



**ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON JUNE 17, 2020**

**NOTICE OF MEETING AND
MANAGEMENT INFORMATION CIRCULAR**

MAY 11, 2020

CUB ENERGY INC.
952 Echo Lane, Suite 375
Houston, Texas 77024

May 11, 2020

Dear Shareholder:

We are pleased to invite you to attend the annual and special meeting of holders of common shares of Cub Energy Inc. to be held at Cub's corporate headquarters in Houston, Texas, 952 Echo Lane, Suite 375, Houston, Texas 77024, on Wednesday, June 17, 2020, commencing at 9:00 a.m. (Houston time).

The items of business to be acted on by the shareholders are set forth in the enclosed 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 complete, date, sign and return the enclosed form of proxy so that your shares can be voted at the meeting in accordance with your instructions.

If you have questions regarding Cub Energy Inc. and its future plans, please contact me by telephone at (713) 677-0439 or by email at mikhail.afendikov@cubenergyinc.com.

Sincerely,

(signed) Mikhail Afendikov
Chairman and Chief Executive Officer

CUB ENERGY INC.

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS GIVEN that the annual and special meeting of the holders of common shares of Cub Energy Inc. ("**Cub**" or the "**Corporation**") will be held at Cub's corporate headquarters in Houston, Texas, 952 Echo Lane, Suite 375, Houston, Texas 77024, on Wednesday, June 17, 2020, commencing at 9:00 a.m. (Houston time), for the following purposes, each as described in the management information circular accompanying this notice of meeting:

1. to receive the financial statements of the Corporation for the year ended December 31, 2019 and the auditor's report thereon;
2. to appoint Davidson & Company LLP as auditor of the Corporation for the financial year ended December 31, 2020, and authorize the board of directors to fix the remuneration of the auditor;
3. to elect the board of directors;
4. to approve an amendment of By-Law No. 1A to allow the Corporation the ability to issue uncertificated securities (in place of physical share certificates) through an electronic, book-based registration service or other non-certificated registration system that may be adopted from time to time.
5. to approve the Corporation's Stock Option Plan for the ensuing year; and
6. to transact such other business as may be properly brought before the meeting or any adjournment thereof.

The board of directors has fixed May 11, 2020, 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.

A registered shareholder may appoint a proxyholder to attend and act at the meeting in accordance with the shareholder's instructions. A shareholder wishing to appoint a proxyholder should complete, date and sign the enclosed form of proxy and deposit it with TSX Trust Company, 301-100 Adelaide St. West, Toronto, Ontario M5H 4H1. Proxies must be deposited with TSX Trust Company at least 48 hours, excluding Saturdays, Sundays and holidays, preceding the meeting.

There are also procedures, described in the accompanying management information circular, for beneficial owners of shares to give voting instructions to the registered owners of those shares.

DATED at Houston, Texas, May 11, 2020.

By Order of the Board of Directors,

(signed) Mikhail Afendikov
Chairman and Chief Executive Officer

CUB ENERGY INC.
MANAGEMENT INFORMATION CIRCULAR

TABLE OF CONTENTS

Proxy Solicitation Matters.....	1
Purpose of Solicitation.....	1
Appointment of Proxies.....	1
Voting of Proxies.....	1
Revocation of Proxies.....	1
Voting Shares and Record Date.....	1
Advice to Beneficial Shareholders.....	2
Quorum for the Meeting.....	3
Approval Requirements.....	3
Principal Holders of Voting Shares.....	3
Currency Presentation in Information Circular.....	3
Executive and Director Compensation.....	3
Compensation Discussion and Analysis.....	3
Base Salary.....	5
Bonus Plan.....	6
Stock Option Plan.....	6
Restricted Share Unit Plan.....	6
Other Compensation Matters.....	6
Director Compensation.....	6
Securities Authorized for Issuance under Equity Compensation Plans.....	7
Summary Compensation Tables.....	7
Termination and Change of Control Benefits.....	8
Interest of Certain Persons in Matters to be Acted Upon.....	9
Interest of Insiders in Material Transactions.....	9
Audit Committee.....	10
Corporate Governance Disclosure.....	12
Additional Information.....	13
Business to be Acted Upon at the Meeting.....	13
1. Financial Statements and Auditor's Report.....	13
2. Appointment of Auditor.....	13
3. Election of Directors.....	14
4. Approval of Amendment of By-Laws.....	16
5. Annual Approval of Stock Option Plan.....	17

Proxy Solicitation Matters

Purpose of Solicitation

This management Information Circular ("**Information Circular**") is furnished by the management of Cub Energy Inc. ("**Cub**" or the "**Corporation**") in connection with the solicitation of proxies by management of the Corporation for use at the annual and special meeting (the "**Meeting**") of holders ("**Shareholders**") of common shares ("**Common Shares**") of the Corporation to be held at Cub's corporate headquarters in Houston, Texas, 952 Echo Lane, Suite 375, Houston, Texas 77024, on Wednesday, June 17, 2020, commencing at 9:00 a.m. (Houston time), and at any adjournment thereof, for the purposes set forth in the accompanying notice of the Meeting and this Information Circular.

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 holder of Common Shares submitting a form of proxy has the right to appoint a person (who need not be a Shareholder of the Corporation) 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.**

To be used at the Meeting, a completed proxy must be deposited at the offices of TSX Trust Company, 301 – 100 Adelaide St. West, Toronto, Ontario, M5H 4H1, not less than 48 hours (excluding Saturdays, Sundays and holidays in Ontario), before the time set for the Meeting or any adjournment thereof. 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 Common Shares represented at the Meeting by properly executed proxies will be voted (including voting on any ballot), and where a choice with respect to any matter to be acted on has been specified in the form of proxy, the Common Shares represented by the proxy will be voted in accordance with such specification. **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 favour of the resolutions set forth in the accompanying notice of the Meeting.**

The enclosed form of proxy confers discretionary authority upon the person 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 Information 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 Common Shares represented by proxies in favour 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 holder of Common Shares 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 Common 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 with TSX Trust Company not less than 48 hours (excluding Saturdays, Sundays and holidays in Ontario) before the time set for the holding 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 and Record Date

The authorized share capital of the Corporation consists of an unlimited number of Common Shares. As at May 11, 2020 (the "**Record Date**"), there were 314,215,355 Common Shares issued and outstanding.

Common Shares

The holders of Common Shares are entitled to one vote per Common Share held 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.

Record Date

The Board has fixed May 11, 2020, as the Record Date for the determination of Shareholders entitled to notice of and to vote at the Meeting and at any adjournment thereof. Shareholders of record at the close of business on the Record Date are entitled to such notice and 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 holders of Common Shares 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

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

The Corporation is sending proxy-related materials directly to non-objecting Beneficial Shareholders under NI 54-101. Management of the Corporation intends to pay for intermediaries to forward to objecting Beneficial Shareholders under NI 54-101 the proxy-related materials.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of Shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is similar to the form of proxy provided to registered Shareholders by the Corporation. However, its purpose is limited to instructing the registered Shareholder (the broker or agent of the broker) on how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”). Broadridge typically prepares a machine-readable voting instruction form which is mailed to Beneficial Shareholders with a request that the Beneficial Shareholders return the forms to Broadridge or otherwise communicate voting instructions to Broadridge (i.e. by way of the Internet or telephone). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. **A Beneficial Shareholder receiving a Broadridge voting instruction form cannot use that form to vote Common Shares directly at the Meeting - the voting instruction form must be returned to Broadridge or voting instructions communicated to Broadridge well in advance of the Meeting in order to have the Common Shares voted.**

Although a Beneficial Shareholder may not be recognized directly at the Meeting for purposes of voting Common Shares registered in the name of his broker (or agent of the broker), a Beneficial Shareholder may attend at the Meeting as proxyholder for the registered Shareholder and vote the Common Shares in that capacity. **Beneficial Shareholders who wish to attend the Meeting and vote their Common Shares as proxyholder for the registered Shareholder should contact their broker or other intermediary well in advance of the Meeting.**

Quorum for the Meeting

At the Meeting, a quorum shall be two persons present in person, each being a Shareholder entitled to vote there at or a duly appointed proxyholder or representative for a Shareholder so entitled. If a quorum is present at the opening of the Meeting, the Shareholders present or represented may proceed with the business of the meeting notwithstanding that a quorum is not present throughout the Meeting. If a quorum is not present at the opening of the Meeting, the Shareholders present or represented may adjourn the Meeting to a fixed time and place but may not transact any other business.

Approval Requirements

All of the matters to be considered at the Meeting are ordinary resolutions requiring approval by more than 50% of the votes cast in respect of the resolution by or on behalf of Shareholders present in person or represented by proxy at the Meeting *except* the special resolution to amend the Articles of the Corporation to approve a prospective share consolidation up to 10:1. The special resolution to consolidate shares must be approved by a majority of not less than two-thirds of the votes cast in respect of the resolution by or on behalf of Shareholders present in person or represented by proxy at the Meeting.

Principal Holders of Voting Shares

Other than as disclosed below, to the knowledge of the Corporation's directors and executive officers, as at the date of this Information Circular, no person or corporation beneficially owns, directly or indirectly, or controls or directs voting securities carrying 10% or more of the voting rights attached to the issued and outstanding Common Shares of the Corporation.

<u>Name</u>	<u>No. of Common Shares</u>	<u>% of Outstanding Common Shares</u>
Pelicourt Limited ⁽¹⁾	124,336,089	39.5%
Fergava Finance Inc.	44,444,444	14.1%

Notes:

(1) Mikhail Afendikov, Executive Chairman and Chief Executive Officer of the Corporation, owns a 72.4% interest in Pelicourt Limited.

As of the Record Date, the directors and officers of Cub own, directly or indirectly, 1,499,448 Common Shares, representing approximately 0.5% of the issued and outstanding Common Shares, 9,400,000 Stock Options, representing approximately 61% of outstanding Stock Options, zero Restricted Share Units and zero Warrants.

Currency Presentation in Information Circular

Unless otherwise indicated, references to "\$" or "dollars" or "US\$" are to United States Dollars and references to "CAD\$" are to Canadian Dollars.

Executive and Director Compensation

Compensation Discussion and Analysis

Given the current environment in the oil and gas industry, it is important to point out that the following information describes the compensation for the Corporation's executive officers and directors during the year 2019. As of the Record Date, the Corporation has implemented cost-cutting measures, including 2020 compensation and layoffs, which will be described in next year's Circular.

The Corporation has established a Compensation, Nominating and Governance Committee (the "**Compensation, Nominating and Governance Committee**") currently comprised of two directors, Frank Mermoud (Chair) and John Booth. The Corporation considers Messrs. Mermoud and Booth to be independent directors.

The education and experience of both Compensation, Nominating and Governance Committee members that is relevant to the performance of his responsibilities is as follows:

<u>Name</u>	<u>Relevant Education and Experience</u>
Frank Mermoud (Chair)	<p>Mr. Mermoud has extensive and high-profile international experience in policy-making, international business, trade and investment. He is currently Principal of Capital Park Group, a Washington D.C. based private advisory firm and serves as a non-executive director of Iofina, an Oklahoma-based iodine exploration, production, and chemicals company. Mr. Mermoud has served as the Secretary of State's Special Representative for Commercial and Business Affairs at the U.S. Department of State. With nearly 30 years' experience in the public and private sectors, Mr. Mermoud has exhibited a pro-active nature to business development, identifying investment and trade opportunities and facilitating capital in both the private equity and debt markets. Mr. Mermoud received a B.S. degree from the School of Foreign Service at Georgetown University, is fluent in French and has worked extensively throughout his career in Europe, Asia, Latin America and Africa. He is on the Executive Committee of the US-Ukraine Business Council.</p>
John Booth	<p>Mr. Booth is a Non-Executive Director of several listed and private companies. He co-founded Midpoint Holdings, a London based foreign currency and international payment service listed on the TSXV in 2013 by RTO and served as its Chairman and CEO until 2016. From 2004 until 2012 he was a partner with JAS Financial Products LLP, a U.K. based alternative asset manager, which traded under the brand Conservation Finance International.</p> <p>He is a qualified lawyer (Ontario, New York and DC) and has worked as an investment banker, broker and fund manager in increasingly senior roles in the international capital markets since 1990, with firms including Merrill Lynch International, ICAP, CEDEF, ABN AMRO Bank, CIBC, the World Bank and Climate Change Capital.</p> <p>Mr. Booth holds a BSc. (Hons) in Biology and Environmental Science from the University of Guelph, LLB & JD from the joint Canadian/US law program at the Universities of Windsor and Detroit, and LLM in International Finance, Tax and Environmental Law from Kings College, University of London.</p> <p>He serves as the Non-Executive Chairman of Laramide Resources (TSX & ASX) and European Electric Metals (TSXV) where he was appointed by the European Bank for Reconstruction and Development, and as Non-Executive Director and chair of the Audit and Governance Committees of Cerro de Pasco Resources (CSE) and Genius Metals Ltd (CSE). He is also a guest lecturer in ESG in the graduate business school at Kings College, University of London.</p>

One of the mandates of the Compensation, Nominating and Governance Committee is to assist the Board in the review and approval of compensation matters. The Compensation, Nominating and Governance Committee makes specific recommendations regarding compensation of the Corporation's directors and the Chief Executive Officer ("CEO"), Chief Operating Officer ("COO"), Chief Financial Officer ("CFO") and General Counsel, Corporate Secretary and Chief Compliance Officer ("**Executive Officers**").

Objectives of the Compensation Program

The Corporation's compensation program has been designed to attract, retain and inspire 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.

Overview of the Compensation Philosophy

The following principles guide the Corporation's overall compensation philosophy with respect to its Executive Officers:

- (a) compensation is determined on an individual basis by the need to attract and retain talented, high-achievers;
- (b) calculating total compensation is set with reference to the market for similar jobs in similar locations;
- (c) an appropriate portion of total compensation is variable and linked to achievements, both individual and corporate;
- (d) internal equity is maintained such that individuals in similar jobs and locations are treated fairly; and
- (e) the Corporation supports reasonable expenses in order that employees continuously maintain and enhance their skills.

The Board is given discretion to determine and adjust, year to year, the relative weighting of each form of compensation discussed above in a manner which best measures the success of the Corporation and its Executive Officers.

Compensation of all Executive Officers is based primarily on corporate performance, which includes achievement of the Corporation's strategic objective of growth and the enhancement of Shareholder value through increases in the stock price resulting from increases in reserves and production, continued low cost production and enhanced annual cash flow.

The Compensation Review Process

The form and amount of compensation payable to Executive Officers and directors is evaluated by the Compensation, Nominating and Governance Committee and is guided by the following goals:

- (a) compensation should be commensurate with the time spent by the executive officers and directors in meeting their obligations and reflective of the compensation paid by companies similar in size and business to the Corporation;
- (b) the Corporation's compensation program should fairly compensate and motivate the executive officers and directors; and
- (c) the structure of the compensation should be simple, transparent and easy for Shareholders to understand.

To determine compensation payable, the Compensation, Nominating and Governance Committee reviews compensation paid to executive officers and directors of companies of similar business, size and stage of development and determines an appropriate compensation reflecting the need to provide incentive and compensation for the time and effort expended by the executive officers and directors while taking into account the financial and other resources of the Corporation. The Corporation employs two Executive Officers, and an office manager at its corporate office, for a total of three employees. Given the reduction in staff, the Executive Officers have taken on more responsibilities.

Base Salary

In September 2013, the Compensation, Nominating and Governance Committee developed formal executive employment agreements for: (1) Mikhail Afendikov, Executive Chairman and CEO; (2) Patrick McGrath, CFO; (3) Cliff West, former COO; and (4) Rebecca Gottsegen, General Counsel, Corporate Secretary and Chief Compliance Officer (collectively "**Executive Employment Agreements**"). The Board finalized and approved the Executive Employment Agreements, effective January 1, 2014 (automatically renewing each year), which include base salary, and discretionary bonuses (which have never been awarded), stock options and RSUs. See "*Termination and Change of Control Benefits.*"

Salaries form the primary component of the Corporation's compensation program for its Executive Officers. Salary levels are determined with reference to market comparables for similar positions, as well as the performance of the executive, the individual experience and skills of, and expected contribution from, each executive, the roles and responsibilities of the executive and the financial resources of the Corporation. No increases have been granted to Executives since the inception of the Executive Employment Agreements in 2014; in fact, the CEO's base salary was decreased in 2016 from \$550,000 to \$330,000 annually, and reduced again on May, 1, 2020 to \$280,500 annually; and the CFO's base salary of \$225,000 annually was reduced to a consulting agreement earning CAD\$13,400/month.

Further salary reductions have taken place in 2020, including reductions of CEO and the current COO's salaries, as well as elimination one of the Executive Officers (General Counsel, Corporate Secretary and Chief Compliance Officer) one independent Director, and a 50% reduction in Directors' fees.

Bonus Plan

No formal bonus program was established for 2019 and no bonuses have ever been paid to any Executive Officer.

For 2020, the Compensation, Nominating and Governance Committee agreed not to establish any formal bonus criterion for 2020 and leave any bonus award to the discretion of the Committee and the Board.

Stock Option Plan

The Corporation has in effect a Stock Option Plan in order to provide effective incentives to directors, officers, senior management personnel, employees and consultants of the Corporation and to enable the Corporation to attract and retain experienced and qualified individuals in those positions by permitting such individuals to directly participate in an increase in per share value created for the Corporation's Shareholders. The Corporation currently has no equity compensation plans other than the Stock Option Plan and the Restricted Share Unit Plan (discussed below). The Stock Option Plan is an important part of the Corporation's long-term incentive strategy for its executive officers, permitting them to participate in any appreciation of the market value of the common shares over a stated period of time. The Stock Option Plan is intended to reinforce commitment to long-term growth in profitability and shareholder value. The size of stock option grants to officers is dependent on each officer's level of responsibility, authority and importance to the Corporation and the degree to which such executive officer's long-term contribution to the Corporation will be key to its long-term success. Previous grants of stock options are taken into account when considering new grants.

The Corporation is seeking re-approval of the Shareholders at the Meeting for its Stock Option Plan. The significant terms of the Corporation's Stock Option Plan are set out below under the heading "*Business to be Acted Upon at the Meeting – Annual Approval of Stock Option Plan*". On December 8, 2016, the granted options to acquire an aggregate of 15,000,000 common shares of the Corporation to directors, officers, employees and consultants and on May 19, 2017 an additional 2,500,000 options were granted to the Corporation's then COO (now consultant), Mr. Kendrick, and the then new Director, Mr. Booth.

Restricted Share Unit Plan

At the 2014 Annual Meeting of Shareholders, disinterested Shareholders approved the Restricted Share Unit ("RSU") Plan, which provides an additional pay-at-risk component to compensation of employees, officers, directors and consultants in order to participate in the market appreciation of the Common Shares over an extended period, thereby enhancing the Corporation's ability to attract, motivate and retain qualified personnel and further aligning the interests of the Corporation's employees, officers, directors and consultants with those of the Shareholders. No RSUs were granted in 2019 and there are no outstanding, unvested RSUs.

Other Compensation Matters

Other than as specifically set forth above, the Corporation, at present, does not propose to pay any other long-term incentive awards to its executive officers. The Corporation at present does not propose to establish any supplemental executive retirement plans, pension plans or disability benefits for the directors or the executive officers.

Director Compensation

The current Board has four directors. In 2019, the Board's director compensation policies provided that directors who are not also executive officers of the Corporation would be paid an annual retainer of CAD\$75,000 and CAD\$25,000 fee for chairing a committee. Effective May 1, 2020, the Directors' compensation was reduced to an annual retainer of CAD\$40,000 and CAD\$10,000 fee for chairing a committee. From time to time, the Board, in its discretion, may also compensate directors with fees for their services on Board projects or special Committees of the Board. Board members are also eligible to participate in the Stock Option Plan and any other long-term compensation plans adopted by the Corporation from time to time. The Corporation will reimburse directors for all reasonable expenses incurred in order to attend meetings.

The Corporation maintains a director and officer liability insurance policy pursuant to which directors and officers are insured for liabilities which may arise from the conduct of their activities on behalf of the Corporation. The amount

of insurance coverage is CAD\$15,000,000 per year, plus Side A -- Difference in Conditions (DIC) coverage of CAD\$5,000,000 per year at an annual total premium cost of CAD\$50,424.

Securities Authorized for Issuance under Equity Compensation Plans

The following table sets forth information with respect to the Corporation's Stock Option Plan and Restricted Share Unit Plan, the only compensation plans under which equity securities of the Corporation are authorized for issuance, as at December 31, 2019.

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 ⁽¹⁾
Equity compensation plan approved by security holders (Stock Option Plan)	15,300,000	CAD\$0.08	16,121,535
Equity compensation plan approved by security holders (RSU Plan) ⁽²⁾	Nil	-	16,121,535
Total:			16,121,535 ⁽¹⁾

Note:

(1) A total of 16,121,535 common shares can be issued through the Stock Option Plan or the RSU Plan as of December 31, 2019.

Summary Compensation Tables

The following table provides a summary of the compensation earned during the last two financial years by the CEO, CFO, as well as the COO and General Counsel, Corporate Secretary and Chief Compliance Officer (who are the third and fourth most highly compensated executive officers earning more than CAD\$150,000 in total compensation during the most recently completed financial year) (for purposes of this Information Circular, the Named Executive Officers (“NEOs”) and the Directors).

Table of Compensation Excluding Compensation Securities⁽¹⁾

Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Mikhail Afendikov ⁽²⁾ Chairman & Chief Executive Officer	2019	330,000	-	-	-	-	330,000
	2018	330,000	-	-	-	-	330,000
Patrick McGrath ⁽³⁾ Chief Financial Officer	2019	121,179	-	-	-	-	121,179
	2018	199,775	-	-	-	-	199,775
Kerry Kendrick ⁽⁴⁾ Chief Operating Officer	2019	188,800	-	-	-	-	188,800
	2018	240,000	-	-	-	-	240,000
Rebecca Gottsegen ⁽¹⁾⁽⁶⁾	2019	222,000	-	-	-	-	222,000
	2018	222,000	-	-	-	-	222,000
Tim Marchant ⁽¹⁾⁽⁵⁾ Director	2019	56,520	-	18,840	-	-	75,090
	2018	57,885	-	19,295	-	-	77,180
Frank Mermoud ⁽¹⁾⁽⁵⁾ Director	2019	56,250	-	18,840	-	-	75,090

	2018	57,885	-	19,295	-	-	77,180
John Booth ⁽¹⁾ Director	2019	56,250	-	18,840	-	-	75,090
	2018	57,885	-	19,295	-	-	77,180

Notes:

- (1) The Corporation's financial statements are presented in United States dollars ("US\$"). Where amounts were paid in Canadian dollars, they have been converted to US\$ for this table. The Directors' fees for 2018 and 2019 were annually CAD\$75,000 with an additional CAD\$25,000 fee for committee chairs.
- (2) In 2019, Mr. Afendikov received \$522,000 of which \$330,000 was his 2019 annual salary plus \$192,000 for payment of prior years' salary accruals. In 2018, Mr. Afendikov received \$420,000 of which \$330,000 was his 2018 annual salary plus \$90,000 for payment of prior years' salary accruals. Mr. Afendikov does not receive and is not entitled to any compensation for his services as a Director.
- (3) Mr. McGrath, CFO, is paid by the Corporation pursuant to a consulting agreement effective October 1, 2018.
- (4) Mr. Kendrick was appointed Chief Operating Officer on April 1, 2017, and resigned effective August 31, 2019, continuing employment as a senior advisor through December 31, 2019, and on January 1, 2020, entered into a consulting agreement with the Corporation. His 2019 compensation as COO through August 31, 2019, was \$160,000 and, as Senior Advisor, from September 1, 2019 to December 31, 2019, he received \$28,800 in compensation.
- (5) Mr. Marchant resigned from the Board of Directors, effective April 21, 2020.
- (6) Ms. Gottsegen was terminated without cause effective April 30, 2020, as part of cost-cutting measures.

Table Compensation Securities⁽¹⁾

No compensation securities were granted or issued to NEOs or Directors in the most recently completed financial year ended December 31, 2019.

Table of Compensation Securities Exercised by Directors and NEOs

No directors or NEOs exercised any compensation securities in the most recently completed financial year ended December 31, 2019.

Pension Plan Benefits

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

Termination and Change of Control Benefits

The Corporation entered into Executive Employment Agreements with Mikhail Afendikov, Executive Chairman and CEO (effective January 1, 2014), Patrick McGrath, CFO (effective January 1, 2014), Kerry Kendrick (effective March 27, 2018) and Rebecca Gottsegen, General Counsel, Corporate Secretary and Chief Compliance Officer (effective January 1, 2014). Effective October 1, 2018, Mr. McGrath relocated to Canada, and as a result, the Corporation terminated the Employment Agreement with Mr. McGrath and entered into a consulting agreement. Effective September 1, 2019, the Corporation terminated the Employment Agreement with Mr. Kendrick and subsequently entered into a consulting agreement with Mr. Kendrick effective January 1, 2020. The Agreements provide as follows:

Mikhail Afendikov, Executive Chairman and CEO

Pursuant to his employment agreement, as amended, Mr. Afendikov is paid a base annual salary of \$330,000 ("Base Salary"), as well as a potential bonus of \$330,000 ("Bonus") (no bonus has ever been awarded since the effective date of the employment agreement). The Corporation may terminate the employment of Mr. Afendikov at any time, without cause, by providing him with a lump sum payment equal to 12 months Base Salary plus 12 months of his pro-rated

Bonus, plus 10% of his annual salary in lieu of continued benefits, less applicable deductions required by law. This same payment applies if Mr. Afendikov resigns with “good reason,” which is defined in the agreement under specific circumstances, such as diminution of duties/responsibilities, salary or relocation. In the event the Corporation terminates the employment of Mr. Afendikov within two years after a change of control occurs, he will be entitled to be paid an amount equal to 24 months Base Salary plus 12 months of his pro-rated Bonus, plus 10% of his annual salary in lieu of continued benefits, less applicable deductions required by law. This payment applies if Mr. Afendikov resigns with good reason within two years of the date of a change of control. Subsequent to year end, Mr. Afendikov’s Base Salary was reduced by 15% effective May 1, 2020.

Patrick McGrath, CFO

Pursuant to his consulting agreement, Mr. McGrath is paid a monthly fee of CA\$13,400 and an additional fee of CA\$150/hour for every hour over 90 hours in a calendar month. The Corporation may terminate the consulting agreement at any time, with or without cause, by providing him with a minimum of 90 days’ notice.

Kerry Kendrick, Chief Operating Officer/Senior Advisor

Mr. Kendrick resigned from his COO position on September 1, 2019, and entered into a consulting agreement. Pursuant to his consulting agreement, he is paid a monthly fee of \$6,000 and an additional fee of \$150/hour for every hour over 40 hours in a calendar month. The Corporation may terminate the consulting agreement at any time, with or without cause, without penalty. Subsequent to year end, effective April 1, 2020, Mr. Kendrick’s consulting agreement was amended and his consultant rate is currently \$2,400/month,

Rebecca Gottsegen, General Counsel, Corporate Secretary and Chief Compliance Officer

Pursuant to her employment agreement, Ms. Gottsegen is paid a base annual salary of \$222,000 (“Base Salary”), less applicable deductions required by law, as well as a potential bonus of \$222,000 (“Bonus”) based on achievement of certain objective corporate goals and individual performance goals (no bonus has ever been awarded since the effective date of the employment agreement). The Corporation may terminate the employment of Ms. Gottsegen at any time, without cause, by providing her with a lump sum payment equal to 12 months Base Salary plus 12 months of her pro-rated Bonus, plus 10% of her annual salary in lieu of continued benefits, less applicable deductions required by law. This same payment applies if Ms. Gottsegen resigns with good reason or her employment is terminated within one year after a change of control occurs. “Good reason” is defined in the agreement under specific circumstances, such as diminution of duties/responsibilities, salary or relocation. Subsequent to year end, Ms. Gottsegen was terminated without cause, effective April 30, 2020, as part of the Corporation’s cost-cutting measures, with her severance payable in stages.

Interest of Certain Persons in Matters to be Acted Upon

Management of the Corporation is not aware of any material interest of any director or nominee for director, or senior officer or anyone who has held office as such since the beginning of the Corporation's last financial year, 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

Other than as disclosed in this Circular, there are no material interests, direct or indirect, of any insider of the Corporation, nominee for director, or associate or affiliate of an insider or a nominee for director, in any transaction or any proposed transaction within the three most recently completed financial years or during the current financial year that has materially affected or is reasonably expected to materially affect the Corporation.

On October 2, 2013, the Corporation extended and increased the line of credit with its 39.9% shareholder, Pelicourt Limited, to \$5 million at an interest rate of 9% payable semi-annually. The Pelicourt Loan expires on September 30, 2016. As of the date of this Information Circular, the Corporation has drawn down \$2 million of the line of credit to fund development efforts on the Rusko-Komarovskye (“RK”) field in Western Ukraine. On November 14, 2014, an amending agreement was signed that deferred interest payments until December 27, 2015. Pelicourt notified the

Corporation that it is having liquidity issues as a result of the September 22, 2014 National Bank of Ukraine resolution prohibiting the payment of cross-border dividends and will not be able to provide any further funding under the line of credit in 2015. On November 9, 2015, Pelicourt agreed to further defer interest payments on the Pelicourt Line of Credit until June 27, 2016, and principal payment until January 31, 2017. On November 15, 2016, the Pelicourt Line of Credit was revised with an effective date of February 1, 2017. The line of credit will be the \$2 million currently outstanding with no additional amounts available to be drawn down. The interest rate was amended from the current 9% to 12% effective February 1, 2017. The due date was extended from January 31, 2017 to January 31, 2019. In addition, Pelicourt was granted security over Gastek which indirectly owns the 35% interest in Kub-Gas. The security is available on an event of default and limited only to the amount owing on the line of credit including principal and interest. On November 12, 2018, Pelicourt and Cub entered into another new loan agreement under the same terms, and extended the deadline for the principal repayment of \$2,000,000 from January 31, 2019 to January 31, 2020. On March 29, 2019, Pelicourt and Cub entered into another new loan agreement under the same terms, and extended the deadline for the principal repayment of \$2,000,000 from January 31, 2020 to January 31, 2021.

On June 16, 2017, to help fund the purchase of the Nitrogen Rejection Unit in western Ukraine, the Corporation entered into a loan agreement with Kerry Kendrick, the Chief Operating Officer of the Corporation, whereby the Corporation borrowed US \$1million at an interest rate of rate of 6% per annum and payable monthly. The Corporation also issued 2.2 million common shares to Mr. Kendrick as a loan bonus. The loan was repaid in four equal quarterly installments commencing September 30, 2018 and ending on June 30, 2019, when the loan was repaid in full.

Audit Committee

In response to National Instrument 52-110 – *Audit Committees* ("**NI 52-110**"), Cub has established terms of reference for its Audit Committee (the "**Audit Committee**") to address such items as: (i) the procedure to nominate the external auditor and recommend its compensation; (ii) the overview of the external auditor's work; (iii) pre-approval of non audit services; (iv) the review of the financial statements, management's discussion and analysis and financial sections of other public reports requiring Board approval; (v) the procedure to respond to complaints respecting accounting, internal accounting controls or auditing matters and the procedure for confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters; and (vi) the review of the Corporation's hiring policies towards present or former employees or partners of the Corporation's present or former external auditor.

Audit Committee Charter, Composition and Relevant Education and Experience

The Audit Committee is governed by its charter that is included in the Corporation's Annual Information Form filed on SEDAR website at www.sedar.com and on the Corporation's website at www.cubenergyinc.com.

The Audit Committee is currently composed of the following directors: John Booth (Chair), Frank Mermoud and Mikhail Afendikov. Each of them is considered "independent" (with the exception of Mr. Afendikov due to his status as Executive Chairman and Chief Executive Officer) 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
John Booth (Chair)	<p>Mr. Booth is a Non-Executive Director of several listed and private companies. He co-founded Midpoint Holdings, a London based foreign currency and international payment service listed on the TSXV in 2013 by RTO and served as its Chairman and CEO until 2016. From 2004 until 2012 he was a partner with JAS Financial Products LLP, a U.K. based alternative asset manager, which traded under the brand Conservation Finance International.</p> <p>He is a qualified lawyer (Ontario, New York and DC) and has worked as an investment banker, broker and fund manager in increasingly senior roles in the international capital</p>

<u>Name</u>	<u>Relevant Education and Experience</u>
-------------	--

markets since 1990, with firms including Merrill Lynch International, ICAP, CEDEF, ABN AMRO Bank, CIBC, the World Bank and Climate Change Capital.

Mr. Booth holds a BSc. (Hons) in Biology and Environmental Science from the University of Guelph, LLB & JD from the joint Canadian/US law program at the Universities of Windsor and Detroit, and LLM in International Finance, Tax and Environmental Law from Kings College, University of London.

He serves as the Non-Executive Chairman of Laramide Resources (TSX & ASX) and European Electric Metals (TSXV) where he was appointed by the European Bank for Reconstruction and Development, and as Non-Executive Director and chair of the Audit and Governance Committees of Cerro de Pasco Resources (CSE) and Genius Metals Ltd (CSE). He is also a guest lecturer in ESG in the graduate business school at Kings College, University of London.

Frank Mermoud	Mr. Mermoud has extensive and high-profile international experience in policy-making, international business, trade and investment. He is currently Principal of Capital Park Group, a Washington D.C. based private advisory firm and serves as a non-executive director of Iofina, an Oklahoma-based iodine exploration, production, and chemicals company. Mr. Mermoud has served as the Secretary of State's Special Representative for Commercial and Business Affairs at the U.S. Department of State. With nearly 30 years' experience in the public and private sectors, Mr. Mermoud has exhibited a pro-active nature to business development, identifying investment and trade opportunities and facilitating capital in both the private equity and debt markets. Mr. Mermoud received a B.S. degree from the School of Foreign Service at Georgetown University, is fluent in French and has worked extensively throughout his career in Europe, Asia, Latin America and Africa. He is on the Executive Committee of the US-Ukraine Business Council.
----------------------	---

Mikhail Afendikov	Mr. Afendikov has been the Chairman and Chief Executive Officer of the Corporation since December 2, 2011. Prior to that time, Mr. Afendikov was the Chief Executive Officer of Gastek LLC. Mr. Afendikov and his two business partners started Gastek in 2005 as their first investment in the oil and gas sector in Ukraine. Since 2005, Mr. Afendikov has been the Chief Executive Officer of Clarkson Investment LLC and since 1994 he has been a director of V.E.M.A. Shipping Co. Ltd. Mr. Afendikov is a medical doctor who graduated from Donetsk State Medical University in Ukraine in 1987.
--------------------------	--

Audit Committee Oversight

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

Pre-Approval Policies and Procedures

The Corporation's Audit Committee charter requires Audit Committee pre-approval of all non-audit mandates for services the external auditors undertake for the Corporation or its subsidiaries.

External Auditor Service Fees (By Category)

The aggregate fees billed by the Corporation's external auditors for the financial years ended December 31, 2019 and 2018 are as follows:

<u>Financial Year Ending</u>	<u>Audit Fees</u>	<u>Audit Related Fees ⁽¹⁾</u>	<u>Tax Fees ⁽²⁾</u>	<u>All Other Fees ⁽³⁾</u>
December 31, 2019	CAD\$60,000	Nil	Nil	Nil
December 31, 2018	CAD\$75,000	Nil	Nil	Nil

Notes:

- (1) Fees charged for assurance and related services reasonably related to the performance of an audit or review of the Corporation's financial statements and not included under "Audit Fees."

- (2) Tax fees include amounts paid for income and other tax compliance, tax advice and tax planning and compliance services.
- (3) Fees for services other than disclosed in any other column.

Corporate Governance Disclosure

Cub's 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 four directors, two 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, Frank Mermoud and John Booth are independent. Mikhail Afendikov is not independent because he is the Executive Chairman and Chief Executive Officer of the Corporation. Mr. McGrath is not independent because he is the Chief Financial Officer 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:

Director	Other Directorships	Stock Exchange Listing
Patrick McGrath	Blue Moon Zinc Corp. Tilting Capital Corp.	TSX Venture Exchange TSX Venture Exchange
John Booth	Laramide Resources European Electric Metals Genius Metals Cerro de Pasco Resources	TSX Exchange and Australian Securities Exchange TSX Venture Exchange Canadian Securities Exchange Canadian Securities Exchange
Frank Mermoud	Iofina PLC	AIM London Stock Exchange

Orientation and Continuing Education

The Board has established the Compensation, Nominating and Governance Committee. The Compensation, Nominating and Governance Committee, with the assistance of the management of the Corporation, is responsible for providing orientation to new directors. Director orientation and ongoing training includes presentations by senior management to familiarize directors with the Corporation's strategic plans, its significant financial, accounting and risk management issues, its compliance programs, its principal officers and its independent auditors. In 2013, the Corporation joined the Institute of Corporate Directors ("ICD") and provided memberships for all directors. Through ICD, directors have access to regular newsletters and seminars that provide regulatory updates and best governance practices.

Ethical Business Conduct

In 2013, the Corporation implemented a Code of Business Conduct and Ethics Policy, as well as a Business Integrity Policy, including anti-retaliation provisions for whistleblowers. These policies provide guidance on the conduct of the Corporation's business in accordance with high ethical standards and help mitigate the risks posed by exposure to foreign corrupt practices. Directors, officers, employees and consultants are asked annually to certify their review of,

and compliance with, the policies. Also, these policies are posted on the Corporation's website (in both English and Ukrainian languages). Currently, the management and staff of the Corporation have extensive experience with global operations and are aware of the requirements of the foreign corrupt practices regulations and how to operate within those regulations in laws in the jurisdictions relevant to the operations of the Corporation.

Additionally, 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

When a Board vacancy occurs or is contemplated, any director or officer may make recommendations to the Compensation, Nominating and Governance Committee as to qualified individuals for nomination to the Board.

In identifying new candidates, the Compensation, Nominating and Governance Committee will take into account the mix of director qualifications and experiences, perspectives and skills appropriate for the Corporation at that time.

Compensation

The Compensation, Nominating and Governance Committee receives recommendations from the management of the Corporation and reviews and makes recommendations to the Board regarding directors' fees and the granting of stock options or RSUs to directors of the Corporation. Directors may be compensated in cash and/or equity for their expert advice and contribution towards the success of the Corporation. For further discussion on the director compensation review process, see "*Executive and Director Compensation – Compensation Discussion and Analysis -- The Compensation Review Process.*"

Other Board Committees

Currently, there are no other Board committees.

Assessments

The Compensation, Nominating and Governance Committee is responsible for evaluating the effectiveness of the Board, committees of the Board and individual directors based on their individual competencies, skills, personal qualities and contributions made to the Board. The Compensation, Nominating and Governance Committee, with the participation of senior management of the Corporation, may recommend changes to enhance Board performance in light of the Corporation's circumstances, business strategies and applicable regulatory requirements.

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 Cub Energy Inc. at 952 Echo Lane, Suite 375, Houston, Texas 77024 Phone: (713) 677-0439.

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 SEDAR website at www.sedar.com.

Business to be Acted Upon at the Meeting

1. Financial Statements and Auditor's Report

The Corporation's audited financial statements for the year ended December 31, 2019, 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 *Canada Business Corporations Act* provides that the Shareholders of the Corporation shall, by ordinary resolution, appoint an auditor to hold such position until the close of the next annual meeting. The *Canada 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 Davidson & Company LLP Chartered Professional Accountants appointed as the Corporation's auditor on January 19, 2016. The Corporation's Audit Committee has recommended to the Board that Davidson & Company LLP be nominated for re-appointment as auditor of the Corporation for the financial year ended December 31, 2020, 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 Common Shares represented thereby in favour of the appointment of Davidson & Company LLP, Chartered 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 of directors.

3. Election of Directors

There are presently four members of the Board and their terms of office expire at the Meeting. The Board has passed a resolution setting the number of directors to be elected at the Meeting at four. The four persons named below are the nominees 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, By-Laws or the *Canada Business Corporations Act*.

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, directly or indirectly, or over which control or direction is exercised by him, as of the date hereof:

Name and Place of Residence	Present and Principal Occupation during the last five years⁽⁸⁾	Date of Appointment as Director	Common Shares Beneficially Owned⁽⁴⁾
Mikhail Afendikov⁽¹⁾ San Rafael, California USA	Chief Executive Officer and Executive Chairman of the Corporation	December 2, 2011	1,224,547 ⁽⁵⁾
Frank Mermoud⁽¹⁾⁽²⁾⁽³⁾⁽⁶⁾ Washington, DC, USA	President, Orpheus International	July 5, 2012	Nil
Patrick McGrath Halifax, Nova Scotia, Canada	Chief Financial Officer of the Corporation		174,900
John Booth⁽¹⁾⁽²⁾⁽³⁾⁽⁷⁾ London, UK	Chairman and Chief Executive Officer of Midpoint Holdings (until 2015) Barrister and Solicitor	May 16, 2017	Nil

Notes:

- (1) Member of the Audit Committee.
- (2) Member of the Compensation, Nominating and Governance Committee.
- (3) Member of the Reserves Committee.
- (4) The information as to Common Shares beneficially owned, 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.
- (5) Mr. Afendikov is a director and owns 72.4% of the shares of Pelicourt Limited, which in turn owns 124,336,089 (39.5%) of the Corporation's Common Shares. See "*Principal Holders of Voting Securities*." Mr. Afendikov also holds 1,224,547 common shares.
- (6) Mr. Mermoud is the Chair of the Compensation, Nominating and Governance Committee.

- (7) Mr. Booth is Chair of the Audit Committee.
- (8) For details on the principal occupation of director nominees during the last five years, see “*Director Biographies*” below.

Director Biographies

Mikhail Afendikov – Chief Executive Officer, Executive Chairman and Director

Mr. Afendikov is the Chairman and Chief Executive Officer of the Corporation and has been since December 2, 2011. He is also Chief Executive Officer of Gastek LLC. Mr. Afendikov and his two business partners started Gastek in 2005 as their first investment in the oil and gas sector in Ukraine. Since 2005, Mr. Afendikov has been the Chief Executive Officer of Clarkson Investment LLC and since 1994 he has been a director of V.E.M.A. Shipping Co. Ltd. Mr. Afendikov is a medical doctor who graduated from Donetsk State Medical University in Ukraine in 1987.

Patrick McGrath – Chief Financial Officer and Director

Mr. McGrath (Halifax, Nova Scotia, Canada) is currently the Corporation’s Chief Financial Officer, holding this position since September 1, 2013. Prior to joining the Corporation, he served as the Chief Financial Officer of Anatolia Energy Corp. from February 2011 to June 2013 which is a former wholly-owned subsidiary of the Corporation. Mr. McGrath graduated from Memorial University of Newfoundland with a Bachelor of Commerce degree and is a CPA (CPA-CGA Canada).

Frank Mermoud – Director

Mr. Mermoud has extensive and high-profile international experience in policy-making, international business, trade and investment. He is currently Principal of Capital Park Group, a Washington D.C. based private advisory firm and serves as a non-executive director of Iofina, an Oklahoma-based iodine exploration, production, and chemicals company. Mr. Mermoud has served as the Secretary of State’s Special Representative for Commercial and Business Affairs at the U.S. Department of State. With nearly 30 years’ experience in the public and private sectors, Mr. Mermoud has exhibited a pro-active nature to business development, identifying investment and trade opportunities and facilitating capital in both the private equity and debt markets. Mr. Mermoud received a B.S. degree from the School of Foreign Service at Georgetown University, is fluent in French and has worked extensively throughout his career in Europe, Asia, Latin America and Africa. He is on the Executive Committee of the US-Ukraine Business Council.

John Booth -- Director

Mr. Booth is a Non-Executive Director of several listed and private companies. He co-founded Midpoint Holdings, a London based foreign currency and international payment service listed on the TSXV in 2013 by RTO and served as its Chairman and CEO until 2016. From 2004 until 2012 he was a partner with JAS Financial Products LLP, a U.K. based alternative asset manager, which traded under the brand Conservation Finance International.

He is a qualified lawyer (Ontario, New York and DC) and has worked as an investment banker, broker and fund manager in increasingly senior roles in the international capital markets since 1990, with firms including Merrill Lynch International, ICAP, CEDEF, ABN AMRO Bank, CIBC, the World Bank and Climate Change Capital.

Mr. Booth holds a BSc. (Hons) in Biology and Environmental Science from the University of Guelph, LLB & JD from the joint Canadian/US law program at the Universities of Windsor and Detroit, and LLM in International Finance, Tax and Environmental Law from Kings College, University of London.

He serves as the Non-Executive Chairman of Laramide Resources (TSX & ASX) and European Electric Metals (TSXV) where he was appointed by the European Bank for Reconstruction and Development, and as Non-Executive Director and chair of the Audit and Governance Committees of Cerro de Pasco Resources (CSE) and Genius Metals Ltd (CSE). He is also a guest lecturer in ESG in the graduate business school at Kings College, University of London.

Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the best of the Corporation's knowledge, none of the Corporation's directors, officers, or Shareholders holding a sufficient number of securities of the Corporation to materially affect the control of the Corporation is, or during the ten years preceding the date of this Information Circular, has been a director or officer of any issuer that, while the person was acting in that capacity: (a) was the subject of a cease trade order or similar order, or an order that denied such issuer access to any exemption under securities legislation for a period of more than 30 consecutive days; or (b) 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.

In the absence of contrary instructions, the persons named in the accompanying form of proxy intend to vote the Common Shares represented thereby in favor of the election to the Board of directors 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, then the number of directors to be elected may be reduced (to not less than three) and/or proxies in favor of management designees will be voted for another nominee in the discretion of the persons named in the accompanying form of proxy, unless the Shareholder has specified in his proxy that his Common Shares are to be withheld from voting on the election of directors.

4. Approval of Amendment of By-Laws

On March 25, 2020, the Board approved, subject to confirmation and ratification by the shareholders at the Meeting, or any adjournment or postponement thereof, the adoption of an amendment and restatement of By-Law No. 1A of the Corporation (being referred to herein as "**By-Law No. 1B**").

A copy of By-Law No. 1B is attached as Appendix "A" hereto. A copy of the Corporation's By-Law No. 1A used by the Company prior to the adoption of By-Law No. 1B is available on SEDAR at www.SEDAR.com.

By-Law No. 1B is effective until it is confirmed and ratified upon approval by the shareholders of an ordinary resolution at the Meeting. If By-Law No. 1B is confirmed by shareholders at the Meeting, or any adjournment or postponement thereof, then it will continue to be effective. If shareholders do not confirm By-Law No. 1B at the Meeting, or any adjournment or postponement thereof, then By-Law No. 1B will be of no force and effect and the Company will continue to be governed by its prior By-Law No. 1A.

The amendments incorporated into By-Law No. 1B are generally of an administrative and housekeeping nature and confirm the Corporation's ability to issue uncertificated securities (in place of physical share certificates) through an electronic, book-based registration service or other non-certificated registration system that may be adopted from time to time. The following new Section **8.07** has been added:

Electronic Share Certificates. For greater certainty but subject to subsection (1) of section 49 of the Act, a registered securityholder may have his or her holdings of securities of the Corporation evidenced by an electronic, book-based, direct registration service or other non-certificated entry or position on the register of securityholders to be kept by the Corporation in place of a physical security certificate pursuant to a registration system that may be adopted by the Corporation, in conjunction with its transfer agent (if any). This by-law shall be read such that a registered holder of securities of the Corporation pursuant to any such electronic, book-based, direct registration service or other non-certificated entry or position shall be entitled to all of the same benefits, rights, entitlements and shall incur the same duties and obligations as a registered holder of securities evidenced by a physical security certificate. The Corporation and its transfer agent may adopt such policies and procedures and require such documents and evidence as they may determine necessary or desirable in order to facilitate the adoption and maintenance of a security registration system by electronic, book-based, direct registration system or other non-certificated means.

Other than the above, no other changes have been made from the Company's previous By-Law No. 1A.

Accordingly, Shareholders of the Corporation will be asked to approve the following resolution:

“BE IT RESOLVED THAT:

1. By-Law No. 1B of the Corporation attached as Appendix “A” to the Management Information Circular of the Company dated May 11, 2020, in respect of the Corporation]’s annual and special meeting of holders of common shares in the capital of the Corporation scheduled to be held on June 17, 2020 is hereby confirmed and ratified; and
2. any one director or officer of the Corporation is hereby authorized and directed for and in the name of and on behalf of the Corporation to execute or cause to be executed and to deliver or cause to be delivered all such documents, and to do or cause to be done all such acts and things, as in the opinion of such director or officer may be necessary or desirable in order to carry out the terms of this resolution, such determination to be conclusively evidenced by the execution and delivery of such documents or the doing of any such act or thing.”

By-Law No. 1B must be confirmed and ratified by a majority of the votes cast thereon at the Meeting in order for it to continue to be effective.

In the absence of contrary instructions, the persons named in the accompanying form of proxy intend to vote the Common Shares represented thereby in favor of the resolution to approve the amendment of the By-Laws.

5. Annual Approval of Stock Option Plan

Shareholders initially approved the Corporation’s amended and restated Stock Option Plan on July 12, 2010. It provides that the Board may grant options to directors, officers, key employees, consultants and, if applicable, management company employees for the purchase of Common Shares at prices determined in accordance with TSX Venture Exchange rules. The Stock Option Plan is a “rolling” option plan, meaning that the number of additional Common Shares that may be reserved for issue on the grant of options (including RSUs) is a maximum of 10% of the issued and outstanding Common Shares from time to time.

The maximum amount of stock options and RSUs that may be granted must not exceed 10% of the total number of Common Shares issued and outstanding (on a non-diluted basis) and the aggregate number of stock options (and RSUs) granted in any 12-month period to any one person cannot exceed 5% of the total number of issued and outstanding Common Shares (on a non-diluted basis). Conditions relating to the vesting and expiry of stock options are set by the directors at the time of granting, however, stock options must expire no later than ten years after the date of grant. The Stock Option Plan is in accordance with the applicable policy of the TSX Venture Exchange.

The TSX Venture Exchange requires that all listed companies with a 10% rolling stock option plan obtain annual Shareholder approval of such plan.

Shareholders will be asked at the Meeting to vote on a resolution to approve the Stock Option 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 Common Shares represented thereby in favour of the resolution approving the Stock Option Plan of the Corporation for the ensuing year.

**CUB ENERGY INC.
(the "Corporation")**

BY-LAW NO. 1B

A by-law relating generally to the transaction of the business and affairs of the Corporation

CONTENTS

ARTICLE ONE	-	INTERPRETATION
ARTICLE TWO	-	BUSINESS OF THE CORPORATION
ARTICLE THREE	-	BORROWING AND SECURITIES
ARTICLE FOUR	-	DIRECTORS
ARTICLE FIVE	-	COMMITTEES
ARTICLE SIX	-	OFFICERS
ARTICLE SEVEN	-	PROTECTION OF DIRECTORS, OFFICERS AND OTHERS
ARTICLE EIGHT	-	SHARES
ARTICLE NINE	-	DIVIDENDS AND RIGHTS
ARTICLE TEN	-	MEETINGS OF SHAREHOLDERS
ARTICLE ELEVEN	-	NOTICES
ARTICLE TWELVE	-	EFFECTIVE DATE

BE IT ENACTED as a by-law of the Corporation as follows:

**ARTICLE ONE
INTERPRETATION**

1.01 Definitions. In the by-laws of the Corporation, unless the context otherwise requires:

“**Act**” means the *Canada Business Corporations Act*, and any statute that may be substituted therefor, as from time to time amended;

“**appoint**” includes “**elect**” and vice versa;

“**articles**” means the articles of the Corporation as from time to time amended or restated;

“**board**” means the board of directors of the Corporation;

“**by-laws**” means this by-law and all other by-laws of the Corporation from time to time in force and effect;

“**cheque**” includes a draft;

“**Corporation**” means the corporation continued under the Act on February 28, 2012 and named Cub Energy Inc.;

“**meeting of shareholders**” includes an annual meeting of shareholders and a special meeting of shareholders;

“**non-business day**” means Saturday, Sunday and any other day that is a holiday as defined in the *Interpretation Act* (Canada) as from time to time amended;

“**ordinary resolution**” means a resolution (i) passed by a majority of the votes cast by the shareholders who voted in respect of that resolution; or (ii) signed by all of the shareholders entitled to vote on that resolution;

“**person**” includes an individual, partnership, association, body corporate, unincorporated organization and personal representative;

“**recorded address**” means (i) in the case of a shareholder, the address of the shareholder as recorded in the securities register; (ii) in the case of joint shareholders, the address of the joint shareholders appearing in the securities register in respect of such joint holding or the first address so appearing if there are more than one; and (iii) in the case of a director (subject to the provisions of section 11.01), officer, auditor or member of a committee of the board, the latest address of such person as recorded in the records of the Corporation;

“**resident Canadian**” means an individual who is:

- a) a Canadian citizen ordinarily resident in Canada;
- b) a Canadian citizen not ordinarily resident in Canada who is a member of a class of persons prescribed in the regulations to the Act, as amended from time to time, or
- c) a permanent resident within the meaning of the *Immigration Act* (Canada) and ordinarily resident in Canada, except a permanent resident who has been ordinarily resident in Canada for more than one year after the time at which that person first became eligible to apply for Canadian citizenship;

“**signing officer**” means, in relation to any instrument, any person authorized to sign the instrument on behalf of the Corporation by or pursuant to section 2.04;

“**special meeting of shareholders**” includes a meeting of any class or classes of shareholders and a special meeting of all shareholders entitled to vote at an annual meeting of shareholders;

“**special resolution**” means a resolution (i) passed by a majority of not less than two-thirds of the votes cast by the shareholders who voted in respect of that resolution; or (ii) signed by all the shareholders entitled to vote on that resolution; and

“**unanimous shareholder agreement**” means either (i) a lawful written agreement among all the shareholders of the Corporation, or among all the shareholders and one or more persons who are not shareholders, or (ii) a written declaration of the beneficial owner of all of the issued shares of the Corporation; in each case, that restricts, in whole or in part, the powers of the directors to manage, or supervise the management of, the business and affairs of the Corporation, as from time to time amended.

1.02 Interpretation. Save as aforesaid, words and expressions defined in the Act have the same meanings when used herein.

1.03 Number. Words importing the singular number include the plural and vice versa.

1.04 Gender. Words importing gender include the masculine, feminine and neuter genders.

1.05 Headings. Headings are inserted in this by-law for reference purposes only and are not to be considered or taken into account in construing the terms or provisions hereof or to be deemed in any way to clarify, modify or explain the effect of any such terms or provisions.

1.06 Conflict with Unanimous Shareholder Agreement. Where any provision in the by-laws conflicts with any provision of a unanimous shareholder agreement, the provision of such unanimous shareholder agreement shall govern.

ARTICLE TWO BUSINESS OF THE CORPORATION

2.01 Registered Office. The registered office of the Corporation shall be at the province within Canada from time to time specified in the articles and at such place and address therein as the board may from time to time determine.

2.02 Corporate Seal. The corporate seal of the Corporation shall be in such form as the directors may by resolution from time to time adopt. An instrument or agreement executed on behalf of the Corporation by a director, an officer or an agent of the Corporation is not invalid merely because the corporate seal, if adopted, is not affixed to it.

2.03 Financial Year. The financial year of the Corporation shall end on such date in each year as shall be determined from time to time by resolution of the directors.

2.04 Execution of Contracts, Etc. Contracts, documents or instruments in writing requiring the signature of the Corporation may be signed by any two officers or directors, and all contracts, documents or instruments in writing so signed shall be binding upon the Corporation without any further authorization or formality. The directors are authorized from time to time by resolution to appoint any one or more officers or other persons on behalf of the Corporation either to sign contracts, documents or instruments in writing generally or to sign specific contracts, documents or instruments in writing.

The corporate seal of the Corporation (if any) may be affixed to contracts, documents or instruments in writing signed by an officer or person appointed by resolution of the directors.

The term “contracts, documents or instruments in writing” as used in this by-law shall include deeds, mortgages, hypothecs, charges, conveyances, transfers and assignments of property, real or personal, immovable or movable, powers of attorney, agreements, releases, receipts and discharges for the payment of money or other obligations, conveyances, transfers and assignments or securities and all paper writings.

Without limiting the generality of the foregoing, any two officers or directors are authorized to sell, assign, transfer, exchange, convert or convey all securities owned by or registered in the name of the Corporation and to sign and execute (under the corporate seal (if any) of the Corporation or otherwise) all assignments, transfers, conveyances, powers of attorney and other instruments that may be necessary for the purpose of selling, assigning, transferring, exchanging, converting or conveyancing any such securities.

The signature or signatures of any officer or director of the Corporation or any other officer or person appointed by resolution of the directors may be printed, engraved, lithographed or otherwise mechanically reproduced upon all contracts, documents or instruments in writing or bonds, debentures or other securities of the Corporation executed or issued by or on behalf of the Corporation and all contracts, documents or instruments in writing or securities of the Corporation on which the signature or signatures of any of the foregoing officers, directors or persons shall be so reproduced, by authorization by resolution of the directors, shall be deemed to have been manually signed

by such officers, directors or persons whose signature or signatures is or are so reproduced and shall be as valid to all intents and purposes as if they had been signed manually and notwithstanding that the officers, directors or persons whose signature or signatures is or are so reproduced may have ceased to hold office at the date of delivery or issue of such contracts, documents or instruments in writing or securities of the Corporation.

2.05 Banking Arrangements. The banking business of the Corporation including, without limitation, the borrowing of money and the giving of security therefor, shall be transacted with such banks, trust companies or other persons as may from time to time be designated by or under the authority of the board. Such banking business or any part thereof shall be transacted under such agreements, instructions and delegations of powers as the board may from time to time prescribe or authorize.

2.06 Voting Securities in Other Issuers. The person authorized under section 2.04 may execute and deliver proxies and arrange for the issuance of voting certificates or other evidence of the right to exercise the voting rights attaching to any securities held by the Corporation. Such instruments, certificates or other evidence shall be in favour of such person or persons as may be determined by the person executing such proxies or arranging for the issuance of voting certificates or such other evidence of the right to exercise such voting rights. In addition, the board may from time to time direct the manner in which and the person or persons by whom any particular voting rights or class of voting rights may or shall be exercised.

2.07 Divisions. The board may cause the business and operations of the Corporation or any part thereof to be divided or segregated into one or more divisions having regard to, without limitation, the character or type of businesses or operations, geographical territories, product lines or goods or services as the board may consider appropriate in each case. From time to time the board or, if authorized by the board, the chief executive officer may authorize, upon such basis as may be considered appropriate in each case:

- a) Sub-Division and Consolidation - the further division of the business and operations of any such division into sub-units and the consolidation of the business and operations of any such divisions and sub-units;
- b) Name - the designation of any such division or sub-unit by, and the carrying on of the business and operations of any such division or sub-unit under, a name other than the legal name of the Corporation; provided that the Corporation shall set out its legal name in legible characters in all contracts, invoices, negotiable instruments and orders for goods or services issued or made by or on behalf of the Corporation;
- c) Officers - the appointment of officers for any such division or other sub-unit, the determination of their powers and duties, and the removal of any such officer so appointed, without prejudice to such officer's rights under any employment contract or in law, provided that any such officers shall not, as such, be officers of the Corporation, unless expressly designated as such.

ARTICLE THREE BORROWING AND SECURITIES

3.01 Borrowing Power. Subject to the terms of any unanimous shareholders agreement and without limiting the borrowing powers of the Corporation as set forth in the Act, the board may from time to time on behalf of the Corporation, without authorization of the shareholders:

- a) borrow money upon the credit of the Corporation;
- b) issue, reissue, sell or pledge bonds, debentures, notes or other evidences of indebtedness or guarantees of the Corporation, whether secured or unsecured;
- c) to the extent permitted by the Act, give a guarantee on behalf of the Corporation to secure performance of any present or future indebtedness, liability or obligation of any person; and
- d) charge, mortgage, hypothecate, pledge, or otherwise create a security interest in all or any currently owned or subsequently acquired real or personal, movable or immovable, property of the Corporation, including book debts, rights, powers, franchises and undertakings, to secure any such bonds, debentures, notes or other evidences of indebtedness or guarantee, or any other present or future indebtedness, liability or obligation of the Corporation.

Nothing in this section limits or restricts the borrowing of money by the Corporation on bills of exchange or promissory notes made, drawn, accepted or endorsed by or on behalf of the Corporation.

3.02 Delegation. The board may from time to time delegate to a committee of the board, one or more directors or officers of the Corporation or any other person as may be designated by the board all or any of the powers conferred on the board by section 3.01 or by the Act to such extent and in such manner as the board shall determine at the time of each such delegation.

ARTICLE FOUR DIRECTORS

4.01 Number of Directors and Quorum. Until changed in accordance with the Act, the board shall consist of not fewer than the minimum number and not more than the maximum number of directors provided for in the articles. Subject to section 4.08, the quorum for the transaction of business at any meeting of the board shall consist of not less than 2/5 of the number of directors or minimum number of directors, as the case may be, subject to the limitations contained in the Act including the limitation that, if the Corporation has fewer than three (3) directors, the quorum shall consist of all directors.

4.02 Qualification. No person shall be qualified for election as a director if that person (i) is less than 18 years of age; (ii) is of unsound mind and has been so found by a court in Canada or elsewhere; (iii) is not an individual; or (iv) has the status of a bankrupt. A director is not required to be a shareholder of the Corporation. At least 25% of the directors shall be resident Canadians; provided that, if the Corporation has less than four directors, at least one director shall be a resident Canadian.

4.03 Election and Term. An election of directors shall take place at the first meeting and thereafter at each annual meeting of shareholders and all the directors then in office shall retire but, if qualified, shall be eligible for re-election. The number of directors to be elected at any such meeting shall, if a minimum and maximum number of directors is authorized, be the number of directors then in office unless the directors or the shareholders otherwise determine or shall, if a fixed number of directors is authorized, be such fixed number. The election shall be by ordinary resolution. If an election of directors is not held at the proper time, the incumbent directors shall continue in office until their successors are elected.

4.04 Removal of Directors. Subject to the provisions of the Act, the shareholders may by ordinary resolution passed at a special meeting of shareholders called for such purpose remove any director from office and the vacancy created by such removal may be filled at the same meeting, failing which it may be filled by the board.

4.05 Termination of Office. A director ceases to hold office when the director (i) dies; (ii) is removed from office by the shareholders; (iii) ceases to be qualified for election as a director; or (iv) sends or delivers to the Corporation a written resignation or, if a time is specified in such resignation, at the time so specified, whichever is later.

4.06 Vacancies. Subject to the provisions of the Act, a quorum of the board may fill a vacancy in the board, except a vacancy resulting from an increase in the number or minimum number of directors specified in the articles or from a failure of the shareholders to elect the number or minimum number of directors specified in the articles. In the absence of a quorum of the board, or if the vacancy has arisen from a failure of the shareholders to elect the number or minimum number of directors specified in the articles, the directors then in office shall forthwith call a special meeting of shareholders to fill the vacancy. If the directors fail to call a meeting or if there are no directors then in office, any shareholder may call the meeting. A director appointed or elected to fill a vacancy holds office for the unexpired term of that director's predecessor.

4.07 Action by the Board. Subject to any unanimous shareholder agreement, the board shall manage, or supervise the management of, the business and affairs of the Corporation. Subject to sections 4.08 and 4.09, the powers of the board may be exercised by resolution passed at a meeting at which a quorum is present or by resolution in writing signed by all the directors entitled to vote on that resolution at a meeting of the board. Where there is a vacancy in the board, the remaining directors may exercise all the powers of the board so long as a quorum remains in office. Where the Corporation has only one director, that director may constitute a meeting.

4.08 Canadian Resident Directors at Meetings. The board shall not transact business at a meeting, other than filling a vacancy in the board, unless (i) at least 25% of the directors present are resident Canadians, or (ii) if the Corporation has less than four directors, at least one of the directors present is a resident Canadian, except where

- a) a resident Canadian director who is unable to be present in person approves in writing or by telephonic, electronic or other communication facility the business transacted at the meeting; and
- b) the required number of resident Canadian directors would have been present in person had that director been present at the meeting.

4.09 Participation. If all the directors of the Corporation consent, a director may participate in a meeting of the board or of a committee of the board by means of a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting. A director participating in a meeting by such means is deemed to be present at the meeting. Any consent shall be effective whether given before or after the meeting to which it relates and may be given with respect to all meetings of the board and of committees of the board.

4.10 Place of Meetings. Meetings of the board may be held at any place in or outside Canada.

4.11 Calling of Meetings. Meetings of the board shall be held from time to time at such time and at such place as the board, the chairman of the board, the managing director, the president or any two directors may determine.

4.12 Notice of Meeting. Notice of the time and place of each meeting of the board shall be given in the manner provided in Article Eleven to each director not less than forty eight (48) hours before the time when the meeting is to be held. A notice of a meeting of directors need not specify the purpose of or the business to be transacted at the meeting except where the Act requires such purpose or business to be specified, including, if required by the Act, any proposal to:

- a) submit to the shareholders any question or matter requiring approval of the shareholders;
- b) fill a vacancy among the directors or in the office of auditor, or appoint additional directors;
- c) issue securities, except as authorized by the directors;
- d) issue shares of a series, except as authorized by the directors;
- e) declare dividends;
- f) purchase, redeem or otherwise acquire shares issued by the Corporation;
- g) pay a commission for the sale of shares, except as authorized by the directors;
- h) approve a management proxy circular referred to in the Act;
- i) approve a take-over bid circular or directors' circular referred to in the Act;
- j) approve any annual financial statements referred to in the Act; or
- k) adopt, amend or repeal by-laws.

4.13 First Meeting of New Board. Provided a quorum of directors is present, each newly elected board may hold its first meeting, without notice, immediately following the meeting of shareholders at which such board is elected.

4.14 Adjourned Meeting. Notice of an adjourned meeting of the board is not required if the time and place of the adjourned meeting is announced at the original meeting.

4.15 Regular Meetings. The board may appoint a day or days in any month or months for regular meetings of the board at a place and hour to be named. A copy of any resolution of the board fixing the place and time of such regular meetings shall be sent to each director forthwith after being passed, but no other notice shall be required for any such regular meeting except where the Act requires the purpose thereof or the business to be transacted thereat to be specified.

4.16 Chairman. The chairman of any meeting of the board shall be the first mentioned of the following officers as have been appointed and who is a director and is present at the meeting: chairman of the board, managing director (if any), president or a vice-president. If no such officer is present, the directors present shall choose one of their number to be chairman. If the secretary of the Corporation is absent, the chairman shall appoint some person, who need not be a director, to act as secretary of the meeting.

4.17 Votes to Govern. At all meetings of the board, every question shall be decided by a majority of the votes cast on the question. In case of an equality of votes, the chairman of the meeting shall not be entitled to a second or casting vote.

4.18 Disclosure of Interest. A director or officer who is a party to, or who is a director or an officer (or acting in a similar capacity) of, or has a material interest in, any person who is a party to, a material contract or material transaction, whether made or proposed, with the Corporation shall disclose to the Corporation the nature and extent of the interest at the time and in the manner provided by the Act and such interest shall be entered in the minutes of the meetings of directors or otherwise noted in the records of the Corporation. Any such contract or transaction shall be referred to the board or shareholders for approval even if such contract or transaction is one that in the ordinary course of the Corporation's business would not require approval by the board or shareholders. A director who has an interest in a material contract or material transaction, whether made or proposed, with the Corporation shall not vote on any resolution to approve the contract or transaction except as permitted by the Act.

4.19 Submission of Contracts or Transactions to Shareholders for Approval. The directors in their discretion may submit any contract, act or transaction for approval, ratification or confirmation at any meeting of the shareholders called for the purpose of considering the same and any contract, act or transaction that shall be approved, ratified or confirmed by resolution passed by a majority of the votes cast at any such meeting (unless any different or additional requirement is imposed by the Act, the articles or the by-laws) shall be as valid and binding upon the Corporation and upon all the shareholders as though it has been approved, ratified and confirmed by every shareholder of the Corporation.

4.20 Remuneration and Expenses. Subject to any unanimous shareholder agreement, the directors shall be paid such remuneration for their services as the board may from time to time determine and such remuneration shall be in addition to the salary paid to any officer or employee of the Corporation who is also a director. The directors may also by resolution award special remuneration to any director in undertaking any special services on behalf of the Corporation other than the normal work ordinarily required of a director. The confirmation of any such resolution or resolutions by the shareholders shall not be required, except as required by law or regulation. The directors shall also be entitled to be reimbursed for travelling and other expenses properly incurred by them in connection with the affairs of the Corporation.

ARTICLE FIVE COMMITTEES

5.01 Committees of the Board. The board may from time to time appoint from their number one or more committees of the board, however designated, and delegate to any such committee any of the powers of the board except those which pertain to items which, under the Act, a committee of the board has no authority to exercise.

5.02 Audit Committee. If the Corporation is a distributing corporation and any of the issued securities remain outstanding and are held by more than one person, the board shall, and the board otherwise may, elect annually from among its number an audit committee to be composed of not fewer than 3 directors, a majority of whom are not officers or employees of the Corporation or any of its affiliates. Each member of the audit committee shall serve during the pleasure of the board and, in any event, only so long as the director shall be a director. The directors may fill vacancies in the audit committee by election from among their number. The audit committee shall have power to fix its quorum at not less than a majority of its members and to determine its own rules of procedure subject to any regulations imposed by the board from time to time and as provided in this section. The auditor of the Corporation is entitled to receive notice of every meeting of the audit committee and, at the expense of the Corporation, to attend and be heard thereat; and, if so requested by a member of the audit committee, shall attend every meeting of the audit committee held during the term of office of the auditor. The auditor of the Corporation or any member of the audit committee may call a meeting of the audit committee. The audit committee shall review the financial statements of the Corporation prior to approval thereof by the board and shall have such other powers and duties as from time to time by resolution be assigned to it by the board.

5.03 Transaction of Business. Subject to the provisions of section 4.09, the powers of a committee of the board may be exercised by a meeting at which a quorum is present or by resolution in writing signed by all members of such committee who would have been entitled to vote on that resolution at a meeting of the committee. Meetings of any such committee may be held at any place in or outside of Canada.

5.04 Advisory Bodies. The board may from time to time appoint such advisory bodies as it may deem advisable. **Procedure.** Unless otherwise determined by the board, each committee and advisory body shall have power to fix its quorum (provided a quorum is not less than a majority of its members), to elect its chairman, and to regulate its procedure.

ARTICLE SIX OFFICERS

6.01 Appointment. Subject to the articles or any unanimous shareholder agreement, the board may from time to time appoint a president, one or more vice-presidents (to which title may be added words indicating seniority or function), a secretary, a treasurer and such other officers as the board may determine, including one or more assistants to any of the officers so appointed. The board may specify the duties of and, in accordance with this by-law and subject to the provisions of the Act, delegate to such officers powers to manage the business and affairs of the Corporation. Subject to sections 6.02 and 6.03, an officer may but need not be a director and one person may hold more than one office.

6.02 Chairman of the Board. The board may from time to time appoint a chairman of the board who shall be a director. If appointed, the board may assign to the chairman of the board any of the powers and duties that are by any provisions of this by-law assigned to the managing director or to the president, and the chairman of the board shall, subject to the provisions of the Act, have such other powers and duties as the board may specify. During the absence or disability of the chairman of the board, the managing director, if any, or the president shall have the powers and duties of that office.

6.03 Managing Director. The board may from time to time appoint a managing director who shall be a resident Canadian and a director. If appointed, the managing director shall be the chief executive officer and, subject to the authority of the board, shall have general supervision of the business and affairs of the Corporation; and shall, subject to the provisions of the Act, have such other powers and duties as the board may specify. During the absence or disability of the president, or if no president has been appointed, the managing director shall also have the powers and duties of that office.

6.04 President. If appointed, the president may be the chief operating officer and, subject to the authority of the board, shall have general supervision of the business of the Corporation and shall have such other powers and duties as the board may specify. During the absence or disability of the managing director, or if no managing director has been appointed, the president shall also have the powers and duties of that office.

6.05 Vice-President. A vice-president shall have such powers and duties as the board or the chief executive officer may specify.

6.06 Secretary. The secretary shall enter or cause to be entered minutes of all proceedings of all meetings of the board, shareholders and committees of the board in records kept for that purpose; shall give or cause to be given, as and when instructed, all notices to shareholders, directors, officers, auditors and members of committees of the board; shall be the custodian of the stamp or mechanical device generally used for affixing the corporate seal of the Corporation, if any, and of all books, papers, records, documents, and instruments belonging to the Corporation, except when some other officer or agent has been appointed for that purpose; and shall have such other powers and duties as the board or the chief executive officer may specify.

6.07 Treasurer. The treasurer shall keep or cause to be kept proper accounting records in compliance with the Act and shall be responsible for the deposit of money, the safekeeping of securities and the disbursement of the funds of the Corporation; shall render or cause to be rendered to the board whenever required an account of all transactions of the treasurer and of the financial position of the Corporation; and shall have such other powers and duties as the board or the chief executive officer may specify.

6.08 Powers and Duties of Other Officers. The powers and duties of all other officers shall be such as the terms of their engagement call for or as the board or the chief executive officer may specify. Any of the powers and duties of an officer to whom an assistant has been appointed may be exercised and performed by such assistant, unless the board or the chief executive officer otherwise directs.

6.09 Variation of Powers and Duties. The board may from time to time and subject to the provisions of the Act, vary, add to or limit the powers and duties of any officer.

6.10 Term of Office. The board, in its discretion, may remove any officer of the Corporation, without prejudice to such officer's rights under any employment contract; otherwise each officer appointed by the board shall hold office until the officer's successor is appointed, or until the officer's earlier resignation.

6.11 Terms of Employment and Remuneration. The terms of employment and the remuneration of an officer appointed by the board shall be settled by the board from time to time.

6.12 Disclosure of Interest. An officer shall disclose to the Corporation any interest in a material contract or material transaction, whether made or proposed, with the Corporation in accordance with section 4.18.

6.13 Agents and Attorneys. Subject to the provisions of the Act, the Corporation, by or under the authority of the board, shall have power from time to time to appoint agents or attorneys for the Corporation in or outside Canada with such powers of management, administration or otherwise (including the power to sub-delegate) as may be thought fit.

6.14 Fidelity Bonds. The board may require such officers, employees and agents of the Corporation as the board deems advisable to furnish bonds for the faithful discharge of their powers and duties, in such form and with such surety as the board may from time to time determine.

**ARTICLE SEVEN
PROTECTION OF DIRECTORS, OFFICERS AND OTHERS**

7.01 Limitation of Liability. Every director and officer of the Corporation shall, in exercising the powers and discharging the duties of office, act honestly and in good faith with a view to the best interests of the Corporation and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Subject to the foregoing, no director or officer shall be liable for the acts, receipts, neglects or defaults of any other director, officer or employee, or for joining in any receipt or other act for conformity, or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired for or on behalf of the Corporation, or for the insufficiency or deficiency of any security in or upon which any of the monies of the Corporation shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious acts of any person with whom any of the monies, securities or effects of the Corporation shall be deposited, or for any loss occasioned by any error of judgment or oversight on the part of such director or officer, or for any other loss, damage or misfortune whatever which shall happen in the execution of the duties of office or in relation thereto; provided that nothing herein shall relieve any director or officer from the duty to act in accordance with the Act and the regulations thereunder or from liability for any breach thereof.

7.02 Indemnity. Subject to the limitations contained in the Act, the Corporation shall indemnify a director or officer of the Corporation, a former director or officer of the Corporation, or another individual who acts or acted at the Corporation's request as a director or officer, or an individual acting in a similar capacity, of another entity, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by the individual in respect of any civil, criminal, administrative, investigative or other proceeding in which the individual is involved because of that association with the Corporation or other entity, provided:

- a) the individual acted honestly and in good faith with a view to the best interests of the Corporation or, as the case may be, to the best interests of the other entity for which the individual acted as director or officer or in a similar capacity at the Corporation's request; and
- b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the individual had reasonable grounds for believing that the individual's conduct was lawful.

The Corporation shall also indemnify such individual in such other circumstances as the Act permits or requires. Nothing in this by-law shall limit the right of any individual entitled to indemnity to claim indemnity apart from the provisions of this by-law.

7.03 Insurance. Subject to the Act, the Corporation may purchase and maintain insurance for the benefit of any individual referred to in section 7.02 against such liabilities and in such amounts as the board may from time to time determine and as permitted by the Act.

**ARTICLE EIGHT
SHARES**

8.01 Allotment of Shares. Subject to the Act, the articles and any unanimous shareholder agreement, the board may from time to time allot or grant options to purchase the whole or any part of the authorized and unissued shares of the Corporation at such times and to such persons and for such consideration as the board shall determine, provided that no share shall be issued until it is fully paid as provided by the Act.

8.02 Commissions. The board may from time to time authorize the Corporation to pay a reasonable commission to any person in consideration of the person purchasing or agreeing to purchase shares of the Corporation, whether from the Corporation or from any other person, or procuring or agreeing to procure purchasers for any such shares.

8.03 Registration of a Share Transfer. Subject to the provisions of the Act, no transfer of a share in respect of which a certificate has been issued shall be registered in a securities register except upon presentation of the certificate representing such share with an endorsement which complies with the Act made thereon or delivered therewith duly executed by an appropriate person as provided by the Act, together with such reasonable assurance that the endorsement is genuine and effective as the board may from time to time prescribe, upon payment of all applicable taxes and a reasonable fee (not to exceed the amount permitted by the Act) prescribed by the board, upon compliance with such restrictions on transfer as are authorized by the articles.

8.04 Transfer Agents and Registrars. The board may from time to time appoint one or more agents to maintain, in respect of each class of securities of the Corporation issued by it in registered form, a central securities register and one or more branch securities registers. Such a person may be designated as transfer agent or registrar according to

the functions performed and one person may be designated both registrar and transfer agent. The board may at any time terminate such appointment.

8.05 Non-Recognition of Trusts. Subject to the provisions of the Act, the Corporation may treat as absolute owner of any share the person in whose name the share is registered in the securities register as if that person had full legal capacity and authority to exercise all rights of ownership, irrespective of any indication to the contrary through knowledge or notice or description in the Corporation's records or on the share certificate.

8.06 Share Certificates. Every holder of one or more shares of the Corporation shall be entitled, at the holder's option, to a share certificate, or to a non-transferable written certificate of acknowledgement of the holder's right to obtain a share certificate, stating the number and class or series of shares held by the holder as shown on the securities register. Certificates and certificates of acknowledgement of a shareholder's right to a share certificate, respectively, shall be in such form as the board may from time to time approve. Any share certificate shall be signed in accordance with section 2.04 and need not be under the corporate seal; provided that, unless the board otherwise determines, certificates representing shares in respect of which a transfer agent and/or registrar has been appointed shall not be valid unless countersigned by or on behalf of such transfer agent and/or registrar.

8.07 Electronic Share Certificates. For greater certainty but subject to subsection (1) of section 49 of the Act, a registered securityholder may have his or her holdings of securities of the Corporation evidenced by an electronic, book-based, direct registration service or other non-certificated entry or position on the register of securityholders to be kept by the Corporation in place of a physical security certificate pursuant to a registration system that may be adopted by the Corporation, in conjunction with its transfer agent (if any). This by-law shall be read such that a registered holder of securities of the Corporation pursuant to any such electronic, book-based, direct registration service or other non-certificated entry or position shall be entitled to all of the same benefits, rights, entitlements and shall incur the same duties and obligations as a registered holder of securities evidenced by a physical security certificate. The Corporation and its transfer agent may adopt such policies and procedures and require such documents and evidence as they may determine necessary or desirable in order to facilitate the adoption and maintenance of a security registration system by electronic, book-based, direct registration system or other non-certificated means.

8.08 Replacement of Share Certificates. The board or any officer or agent designated by the board may direct the issue of a new share or other such certificate in lieu of and upon cancellation of a certificate that has been mutilated or in substitution for a certificate claimed to have been lost, destroyed or wrongfully taken on payment of such reasonable fee (not to exceed the amount permitted by the Act) and on such terms as to indemnity, reimbursement of expenses and evidence of loss and of title as the board may from time to time prescribe, whether generally or in any particular case.

8.09 Joint Holders. If two or more persons are registered as joint holders of any share, the Corporation shall not be required to issue more than one certificate in respect thereof, and delivery of a certificate to one of several joint holder shall be sufficient delivery to all of them. Any one of such persons may give effectual receipts for the certificate issued in respect thereof or for any dividend, bonus, return of capital or other money payable or warrant issuable in respect of such share.

8.10 Deceased Shareholders. In the event of the death of a holder, or of one of the joint holders, of any share, the Corporation shall not be required to make any entry in the securities register in respect thereof or to make any dividend or other payments in respect thereof; except upon production of all such documents as may be required by law and upon compliance with the reasonable requirements of the Corporation and its transfer agents.

8.11 Enforcement of Lien for Indebtedness. Subject to the Act, if the articles of the Corporation provide that the Corporation has a lien on a share registered in the name of a shareholder or the shareholder's personal representative for a debt of that shareholder to the Corporation, the directors may apply any dividends or other distributions paid or payable on or in respect of the share or shares in respect of which the Corporation has such a lien in repayment of the debt of that shareholder to the Corporation.

ARTICLE NINE DIVIDENDS AND RIGHTS

9.01 Dividends. Subject to the provisions of the Act, the board may from time to time declare dividends payable to the shareholders according to their respective rights and interests in the Corporation. The Corporation may pay dividends by issuing fully paid shares of the Corporation or, subject to the provisions of the Act, in money or property.

9.02 Dividend Cheques. A dividend payable in money shall be paid by cheque drawn on the Corporation's bankers or one of them to the order of each registered holder of shares of the class or series in respect of which the dividend has been declared and mailed by prepaid ordinary mail to such registered holder at the recorded address of such holder, unless such holder otherwise directs. In the case of joint holders, the cheque shall, unless such joint holders otherwise direct, be made payable to the order of all of such joint holders and mailed to them at their recorded

address. The mailing of a cheque in accordance with this section, unless not paid on due presentation, shall satisfy and discharge the liability for the dividend to the extent of the sum represented thereby plus the amount of any tax which the Corporation is required to and does withhold.

9.03 Non-Receipt of Cheques. In the event of non-receipt of any dividend cheque by the person to whom it is sent in accordance with section 9.02, the Corporation shall issue to such person a replacement cheque for a like amount on such terms as to indemnity, reimbursement of expenses, and evidence of non-receipt and of title as the board may from time to time prescribe, whether generally or in any particular case.

9.04 Record Date for Dividends and Rights. The board may fix in advance a date, preceding by not more than 50 days the date for the payment of any dividend or the date for the issue of any warrant or other evidence of the right to subscribe for securities of the Corporation, as a record date for the determination of the persons entitled to receive payment of such dividend or to exercise the right to subscribe for such securities; and notice of any such record date shall be given not less than 7 days before such record date in the manner provided for by the Act. If no record date is so fixed, the record date for the determination of the persons entitled to receive payment of any dividend or to exercise the right to subscribe for securities of the Corporation shall be at the close of business on the day on which the resolution relating to such dividend or right to subscribe is passed by the board.

9.05 Unclaimed Dividends. Any dividend unclaimed after a period of 6 years from the date on which the same has been declared to be payable shall be forfeited and shall revert to the Corporation.

ARTICLE TEN MEETINGS OF SHAREHOLDERS

10.01 Annual Meetings. The annual meeting of shareholders shall be held at such time in each year and, subject to section 10.03, at such place as the board, the chairman of the board, the managing director, or the president may from time to time determine, for the purpose of considering the financial statements and reports required by the Act to be placed before the annual meeting, electing directors, appointing an auditor, and for the transaction of such other business as may properly be brought before the meeting.

10.02 Special Meetings. The board, the chairman of the board, the managing director, or the president shall have power to call a special meeting of shareholders at any time.

10.03 Place of Meetings. Meetings of shareholders shall be held at (i) the registered office of the Corporation, (ii) at some other place in Canada as the board of directors may determine, or (iii) if all the shareholders entitled to vote at the meeting so agree, at some place outside Canada.

10.04 Meeting Held by Electronic Means. The directors or shareholders who call a meeting of shareholders pursuant to the Act, the articles or the by-laws may determine that the meeting shall be held, in accordance with the Act and the regulations thereto, entirely by means of a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting, provided the Corporation makes provision for electronic voting at such meeting in accordance with the Act and section 10.20.

10.05 Notice of Meetings. Notice of the time and place of each meeting of shareholders shall be given in the manner provided in Article Eleven not less than 21 nor more than 50 days before the date of the meeting to each director, the auditor, and each shareholder who at the close of business on the record date for notice is entered in the securities register as the holder of one or more shares carrying the right to vote at the meeting. Notice of a meeting of shareholders called for any purpose other than consideration of the financial statements and the auditor's report thereon, the election of directors and the reappointment of the incumbent auditor shall state the nature of such business in sufficient detail to permit the shareholder to form a reasoned judgment thereon and shall state the text of any special resolution to be submitted to the meeting. A shareholder and any other person entitled to attend a meeting of shareholders may in any manner waive notice of or otherwise consent to a meeting of shareholders.

10.06 List of Shareholders Entitled to Notice. For every meeting of shareholders, the Corporation shall prepare a list of shareholders entitled to receive notice of the meeting, arranged in alphabetical order and showing the number of shares held by each shareholder entitled to vote at the meeting. If a record date for the meeting is fixed pursuant to section 10.07, the shareholders listed shall be those registered at the close of business on such record date. If no record date is fixed, the shareholders listed shall be those registered at the close of business on the day immediately preceding the day on which notice of the meeting is given or, where no such notice is given, on the day on which the meeting is held. The list shall be available for examination by any shareholder during usual business hours at the registered office of the Corporation or at the place where the central securities register is maintained and at the meeting for which the list was prepared. Where a separate list of shareholders has not been prepared, the names of persons appearing in the securities register at the requisite time as the holder of one or more shares carrying the right to vote at such meeting shall be deemed to be a list of shareholders.

10.07 Record Date for Notice. The board may fix in advance a date, preceding the date of any meeting of shareholders by not more than 50 days and not less than 21 days, as a record date for the determination of the shareholders entitled to notice of the meeting. If a record date is fixed, unless notice of the record date is waived in writing by every holder of a share of the class or series affected whose name is set out in the list of shareholders, notice of a record date shall be given not less than 7 days before such record date, by newspaper advertisement in the manner provided in the Act. If no record date is so fixed, the record date for the determination of the shareholders entitled to receive notice of the meeting shall be at the close of business on the day immediately preceding the day on which the notice is given or, if no notice is given, the day on which the meeting is held.

10.08 Meetings Without Notice. A meeting of shareholders may be held without notice at any time and place permitted by the Act (a) if all the shareholders entitled to vote thereat are present in person or represented by proxy or if those not present or represented by proxy waive notice of or otherwise consent to such meeting being held, and (b) if the auditors and the directors are present or waive notice of or otherwise consent to such meeting being held; so long as such shareholders, auditors or directors present are not attending for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called. At such a meeting, any business may be transacted which the Corporation at a meeting of shareholders may transact. If the meeting is held at a place outside Canada, shareholders not present or represented by proxy, but who have waived notice of or otherwise consented to such meeting, shall also be deemed to have consented to the meeting being held at such place.

10.09 Chairman, Secretary and Scrutineers. The chairman of any meeting of shareholders shall be the first mentioned of the following officers as have been appointed and who is present at the meeting: chairman of the board, managing director, president, or a vice-president who is a shareholder. If no such officer is present within 15 minutes from the time fixed for holding the meeting, the persons present and entitled to vote shall choose one of their number to be chairman. If the secretary of the Corporation is absent, the chairman of the meeting shall appoint a person, who need not be a shareholder, to act as secretary of the meeting. If desired, one or more scrutineers, who need not be shareholders, may be appointed by a resolution or by the chairman of the meeting with the consent of the meeting.

10.10 Persons Entitled to be Present. The only persons entitled to be present at a meeting of shareholders shall be those entitled to vote thereat, the directors and the auditor of the Corporation and others who, although not entitled to vote, are entitled or required under the Act, the articles or the by-laws to be present at the meeting. Any other person may be admitted only on the invitation of the chairman of the meeting or with the consent of the meeting.

10.11 Participation in Meeting by Electronic Means. Any person entitled to attend a meeting of shareholders may participate in the meeting, in accordance with the Act, by means of a telephonic, electronic or other communications facility that permits all participants to communicate adequately with each other during the meeting, provided the Corporation makes available such a communication facility. A person participating in a meeting by means of a telephonic, electronic or other communications facility is deemed to be present at the meeting and may vote, in accordance with the Act, by means of the telephonic, electronic or other communication facility that the Corporation has made available for that purpose.

10.12 Quorum. Subject to the Act and to section 10.23, a quorum for the transaction of business at any meeting of shareholders shall be two (2) persons present and holding or representing by proxy at least 25% of the shares entitled to vote at the meeting. If a quorum is present at the opening of any meeting of shareholders, the shareholders present or represented by proxy may proceed with the business of the meeting notwithstanding that a quorum is not present throughout the meeting. If a quorum is not present at the opening of any meeting of shareholders, the shareholders present or represented by proxy may adjourn the meeting to a fixed time and place but may not transact any other business.

10.13 Right to Vote. Subject to the provisions of the Act as to authorized representatives of any other body corporate or association, at any meeting of shareholders for which the Corporation has prepared the list referred to in section 10.06, every person who is named in such list shall be entitled to vote the shares shown thereon opposite that person's name at the meeting to which such list relates except to the extent that, where the Corporation has fixed a record date in respect of such meeting pursuant to section 10.07, such person has transferred any shares after such record date and the transferee, having produced properly endorsed certificates evidencing such shares or having otherwise established ownership of such shares, has demanded not later than 10 days before the meeting that the transferee's name be included in such list. In any such case, the transferee shall be entitled to vote the transferred shares at the meeting. At any meeting of shareholders for which the Corporation has not prepared the list referred to in section 10.06, every person shall be entitled to vote at the meeting who at the time of the commencement of the meeting is entered in the securities register as the holder of one or more shares carrying the right to vote at such meeting.

10.14 Proxyholders and Representatives. Every shareholder entitled to vote at a meeting of shareholders may appoint a proxyholder, or one or more alternate proxyholders, who need not be shareholders, to attend and act as that

shareholder's representative at the meeting in the manner and to the extent authorized and with the authority conferred by the proxy. A proxy shall be in writing executed by the shareholder or the shareholder's attorney and shall conform to the requirements of the Act.

Alternatively, every shareholder that is not an individual may authorize by resolution of its directors or governing body an individual to represent it at a meeting of shareholders and such individual may exercise on the shareholder's behalf all the powers the shareholder could exercise if the shareholder were an individual shareholder. The authority of such an individual shall be established by depositing with the Corporation a certified copy of such resolution, or in such other manner as may be satisfactory to the secretary of the Corporation or the chairman of the meeting. Any such representative need not be a shareholder of the Corporation.

10.15 Time for Deposit of Proxies. The board may specify in a notice calling a meeting of shareholders a time, preceding the time of such meeting by not more than 48 hours exclusive of non-business days, before which time proxies to be used at such meeting must be deposited. A proxy shall be acted upon only if, prior to the time so specified, it shall have been deposited with the Corporation or an agent thereof specified in the notice or, if no time is specified in the notice, it has been received by the secretary of the Corporation or by the chairman of the meeting or any adjournment thereof prior to the time of voting.

10.16 Joint Shareholders. If two or more persons hold shares jointly, any one of them present in person or duly represented by proxy at a meeting of shareholders may, in the absence of the other or others, vote the shares; but if two or more of those persons are present in person or represented by proxy and vote, they shall vote as one the shares jointly held by them.

10.17 Votes to Govern. At any meeting of shareholders every question shall, unless otherwise required by the articles, the by-laws or by law, be determined by a majority of the votes cast on the question. In case of an equality of votes either upon a show of hands or upon a poll, the chairman of the meeting shall not be entitled to a second or casting vote in addition to the vote or votes to which the chairman is entitled as a shareholder or proxy nominee.

10.18 Show of Hands. Subject to the provisions of the Act, any question at a meeting of shareholders shall be decided by a show of hands, unless a ballot thereon is required or demanded as hereinafter provided. Upon a show of hands, every person who is present and entitled to vote shall have one vote. Whenever a vote by show of hands shall have been taken upon a question, unless a ballot thereon is so required or demanded, a declaration by the chairman of the meeting that the vote upon the question has been carried, carried by a particular majority or defeated and an entry to that effect in the minutes of the meeting shall be *prima facie* evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against any resolution or other proceeding in respect of the question, and the result of the vote so taken shall be the decision of the shareholders upon the question.

10.19 Ballots. On any question proposed for consideration at a meeting of shareholders, and whether or not a show of hands has been taken thereon, the chairman of the meeting or any person who is present and entitled to vote, whether as shareholder or proxyholder, may demand a ballot on the question. A ballot so required or demanded shall be taken in such manner as the chairman of the meeting shall direct. A requirement or demand for a ballot may be withdrawn at any time prior to the taking of the ballot. If a ballot is taken, each person present shall be entitled, in respect of the shares which that person is entitled to vote at the meeting upon the question, to that number of votes provided by the Act or the articles, and the result of the ballot so taken shall be the decision of the shareholders upon the question.

10.20 Electronic Voting. Notwithstanding sections 10.18 and 10.19, voting at a meeting of shareholders may be held, in accordance with the Act, entirely by means of a telephonic, electronic or other communication facility, if the Corporation makes available such a communication facility, provided the facility (a) enables the votes to be gathered in a manner that permits their subsequent verification; and (b) permits the tallied votes to be presented to the Corporation without it being possible for the Corporation to identify how each person entitled to vote on the question voted.

10.21 Adjournment. The chairman at a meeting of shareholders may, with the consent of the meeting and subject to such conditions as the meeting may decide, adjourn the meeting from time to time and place to place. If a meeting of shareholders is adjourned for less than 30 days, it shall not be necessary to give notice of the adjourned meeting, other than by announcement at the earliest meeting that is adjourned. Subject to the Act, if a meeting of shareholders is adjourned by one or more adjournments for an aggregate of 30 days or more, notice of the adjourned meeting shall be given as for an original meeting.

10.22 Resolution in Writing. A resolution in writing signed by all the shareholders entitled to vote on that resolution at a meeting of shareholders is as valid as if it had been passed at a meeting of the shareholders unless a written statement with respect to the subject matter of the resolution is submitted by a director or the auditor in accordance with the Act.

10.23 Only One Shareholder. Where the Corporation has only one shareholder or only one holder of any class or series of shares, the shareholder present in person or duly represented by proxy constitutes a meeting.

**ARTICLE ELEVEN
NOTICES**

11.01 Method of Giving Notices. Any notice or document to be given pursuant to the Act, the articles or the by-laws to a shareholder or director of the Corporation may be sent by prepaid mail addressed to, or may be delivered personally to (a) the shareholder at the latest address of such shareholder as shown in the records of the Corporation or its transfer agent, and (b) the director at the latest address of such director as shown on the records of the Corporation or in the last notice of directors or notice of change of directors filed under the Act. Any notice or document sent in accordance with the foregoing to a shareholder or director of the Corporation is deemed to be received at the time it would be delivered in the ordinary course of mail unless there are reasonable grounds for believing that the shareholder or director did not receive the notice or document at the time or at all. The secretary may change or cause to be changed the recorded address of any shareholder, director, officer, auditor or member of a committee of the board in accordance with any information believed by the secretary to be reliable. The foregoing shall not be construed so as to limit the manner or effect of giving notice by any other means of communication otherwise permitted by law.

11.02 Notice to Joint Holders. If two or more persons are registered as joint holders of any share, any notice shall be addressed to all of such joint holders but notice addressed to one of such persons shall be sufficient notice to all of them.

11.03 Computation of Time. In computing the date when notice must be given under any provision of the articles or the by-laws requiring a specified number of days notice of any meeting or other event, the date of giving the notice shall be excluded and the date of the meeting or other event shall be included.

11.04 Undelivered Notices. If any notice given or document sent to a shareholder pursuant to section 11.01 is returned on two consecutive occasions because the shareholder cannot be found, the Corporation shall not be required to give any further notices or send further documents to the shareholder until the shareholder informs the Corporation in writing of the shareholder's new address.

11.05 Omissions and Errors. The accidental omission to give any notice to any shareholder, director, officer, auditor or member of a committee of the board or the non-receipt of any notice by any such person or any error in any notice not affecting the substance thereof shall not invalidate any action taken at any meeting held pursuant to such notice or otherwise founded thereon.

11.06 Persons Entitled by Death or Operation of Law. Every person who, by operation of law, transfer, death of a shareholder or any other means whatsoever, shall become entitled to any share, shall be bound by every notice in respect of such share which shall have been duly given to the shareholder from whom that person derives title to such share prior to the name and address of that person being entered on the securities register (whether such notice was given before or after the happening of the event upon which the person became so entitled) and prior to the person furnishing to the Corporation the proof of authority or evidence of entitlement prescribed by the Act.

11.07 Waiver of Notice. Any shareholder, proxyholder, other person entitled to attend a meeting of shareholders, director, officer, auditor or member of a committee of the board may at any time waive any notice, or waive or abridge the time for any notice, required to be given to that person under any provision of the Act, the articles, the by-laws or otherwise, and such waiver or abridgement, whether given before or after the meeting or other event of which notice is required to be given, shall cure any default in the giving or in the time of such notice, as the case may be. Any waiver or abridgement shall be in writing except a waiver of notice of a meeting of shareholders or of the board or of a committee of the board which may be given in any manner.

**ARTICLE TWELVE
EFFECTIVE DATE**

12.01 Effective Date. This by-law shall come into force when made by the board in accordance with the Act. MADE by the directors as at the 25th day of March, 2020.

CORPORATE SECRETARY

CONFIRMED by the shareholders in accordance with the Act as at the ___ day of June, 2020.

CORPORATE SECRETARY