contemplate that any of such nominees will be unable to serve as a director. However, if for any reason any of the proposed nominees do not stand for election or are unable to serve as such, proxies in favor of management

designees will be voted for another nominee in their discretion unless the Shareholder has specified in his proxy that his Shares are to be withheld from voting on the election of directors.

Other than as set forth below, to the knowledge of management of the Corporation, no proposed director of the Corporation is, or within the 10 years before the date of this Circular has been, a director, chief executive officer or chief financial officer of any other issuer that: (i) was the subject of a cease trade or similar order, or an order that denied the other issuer access to any exemptions under Canadian securities legislation that lasted for a period of more than 30 consecutive days, that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) was subject to a cease trade order or an order that denied the relevant issuer access to any exemption under securities legislation that lasted for a period of more than 30 consecutive days that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer.

Other than as set forth below, to the knowledge of management of the Corporation, no proposed director of the Corporation: (a) is, at the date of this Circular or has been within the 10 years before the date of this Circular, a director or executive officer of any 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 (b) has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Richard Alexander was a director and the President and Chief Executive Officer of Parallel Energy Trust ("Parallel") when Canadian securities regulatory authorities issued orders in November 2015 that trading or purchasing securities of Parallel cease for its failure to file interim unaudited financial statements, interim management's discussion and analysis, and certification of interim filings for the interim period ended September 30, 2015. Mr. Alexander was also a director and the President and Chief Executive Officer of Parallel and a director and officer of certain of its subsidiaries when, in November 2015, Parallel and its Canadian subsidiaries obtained a creditor protection order under the Companies' Creditors Arrangement Act (Canada) and its United States subsidiaries filed voluntary petitions for relief under Chapter 11 of Title 11 of the United States Bankruptcy Code. Parallel's United States assets (being substantially all of Parallel's assets) were sold in January 2016 and bankruptcy proceedings in the United States were completed in October 2016. Parallel and its Canadian subsidiaries were assigned into bankruptcy under the Bankruptcy and Insolvency Act (Canada), and the Companies' Creditors Arrangement Act (Canada) proceedings were terminated, in March 2016.

No director or executive officer of CanAsia, or a Shareholder holding a sufficient number of securities of CanAsia to affect materially the control of CanAsia, has been subject to: (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Advance Notice of Nomination of Directors

The Corporation's By-Law No. 1 prescribes a deadline by which Shareholders must notify the Corporation of nominations of persons for election as directors and stipulating what information is required in respect of the proposed nominee and the nominating shareholder in order for such notice to be valid (the "**Advance Notice Requirement**").

The following is a summary of the principal provisions of the Advance Notice Requirement and is qualified by reference to the full text of Section 2.3 of the Corporation's By-Law No. 1. A Shareholder or any other

interested party may obtain a copy of By-Law No. 1 by accessing it through the Corporation's profile on the SEDAR+ at www.sedarplus.com. The date of filing on SEDAR+ was August 25, 2022.

The Advance Notice Requirement establishes a framework for advance notice by Shareholders intending to nominate persons for election as directors. In general, the Advance Notice Requirement:

- fixes a deadline by which holders of record of shares of the Corporation carrying the right to vote must submit director nominations to the Corporation prior to any annual or special meeting of Shareholders at which directors are to be elected, and
- sets forth the information that a Shareholder must include in the notice to the Corporation for the notice to be in proper written form.

The Advance Notice Requirement does not interfere with the ability of Shareholders to requisition a meeting or to nominate directors by way of a shareholder proposal in accordance with the *Business Corporations Act* (Alberta).

Since the Corporation is using Notice and Access Provisions for the Meeting, to be timely, a nominating Shareholder must give a valid notice to the Corporation not less than 40 days prior to the date of the meeting. For the Meeting, the notice deadline was May 5, 2024.

The nominating Shareholder's notice must set forth information for each person the nominating Shareholder proposes to nominate for election as a director, and for the nominating Shareholder itself, as would be required to be included in an information circular sent to Shareholders. The Corporation may require the provision of other information as may be reasonable. All such information received will be made publicly available to Shareholders, with some exceptions.

No person is eligible for election as a director of the Corporation unless nominated in accordance with the Advance Notice Requirement. The chairman of the Meeting has the power and duty to determine whether a nomination was properly made and, if any proposed nomination is not in compliance with the Advance Notice Requirement, to declare that a defective nomination be disregarded. However, the directors may waive any requirement of the Advance Notice Requirement.

4. Annual Approval of Equity Incentive Plan

The Corporation's Equity Incentive Plan is attached to this Circular as Schedule "A". The purpose of the Equity Incentive Plan is to encourage and permit selected employees, officers, directors and consultants of CanAsia and its affiliates to work towards and participate in the success of CanAsia. The Equity Incentive Plan seeks to achieve that purpose by permitting awards in the form of Options, Share Appreciation Rights, Restricted Share Units and/or Deferred Share Units, each as defined in the Equity Incentive Plan. The Equity Incentive Plan is summarized above under "Compensation Discussion and Analysis – Equity Incentives".

The Equity Incentive Plan is a "rolling up to 10%" security based compensation plan under TSXV Policy 4.4 – Security Based Compensation, meaning that the number of Shares that are issuable pursuant to all CanAsia security based compensation plans in aggregate is equal to up to a maximum of 10% of the issued Shares as at the date of grant or issuance of any security based compensation under any of such plans. As at the date hereof, Options to acquire 1,675,000 Shares were outstanding and there are 9,604,390 Shares remaining available for future issuance under the Equity Incentive Plan (and all other CanAsia security based compensation plans, of which there are currently none).

The TSXV requires that all listed companies with a rolling up to 10% security based compensation plan obtain annual shareholder approval of such plan.

Shareholders will be asked at the Meeting to vote on a resolution to approve the Equity Incentive Plan for the ensuing year. The resolution must be passed by a simple majority of the votes cast with respect to the resolution by Shareholders present in person or by proxy at the Meeting.

In the absence of contrary instructions, the persons named in the accompanying form of proxy intend to vote the Shares represented thereby in favor of the resolution approving the Equity Incentive Plan of the Corporation for the ensuing year.

Schedule “A” – EQUITY INCENTIVE PLAN

CANASIA ENERGY CORP.

Equity Incentive Plan
(Adopted July 18, 2022)

1. Purpose

The purpose of the CanAsia Energy Corp. (the “**Corporation**”) Equity Incentive Plan (the “**Plan**”) is to encourage and permit selected employees, officers, directors and Consultants of the Corporation and its Affiliates to work towards and participate in the success of the Corporation.

The Plan seeks to achieve that purpose by providing for Awards in the form of Options, Share Appreciation Rights, Restricted Share Units and Deferred Share Units.

2. Definitions

As used in the Plan, the following terms have the meanings set out below:

“**Affiliate**” means any corporation that, directly or through one or more intermediaries, is controlled by the Corporation, including any corporation in which the Corporation owns a significant equity interest, as determined by the Board, provided that an “Affiliate” shall include only those corporations which are “related” to the Corporation within the meaning of the Tax Act.

“**Award**” means any Option (including a Performance Option), Share Appreciation Right (including a Performance Share Appreciation Right), Restricted Share Unit (including a Performance Restricted Share Unit) or Deferred Share Unit, granted under or pursuant to the Plan.

“**Award Agreement**” means a written agreement, contract or other instrument or document evidencing an Award granted under the Plan.

“**Beneficiary**” means any person designated by a Participant by written instrument filed with the Corporation to receive any amount, securities or property payable under the Plan on the Participant’s death or, failing any such effective designation, the Participant’s estate, provided that a “**Beneficiary**” in respect of Deferred Share Units granted to a Participant under the Plan shall be limited to an individual who is a dependent or relation of the Participant or the legal representative of the Participant.

“**Blackout Period**” means any period of time imposed by the Corporation upon certain persons, pursuant to the internal trading policies of the Corporation, during which those persons may not trade in any securities of the Corporation due to the bona fide existence of undisclosed material information regarding the Corporation.

“**Board**” means the board of directors of the Corporation.

“**Cause**” as used in connection with the termination of an employee’s employment with the Corporation or an Affiliate has the same meaning as in the Participant’s employment agreement (as may be amended from time to time), but if it is not defined in the Participant’s employment agreement then it means:

- (a) the continued failure by the employee to substantially perform his duties after the Corporation or Affiliate, as applicable, has given the employee reasonable notice of such failure and a reasonable opportunity to correct it;
- (b) the engaging by the employee in any act which is materially injurious to the Corporation or Affiliate, monetarily or otherwise; or

- (c) the engaging by the employee in any criminal act of dishonesty resulting or intended to result directly or indirectly in personal gain of the employee at the Corporation's or Affiliate's expense.

"Change of Control" means the occurrence of any of the following events:

- (a) the acquisition by any person, or any persons acting jointly or in concert, whether directly or indirectly, of voting securities of the Corporation which, together with all other voting securities of the Corporation held by such persons, constitutes, in the aggregate, more than 30% of all outstanding voting securities of the Corporation;
- (b) an amalgamation, arrangement or other form of business combination of the Corporation with another corporation which results in the holders of voting securities of that other corporation holding, in the aggregate, more than 50% of all outstanding voting securities of the corporation resulting from the business combination;
- (c) a sale, disposition, lease or exchange to or with another person or persons (other than an Affiliate) of property of the Corporation representing 50% or more of the net book value of the assets of the Corporation, determined as of the date of the most recently published audited annual or unaudited quarterly interim financial statements of the Corporation;
- (d) a change in the composition of the Board over any twelve month period such that more than 50% of the persons who were directors of the Corporation at the beginning of the period are no longer directors at the end of the period, unless such change is a consequence of normal attrition; or
- (e) any other event which in the opinion of the Board constitutes a change of control of the Corporation.

"Committee" means the Compensation Committee of the Board, if any; provided, however, that a committee other than the Compensation Committee may be designated by the Board to administer the Plan and such other committee shall be considered the Committee for the purposes of the Plan.

"Consultant" means a person, other than an employee, executive officer or director of the Corporation or an Affiliate, that:

- (a) is engaged to provide services to the Corporation or an Affiliate;
- (b) provides the services under a written contract with the Corporation or an Affiliate; and
- (c) spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or an Affiliate,

and includes:

- (d) for an individual Consultant, a corporation of which the individual Consultant is an employee or shareholder, and a partnership of which the individual Consultant is an employee or partner; and
- (e) for a Consultant that is not an individual, an employee, executive officer, or director of the Corporation, provided that the individual employee, executive officer, or director spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or an Affiliate.

"Corporation" means CanAsia Energy Corp, and includes any corporate successor thereto.

“Deferred Share Unit” means a deferred share unit granted pursuant to Section 6(d) of the Plan, representing the right to receive a cash payment equal to the Fair Market Value of a Share or, at the sole discretion of the Corporation or the Participant’s Employer, as applicable, its equivalent paid in Shares or a combination of both, at the time, in the manner, and subject to the terms contained in this Plan and the applicable Award Agreement.

“Deferred Share Unit Account” has the meaning set out in Section 6(d)(ii) of the Plan.

“Deferred Share Unit Redemption Date” means, in respect of a Participant, the later of (i) the third business day after the Deferred Share Unit Triggering Event, or (ii) such other date or dates, if any, as may be requested in writing by the Participant and approved by the Board prior to the date in (i) above (such request being irrevocable once approved), provided that the Deferred Share Unit Redemption Date shall not be permitted to fall within a Blackout Period (and will, subject to the next phrase, instead be extended in such circumstances), and further provided that, in all cases, a Deferred Share Unit Redemption Date shall not, under any circumstances, be later than December 15th of the calendar year commencing immediately following the Deferred Share Unit Triggering Event in respect of such Participant.

“Deferred Share Unit Triggering Event” has the meaning set out in Section 6(d)(iii) of the Plan.

“Disability”, in respect of an employee, means that the employee is receiving benefits under any long-term disability plan of the Corporation or an Affiliate and, in respect of a Consultant, will be as determined by the Board acting reasonably.

“Employer” means:

- (a) with respect to a Participant who is an employee or officer, the corporation that employs the Participant or that employed the Participant immediately prior to the termination of his employment;
- (b) with respect to a Participant who is a Consultant, the corporation to which the Participant provides or provided consulting services; and
- (c) with respect to a Participant who is a director, the corporation on the board of which the Participant serves or served at the time an Award was granted to the Participant;

which corporation may be the Corporation or any of its Affiliates.

“Exchange” means the TSX Venture Exchange or, if at any time the Shares are not listed for trading on such stock exchange, such other stock exchange as may be designated by the Board.

“Exercise Price” in respect of an Option has the meaning set out in Section 6(a)(ii) of the Plan.

“Fair Market Value” of Shares means, as determined by the Corporation and, if applicable, acceptable to the Exchange, (a) the closing market price for such Shares on the Exchange on the relevant date or (b) the volume weighted average trading price for such Shares on the Exchange for the five trading days on which the Shares traded immediately preceding the relevant date. If the Shares are not listed on the Exchange, then the Fair Market Value may be determined by the Board, acting reasonably, using any other appropriate method selected by the Board.

“Grant Date” means the date on which an Award is granted by the Board or the Committee, and all Awards shall be deemed to be granted on the date the applicable resolution is passed by the Board or by the Committee, as the case may be, unless otherwise specified in the resolution, approval or applicable Award Agreement.

“insider” has the same meaning as found in the *Securities Act (Alberta)*, as amended, and also includes associates and affiliates of the insider; and “issuance to insiders” or “issued to insiders” includes direct and indirect issuances to insiders.

“Investor Relations Service Provider” means any Consultant that performs investor relations activities as defined by the Exchange and any director, officer or employee of the Corporation whose role and duties primarily consist of investor relations activities.

“Option” means an option to acquire a Share in the capital of the Corporation granted pursuant to Section 6(a) of the Plan.

“Participant” means any person granted an Award under the Plan or whose Award is stated to be governed by the Plan.

“Participant Compensation” has the meaning set out in Section 0 of the Plan.

“Performance Criteria” means, in respect of a Performance Option, Performance Share Appreciation Right or Performance Restricted Share Unit, as applicable, that performance criteria determined by the Board as set forth in an Award Agreement, provided that such performance criteria shall relate to the performance of the Corporation and/or an Affiliate of the Corporation.

“Performance Option” means any Option that is granted to a Participant and is designated as a Performance Option pursuant to Section 6(a)(v).

“Performance Restricted Share Unit” means any Restricted Share Unit that is granted to a Participant and is designated as a Performance Restricted Share Unit pursuant to Section 6(c)(vi).

“Performance Share Appreciation Right” means any Share Appreciation Right that is granted to a Participant and is designated as a Performance Share Appreciation Right pursuant to Section 6(b)(viii).

“person” means an individual, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, trustee, executor, administrator or other legal representative.

“Plan” means this Equity Incentive Plan, as may be amended from time to time.

“Restricted Share Unit” means a restricted share unit granted pursuant to Section 6(c) of the Plan, representing the right to receive a cash payment equal to the Fair Market Value of a Share or, in the sole discretion of the Corporation or the Participant’s Employer, as applicable, its equivalent paid in Shares or a combination of both, at the time, in the manner, and subject to the terms contained in this Plan and the applicable Award Agreement.

“Restricted Share Unit Account” has the meaning set out in Section 6(c)(ii) of the Plan.

“Restricted Share Unit Payment Date” has the meaning set out in Section 6(c)(v) of the Plan.

“Restricted Share Unit Service Year” has the meaning set out in Section 6(c)(iv) of the Plan.

“Share Appreciation Right” means a share appreciation right granted pursuant to Section 6(b) of the Plan, representing the right to receive a cash payment equal to the Share Appreciation Right Value of such right or, in the sole discretion of the Corporation or the Participant’s Employer, as applicable, its equivalent in Shares or a combination of both, at the time, in the manner, and subject to the terms contained in this Plan and the applicable Award Agreement.

“Share Appreciation Right Account” has the meaning set out in Section 6(b)(ii) of the Plan.

“Share Appreciation Right Base Amount” has the meaning set out in Section 6(b)(iii) of the Plan.

“Share Appreciation Right Value” means, in respect of any Share Appreciation Right, an amount, if any, equal to (a) the Fair Market Value of a Share on the date the Share Appreciation Right is settled, less (b) the Share Appreciation Right Base Amount; provided that, for greater certainty, the Share Appreciation Right Value is not guaranteed and further provided that, prior to the date on which a Share Appreciation Right is settled, the Share Appreciation Right Value means an amount, which can be negative or positive, equal to (a) the Fair Market Value of a Share on such date, less (b) the Share Appreciation Right Base Amount;

“Shares” means any or all, as applicable, of the common shares of the Corporation and any other shares of the Corporation as may become the subject of Awards, or become subject to Awards pursuant to an adjustment made pursuant to Section 8(e) of the Plan, and any other shares of the Corporation or any Affiliate or any successor that may be so designated by the Board.

“Tax Act” means the Income Tax Act (Canada) and the regulations thereto, as amended from time to time.

“Termination Date” means, in respect of a Participant, the date that the Participant ceases to be actively employed by, or ceases to provide services as a Consultant to, the Corporation or an Affiliate for any reason, without regard to any statutory, contractual or common law notice period that may be required by law following the termination of the Participant’s employment, or consulting relationship, with the Corporation or Affiliate. The Board will have sole discretion to determine whether a Participant has ceased active employment or ceased status as a Consultant and the effective date on which the Participant ceased active employment or status as a Consultant. A Participant will not cease to be an employee or Consultant of the Corporation or an Affiliate in the case of a transfer of his employment or consultancy between the Corporation and an Affiliate or a transfer of employment or consultancy between Affiliates.

“Vested Award” means an Award which has become vested in accordance with the Plan and applicable Award Agreement or in respect of which the vesting date has been accelerated pursuant to Sections 7 or 8(f) of the Plan.

“Vested Option” means an Option which has vested, as described in Section 6(a)(iii) of the Plan.

“Vested Restricted Share Unit” means a Restricted Share Unit which has vested, as described in Section 6(c)(iii) of the Plan.

“Vested Share Appreciation Right” means a Share Appreciation Right which has vested, as described in Section 6(b)(iv) of the Plan.

“Withholding Taxes” has the meaning ascribed thereto in Section 9(m)(ii) of the Plan.

3. Administration and Authority

(a) Administration

The Plan will be administered by:

- (i) the Board; or
- (ii) if determined by the Board, by the Committee.

(b) Authority

Subject to the limitations in the Plan, the Board has the authority to:

- (i) interpret and administer the Plan and Award Agreements;
- (ii) establish, amend and rescind any rules relating to the Plan and Award Agreements;
- (iii) correct any defect, supply any omission or reconcile any inconsistency in the Plan and any Award Agreement; and
- (iv) make any other determinations that the Board deems necessary or desirable for the administration of the Plan and Award Agreements.

4. **Limits and Shares Available**

(a) **Limits**

- (i) ***All Participants (Shares Issuable At Any Time)***. The aggregate number of Shares that may be reserved for issuance to Participants at any time under (A) the Plan and (B) all of the Corporation's other security based compensation arrangements involving the issuance of Shares from treasury shall not exceed 10% of the Corporation's total issued and outstanding Shares calculated as at the date the Award is granted, unless approved by the Corporation's disinterested shareholders.
- (ii) ***Insiders (Shares Issuable At Any Time)***. The aggregate number of Shares that may be reserved for issuance to insiders (as a group) at any time under (A) the Plan and (B) all of the Corporation's other security based compensation arrangements involving the issuance of Shares from treasury shall not exceed 10% of the Corporation's total issued and outstanding Shares calculated as at the date the Award is granted, unless approved by the Corporation's disinterested shareholders.
- (iii) ***Insiders (Awards in 12 Months)***. The aggregate number of Shares underlying or relating to Awards granted in a 12 month period to insiders (as a group) under (A) the Plan and (B) all of the Corporation's other security based compensation arrangements involving the issuance of Shares from treasury shall not exceed 10% of the Corporation's total issued and outstanding Shares calculated as at the date the Award is granted, unless approved by the Corporation's disinterested shareholders.
- (iv) ***One Participant (Awards in 12 Months)***. The aggregate number of Shares underlying or relating to Awards granted in a 12 month period to any one Participant (other than a Consultant or an Investor Relations Service Provider) under (A) the Plan and (B) all of the Corporation's other security based compensation arrangements involving the issuance of Shares from treasury shall not exceed 5% of the Corporation's total issued and outstanding Shares calculated as at the date the Award is granted, unless approved by the Corporation's disinterested shareholders.
- (v) ***One Consultant (Awards in 12 Months)***. The aggregate number of Shares underlying or relating to Awards granted in a 12 month period to any one Consultant under (A) the Plan and (B) all of the Corporation's other security based compensation arrangements involving the issuance of Shares from treasury shall not exceed 2% of the Corporation's total issued and outstanding Shares calculated as at the date the Award is granted.

- (vi) **Investor Relations Service Providers (Option Awards in 12 Months).** Investor Relations Service Providers may only be granted Options. The aggregate number of Shares underlying or relating to Options granted in a 12 month period to Investor Relations Service Providers (as a group) under (A) the Plan and (B) all of the Corporation's other security based compensation arrangements involving the issuance of Shares from treasury shall not exceed 2% of the Corporation's total issued and outstanding Shares calculated as at the date the Award is granted.

(b) **Shares Available**

- (i) **Calculation of Number of Shares Available.** Any increase in the number of issued and outstanding Shares shall result in an increase in the available number of Awards issuable under the Plan and any Shares issued upon the exercise, vesting or settlement of Awards under the Plan will allow for corresponding additional grants of Awards under the Plan.

- (ii) **Shares Becoming Again Available.** If the right to receive Shares covered by an Award granted under the Plan or to which such an Award relates,

- (A) lapses, expires, or terminates;
- (B) is surrendered, forfeited or otherwise terminated; or
- (C) is canceled without the delivery of Shares or other consideration;

such Shares will be, or will become, available for granting Awards under the Plan.

- (iii) **Accounting for Awards.** For purposes of this Section 4:

- (A) if, in the case of Options, or of Share Appreciation Rights, Restricted Share Units, or Deferred Share Units that in the Award Agreement may be settled by the issuance from treasury of Shares, the number of Shares covered by that Award or to which that Award relates will be counted on the Grant Date of that Award against the total number of Shares available for granting Awards under the Plan and against the maximum number of Awards available to any Participant;
- (B) if, in the case of Share Appreciation Rights, Restricted Share Units or Deferred Share Units that in the Award Agreement do not include settlement by the issuance from treasury of Shares, the number of Shares covered by that Award or to which that Award relates (which Shares may be acquired on the open market through the facilities of an independent broker) will not be counted against the total number of Shares available for granting Awards under the Plan or against the maximum number of Awards available to any Participant; provided, however, that Awards that operate in tandem with (whether granted simultaneously with or at a different time from), or that are substituted for, other Awards may be counted or not counted under procedures adopted by the Board in order to avoid double counting; and
- (C) any Shares that are delivered by the Corporation, and any Awards that are granted by, or become obligations of, the Corporation through the assumption by the Corporation or an Affiliate of, or in substitution for, outstanding incentive awards previously granted by an acquired

corporation will be counted against the Shares available for granting Awards under the Plan.

- (iv) **Shares or Cash.** For greater certainty, except where an Award is explicitly stated to be required to be settled in Shares, (A) no Participant shall have any right to demand, be paid in, or receive Shares in respect of any Award, and (B) notwithstanding any election by the Corporation or a Participant's Employer to settle any Award or portion thereof in the form of Shares, the Corporation reserves the right to change its election in respect thereof until payment is actually made.

5. Eligibility

(a) **Eligible Participants**

A bona fide employee, officer, director or Consultant (including an Investor Relations Service Provider) to the Corporation or an Affiliate shall be eligible to be a Participant.

(b) **Deferred Share Units**

Only a bona fide employee, officer or director of the Corporation or an Affiliate shall be eligible to be granted Deferred Share Units.

(c) **Confirmation of Eligibility**

For Awards granted to employees or Consultants, the Corporation and the Participant must ensure and confirm that the Participant is a bona fide employee or Consultant, as the case may be.

6. Awards

(a) **Options**

The Board may grant Options to a Participant. Options will contain the following terms and conditions, and any additional terms and conditions, including Performance Criteria, not inconsistent with the Plan, as the Board determines at the time of the grant:

- (i) **Award Agreement.** Each Award of Options shall be evidenced by an Award Agreement in such form as may be approved by the Board.
- (ii) **Exercise Price.** The purchase price per Share under an Option (the "**Exercise Price**") will be determined by the Board. Unless otherwise determined by the Board and subject to applicable law and Exchange rules or policies, the Exercise Price shall not be less than the Fair Market Value of a Share on the Grant Date of that Option.
- (iii) **Vesting and Method of Exercise.** The Board will determine the time or times at which an Option may be exercised in whole or in part and any other vesting conditions, which will result in a "**Vested Option**", and the method and form of payment of the Exercise Price. Options granted to Investor Relations Service Providers must vest in stages over a period of not less than 12 months with no more than 1/4 of the Options vesting sooner than each of three, six and nine months after the Grant Date. The Board may permit, at any time before the exercise of an Option, that the Option may be exercised on a "cashless exercise", "net exercise" or other basis, as permitted by the Exchange.

- (iv) **Term and Expiry.** The Board will determine the term and expiry of an Option. The term of an Option shall not exceed a period of five years from the Grant Date. If an Option expires during a Blackout Period, the expiry date shall be automatically extended to be ten business days after the last day of the Blackout Period. No Option can be exercised after its expiry date.
- (v) **Issue of Shares on Exercise of Options.** One Share will be issued to the Participant or the Participant's Beneficiary, as applicable, as soon as practicable after Vested Options are exercised.
- (vi) **Performance Options.** The Board may designate all or a portion of Options as Performance Options, which shall vest, in whole or in part, based on the Performance Criteria specified by the Board.
- (vii) **Tax Designation.** If applicable, at the time of grant, the Board may designate all or a portion of Options as being for "**non-qualified securities**" under the Tax Act. Any such designation shall be specified in the applicable Award Agreement and the Corporation and the Affiliate which is the Participant's Employer shall comply with any notification requirements set out in the Tax Act.

(b) **Share Appreciation Rights**

The Board may grant Share Appreciation Rights to a Participant. Share Appreciation Rights shall be subject to any restrictions as the Board may impose, which restrictions may lapse separately or in combination at any time or times, in such installments or otherwise, as the Board may deem appropriate. The Board may impose any conditions or restrictions, including Performance Criteria, on the vesting or payout of Share Appreciation Rights as it may deem appropriate, provided that no such condition or restriction shall cause a Share Appreciation Right to constitute a "**salary deferral arrangement**" within the meaning of subsection 248(1) of the Tax Act. Any grant of Share Appreciation Rights will contain the following terms and conditions, and any additional terms and conditions, not inconsistent with the Plan, as the Board determines at the time of the grant:

- (i) **Award Agreement.** Each Award of Share Appreciation Rights shall be evidenced by an Award Agreement in such form as may be approved by the Board.
- (ii) **Share Appreciation Right Account.** An account, to be known as a "**Share Appreciation Right Account**", shall be maintained by the Corporation for each Participant to whom Share Appreciation Rights are granted. On the Grant Date, the Share Appreciation Right Account will be credited with the Share Appreciation Rights granted to the Participant.
- (iii) **Base Amount.** The base amount for each Share Appreciation Right (the "**Share Appreciation Right Base Amount**") will be determined by the Board. The Share Appreciation Right Base Amount shall not be less than the Fair Market Value of a Share on the Grant Date of that Share Appreciation Right.
- (iv) **Vesting and Method of Exercise.** The Board will determine any vesting conditions of such Share Appreciation Right at the Grant Date, which conditions will be specified in the applicable Award Agreement, and which will result in a "**Vested Share Appreciation Right**". The Board will determine the method or methods by which a Vested Share Appreciation Right will be settled. A Share Appreciation Right may not be settled before the date that is one year following the Grant Date (except as provided for in Sections 7(a)(i) and 8(f)(ii)).

- (v) **Grant in Respect of Future Services.** Notwithstanding anything contained herein, all Share Appreciation Rights shall be granted in respect of the future service of the Participant and shall not be in respect of prior services of the Participant. The Board may only grant a Share Appreciation Right to a Participant so long as none of the main purposes of such grant is to provide the Participant with a payment that is in lieu of salary or wages for the Participant for services rendered by such Participant in a previous calendar year.
- (vi) **Expiry.** Each Share Appreciation Right shall expire on the earlier of (A) December 15th of the calendar year in which the Share Appreciation Right becomes a Vested Share Appreciation Right and (B) the fifth anniversary of the date such Share Appreciation Right was granted.

If the date on which a Share Appreciation Right is to expire occurs during a Blackout Period, then the expiry date shall be automatically extended to be the earlier of (A) ten business days after the last day of the Blackout Period and (B) December 15th of the calendar year in which the Share Appreciation Right becomes a Vested Share Appreciation Right, and the Share Appreciation Right will be automatically settled, without further action by the Corporation or the Participant, on that date. No Share Appreciation Right can be settled after its expiry date.

- (vii) **Payout of Share Appreciation Rights.** On settlement of a Vested Share Appreciation Right, an amount equal to the Share Appreciation Right Value shall be paid by the Participant's Employer to the Participant or the Participant's Beneficiary, as applicable, as soon as practicable.

At the option of the Participant's Employer, the Share Appreciation Right Value may be paid, in lieu of cash, in Shares or a combination of cash and Shares, and, in all cases, after deduction of any Withholding Taxes. If the Share Appreciation Right Value is to be paid in Shares, the number of Shares will be included in calculating the limits set forth in section 4(a), and if any such limits would be exceeded then any excess will be paid in cash.

If (A) the expiry date of the Share Appreciation Right is deemed to be December 15th pursuant to Section 6(b)(vi) and December 15th falls within a Blackout Period and (B) the Share Appreciation Right Value can be paid in cash or Shares (or a combination thereof), then the Share Appreciation Right Value shall be paid in cash.

- (viii) **Performance Share Appreciation Rights.** The Board may designate all or a portion of Share Appreciation Rights as Performance Share Appreciation Rights, which shall vest, in whole or in part, based on the Performance Criteria specified by the Board.

(c) **Restricted Share Units**

The Board may grant Restricted Share Units to a Participant. Restricted Share Units shall be subject to any restrictions as the Board may impose, which restrictions may lapse separately or in combination at any time or times, in such installments or otherwise, as the Board may deem appropriate. The Board may impose any conditions or restrictions, including Performance Criteria, on the vesting or payout of Restricted Share Units as it may deem appropriate, provided that no such condition or restriction shall cause a Restricted Share Unit to fail to or cease to comply with the requirements of paragraph (k) of the exception to the definition of "salary deferral arrangement" in subsection 248(1) of the Tax Act. Any grant of Restricted Share Units will contain the following terms and

conditions, and any additional terms and conditions, not inconsistent with the Plan, as the Board determines at the time of the grant:

- (i) **Award Agreement.** Each Award of Restricted Share Units shall be evidenced by an Award Agreement in such form as may be approved by the Board.
- (ii) **Restricted Share Unit Account.** An account, to be known as a “**Restricted Share Unit Account**”, shall be maintained by the Corporation for each Participant to whom Restricted Share Units are granted. On the Grant Date, the Restricted Share Unit Account will be credited with the Restricted Share Units granted to the Participant.
- (iii) **Vesting.** The Board will determine the time or times at which a Restricted Share Unit will vest in whole or in part and any other vesting conditions, which will result in a “Vested Restricted Share Unit”. A Restricted Share Unit may not vest before the date that is one year following the Grant Date (except as provided for in Sections 7(a)(i) and 8(f)(ii)).
- (iv) **Restricted Share Unit Service Year.** The Board shall specify the year of service of the Participant in respect of which the Restricted Share Unit is granted, which may be the current or immediately preceding calendar year (the “Restricted Share Unit Service Year”). Notwithstanding anything contained in this Plan, all Restricted Share Units shall be granted as a bonus in addition to, and not in substitution for or in lieu of, ordinary salary and wages received by such Participant in respect of his services to the Corporation or an Affiliate, as applicable.
- (v) **Payout of Restricted Share Units.** An amount equal to the Fair Market Value of the Shares underlying Vested Restricted Share Units shall be paid by the Participant’s Employer to the Participant or the Participant’s Beneficiary, as applicable, as soon as practicable after Restricted Share Units vest.

At the option of the Participant’s Employer, the Fair Market Value of the Shares underlying Vested Restricted Share Units may be paid, in lieu of cash, in Shares or a combination of cash and Shares, and, in all cases, after deduction of any Withholding Taxes. If the Fair Market Value of the Shares underlying Vested Restricted Share Units is to be paid in Shares, the number of Shares will be included in calculating the limits set forth in section 4(a), and if any such limits would be exceeded then any excess will be paid in cash.

The date of payment of a Restricted Share Unit (the “**Restricted Share Unit Payment Date**”), notwithstanding anything else contained in this Plan, shall be on or before December 15th of the third year following the end of the relevant Restricted Share Unit Service Year.

If (A) the Restricted Share Unit Payment Date falls within a Blackout Period and (B) the Fair Market Value of the Shares underlying Vested Restricted Share Units can be paid in either cash or Shares, then the amount shall be paid in cash.

- (vi) **Performance Restricted Share Units.** The Board may designate all or a portion of Restricted Share Units as Performance Restricted Share Units, which shall vest, in whole or in part, based on the Performance Criteria specified by the Board.
- (vii) **Dividend-Equivalent Rights.** Unless otherwise determined by the Board, on a dividend payment date, each Participant’s Restricted Share Unit Account shall be credited, as a bonus for services rendered, with additional Restricted Share Units

to account for the dividend paid. The number of additional Restricted Share Units to be credited to the Participant's Restricted Share Unit Account will be calculated (to two decimal places) by dividing (A) the total amount of the dividend that would have been paid to the Participant if the Restricted Share Units in the Participant's Restricted Share Unit Account (including fractions thereof), as of the dividend record date, were Shares, by (B) the Fair Market Value of a Share on the dividend payment date. The terms and conditions of any additional Restricted Share Units shall be identical to the terms and conditions of the Restricted Share Units in the Participant's Share Unit Account to which they relate. The number of Shares underlying additional Restricted Share Units will be included in calculating the limits set forth in section 4(a), and if any such limits would be exceeded then excess Restricted Share Units will be paid out in cash. No additional Restricted Share Units will be credited to a Participant if the dividend record date occurs after the Participant's Termination Date.

(d) **Deferred Share Units**

The Board may grant Deferred Share Units to a Participant who is an employee, officer or director. Deferred Share Units may have all of the rights and restrictions that may be applicable to Restricted Share Units, except that Deferred Share Units may not be redeemed until the Participant has ceased to hold all offices, employment and directorships with the Corporation and its "**affiliates**" (as defined below). The Board may impose any conditions or restrictions, including Performance Criteria, on the payout of Deferred Share Units as it may deem appropriate, provided that no such condition or restriction shall cause a Deferred Share Unit to fail or cease to comply with the requirements of the Regulation 6801(d) exception to the definition of "**salary deferral arrangement**" in subsection 248(1) of the Tax Act. Any grant of Deferred Share Units will contain the following terms and conditions, and any additional terms and conditions, not inconsistent with the Plan, as the Board determines at the time of the grant:

- (i) **Award Agreement.** Each Award of Deferred Share Units shall be evidenced by an Award Agreement in such form as may be approved by the Board.
- (ii) **Deferred Share Unit Account.** An account, to be known as a "**Deferred Share Unit Account**", shall be maintained by the Corporation for each Participant to whom Deferred Share Units are granted. On the Grant Date, the Deferred Share Unit Account will be credited with the Deferred Share Units granted to the Participant.
- (iii) **No Payment until Cessation of Employment or Death.** Notwithstanding any other provision of the Plan, no payment shall be made in respect of a Deferred Share Unit until after the earlier of (A) the latest time that the Participant ceases to be an employee, officer or director of the Corporation or any "affiliate" (as that term is interpreted for the purposes of Regulation 6801(d) of the Tax Act), provided that such time is at least one year following the Grant Date (except as provided for in Sections 7(a)(i) and 8(f)(ii)), or (B) the Participant's death (such time is referred to as the "**Deferred Share Unit Triggering Event**"). All payments in respect of a Deferred Share Unit shall be made no later than December 15th of the year commencing immediately after the occurrence of the Deferred Share Unit Triggering Event.
- (iv) **Payment Based on Fair Market Value.** All amounts to be paid in respect of any Deferred Share Unit granted to a Participant shall depend on the Fair Market Value of a share in the capital of the Corporation at a time within the period that commences one year before the date of the Deferred Share Unit Triggering Event and ends at the time the amount is paid.

(v) **No Additional Amounts.** No Participant or any person who deals at non-arm's length, within the meaning of the Tax Act, with the Participant, shall be entitled, under the Plan or otherwise, either immediately or in the future, either absolutely or contingently, to receive or obtain any amount or benefit granted or to be granted for the purposes of reducing the impact, in whole or in part, of any reduction in the Fair Market Value of any shares of the Corporation.

(vi) **Redemption of Deferred Share Units.** On the Deferred Share Unit Redemption Date, the Deferred Share Units credited to the Participant's Deferred Share Unit Account shall be redeemed and the Fair Market Value of the underlying Shares, determined as of the Participant's Deferred Share Unit Triggering Event, shall be paid by the Participant's Employer to the Participant or the Participant's Beneficiary, as applicable, in cash.

At the option of the Participant's Employer, the Fair Market Value of the Shares underlying Deferred Share Units may be paid, in lieu of cash, in Shares or a combination of cash and Shares, and, in all cases, after deduction of any Withholding Taxes. If the Fair Market Value of the Shares underlying Deferred Share Units is to be paid in Shares, the number of Shares will be included in calculating the limits set forth in section 4(a), and if any such limits would be exceeded then any excess will be paid in cash.

If (A) the Deferred Share Unit Redemption Date falls within a Blackout Period and (B) the Fair Market Value of the Shares underlying Deferred Share Units can be paid in either cash or Shares, then the amount shall be paid in cash.

(vii) **Conversion of Compensation into Deferred Share Units.** Subject to such rules and conditions as the Board may impose, a Participant may elect, irrevocably, no later than December 15th of the calendar year preceding the year in which the election is to be effective, to have all or a portion of his ordinary cash compensation (the "**Participant Compensation**") to be paid by his Employer to such Participant for services to be performed in the calendar year following the date of the election, satisfied by way of Deferred Share Units credited to the Participant's Deferred Share Unit Account (with the remainder to be received in cash), by completing and delivering to the Corporation an initial written election, in such form as may be approved by the Board. Such election shall set out the percentage of such Participant's compensation that the Participant wishes to be satisfied in the form of Deferred Share Units (with the remaining percentage to be paid in cash), within the limitations of this Section 0, for the calendar year for which the election is made and such election shall apply for subsequent years unless the Participant amends his election pursuant to this Section 0.

(A) A Participant may initiate or change the percentage of his Participant Compensation to be satisfied in the form of Deferred Share Units for any subsequent calendar year by completing and delivering to the Corporation a new written election no later than December 15th of the calendar year immediately preceding the calendar year to which the Participant Compensation relates.

(B) Notwithstanding anything in this Section 0, an election can only be made when a Blackout Period is not in effect; provided that no election will be permitted to be made or altered after December 31st of the calendar year immediately preceding the year in which the election is to be effective.

- (C) Any election made by a Participant under this Section 0 shall designate the percentage, if any, of the Participant Compensation that is to be satisfied in the form of Deferred Share Units, all such designations to be in increments of 5%.
 - (D) A Participant's election received by the Corporation under this Section 0 shall be irrevocable and shall continue to apply with respect to his Participant Compensation for any subsequent calendar year unless the Participant validly amends his election under this Section 0.
 - (E) Where there is no election that complies with this Section 0 in effect for a Participant for a particular calendar year, such Participant shall be deemed to have elected to receive his Participant Compensation for the applicable calendar year in cash.
- (viii) ***Dividend-Equivalent Rights.*** Unless otherwise determined by the Board, on a dividend payment date, each Participant's Deferred Share Unit Account shall be credited with additional Deferred Share Units to account for the dividend paid. The number of additional Deferred Share Units to be credited to the Participant's Deferred Share Unit Account will be calculated (to two decimal places) by dividing (A) the total amount of the dividend that would have been paid to the Participant if the Deferred Share Units in the Participant's Deferred Share Unit Account (including fractions thereof), as of the dividend record date, were Shares, by (B) the Fair Market Value of a Share on the dividend payment date. The terms and conditions of any additional Deferred Share Units shall be identical to the terms and conditions of the Deferred Share Units in the Participant's Deferred Share Unit Account to which they relate. The number of Shares underlying additional Deferred Share Units will be included in calculating the limits set forth in section 4(a), and if any such limits would be exceeded then excess Deferred Share Units will be paid out in cash. No additional Deferred Share Units will be credited to a Participant if the dividend record date occurs after the Deferred Share Unit Triggering Event.

7. **Termination of Employment, Consultancy or Directorship**

Except as otherwise provided in the applicable Award Agreement or a Participant's employment, consulting or engagement agreement, and subject to the exercise of discretion by the Board or any express resolution passed by the Board:

(a) **Death or Disability**

Upon the death or Disability of a Participant who is an employee, officer or director of the Corporation or an Affiliate:

- (i) all of the Participant's unvested Awards shall become Vested Awards as of the date of the Participant's death or Disability;
- (ii) all of the Participant's Vested Options and Vested Share Appreciation Rights, including Options and Share Appreciation Rights that become vested pursuant to Section 7(a)(i), shall remain exercisable or subject to settlement in accordance with Section 6(a) or 6(b), as applicable, until the earlier of:
 - (A) twelve months after the date of the Participant's death or Disability; and
 - (B) the expiry of the period specified in Section 6(a)(iv) or 6(b)(vi), as applicable; and

any of the Participant's Vested Options and Vested Share Appreciation Rights not so exercised or settled will terminate; and

- (iii) all of the Participant's Vested Restricted Share Units and Deferred Share Units, including Restricted Share Units that become vested pursuant to Section 7(a)(i), shall be paid out in accordance with Sections 6(c)(v) or 6(d)(iii) and 6(d)(vi), as applicable;

(b) Termination for Cause

If an Employer terminates a Participant's employment for Cause:

- (i) all of the Participant's unvested Awards shall terminate as of the Participant's Termination Date;
- (ii) all of the Participant's Vested Options and Vested Share Appreciation Rights shall remain exercisable or subject to settlement in accordance with Section 6(a) or 6(b), as applicable, until the earlier of:
 - (A) 90 days after the Participant's Termination Date; and
 - (B) the expiry of the period specified in Section 6(a)(iv) or 6(b)(vi), as applicable; and

any of the Participant's Vested Options and Vested Share Appreciation Rights not so exercised or settled will terminate; and

- (iii) all of the Participant's Vested Restricted Share Units and Deferred Share Units shall be paid out in accordance with Sections 6(c)(v) or 6(d)(iii) and 6(d)(vi), as applicable.

(c) Termination without Cause

If an Employer terminates a Participant's employment without Cause:

- (i) all of the Participant's unvested Awards shall:
 - (A) in the discretion of the Board, either become Vested Awards or terminate as of the Participant's Termination Date; or
 - (B) if required by the terms of an employment agreement between the Participant and the Corporation, become Vested Awards as of the Participant's Termination Date;
- (ii) all of the Participant's Vested Options and Vested Share Appreciation Rights shall remain exercisable or subject to settlement in accordance with Section 6(a) or 6(b), as applicable, until the earlier of:
 - (A) 90 days after the Participant's Termination Date; and
 - (B) the expiry of the period specified in Section 6(a)(iv) or 6(b)(vi), as applicable; and

any of the Participant's Vested Options and Vested Share Appreciation Rights not so exercised or settled will terminate; and

- (iii) all of the Participant's Vested Restricted Share Units and Deferred Share Units shall be paid out in accordance with Sections 6(c)(v) or 6(d)(iii) and 6(d)(vi), as applicable.

(d) **Voluntary Resignation or Retirement**

If a Participant ceases to be an employee, officer or director of the Corporation or an Affiliate as a result of voluntary resignation or retirement:

- (i) all of the Participant's unvested Awards shall terminate as of the Participant's Termination Date;
- (ii) all of the Participant's Vested Options and Vested Share Appreciation Rights shall remain exercisable or subject to settlement in accordance with Section 6(a) or 6(b), as applicable, until the earlier of:
 - (A) 90 days after the Participant's Termination Date; and
 - (B) the expiry of the period specified in Section 6(a)(iv) or 6(b)(vi), as applicable; andany of the Participant's Vested Options and Vested Share Appreciation Rights not so exercised or settled will terminate; and
- (iii) all of the Participant's Vested Restricted Share Units and Deferred Share Units shall be paid out in accordance with Sections 6(c)(v) and 6(d)(iii) and 6(d)(vi), as applicable.

(e) **Termination of Consulting Contract**

If a Participant ceases to be a Consultant to the Corporation or an Affiliate for any reason (other than virtue of becoming an employee):

- (i) all of the Participant's unvested Awards shall terminate as of the Participant's Termination Date;
- (ii) all of the Participant's Vested Options and Vested Share Appreciation Rights shall remain exercisable or subject to settlement in accordance with Section 6(a) or 6(b), as applicable, until the earlier of:
 - (A) 90 days after the Participant's Termination Date; and
 - (B) the expiry of the period specified in Section 6(a)(iv) or 6(b)(vi), as applicable; andany of the Participant's Vested Options and Vested Share Appreciation Rights not so exercised or settled will terminate; and
- (iii) all of the Participant's Vested Restricted Share Units shall be paid out in accordance with Section 6(c)(v).

(f) Non-employee Directors

If a Participant who is a director but not also an employee or officer of the Corporation or an Affiliate ceases to be a director as a result of:

- (i) failing to be re-elected as a director of the Corporation by its shareholders, such event shall be treated as a termination without cause under Section 7(c) above; and
- (ii) voluntarily not standing for re-election as a director of the Corporation, such event shall be treated as a resignation under Section 7(d) above.

8. Amendments and Adjustments**(a) Amendments to the Plan**

Unless shareholder approval is required pursuant to Section 8(c), applicable law or Exchange rules or policies, the Board may amend, alter, suspend, discontinue or terminate the Plan without the consent of any shareholder, Participant, other holder or Beneficiary of an Award, or other person; provided, however, that, subject to the Corporation's right to adjust Awards under Sections 8(d) and 8(e), any amendment, alteration, suspension, discontinuance or termination that would materially impair the rights of any Participant or holder or Beneficiary under any Award previously granted will not to that extent be effective without the consent of the Participant or holder or Beneficiary of an Award, as the case may be.

(b) Amendments to Awards

Unless shareholder approval is required pursuant to Section 8(c), applicable law or Exchange rules or policies, the Board may amend, alter, suspend, discontinue, cancel or terminate any Award previously granted, prospectively or retroactively; provided, however, that, subject to the Corporation's right to adjust Awards under Sections 8(d) and 8(e), any amendment, alteration, suspension, discontinuance, cancellation or termination that would materially impair the rights of any Participant or holder or Beneficiary under any Award previously granted will not to that extent be effective without the consent of the Participant or holder or Beneficiary of an Award, as the case may be.

(c) Amendments Requiring Shareholder Approval

Notwithstanding Sections 8(a) and 8(b), or any other provision of the Plan or any Award Agreement, the Board may not, without approval of shareholders of the Corporation (which must be approval of disinterested shareholders in the circumstances prescribed by the Exchange) make amendments to the Plan or any Award that would:

- (i) change the persons eligible to be granted Awards;
- (ii) change the maximum percentage of Shares that may be reserved under the Plan for issuance pursuant to Awards;
- (iii) change the limits under the Plan on the number of Awards that may be granted to any one person or any category of persons;
- (iv) change the method for determining the Option Exercise Price or Share Appreciation Right Base Amount (if the Share Appreciation Right is or may be payable in Shares);

- (v) change the maximum term of Awards;
- (vi) change the expiry and termination provisions applicable to Awards;
- (vii) reduce the Option Exercise Price or Share Appreciation Right Base Amount (if the Share Appreciation Right is or may be payable in Shares) of (A) any Award held by an insider or (B) any Award held by a non-insider if less than six months have elapsed since the later of the Grant Date and the last such amendment;
- (viii) change any method or formula for calculating prices, values or amounts under this Plan that may result in a benefit to a Participant;
- (ix) amend this Section 8(c).

(d) **Adjustments upon Certain Acquisitions**

If the Corporation or any Affiliate assumes outstanding incentive awards or the right or obligation to make future incentive awards in connection with the acquisition of another business or another corporation or business entity, the Board may, subject to approval of the Exchange if applicable, make any adjustments, not inconsistent with the Plan, to the terms of Awards as the Board deems appropriate in order to achieve reasonable comparability or other equitable relationship between the assumed incentive awards and the Awards granted under the Plan as so adjusted.

(e) **Adjustments upon Certain Events**

If the Board determines that any dividend (other than cash dividends in the ordinary course in accordance with the Corporation's dividend policy) or other distribution (whether in the form of cash, Shares, other securities or other property), share split, share consolidation, recapitalization, reorganization, amalgamation, arrangement, merger, consolidation, split-up, spin-off, combination, repurchase or exchange of Shares or other securities of the Corporation, issuance of warrants or other rights to purchase Shares or other securities of the Corporation, or other similar corporate transactions or events affect the Shares such that an adjustment is determined by the Board to be appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan and any Awards granted under the Plan, then the Board may, in any manner as it may deem equitable, subject to approval of the Exchange if applicable, adjust any or all of the following:

- (i) the number and kind of Shares or other securities which thereafter may be made the subject of Awards;
- (ii) the number and kind of Shares or other securities subject to outstanding Awards; and
- (iii) the Fair Market Value, Share Appreciation Right Base Amount, or the grant or exercise price with respect to any Award or, if deemed appropriate, make provision for a cash payment to the holder of an outstanding Award; provided, however, that the number of Shares subject to any Award denominated in Shares will always be a whole number.

Notwithstanding the foregoing, any adjustments made pursuant to this Section 8(e) shall be such that the "**in-the-money**" value of any Option granted hereunder shall not be increased, that all Options are continuously governed by Section 7 of the Tax Act, and that all Share Appreciation Rights, Restricted Share Units or Deferred

Share Units shall continuously meet the requirements to be exempted from the definition of “**salary deferral arrangement**” in subsection 248(1) of the Tax Act.

(f) **Change of Control**

If a Change of Control is proposed, the Board may in its sole discretion (but subject to a Participant’s employment, consulting or other agreement with the Corporation) determine the manner in which an Award will be treated, including to:

- (i) provide for the assumption of the Award by the successor corporation or entity or the replacement of the Award with an award of the successor corporation or entity on terms substantially similar to the existing Award;
- (ii) permit the acceleration of vesting of the Award (other than Options held by an Investor Relations Service Provider);
- (iii) require the Award (other than a Deferred Share Unit) to be surrendered for a cash payment equal to the Fair Market Value thereof; or
- (iv) permit any combination of the foregoing;

provided that the replacement of any Option with a substitute stock option shall, at all times, comply with subsection 7(1.4) of the Tax Act, and the replacement of any Award with a substitute stock option, share appreciation right, restricted share unit or deferred share unit shall be such that the substitute stock option, share appreciation right, restricted share unit or deferred share unit shall continuously be governed by Section 7 of the Tax Act (in the case of a substitute stock option) or meet the requirements to be exempted from the definition of “**salary deferral arrangement**” in subsection 248(1) of the Tax Act (in the case of a substitute share appreciation right, restricted share unit or deferred share unit).

(g) **Adjustments upon Other Unusual or Nonrecurring Events**

The Board is authorized to make adjustments in the terms and conditions of, and the criteria included in, Awards in recognition of other unusual or non-recurring events affecting the Corporation, any Affiliate, or the financial statements of the Corporation or any Affiliate, or of changes in applicable laws, regulations, or accounting principles, whenever the Board determines that those adjustments are appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan and any Awards granted under the Plan, subject to, if applicable, approval of the Exchange.

9. General Provisions

(a) **Consideration for Awards**

Awards may be granted for no cash consideration or for such minimal cash consideration as may be required by applicable law.

(b) **Awards May Be Granted Separately or Together**

Awards may be granted either alone or in addition to, in tandem with, or in substitution for any other Award. Awards granted in addition to or in tandem with other Awards may be granted either at the same time as or at a different time or times from the grant of such other Awards.

(c) Forms of Payment under Awards

Subject to the terms of the Plan and of any applicable Award Agreement, payments or transfers to be made by the Corporation or an Affiliate upon the grant, exercise, surrender, redemption, settlement or payment of an Award may be made in such form or forms as the Board determines, including, without limitation, cash, Shares, other securities, other Awards, or other property (or any combination thereof) and may be made in a single payment or transfer, in installments, or on a deferred basis, in each case in accordance with rules and procedures established by the Board. Such rules and procedures may include, without limitation, provisions for the payment or crediting of reasonable interest on installment or deferred payments. The Board may provide for financing by broker-dealers (including payment by the Corporation of commissions) and may establish procedures (including broker-dealer assisted cashless exercise) for payment of any Withholding Taxes.

(d) Sources of Shares Deliverable under Awards

If the Board determines to pay or settle Awards in the form of Shares, then those Shares may be authorized and unissued Shares or, except in the case of Options (to meet tax requirements), issued and outstanding Shares acquired by an independent broker, as trustee, on the open market (or a combination thereof). If the Shares are to be acquired on the open market by an independent broker, then the Employer shall contribute to the independent broker in advance an amount of cash sufficient, together with any reasonable brokerage fees or commission fees related thereto, to purchase the whole number of Shares required and the independent broker shall, as soon as practicable thereafter and in an orderly manner, purchase those Shares, as trustee, on the Exchange.

(e) No Fractional Shares

No fractional Shares will be issued or delivered pursuant to the Plan or any Award. The Corporation will determine whether cash, other securities or other property will be paid or transferred in lieu of any fractional Shares or whether those fractional Shares or any rights thereto will be canceled, terminated, or otherwise eliminated. In lieu of issuing or acquiring any fractional Share arising under any Award other than an Option, the applicable amount may, if in the opinion of the Corporation it is a material amount, be paid to the Participant (or used to satisfy any Withholding Taxes) as a lump sum cash amount (computed to the nearest cent).

(f) Limits on Transfer of Awards

- (i) No Award, and no right under any Award, may be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by a Participant otherwise than by will, by the laws of descent or by the designation of a Beneficiary by a Participant. Any non-permitted purported assignment, alienation, pledge, attachment, sale or other transfer or encumbrance will be void and unenforceable against the Corporation or any Affiliate.
- (ii) Each Award, and each right under any Award, will be exercisable or subject to settlement during the Participant's lifetime only by the Participant or, if permissible under applicable law, by the Participant's guardian or legal representative.

(g) **Share Certificate Restrictions**

All certificates for Shares delivered under the Plan pursuant to any Award or the exercise, payout, settlement or redemption thereof will be subject to any stop transfer orders and other restrictions as the Board may deem advisable under the Plan or the rules, policies, regulations, and other requirements of securities regulators, any stock exchange upon which such Shares are then listed, and any applicable federal, state, provincial or territorial securities laws, and the Board may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.

(h) **No Shareholder Rights**

No Award shall be considered Shares, nor shall an Award entitle any Participant to exercise voting rights or any other rights attaching to the ownership of Shares, including, without limitation, voting rights, entitlement to receive dividends or other distributions or rights on liquidation, nor shall any Participant be considered the owner of Shares by virtue of any Award.

(i) **No Right to Awards**

No Participant or other person will have any claim to be granted any Award under the Plan, and there is no obligation for uniformity of treatment of Participants, or holders or Beneficiaries of Awards under the Plan. The terms and conditions of Awards need not be the same with respect to different Participants.

(j) **No Limit on Other Compensation Arrangements**

Nothing contained in the Plan will prevent the Corporation or any Affiliate from adopting or continuing in effect other or additional compensation arrangements, and those arrangements may be either generally applicable or applicable only in specific cases.

(k) **No Trust or Fund Created**

The Plan shall be unfunded in all respects. Neither the Plan nor any Award will create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Corporation or any Affiliate and a Participant or any other person. To the extent that any person acquires a right to receive payments from the Corporation or any Affiliate pursuant to an Award, that right will be no greater than the right of any unsecured general creditor of the Corporation or Affiliate.

(l) **No Right to Continued Employment, Directorship or Consultancy**

The grant of an Award will not be construed as giving a Participant the right to remain as an employee, officer, director or Consultant to the Corporation or any Affiliate. The Corporation, Affiliate or (in the case of a director) shareholders of the Corporation may at any time terminate or remove a Participant as an employee, officer, director or Consultant, free from any liability or any claim under the Plan, unless otherwise provided in the Plan (including pursuant to Section 7), an Award Agreement or another agreement.

(m) **Taxes and Other Withholdings**

(i) Neither the Corporation nor any Affiliate is liable for any tax or other liabilities or consequences imposed on any Participant (or any Beneficiary) as a result of the granting or crediting, holding, exercise, surrender, redemption or settlement of any Awards under this Plan, whether or not such costs are the primary responsibility

of the Corporation or Affiliate. It is the responsibility of the Participant (or Beneficiary) to complete and file any tax returns which may be required under any applicable tax laws within the period prescribed by such laws.

- (ii) The Corporation and any Affiliate is authorized to deduct or withhold from any Award granted, from any payment due or transfer made under any Award or under the Plan or from any compensation or other amount owing to a Participant such amount as may be necessary so as to ensure the Corporation and any Affiliate will be able to comply with the applicable provisions of any federal, provincial, state or local law relating to the withholding of tax or other required deductions ("**Withholding Taxes**"), and to take any other action as may be necessary in the opinion of the Corporation or Affiliate to satisfy all obligations for the payment of Withholding Taxes, including, for greater certainty, requiring a Participant, as a condition to the exercise, settlement or redemption of an Award, to pay or reimburse the Corporation or Affiliate, as applicable, for any Withholding Taxes. The Corporation or Affiliate may sell any Shares, other securities or property withheld, in such manner and on such terms as it deems appropriate, and shall apply the proceeds of such sale to the payment of Withholding Taxes or other amounts, and shall not be liable for any inadequacy or deficiency in the proceeds received or any amounts that would have been received, had such Shares, other securities or property been sold in a different manner or on different terms.

(n) **Collection and Use of Personal Information**

- (i) Each Participant shall provide the Corporation with all personal information required to administer the Plan.
- (ii) The Corporation may transfer or provide access to personal information of a Participant to a third party service provider for the sole purpose of administering the Plan.
- (iii) The Corporation may disclose personal information of a Participant: (A) in response to regulatory filings or other requirements for the information by a governmental authority with jurisdiction over the Corporation; (B) for the purpose of complying with a subpoena, warrant or other order by a court, person or body having jurisdiction to compel production of the information; or (C) as otherwise required by law.
- (iv) The Corporation may transfer or provide access to personal information of a Participant to another party during the course of, or completion of, a change in ownership of, or the grant of a security interest in, all or a part of the Corporation or its Affiliates including through an asset or share sale, or some other form of business combination, merger or joint venture, provided that such party is bound by an appropriate confidentiality agreement or obligation.

(o) **Headings**

Headings are given to the Sections and subsections of the Plan solely as a convenience to facilitate reference. Those headings will not be deemed in any way material or relevant to the construction or interpretation of the Plan or any provision of the Plan.

(p) **Neutral Gender**

In this Plan, words importing the masculine gender include feminine and vice versa and words importing the singular include the plural and vice versa.

(q) **Severability**

If any provision of the Plan or any Award is or becomes or is deemed to be invalid, illegal or unenforceable in any jurisdiction or as to any person or Award under any law deemed applicable by the Board, that provision will be construed or deemed amended to conform to applicable laws, or if it cannot be construed or deemed amended without, in the determination of the Board, materially altering the intent of the Plan or the Award, that provision will be stricken as to that jurisdiction, person or Award and the remainder of the Plan and any such Award will remain in full force and effect.

(r) **Governing Law**

The Plan, Awards and Award Agreements will be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein, subject to such additional or other matters of foreign law in the case of Participants who are resident for tax purposes in countries outside Canada.

Schedule “B” – AUDIT COMMITTEE CHARTER

CANASIA ENERGY CORP.

AUDIT COMMITTEE CHARTER

(Adopted November 8, 2022)

PART I - ESTABLISHMENT OF COMMITTEE

1. Audit Committee

The Board of Directors (the “**Board**”) of CanAsia Energy Corp. (the “**Corporation**”) has established an audit committee (the “**Audit Committee**” or the “**Committee**”) of directors for the purpose of overseeing the accounting and financial reporting processes of the Corporation and audits of its financial statements.

2. Composition of Committee

- (a) The Audit Committee will consist of at least three directors. All members of the Committee must be independent as defined in applicable securities laws (subject to permitted exemptions under those laws) and the rules of any stock exchange on which the Corporation’s securities are listed for trading.
- (b) Each member of the Audit Committee must be financially literate, or become financially literate within a reasonable period of time following his or her appointment to the Committee (provided that the Board has determined that this will not materially adversely affect the ability of the Committee to satisfy its responsibilities). A member is financially literate under applicable securities laws if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation’s financial statements.

3. Appointment and Term of Committee Members

Members of the Audit Committee will be appointed by the Board and will hold office until the close of the next annual meeting of shareholders or earlier if their successors are appointed, they are removed by the Board or they cease to be directors of the Corporation. If Committee members are not appointed at the meeting of the Board immediately following an annual meeting of shareholders, then each incumbent Committee member who was re-elected as a director at the annual meeting will continue in office as a Committee member.

4. Compensation of Committee Members

The Board will fix the remuneration of the members of the Audit Committee and may provide additional remuneration to the Chair of the Committee. Other than as remuneration for acting in his or her capacity as a member of the Board or any Board committee, or as a part-time chair or vice-chair of the Board or any Board committee, or as otherwise permitted by applicable securities laws, no consulting, advisory or other compensatory fee will be paid to a member of the Audit Committee by the Corporation or any subsidiary of the Corporation.

5. Vacancies

When a vacancy occurs in the membership of the Audit Committee, it may be filled by the Board and must be filled by the Board if the membership of the Committee as a result of the vacancy is

less than three directors. Any member may be removed or replaced at any time by the Board. Any member will cease to be a member upon ceasing to be a director.

6. Other Committee Input

The Board will consider recommendations of any Corporate Governance Committee or the Compensation Committee of the Corporation regarding the composition of the Committee, appointment of members, compensation of members, filling vacancies, removal of members, appointment of a Chair and other Committee procedures.

PART II - COMMITTEE PROCEDURES

7. Committee Chair

The Board will appoint a Chair for the Audit Committee.

8. Absence of Committee Chair

If the Chair is not present at any meeting of the Audit Committee, one of the other members of the Committee present at the meeting will be chosen by the Committee to preside at the meeting.

9. Secretary of Committee

The Audit Committee will appoint a Secretary who need not be a director of the Corporation.

10. Meetings

The Audit Committee will meet at least four times per year. All Committee members are encouraged to attend each meeting, in person or by tele or video conference. A resolution in writing, signed by all the Audit Committee members entitled to vote on that resolution at a meeting of the Committee, is as valid as if it had been passed at a meeting of the Committee.

11. Notice of Meetings

- (a) A meeting of the Audit Committee may be called by any member of the Committee, by the chief executive officer or the chief financial officer of the Corporation (or persons holding equivalent offices) or by the external auditor. Notice of the time and place of a meeting will be given in writing or by electronic communication to each member of the Committee and to the external auditor at least 24 hours prior to the time fixed for the meeting.
- (b) A member of the Audit Committee may in any manner waive notice of a Committee meeting. Attendance of a member at a Committee meeting is a waiver of notice of the meeting, except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

12. Quorum and Participation

- (a) A majority of the number of members of the Audit Committee appointed by the Board constitutes a quorum at any meeting of the Committee.
- (b) A member of the Audit Committee may, if all the members of the Committee consent, participate in a meeting of the Committee by means of a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each

other during the meeting. A member participating in a Committee meeting by those means is deemed to be present at that meeting.

13. Attendance by External Auditor and Others

- (a) The external auditor is entitled, at the expense of the Corporation, to attend and be heard at every meeting of the Audit Committee, and, if so requested by a member of the Committee, shall attend every meeting of the Committee held during the term of office of the external auditor.
- (b) At the invitation of the Chair of the Committee, directors who are not members of the Committee, officers or employees of the Corporation or other persons may attend a meeting of the Committee.

14. Procedure, Records and Reporting

The Audit Committee will fix its own procedure at meetings, keep minutes of its meetings and report to the Board when the Committee deems appropriate (but not later than the next meeting of the Board). An agenda will be prepared and provided to members sufficiently in advance of an Audit Committee meeting, along with draft minutes of the previous meeting and appropriate briefing materials.

15. Independent Advisors

The Audit Committee may engage independent counsel and other advisors as it determines necessary to carry out its duties. The Committee has the authority to set and pay the compensation for any advisors employed by the Committee.

16. Duties and Reliance

- (a) In exercising their powers and discharging their duties under this charter and applicable law, each member of the Audit Committee must (i) act honestly and in good faith with a view to the best interests of the Corporation and (ii) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.
- (b) Each member of the Audit Committee will be entitled to reasonable reliance, or reliance in good faith, on:
 - (i) financial statements of the Corporation represented to the member of the Committee by an officer of the Corporation or in a written report of the external auditor of the Corporation to reflect fairly the financial condition of the Corporation;
 - (ii) the Corporation's disclosure compliance system and on the Corporation's officers, employees and others whose duties would in the ordinary course have given them knowledge of the relevant facts; and
 - (iii) a report, statement or opinion of an expert, being a person or company whose profession gives authority to a statement made in a professional capacity by the person or company including, without limitation, an accountant, actuary, appraiser, auditor, engineer, financial analyst, geologist or lawyer.

PART III - MANDATE OF COMMITTEE**17. External Auditor**

- (a) The external auditor will report directly to the Audit Committee, be responsible for planning with the Corporation and carrying out the audit of the annual financial statements (and any requested review of quarterly financial statements) and ultimately be accountable to the Audit Committee and the Board as the representatives of the shareholders.
- (b) The Audit Committee will recommend to the Board:
 - (i) the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation; and
 - (ii) the compensation of the external auditor.
- (c) The Audit Committee will be directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation, including the following:
 - (i) review of the mandate of the external auditor, including the annual engagement letter, audit plan and audit scope;
 - (ii) review of the independence of the external auditor, any rotation of the partners assigned to the audit in accordance with applicable laws and professional standards, the internal quality control findings of the external auditor's firm and peer reviews;
 - (iii) review of the performance of the external auditor, including the relationship between the external auditor and management and the evaluation of the lead partner of the external auditor;
 - (iv) termination or resignation of the external auditor if circumstances warrant, after due enquiry and discussion with management and the external auditor;
 - (v) resolution of disagreements between management and the external auditor regarding financial reporting;
 - (vi) review of material written communications between the external auditor and management;
 - (vii) review of the annual management letter from the external auditor regarding internal controls and opportunities for improvement or efficiency, plus management's response and follow-up in respect of any identified weakness; and
 - (viii) communication with the external auditor regarding such other matters as are required by the Chartered Professional Accountants of Canada Handbook and other professional standards.
- (d) The Audit Committee will meet or communicate directly with the external auditor, without management being present, as required or appropriate to discharge the responsibilities of the Committee.

18. Non-Audit Services

- (a) The Audit Committee will pre-approve all non-audit services to be provided to the Corporation or its subsidiaries by the external auditor.
- (b) The Audit Committee may delegate to one or more of its members the authority to pre-approve non-audit services. The pre-approval of non-audit services by any member to whom authority has been delegated must be presented to the Committee at its first scheduled meeting following such pre-approval.
- (c) Pre-approval of *de minimus* non-audit services will be satisfied if:
 - (i) the aggregate amount of all the non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent of the total amount of fees paid by the Corporation and its subsidiaries to the Corporation's external auditor during the fiscal year in which the services are provided;
 - (ii) the Corporation or the subsidiary, as the case may be, did not recognize the services as non-audit services at the time of the engagement; and
 - (iii) the services are promptly brought to the attention of the Audit Committee and approved, prior to the completion of the audit, by the Committee or by one or more of its members to whom authority to grant such approvals has been delegated by the Committee.
- (d) Pre-approval of non-audit services will also be satisfied if the Audit Committee adopts specific policies and procedures for the engagement of non-audit services and:
 - (i) the pre-approval policies and procedures are detailed as to the particular service;
 - (ii) the Audit Committee is informed of each non-audit service; and
 - (iii) the procedures do not include delegation of the Audit Committee's responsibilities to management.

19. Financial and Other Disclosure

- (a) The Audit Committee will review, discuss with management (and the external auditor where required or appropriate) and, if required or appropriate, approve or recommend that the Board approve the following Corporation documents prior to public disclosure:
 - (i) annual audited financial statements and related management's discussion and analysis;
 - (ii) quarterly unaudited financial statements and related management's discussion and analysis;
 - (iii) certifications by the chief executive officer and chief financial officer of annual and quarterly filings, disclosure controls and procedures and internal controls over financial reporting;
 - (iv) news releases announcing financial results, containing financial information based on unreleased financial results or non-GAAP and other financial measures or providing earnings guidance or forward-looking financial information; and

- (v) financial information contained in any annual information form, information circular, prospectus, take-over bid circular, issuer bid circular or rights offering circular.
- (b) The Audit Committee will be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements and will periodically assess the adequacy of those procedures.
- (c) The Audit Committee will review the disclosure required by applicable securities laws to be included in the Corporation's annual information form or management information circular to solicit proxies from the shareholders of the Corporation for the purpose of electing directors to the Board. That disclosure will consist of the text of this charter, the composition of the Audit Committee, the relevant education and experience of Committee members, reliance on certain

exemptions from securities laws relating to audit committees, oversight of the nomination and compensation of the external auditor, policies and procedures for non-audit services and external auditor service fees.

20. Financial Reporting Processes

- (a) The Audit Committee will review with management and the external auditor:
 - (i) the appropriateness of the Corporation's accounting principles and policies and financial reporting;
 - (ii) any changes to the Corporation's accounting principles and policies and financial reporting as such changes are recommended by management or the external auditor;
 - (iii) the accounting treatment of significant risks and uncertainties;
 - (iv) key estimates and judgments of management that may be material to the Corporation's financial reporting; and
 - (v) significant auditing and financial reporting issues discussed during the financial period and the method of resolution.
- (b) The Audit Committee will in particular review the following specific matters, where material:
 - (i) the effect of regulatory and accounting initiatives;
 - (ii) extraordinary transactions;
 - (iii) the use of special purpose entities;
 - (iv) off-balance sheet transactions;
 - (v) financial risk management, including the use of derivatives;
 - (vi) asset retirement or reclamation obligations;
 - (vii) pension obligations;

- (viii) commitments, contingencies and guarantees;
- (ix) related party transactions;
- (x) actual or pending legal claims, tax or regulatory matters; and
- (xi) any other matters of accounting or auditing risk.

21. Other Responsibilities

- (a) The Audit Committee will establish procedures for:
 - (i) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters; and
 - (ii) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
- (b) The Audit Committee will review on a timely basis all discovered incidents of fraud within the Corporation, regardless of monetary value.
- (c) The Audit Committee will oversee any auditing or accounting reviews or similar procedures or investigations and may conduct its own investigations with full access to books, records, facilities and personnel of the Corporation.
- (d) The Audit Committee will at least annually provide oversight of the Corporation's risk management policies.
- (e) The Audit Committee will review and approve the Corporation's policies regarding officer expenses and may review expenses actually incurred by the chief executive officer and other senior officers.
- (f) The Audit Committee will review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and any former external auditor of the Corporation.
- (g) The Audit Committee will review and/or approve any other matter specifically delegated to the Committee by the Board and undertake on behalf of the Board such other activities as may be necessary or desirable to assist the Board in fulfilling its responsibilities.

22. Review of Charter

The Audit Committee will review this charter annually or otherwise as it deems appropriate and recommend to the Board any necessary changes.