



**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON MAY 10, 2023**

and

**MANAGEMENT INFORMATION CIRCULAR DATED
MARCH 22, 2023**



KARVE ENERGY INC.
Suite 1700, 205 – 5th Avenue S.W.
Calgary, Alberta T2P 2V7

**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF THE HOLDERS OF
COMMON SHARES TO BE HELD ON MAY 10, 2023**

NOTICE IS HEREBY GIVEN THAT an annual general and special meeting (the "**Meeting**") of the shareholders of Karve Energy Inc. (the "**Corporation**") will be held at the offices of the Corporation, Suite 1700, 205 - 5th Avenue S.W., Calgary, Alberta, T2P 2V7 in Calgary, Alberta and virtually via video link posted at www.karveenergy.com/Docs/KarveVirtualAGMUpdate.pdf, on Wednesday, May 10, 2023 at 2:00 p.m. (Calgary time) for the following purposes:

1. to receive and consider the audited financial statements of the Corporation for the year ended December 31, 2022 and the report of the auditors thereon;
2. to fix the number of directors to be elected at the Meeting at eight;
3. to elect the directors of the Corporation for the ensuing year;
4. to appoint PricewaterhouseCoopers LLP, Chartered Professional Accountants, as the auditors of the Corporation for the ensuing year and to authorize the board of directors to fix their remuneration;
5. to ratify the amended stock option plan of the Corporation; and
6. to transact such other business as may properly come before the Meeting or any adjournment or adjournments thereof.

Only shareholders of record as of the close of business on April 5, 2023 are entitled to receive notice of the Meeting and to vote thereat.

Shareholders may vote in person at the Meeting or any adjournment or adjournments thereof, or they may appoint another person (who need not be a shareholder) as their proxy to attend and vote in their place.

Shareholders are requested to complete and sign the enclosed form of proxy and return it to the Corporation's agent, Odyssey Trust Company by the facsimile: 1-800-517-4553 (requires both front and back of a signed proxy), email (requires both front and back of a signed proxy) to proxy@odysseytrust.com, by mail to [Odyssey Trust Company, Trader' Bank Building 702, 67 Yonge Street, Toronto, ON M5E 1J8](#) or by Internet at <https://login.odysseytrust.com/pxlogin> (to vote your shares by Internet you will need to locate your 12 digit control number located on the form of proxy accompanying the management information circular – you do not need to return your proxy if you have voted by the Internet, fax or email) on or prior to the second last business day preceding the day of the Meeting or any adjournment thereof. In order to be valid, proxies must be received by **2:00** p.m. on or prior to the second last business day preceding the day of the Meeting or any adjournment thereof or deposited with the Chairman of the Meeting via email at proxy@odysseytrust.com prior to the commencement of the Meeting.

A management information circular relating to the business to be conducted at the Meeting accompanies this Notice.

Calgary, Alberta
March 22, 2023

BY ORDER OF THE BOARD OF DIRECTORS

(signed) "*Donald Engle*"

Donald Engle
Chairman



KARVE ENERGY INC.
Suite 1700, 205 – 5th Avenue S.W.
Calgary, Alberta T2P 2V7

MANAGEMENT INFORMATION CIRCULAR

**FOR THE ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS TO BE
HELD ON MAY 10, 2023**

Dated March 22, 2023

PURPOSE OF SOLICITATION

This management information circular (the "**Circular**") is furnished in connection with the solicitation of proxies by or on behalf of the management of Karve Energy Inc. ("**Karve**" or the "**Corporation**") for use at the annual general and special meeting of the holders ("**Shareholders**") of common shares (the "**Common Shares**") in the capital of the Corporation to be held at the offices of the Corporation, Suite 1700, 205 - 5th Avenue S.W., Calgary, Alberta, T2P 2V7 in Calgary, Alberta and virtually via video link posted at www.karveenergy.com/Docs/KarveVirtualAGMUpdate.pdf, on Wednesday, May 10, 2023 at 2:00 p.m. (Calgary time), or at any adjournment or adjournments thereof (the "**Meeting**") for the purposes set forth in the Notice of Annual General and Special Meeting (the "**Notice of Meeting**") accompanying this Circular.

All shareholders are strongly encouraged to vote prior to the Meeting by any of the means described under the heading "*Completion of Proxies*".

RECORD DATE

The Shareholders of record on April 5, 2023 (the "**Record Date**") are entitled to notice of, and to attend and vote at, the Meeting except to the extent that:

1. such person transfers his or her Common Shares after the Record Date; and
2. the transferee of those Common Shares produces properly endorsed share certificates or otherwise establishes his or her ownership to the Common Shares and makes a demand to the registrar and transfer agent of the Corporation, not later than 10 days before the Meeting, that his or her name be included on the Shareholders' list for the Meeting.

Any registered Shareholder of the Corporation at the close of business on the Record Date who either personally attends the Meeting or who completes and delivers a proxy will be entitled to vote or have his or her Common Shares voted at the Meeting. However, a person appointed under a form of proxy will be entitled to vote the Common Shares represented by that form only if it is effectively delivered in the manner set out under the heading "*Completion of Proxies*".

PROXY INFORMATION

Solicitation of Proxies

The solicitation of proxies is made on behalf of the management of the Corporation. The costs incurred in the preparation of the enclosed form of proxy (the "Form of Proxy"), Notice of Meeting and this Circular and costs incurred in the solicitation of proxies will be borne by the Corporation. Solicitation of proxies will be primarily by mail, but may also be in person, by telephone or by electronic means.

Completion of Proxies

The Form of Proxy affords Shareholders or intermediaries an opportunity to specify that the Common Shares registered in their name shall be voted for or against or withheld from voting in respect of certain matters as specified in the accompanying Notice of Meeting.

The persons named in the enclosed Form of Proxy are the **Chief Executive Officer** and the **President**, respectively, of the Corporation.

A REGISTERED SHAREHOLDER OR AN INTERMEDIARY HOLDING COMMON SHARES ON BEHALF OF AN UNREGISTERED SHAREHOLDER HAS THE RIGHT TO APPOINT A PERSON, WHO NEED NOT BE A SHAREHOLDER, TO ATTEND AND ACT ON THEIR BEHALF AT THE MEETING, IN THE PLACE OF THE PERSONS DESIGNATED IN THE FORM OF PROXY FURNISHED BY THE CORPORATION. TO EXERCISE THIS RIGHT, THE SHAREHOLDER OR INTERMEDIARY SHOULD STRIKE OUT THE NAMES OF THE PERSONS NAMED IN THE FORM OF PROXY AND INSERT THE NAME OF THEIR NOMINEE IN THE BLANK SPACE PROVIDED, OR SUBMIT ANOTHER APPROPRIATE PROXY.

A proxy must be dated and signed by the registered Shareholder or by his or her attorney authorized in writing or by the intermediary. In the case of a Shareholder that is a corporation, the proxy must be executed under its corporate seal or signed by a duly authorized officer or attorney for the corporation with proof of authority accompanying the proxy.

In order to be effective, the proxy, together with the power of attorney or other authority, if any, under which it was signed or a notarially certified copy thereof, must be provided to the Corporation's agent, Odyssey Trust Company by the facsimile: 1-800-517-4553 (requires both front and back of a signed proxy), email (requires both front and back of a signed proxy) to proxy@odysseytrust.com, by mail at [Trader' Bank Building 702, 67 Yonge Street, Toronto, ON M5E 1J8](#) or by Internet at <https://login.odysseytrust.com/pxlogin> (to vote your shares by Internet you will need to locate your 12 digit control number located on the Form of Proxy accompanying this Circular – you do not need to return your proxy if you have voted by the Internet) on or prior to the second last business day preceding the day of the Meeting or any adjournment thereof. In order to be valid, proxies must be received by **2:00 p.m.** on or prior to the second last business day preceding the day of the Meeting or any adjournment thereof or deposited with the Chairman of the Meeting via email at proxy@odysseytrust.com prior to the commencement of the Meeting.

Appointment and Revocation of Proxies

A Shareholder or intermediary who has submitted a proxy may revoke it by instrument in writing executed by the Shareholder or intermediary or his or her attorney authorized in writing, or, if the Shareholder is a corporation, under its corporate seal and executed by a director, officer or attorney thereof duly authorized, and deposited either with the Corporation at its offices as aforesaid at any time prior to the close of business on the second last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used, or with the Chairman of the Meeting prior to the commencement of the Meeting on the day of the Meeting, and upon such deposit the previous proxy is revoked.

Exercise of Discretion by Proxies

A Shareholder or intermediary may indicate the manner in which the persons named in the enclosed Form of Proxy are to vote with respect to any matter by checking the appropriate space. On any poll, those persons will vote or withhold from voting the Common Shares in respect of which they are appointed in accordance with the directions, if any, given in the Form of Proxy. If the Shareholder or intermediary wishes to confer a discretionary authority with respect to any matter, the space should be left blank. **IN SUCH INSTANCE, THE PERSONS NAMED IN THE ENCLOSED FORM OF PROXY INTEND TO VOTE THE COMMON SHARES REPRESENTED BY THE PROXY IN FAVOUR OF THE MOTION.**

The enclosed Form of Proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting. At the time of printing of this Circular, management of the Corporation knows of no such amendment, variation or other matter. However, if any other matters which are not now known to management should properly come before the Meeting, the proxies in favour of management nominees will be voted on such matters in accordance with the best judgment of the management nominees.

Advice to Beneficial Holders of Securities

The information set forth in this section is of significant importance to many investors who do not own Common Shares in their own name ("**Beneficial Shareholders**"). 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 vast majority of such Common Shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). Common Shares held by brokers or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for their clients. Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate individuals.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of securityholders 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 that broker) is typically similar to the Form of Proxy provided to registered Shareholders by the Corporation. However, the purpose of the broker's form of proxy is limited to instructing the registered Shareholder (the broker or agent of the broker) 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 asks Beneficial Shareholders to return voting instruction forms to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting voting of Common Shares to be represented at the Meeting. **A Beneficial Shareholder receiving a Broadridge voting instruction form cannot use that voting instruction form to vote Common Shares directly at the Meeting. The Broadridge voting instruction form must be returned 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 the purposes of voting Common Shares registered in the name of the Beneficial Shareholder's broker (or agent of the broker), a Beneficial Shareholder may attend the Meeting as proxyholder for the registered Shareholder and vote such Common Shares

in that capacity. Beneficial Shareholders who wish to attend at the Meeting and indirectly vote their Common Shares as proxyholder for the registered Shareholder should enter their own names in the blank space on the instrument of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting.

If you have any questions respecting the voting of Common Shares held through an intermediary, please contact that intermediary for assistance.

VOTING COMMON SHARES AND PRINCIPAL HOLDERS THEREOF

The Corporation is authorized to issue an unlimited number of Common Shares and an unlimited number of preferred shares, issuable in series. As at the date hereof, there are **140,529,665** fully paid and non-assessable Common Shares issued and outstanding and no preferred shares issued and outstanding. The holders of the Common Shares are entitled to receive notice of all meetings of shareholders and to attend and vote the Common Shares at all such meetings. Each Common Share carries with it the right to one vote.

The by-laws of the Corporation provide that if at least one person is present in person, being a Shareholder or a duly appointed proxy representing not less than 10% of the issued Common Shares entitled to vote, a quorum for the purposes of conducting a shareholders' meeting is constituted.

Any registered Shareholder at the close of business on April 5, 2023 who either personally attends the Meeting or who completes and delivers a proxy will be entitled to vote or have his or her Common Shares voted at the Meeting. However, a person appointed under a form of proxy will be entitled to vote the Common Shares represented by that form only if it is effectively delivered in the manner set out in the heading "*Completion of Proxies*".

To the knowledge of the directors and executive officers of the Corporation, as of the date hereof, there are no persons who beneficially own, directly or indirectly, or exercises control or direction over 10% or more of the issued and outstanding Common Shares other than as set out in the table below.

Name and Municipality	Number of Common Shares Owned or Controlled	Percentage of Class
32 Degrees Capital Advisors Ltd. ("32 Degrees") ⁽¹⁾ <i>Calgary, Alberta</i>	16,875,000	12.0%
Azimuth Capital Management IV Ltd. ("Azimuth IV") ⁽²⁾ <i>Calgary, Alberta</i>	22,000,000	15.7%
Carbon Infrastructure Partners Corp. ("CIP") ⁽³⁾ <i>Calgary, Alberta</i>	32,500,000	23.1%

Notes:

- (1) Includes Common Shares held by 32 Degrees Diversified Energy Fund III (US) L.P. and 32 Degrees Diversified Energy Fund III (Canadian) L.P., which are controlled by 32 Degrees.
- (2) Includes Common Shares held by Azimuth Capital Management IV Ltd. for the account of Azimuth Energy Partners IV LP and Azimuth Energy Partners IV (NR) LP
- (3) Includes Common Shares held by JOG VI C Limited Partnership and JOG Limited Partnership No. VI Opportunity Fund, which are controlled by CIP (previously named JOG Capital Corp.).

MATTERS TO BE ACTED UPON

The following are the matters to be acted upon at the Meeting:

1. Presentation of Financial Statements

The financial statements of the Corporation for the year ended December 31, 2022, together with the auditors' report thereon, will be placed before the Shareholders at the Meeting. No formal action will be taken at the Meeting to approve the financial statements, which have been approved by the board of directors of the Corporation (the "**Board**"). If any Shareholders have questions respecting such financial statements, the questions may be brought forward at the Meeting.

2. Fixing Number of Directors

The Board presently consists of eight directors, all of which were elected at the last annual meeting of Shareholders. At the Meeting, Shareholders will be asked to consider and, if thought fit, approve an ordinary resolution fixing the number of directors to be elected at the Meeting at eight. **Unless otherwise directed, it is the intention of management to vote proxies in the accompanying form in favour of setting the number of directors to be elected at the Meeting at eight.**

3. Election of Directors

Action is to be taken at the Meeting with respect to the election of directors. The Shareholders will be asked to pass an ordinary resolution at the Meeting to elect, as directors, the nominees whose names are set forth in the table below. Voting for the election of nominees will be conducted on an individual, and not on a slate, basis. Each nominee elected will hold office until the next annual meeting of the Shareholders, or until his successor is duly elected or appointed, unless his office is vacated earlier in accordance with the Corporation's articles.

The following information relating to the nominees as directors is based partly on the records of the Corporation and partly on information received by the Corporation from said nominees, and sets forth the name and municipality of residence of the persons proposed to be nominated for election as directors, all other positions and offices within the Corporation now held by them, their principal occupations or employments, the periods during which they have served as directors of the Corporation and the approximate number of Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised by each of them as of the date of this Circular.

<u>Name</u>	<u>Positions Presently Held</u>	<u>Director Since</u>	<u>Principal Occupation</u>	<u>Number of Common Shares Beneficially Owned or Controlled⁽¹⁰⁾</u>
Robert Chaisson <i>Calgary, Alberta</i>	Director and Chief Executive Officer	July 29, 2014	Mr. Chaisson is the Chief Executive Officer of the Corporation and is currently a Director of Saguardo Resources Ltd., Broadview Energy Ltd. and Durham Creek Exploration.	3,254,672

Name	Positions Presently Held	Director Since	Principal Occupation	Number of Common Shares Beneficially Owned or Controlled ⁽¹⁰⁾
Howard Crone ⁽¹⁾⁽²⁾ <i>Calgary, Alberta</i>	Director	July 19, 2016	Mr. Crone has been an independent businessman since August 2014. Prior thereto, from September 2010 to August 2014, Mr. Crone was the Executive Vice President and Chief Operating Officer of Cequence Energy Ltd. He is currently a Director of Crone Investments.	250,000
Donald Engle ⁽¹⁾⁽³⁾ <i>Victoria, British Columbia</i>	Chairman	July 29, 2014	Mr. Engle has been a founder, Chairman, Chief Executive Officer and a Director of many private and public companies over the course of many years.	271,000 ⁽⁷⁾
Daryl Gilbert ⁽²⁾ <i>Calgary, Alberta</i>	Director	June 28, 2016	Mr. Gilbert is a Managing Director of CIP, a privately held equity energy investment management firm. He is currently a Director of Whitecap Resources Inc., Surge Energy Inc., and Terado Gas Storage, Advancing Chemistry Inc. and Islander Oil and Gas Inc.	Nil ⁽⁴⁾
James C. Lough ⁽¹⁾⁽³⁾ <i>Calgary, Alberta</i>	Director	July 19, 2016	Mr. Lough has been an independent businessman since January 2013. Mr. Lough is currently a Director of Saguario Resources Ltd.	525,000 ⁽⁸⁾
Dave Pearce ⁽²⁾⁽³⁾ <i>Calgary, Alberta</i>	Director	June 15, 2016	Mr. Pearce is the Deputy Managing Partner at Azimuth Capital Management. He currently serves as a Director of Baytex Energy Corp. and Headwater Exploration Inc. Mr. Pearce represents Azimuth Capital Management as a Director on the boards of Altex Energy Ltd., Entrada Resources, Courser Energy, Kaden Royalty Co., and Recover Inc.	Nil ⁽⁵⁾

Name	Positions Presently Held	Director Since	Principal Occupation	Number of Common Shares Beneficially Owned or Controlled ⁽¹⁰⁾
Mitch Putnam ⁽²⁾⁽³⁾ <i>Canmore, Alberta</i>	Director	December 17, 2014	Mr. Putnam co-founded and is the Managing Partner at 32 Degrees. He is currently a Director of Canamax Energy Ltd., Summerland Energy Inc. and B-32 Exploration Ltd.	Nil ⁽⁶⁾
R. Steven Smith ⁽¹⁾ <i>Calgary, Alberta</i>	Director	July 29, 2014	Mr. Smith is currently a Director of Southern Energy Corp., Journey Energy Inc. and Jasper Brewing Inc. He was previously the Chief Financial Officer and a Director of Broadview Energy Inc. and before that a Portfolio Manager with Norrep Capital Management Ltd.	1,225,000 ⁽⁹⁾

Notes:

- (1) The Board's audit committee is currently comprised of Howard Crone, Donald Engle, James C. Lough (Chair) and R. Steven Smith.
- (2) The Board's reserves, health, safety and environment committee is currently comprised of Howard Crone (Chair), Daryl Gilbert, Dave Pearce and Mitch Putnam.
- (3) The Board's compensation and corporate governance committee is currently comprised of Donald Engle (Chair), James C. Lough, Dave Pearce and Mitch Putnam.
- (4) Mr. Gilbert is the nominee of CIP, which controls JOG VI C Limited Partnership which holds 15,000,000 Common Shares and JOG Limited Partnership No. VI Opportunity Fund which holds 17,500,000 Common Shares.
- (5) Mr. Pearce is the nominee of Azimuth IV, the general partner of Azimuth Energy Partners IV LP and Azimuth Energy Partners IV (NR) LP. Azimuth IV holds 22,000,000 Common Shares for the account of Azimuth Energy Partners IV LP and Azimuth Energy Partners IV (NR) LP.
- (6) Mr. Putnam is the nominee of 32 Degrees, which controls 32 Degrees Diversified Energy Fund III (Canadian) L.P. which holds 1,956,987 Common Shares and 32 Degrees Diversified Energy Fund III (US) L.P. which holds 14,918,013 Common Shares.
- (7) Includes 151,500 Common Shares held by members of Mr. Engle's family.
- (8) Includes 375,000 Common Shares held by members of Mr. Lough's family.
- (9) Includes 250,000 Common Shares held by members of Mr. Smith's family.
- (10) As at the date hereof, the proposed directors of the Corporation currently own, directly or indirectly, or exercise control or direction over an aggregate of 5,525,672 Common Shares or 3.9% of the issued and outstanding Common Shares, excluding the Common Shares owned or controlled by 32 Degrees, Azimuth IV and CIP. In addition to the Common Shares beneficially owned, controlled or directed, directly or indirectly, the director nominees hold an aggregate 345,000 stock options granted under the Corporation's stock option plan.

Corporate Cease Trade Orders or Bankruptcies

Except as set forth below, none of the above proposed directors are, or have been, within 10 years prior to the date of this Circular, a director or chief executive officer or chief financial officer of any other company that, while such person was acting in that capacity, was the subject of a cease trade order, an order similar to a cease trade order or

an order that denied the relevant issuer access to any exemption under securities legislation for a period, of more than 30 consecutive days.

Except as set forth below, none of the above proposed directors are, or have been, within 10 years prior to the date of this Circular, a director or chief executive officer or chief financial officer of any other company that, after ceasing to be a director, chief executive officer or chief financial officer of any other company, was the subject of a cease trade order, an order similar to a cease trade order or an order that denied the relevant issuer access to any exemption under securities legislation for a period, of more than 30 consecutive days, resulting from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Except as set forth below, none of the above proposed directors are, or have been, within 10 years prior to the date of this Circular, a director or executive officer of any company that, while acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Mr. Gilbert was a director of LGX Oil and Gas Inc. ("**LGX**"), a public oil and gas company, from August 2013 until June 2016. On June 7, 2016 a consent receivership order was granted by the Alberta Court of Queen's Bench (the "**Court**") upon an application by LGX's senior lender. LGX's stock was cease traded shortly thereafter and a receiver manager was appointed.

Mr. Gilbert was a director of Connacher Oil & Gas Limited ("**Connacher**") from October 2014 until February 2019. On May 17, 2016, Connacher applied for and was granted protection from its creditors by the Court pursuant to the *Companies' Creditors Arrangement Act* (Canada) ("**CCAA**"). On February 16, 2019, Connacher announced that it was proceeding to close on a credit bid transaction with its supporting lenders. Mr. Gilbert resigned from the Board shortly thereafter.

Mr. Gilbert was a director of Trident Exploration Corp. ("**Trident**") from 2010 through year end 2018. On April 30, 2019, Trident announced it had ceased operations and had transferred all assets to the Alberta Energy Regulator. On May 3rd, 2019, PricewaterhouseCoopers LLP was appointed receiver.

Mr. Crone was a director of Virginia Hills Oil Corp. ("**Virginia Hills**"), an oil and gas company listed on the TSX Venture Exchange, from April 2015 until February 2017. On February 13, 2017, a consent receivership order was granted by the Court upon an application by the lender of Virginia Hills. A receiver manager was appointed and a liquidation event was realized.

Mr. Crone was a director of Cequence Energy Ltd. ("**Cequence**"), from September 2009 to September 2020. On May 29, 2020, Cequence applied for and was granted protection from its creditors by the Court pursuant to the CCAA.

Mr. Pearce was a director of Kaisen Energy Corp. ("**Kaisen**") from November 2015 to March 2022. On December 8, 2021, Kaisen filed an initial application under *Companies' Creditors Arrangement Act* (Canada) ("**CCAA**") to restructure the company with the Court of Queen's Bench in Alberta. In December of 2021, Ernst & Young was appointed as monitor for the process. Kaisen prepared a plan of arrangement and received creditor protection. On March 16, 2022, the monitor filed a plan implementation certificate confirming that the plan as approved by the affected creditors and the court was effective in accordance with its terms and the sanction order. As a result, the CCAA proceedings concluded and Kaisen resumed operating as Courser Energy Ltd.

Personal Bankruptcies

None of the above proposed directors have, within 10 years prior to the date of this Circular, become bankrupt, made a proposal under any bankruptcy or insolvency legislation, been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold their assets.

Penalties or Sanctions

None of the above proposed directors, within 10 years prior to the date of this Circular, have been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority, or have entered into a settlement agreement with a securities regulatory authority, or have been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for them.

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 election to the Board of those persons designated above as nominees for election as directors. The Board does not contemplate that any of such nominees will be unable to serve as a director. However, if for any reason any of the proposed nominees do not stand for election or are unable to serve as such, proxies in favour of management designees will be voted for another nominee in their discretion, unless the Shareholder has specified in his or her proxy that their Common Shares are to be withheld from voting on the election of directors.

4. Appointment of Auditors

The Shareholders will be asked to pass an ordinary resolution at the Meeting to appoint PricewaterhouseCoopers LLP, Chartered Professional Accountants, of Calgary, Alberta, as auditors of the Corporation, to hold office until the next annual meeting of the Shareholders, at such remuneration to be determined by the Board. PricewaterhouseCoopers LLP was first appointed as the Corporation's auditors in July 2014.

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 PricewaterhouseCoopers LLP as auditors of the Corporation and to authorize the Board to fix the remuneration to be paid to the auditors.

5. Approval of the Amended Option Plan

On November 25, 2022, the Board amended the Corporation's stock option plan to extend the maximum term of a stock option from seven (7) to nine (9) years, resulting in the amended stock option plan (the "**Amended Option Plan**"). The full text of the Amended Option Plan is attached hereto as Schedule "A".

At the Meeting, Shareholders will be asked to consider, and if deemed advisable, pass an ordinary resolution ratifying and approving the Amended Option Plan, on the following terms (the "**Stock Option Resolution**"):

"BE IT RESOLVED AS AN ORDINARY RESOLUTION OF THE SHAREHOLDERS THAT:

1. the amended stock option plan of the Corporation, attached as Schedule "A" to the management information circular of the Corporation dated March 22, 2023, is hereby confirmed, ratified and approved; and
2. any one director or officer of the Corporation be and is hereby authorized and directed to do all things and to execute and deliver all documents and instruments as may be necessary or desirable to carry out the terms of this resolution."

The Board recommends that the Shareholders vote in favour of the Stock Option Resolution. To be effective, the

Stock Option Resolution must be approved by a simple majority of the votes cast by the Shareholders who vote in person or by proxy at the Meeting on the Stock Option Resolution. 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 Stock Option Resolution.

If the necessary Shareholder approval is not obtained at the Meeting, the Corporation will no longer be able to issue Common Shares from treasury upon the exercise of unallocated options, being those options which have not been granted as of May 10, 2023. Options granted prior to this date will continue to be unaffected by the approval or disapproval of the Stock Option Resolution; provided, however, that if any such options are cancelled prior to being exercised, they will not be available for reallocation unless the Stock Option Resolution is approved.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

No director or executive officer of the Corporation, nor any proposed nominee for election as a director of the Corporation, nor any associate or affiliate of any one of them, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as set forth in this Circular, management of the Corporation is not aware of any material interest, direct or indirect, of any informed person of the Corporation, any proposed director of the Corporation, or any associate or affiliate of any informed person or proposed director, in any transaction since the commencement of the year ended December 31, 2022, or in any proposed transaction which has materially affected or would materially affect the Corporation.

Schedule "A"

KARVE ENERGY INC.

AMENDED AND RESTATED STOCK OPTION PLAN

ARTICLE 1 - PURPOSE OF THE PLAN

The purpose of the Plan (as defined herein) is to provide certain Eligible Participants (as defined herein) with an opportunity to purchase Common Shares (as defined herein) and to benefit from the appreciation thereof. This will provide an increased incentive for Eligible Participants to contribute to the future success and prosperity of the Corporation (as defined herein), thus enhancing the value of the Common Shares for the benefit of all the shareholders of the Corporation and increasing the ability of the Corporation and its Subsidiaries (as defined herein) to attract and retain individuals of exceptional skill.

ARTICLE 2 - DEFINED TERMS

Where used herein, the following terms shall have the following meanings:

- (a) **"Board"** means the board of directors of the Corporation;
- (b) **"Canadian IPO"** means an initial public offering by the Corporation of Common Shares or other securities of the Corporation where the securities that are the subject of the offering are qualified for distribution by a prospectus in Canada and listed on a recognized stock exchange;
- (c) **"Change of Control"** means any of the following:
 - (i) the sale by the Corporation of all of the assets of the Corporation or substantially all of the assets of the Corporation;
 - (ii) the acquisition by any Person (whether from the Corporation or from any other Person) of Common Shares or other securities of the Corporation having rights of purchase, conversion or exchange into Common Shares which together with securities of the Corporation held by such Person, together with Persons acting jointly or in concert (as those terms are defined by the *Securities Act* (Alberta)) with such Person, exceeds 51% of the issued and outstanding Common Shares (assuming the purchase, conversion or exchange of such other securities, whether then purchasable, convertible or exchangeable or not, into the highest number of Common Shares, such Person or Persons would be entitled to);
 - (iii) the amalgamation or merger or other business combination of the Corporation with or into any one or more other corporations (other than: (a) an amalgamation or merger or other business combination of the Corporation with or into a Subsidiary; or (b) an amalgamation or merger or other business combination of the Corporation unanimously recommended by the Board provided that the former holders of Common Shares receive, in the aggregate and in their capacities as such, shares of the amalgamated or merged corporation having attached thereto not less than 51% of the votes attached to all shares of such amalgamated or merged corporation);
 - (iv) a liquidation, dissolution or winding-up of the Corporation; or
 - (v) the completion of any transaction, including, without limitation, a plan of arrangement, or the first of a series of transactions which would have the same or similar effect as any transaction or series of transactions referred to in subsections (i), (ii), (iii) or (iv) referred to above;

- (d) **"Common Shares"** means the common shares in the capital of the Corporation or, in the event of an adjustment contemplated by Article 6 hereof, such other shares to which a Participant may be entitled upon the exercise of an Option as a result of such adjustment;
- (e) **"Corporation"** means Karve Energy Inc. and includes any successor corporation thereof;
- (f) **"Eligible Participants"** means the officers, management, employees, directors and consultants of the Corporation and its Subsidiaries, including the Corporation's leadership team;
- (g) **"Exchange"** means the Toronto Stock Exchange, the TSX Venture Exchange or, if the Common Shares are not then listed and posted for trading on the Toronto Stock Exchange or the TSX Venture Exchange, such stock exchange in Canada on which such shares are listed and posted for trading as may be selected for such purpose by the Board;
- (h) **"Insider"** has the meaning ascribed thereto in the Toronto Stock Exchange Company Manual;
- (i) **"Market Price per Share"** shall mean, at the discretion of the Board, either the closing trading price of the Common Shares on the Exchange or the volume weighted average trading price for a period of five (5) days on the Exchange on the relevant date. In the event that the Common Shares are not listed and posted for trading on any stock exchange in Canada, the "Market Price per Share" shall be the fair market value of the Common Shares as determined by the Board in its sole discretion;
- (j) **"Option"** means an option to purchase Common Shares granted pursuant to the Plan by the Board to certain Eligible Participants of the Corporation and its Subsidiaries, subject to the provisions contained herein;
- (k) **"Option Price"** means the price per share at which Common Shares may be purchased under the Option, as the same may be adjusted in accordance with Article 4 and Article 6 hereof;
- (l) **"Participants"** means certain Eligible Participants to whom Options are granted and which Options or a portion thereof remain unexercised;
- (m) **"Plan"** means this stock option plan of the Corporation, as the same may be amended or varied from time to time;
- (n) **"Person"** means an individual, a partnership, a corporation and any other entity or association;
- (o) **"Subsidiary"** means any corporation that is a subsidiary of the Corporation, as such term is defined under subsection 2(4) of the *Business Corporations Act* (Alberta), as such provision is from time to time amended, varied or re-enacted;
- (p) **"Take-over Proposal"** means (i) any proposal or offer by a third Person, whether or not subject to a due diligence condition and whether or not in writing, to acquire in any manner, directly or indirectly, beneficial ownership of or control or direction over more than 50% of the Corporation's outstanding voting shares whether by way of arrangement, amalgamation, merger, consolidation or other business combination, including any single or multi-step transaction or series of related transactions that is structured to permit such third Person to acquire in any manner, directly or indirectly, more than 50% of the Corporation's outstanding voting shares, or (ii) any proposal, offer or agreement for a merger, consolidation, amalgamation, arrangement, recapitalization, liquidation, dissolution or similar transaction or other business combination involving the Corporation; and
- (q) **"U.S. IPO"** means an initial public offering by the Corporation of Common Shares or other securities of the Corporation where the securities that are the subject of the offering are qualified for distribution by a registration statement (including a shelf registration statement) filed with the United States Securities and

Exchange Commission in compliance with the *United States Securities Act of 1933*, as amended, in the United States and listed on a recognized stock exchange.

ARTICLE 3 - ADMINISTRATION OF THE PLAN

The Plan shall be administered by the Board. The Corporation shall effect the grant of Options under the Plan, in accordance with determinations made by the Board pursuant to the provisions of the Plan as to:

- (a) the Eligible Participants to whom Options will be granted; and
- (b) the number of Common Shares that shall be the subject of each Option;

by the execution and delivery of instruments in writing in the form approved by the Board.

The Board may, from time to time, adopt such rules and regulations for administering the Plan as it may deem proper and in the best interests of the Corporation. The Board may, subject to applicable law, pass a resolution delegating its powers hereunder to administer the Plan to a committee of the Board.

ARTICLE 4 - GRANTING OF OPTIONS

The Board from time to time may grant Options to certain Eligible Participants. The grant of Options will be subject to the conditions contained herein and may be subject to additional conditions determined by the Board from time to time.

The aggregate number of Common Shares that may be reserved for issuance under the Plan shall not exceed 10% of the number of Common Shares, on a non-diluted basis, outstanding at that time. If any Options granted under this Plan shall expire, terminate or be cancelled for any reason without having been exercised in full, any unpurchased Common Shares to which such Options relate shall be available for the purposes of the granting of further Options under this Plan. No fractional shares may be purchased or issued hereunder.

Any grant of Options under the Plan shall be subject to the following restrictions:

- (a) the aggregate number of Common Shares reserved for issuance pursuant to Options granted to any one Person may not exceed 5% of the outstanding Common Shares (on a non-diluted basis);
- (b) the aggregate number of Common Shares reserved for issuance pursuant to Options granted to Insiders pursuant to the Plan may not exceed 10% of the outstanding Common Shares (on a non-diluted basis);
- (c) the aggregate number of Options granted to any one consultant of the Corporation (other than a consultant who is also a director, officer or employee) in a 12 month period may not exceed 2% of the outstanding Common Shares (on a non-diluted basis) on the date of any such Option grant; and
- (d) the aggregate number of Common Shares issued within any one year period to Insiders pursuant to Options may not exceed 10% of the outstanding Common Shares (on a non-diluted basis).

The Option Price shall be fixed by the Board but under no circumstances shall any Option Price at the time of the grant be lower than the Market Price per Share. The Option Price as calculated above is intended to be the fair market value of the Common Shares at the date of grant and, subject to the approval of the Board, the Exchange and the shareholders of the Corporation (where required), the Option Price may be adjusted if necessary to achieve that result.

An Option may only be exercised within a period of nine (9) years from the date of the granting of the Option. The vesting period or periods within this nine (9) year period during which an Option or a portion thereof may be exercised by a Participant shall be determined by the Board. Further, the Board may, in its sole discretion at any time or in the Option agreement in respect of any Options granted, accelerate or provide for the acceleration of, vesting of Options previously granted.

Notwithstanding the foregoing, all outstanding Options shall vest and may be exercised by Participants upon the occurrence of any Canadian IPO or U.S. IPO where the Common Shares are not subject to any statutory, contractual or other hold period.

ARTICLE 5 - EXERCISE OR DISPOSITION OF OPTIONS

- (a) Subject to the provisions of the Plan and the terms of the granting of the Option, an Option or a portion thereof may be exercised from time to time by delivery to the Corporation's principal office in Calgary, Alberta of a notice in writing signed by the Participant or the Participant's legal personal representative and addressed to the Corporation. This notice shall state the intention of the Participant or the Participant's legal personal representative to exercise the Option or a portion thereof; the number of Common Shares in respect of which the Option is then being exercised and shall be accompanied by payment in full of the Option Price for the Common Shares which are the subject of the exercise.
- (b) Alternatively, a Participant may offer to dispose of his or her vested, unexercised Options or any of them to the Corporation for cash in an amount not to exceed the aggregate of the Market Price per Share less the Option Price multiplied by the number of Options to be exercised and the Corporation has the right, but not the obligation, to accept the Participant's offer; provided, however, the Corporation may only accept an offer from any Participant on one occasion. The Participant shall make an offer to dispose of his or her Options by providing a written notice to the Corporation at its head office in Calgary, Alberta or such other place as may be specified by the Corporation, specifying the number of vested and unexercised options the Participant is proposing to dispose of.
- (c) In the event a Change of Control is contemplated or has occurred, or at any other time, the Board may, in its sole and absolute discretion, subject to any required approval of any regulatory authority or the Exchange, declare that the Participants shall be entitled to exercise Options on a "cashless" basis at any time prior to the expiry time of such Options. The exercise of any Option on a "cashless" basis will be conditional upon receipt by the Corporation at its head office in Calgary, Alberta a written notice of exercise of such Options specifying the number of Common Shares in respect of which the Option is being exercised on a "cashless" basis. Upon such exercise, the Participant shall be issued such number of Common Shares as is equal to (i) the "in-the-money" amount for all of the Participant's Options being exercised on a "cashless" basis (being the then Market Price per Share (calculated at the date of exercise) less the exercise price of each such Option) divided by (ii) the then Market Price per Share (calculated at the date of exercise), and multiplied by (iii) the number of Options being exercised on a "cashless" basis.

ARTICLE 6 - ADJUSTMENTS IN SHARES

Appropriate adjustments in the number of Common Shares subject to the Plan and, as regards Options granted or to be granted, in the number of Common Shares optioned and in the Option Price, shall be made by the Board to give effect to adjustments in the number of Common Shares resulting from subdivisions, consolidations or reclassifications of the Common Shares, the payment of stock dividends by the Corporation (other than dividends in the ordinary course) or other relevant changes in the authorized or issued capital of the Corporation, which changes occur subsequent to the approval of the Plan by the Board.

Options granted to Participants hereunder are non-assignable unless the prior written consent of the Corporation and the Exchange (if applicable) has been obtained and, except in the case of the death of a Participant (which is provided for in Article 8), are exercisable only by the Participant to whom the Options have been granted.

ARTICLE 7 - DECISIONS OF THE BOARD

All decisions and interpretations of the Board respecting the Plan or Options granted thereunder shall be conclusive and binding on the Corporation and the Participants and their respective legal personal representatives and on all Eligible Participants under the provisions of the Plan.

ARTICLE 8 - TERMINATION OF EMPLOYMENT/DEATH

In the event of the Participant ceasing to be an Eligible Participant for any reason other than death (including the resignation or retirement of the Participant as a director, officer or employee of the Corporation or the termination by the Corporation of the employment of the Participant or the termination by the Corporation or the Participant of the consulting arrangement with the Participant), Options held by such Participant shall cease and terminate on the earlier of:

- (a) the expiry time of such Option, and
- (b) the thirtieth (30th) day following:
 - (i) the effective date of such resignation or retirement,
 - (ii) the date notice of termination of employment is given by the Corporation, or
 - (iii) the date notice of termination of the consulting arrangement is given by the Corporation or the Participant, as the case may be,

and thereafter shall be of no further force or effect whatsoever as to the Common Shares in respect of which such Option has not previously been exercised. In no circumstances shall the operation of this Article extend the expiry date of such Option beyond the nine (9) year period prescribed by Article 4. Notwithstanding the foregoing, in the event of termination for cause, such Option shall cease and terminate immediately upon the date notice of termination of employment for cause is given by the Corporation and shall be of no further force or effect whatsoever as to the Common Shares in respect of which such Option has not previously been exercised.

In the event of the death of a Participant on or prior to the expiry time of an Option, such Option shall immediately vest in full and may be exercised as to all or any of the Common Shares in respect of which such Option has not previously been exercised (and as the Participant would have been entitled to purchase had such Option previously vested) by the legal personal representatives of the Participant at any time up to and including (but not after) the earlier of the date that is twelve (12) months following the date of death of the Participant and the expiry time of such Option.

The Plan does not confer upon a Participant any right with respect to continuation of employment by the Corporation or any of its Subsidiaries, nor does it interfere in any way with the right of the Participant or the Corporation to terminate the Participant's employment at any time.

Options shall not be affected by any change of employment of the Participant where the Participant continues to be employed by the Corporation or any of its Subsidiaries.

ARTICLE 9 - CHANGE OF CONTROL

In the event a Change of Control is contemplated or has occurred, all Options which have not otherwise vested in accordance with their terms shall vest and be exercisable at such time as is determined by the Board, notwithstanding the other terms of the Options, for a period of time ending on the earlier of the expiry time of the Option and the thirtieth (30th) day following the Change of Control.

Whenever the Corporation's shareholders receive a Take-over Proposal, if approved by the Board, the Option may be exercised as to all or any of the Common Shares in respect of which such Option has not previously been exercised (including in respect of Common Shares not otherwise vested at such time) by the Participant (the "**Take-over Acceleration Right**") for the purpose of tendering such Common Shares to the Take-over Proposal. The Take-over Acceleration Right shall commence at such time as is determined by the Board, provided that, if the Board approves the Take-over Acceleration Right but does not determine commencement and termination dates regarding same, the Take-over Acceleration Right shall commence on the date of the Take-over Proposal and end on the earlier of the expiry time of the Option and the tenth (10th) day following the expiry date of the Take-over Proposal. Notwithstanding the foregoing, the Take-over Acceleration Right may be extended for such longer period as the Board may resolve.

If the Participant elects to exercise its Option following the merger or consolidation of the Corporation with any other corporation, whether by amalgamation, plan of arrangement or otherwise, the Participant shall be entitled to receive, and shall accept, in lieu of the number of Common Shares to which he was theretofore entitled upon such exercise, the kind and amount of shares and other securities or property which the Participant would have been entitled to receive as a result of such merger or consolidation if, on the effective date thereof, he had been the registered holder of the number of Common Shares to which he was theretofore entitled to purchase upon exercise.

ARTICLE 10 - AMENDMENT OR DISCONTINUANCE OF PLAN

The Board may in its sole and absolute discretion and without the approval of the shareholders of the Corporation, amend, suspend, terminate or discontinue the Plan and may amend the terms and conditions of Options granted pursuant to the Plan, subject to any required approval of any regulatory authority or the Exchange, including without limiting the generality of the foregoing, where the amendment:

- (a) is for the purpose of curing any ambiguity, error or omission in the Plan or to correct or supplement any provision of the Plan that is inconsistent with any other provision of the Plan;
- (b) is necessary to comply with applicable law or the requirements of any stock exchange on which the Common Shares are listed;
- (c) is an amendment to the Plan respecting administration and eligibility for participation under the Plan (other than changes to the class of Eligible Participant to the Plan which would have the potential of broadening or increasing participation by Insiders, as discussed in this Article 10);
- (d) changes the terms and conditions on which Options may be granted pursuant to the Plan including the provisions relating to Option Price, vesting provisions and expiry date;
- (e) is to alter, extend or accelerate the terms and conditions of vesting applicable to any Option;
- (f) is to add any form of financial assistance for Participant for the exercise of any Options;
- (g) is to accelerate the expiry date of any Option;
- (h) amends the definitions contained within the Plan;
- (i) amends or modifies the mechanics of exercise of Options;
- (j) changes the termination provisions of an Option or the Plan which does not entail an extension beyond the maximum term of the Option of nine (9) years, as set forth in Article 4 above; or
- (k) is an amendment to the Plan of a "housekeeping nature".

Subject to any required approval of any regulatory authority or the Exchange, the Board may amend the Option Price, the expiry date (which in no event shall exceed 5 years from the date of grant) and the termination provisions of Options granted pursuant to the Plan, without shareholder approval, provided that, notwithstanding the foregoing paragraphs of this Article 10, if the Board proposes to reduce the Option Price (for this purpose, a cancellation or termination of an Option prior to its expiry date for the purpose of re-granting the Option to the same Participant with a lower Option Price shall be treated as an amendment to reduce the Option Price of the Option) or extend the expiry date of Options granted to Insiders pursuant to the Plan, except as permitted by Article 11 hereof, such amendments will require shareholder approval, and the Insiders who will benefit from such amendments will not be entitled to vote.

The approval of the shareholders of the Corporation will be required for amendments to the Plan which:

- (a) increase the maximum percentage of Common Shares that may be reserved for issuance under the Plan;

- (b) increase the maximum percentage of Common Shares that may be reserved for issuance under the Plan to Insiders or to any one Person;
- (c) change the class of Eligible Participant to the Plan which would have the potential of broadening or increasing participation by Insiders; or
- (d) amend this Article 10.

If the Plan is terminated, the provisions of the Plan and any administrative guidelines and other rules and regulations adopted by the Board and in force on the date of termination will continue in effect as long as any Option or any rights pursuant thereto remain outstanding and, notwithstanding the termination of the Plan, the Board shall remain able to make such amendments to the Plan or the Options as they would have been entitled to make if the Plan were still in effect.

Subject to the foregoing and any required approval of any regulatory authority or the Exchange, as applicable, the Board may from time to time add to, delete from, alter or otherwise amend the provisions of the Plan or any Options granted thereunder as it sees fit or may at any time terminate the Plan, provided that:

- (a) no amendment may, without the written consent of the Participant, materially and adversely impair, alter or amend any Option previously granted to such Participant; and
- (b) a termination of the Plan shall not derogate from the rights of a Participant in respect of Options granted prior the date of such termination, unless otherwise consented by such Participant.

ARTICLE 11 - EXTENSION OF EXPIRY TIME DURING BLACKOUT PERIODS

Notwithstanding the provisions contained herein for the expiry of Options, in the event that the expiry date of an Option falls during or within two business days following the end of the black out period that is self imposed by the Corporation pursuant to its policies (a "**Black Out Period**"), the expiry date of such Option shall be extended for a period of ten (10) business days following the end of the Black Out Period.

ARTICLE 12 - GOVERNMENT REGULATION

The Corporation's obligation to issue and deliver Common Shares under any Option is subject to:

- (a) the satisfaction of all requirements under applicable securities laws in respect thereof and obtaining all regulatory approvals as the Corporation shall determine to be necessary or advisable in connection with the authorization, issuance or sale thereof;
- (b) the admission of such Common Shares to listing on the Exchange, as applicable; and
- (c) the receipt by the Corporation from the Participant of such representations, warranties, agreements and undertakings as to future dealings in such Common Shares as the Corporation determines to be necessary or advisable in order to safeguard against the violation of the securities laws of any jurisdiction.

In connection with the foregoing, the Corporation shall take all reasonable steps to obtain such approvals and registrations as may be necessary for the issuance of such Common Shares in compliance with applicable securities laws and for the listing of such Common Shares on the Exchange.

ARTICLE 13 - PARTICIPANTS' RIGHTS

A Participant shall not have any rights as a shareholder of the Corporation until the issuance of a certificate for Common Shares upon the exercise of an Option or a portion thereof; and then only with respect to the Common Shares represented by such certificate or certificates.

ARTICLE 14 - WITHHOLDINGS

If the Corporation is required under the *Income Tax Act* (Canada) or any other applicable law to remit to any governmental authority an amount on account of tax on the value of any taxable benefit associated with the exercise or disposition of Options by a Participant, then the Participant shall, concurrently with the exercise or disposition:

- (a) pay to the Corporation, in addition to the exercise price for the Options, if applicable, sufficient cash as is determined by the Corporation to be the amount necessary to fund the required tax remittance;
- (b) authorize the Corporation, on behalf of the Participant, to sell in the market on such terms and at such time or times as the Corporation determines such portion of the Common Shares being issued upon exercise of the Options as is required to realize cash proceeds in the amount necessary to fund the required tax remittance; or
- (c) make other arrangements acceptable to the Corporation to fund the required tax remittance.

Participants (or their beneficiaries) shall be responsible for all taxes with respect to any Options under the Plan, whether arising as a result of the grant or exercise of the Options or otherwise. The Board and the Corporation make no representation to any Person regarding the tax treatment of Options or payments made under the Plan and none of the Corporation, nor any of its employees or representatives shall have any liability to any Participant with respect thereto.

ARTICLE 15 - APPROVALS

The Plan shall be subject to:

- (a) the approval of the Board; and
- (b) if the Common Shares are listed on an Exchange, acceptance by the Exchange.

Any Options granted prior to the acceptance by the Exchange, if applicable, shall be conditional upon such acceptance being given and no such Options may be exercised unless such acceptance is given. Any Options granted prior to the approval of the Plan by the Board shall be subject to the Plan upon approval by the Board and shall take effect on the effective date of the Plan.

ARTICLE 16 - OPTION AGREEMENT

The Option agreement between the Corporation and each Participant to whom an Option is granted hereunder will be in writing and will set out the number of Common Shares subject to option, the Option Price, the vesting dates, the expiry date and any other terms approved by the Board, all in accordance with the provisions of this Plan. The agreement will be in such form as the Board may from time to time approve or authorize the officers of the Corporation to enter into and may contain such terms as may be considered necessary in order that the Option will comply with any provisions respecting options in the income tax or other laws in force in any country or jurisdiction of which the Person to whom the Option is granted may from time to time be a resident or citizen or the rules of any regulatory body having jurisdiction over the Corporation.

ARTICLE 17 - PLAN HISTORY

Approved by the Board on July 19, 2016, with an effective date of June 15, 2016, as amended and restated by the Board effective as of December 18, 2019, as further amended and restated by the Board effective as of November 25, 2022.