Notice of Meeting and Management Information Circular

Annual Meeting of Shareholders
to be held on May 8, 2026

March 24, 2026

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NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

Please join Cavvy Energy Ltd. (the "**Corporation**" or "**Cavvy**") at its 2026 annual meeting (the "**Meeting**") of the holders of common shares ("**Shareholders**").

WHEN	Friday May 8, 2026, at 1:30 – 3:00 pm (Mountain Time)
WHERE	Macleod Room, Norton Rose Fulbright Canada LLP, Suite 3700, 400 3rd Avenue SW, Calgary, Alberta, T2P 4H2
YOUR VOTE MATTERS	If you held Cavvy common shares on March 24, 2026, you are entitled to receive notice of, attend and vote at the Meeting.

BUSINESS OF THE MEETING

1. **Receiving** the 2025 audited consolidated financial statements of the Corporation and the related auditor's report;
2. **Fixing** the number of directors of the Corporation to be elected at seven;
3. **Electing** the directors of the Corporation;
4. **Appointing** Ernst & Young LLP as auditors of the Corporation and authorizing the directors to fix their remuneration;
5. **Conducting** an advisory vote on the Corporation's approach to executive compensation; and
6. Transacting any other business that is properly brought before the Meeting or any adjournment or postponement thereof.

The accompanying Management Information Circular tells you about the items of business for consideration, including the full text of the resolutions to be approved by Shareholders, who may vote and how you can vote.

Registered Shareholders

If you are a Shareholder of record of common shares of the Corporation at the close of business on March 24, 2026, you are entitled to receive notice of, attend and vote at the Meeting. For more information on how to vote if you are a transferee of common shares acquired after March 24, 2026, please see the accompanying Management Information Circular.

Registered Shareholders (as defined in the accompanying Management Information Circular) may attend the Meeting in person or be represented by proxy. Registered Shareholders who are unable to attend the Meeting, or any adjournment or postponement thereof, in person are requested to complete and return the accompanying proxy form and mail it in the envelope provided. To be effective, the proxy form must be **received by Odyssey Trust Company** (a) by mail or by hand delivery at Odyssey Trust Company, Attention: Proxy Department, Trader's Banking Building, 1100-67 Yonge Street Toronto, Ontario M5E 1J8, (b) by internet at *https://login.odysseytrust.com/pxlogin*, or (c) by facsimile at (800) 517-4553, in each case by **no later than 1:30 pm (Mountain Time) on May 6, 2026, or not less than 48 hours preceding any adjournment or postponement of the Meeting** (excluding Saturdays, Sundays and holidays).

Non-Registered Shareholders

If you are a Non-Registered Shareholder (as defined in the accompanying Management Information Circular), complete and return the voting instruction form sent to you by your broker or intermediary in accordance with the instructions for voting described therein in advance of the deadline set forth in the voting instruction form. You may not be entitled to vote at the Meeting. Please read the "*MEETING AND VOTING INFORMATION*" section of the accompanying Management Information Circular for further information.

The Corporation has elected to use the notice-and-access regime under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* and National Instrument 51-102 – *Continuous Disclosure Obligations* to deliver the Management Information Circular and associated materials to Shareholders of the Corporation. Using notice-and-

access allows the Corporation to post electronic versions of these materials on the System for Electronic Data Analysis and Retrieval+ ("**SEDAR+**") at www.sedarplus.ca and on the Corporation's website at www.cavvyenergy.com, rather than mailing paper copies to Shareholders. The materials will also be available via our registrar and transfer agent, Odyssey Trust Company, at https://odysseytrust.com/client/cavvy-energy-ltd.

By order of the Board of Directors of Cavvy Energy Ltd.

Dated March 24, 2026, at Calgary, Alberta

(signed) *"Darcy Reding"*
Darcy Reding
President & Chief Executive Officer

LETTER TO SHAREHOLDERS

To our valued shareholders,

On behalf of the board of directors (the "**Board**") and management of Cavvy Energy Ltd. (the "**Corporation**", **"Company"**, or "**Cavvy**") we are pleased to provide an update on Cavvy's corporate strategy and achievements from 2025. Please review the enclosed information and exercise your right to vote your shares. We also invite you to join us for the upcoming Annual and Special Meeting of Shareholders to be held in Calgary on May 8, 2026.

A Year of Cavvy

On May 12, 2026, the Corporation will mark the one-year anniversary of operating under the Cavvy Energy Ltd. brand. The rebrand marked an important milestone in our journey to embrace our identity as a western-Canadian based energy company, strengthening alignment between our Alberta roots, our operations, and our long-term strategy. The brand has been well received by staff, communities, and shareholders, strengthening the pride in our organization and reinforcing our commitment to safety excellence, hard work, tenacity, reliability, and operational capability.

In 2025 Cavvy focused on the continuous improvement of cost structure and efficiencies in the business, reducing debt, growing revenue streams from gas processing and other services provided to our customers, and optimizing our infrastructure run-time reliability. We are proud of our accomplishments, remain committed to business excellence, and excitedly anticipate the achievement of our 2026 strategic objectives.

We thank the entire Cavvy Board of Directors for their continued support and guidance.

Operations

The successes of 2025 were supported by our commitment to the reliable, safe operation of Cavvy assets. By maintaining this focus in 2026 along with our embedded culture of continuous improvement, we will further enhance operational performance and deliver long-term value.

During an unscheduled operational outage at the Jumping Pound gas plant in the first quarter of 2025, additional routine maintenance was completed that has enabled deferral of the plant's originally scheduled 2026 maintenance turnaround to 2027. The Company also accelerated a two-week outage at the Waterton gas plant into the fourth quarter of 2025 to address equipment maintenance. By doing so, run-time reliability was improved and the need for a scheduled outage in 2026 to conduct this maintenance was eliminated. Improving run-time reliability continues to be a priority at each of our core facilities to help ensure we achieve our annual cash flow objectives.

The past year also saw a 94% year-over-year increase in the volume of third-party natural gas processed by the Company, helping deliver a 92% increase in services revenue, to $38.8 million in 2025. Cavvy expects continued growth in this revenue stream in 2026.

AECO Natural Gas Markets

Weak 2025 AECO natural gas prices averaging $1.60/GJ, 32% lower than our 2025 budget price assumption of $2.34/GJ, provided unwelcome headwinds to our business. However, the corporation benefitted from our strong hedge program in 2025, resulting in a net realized hedging gain of approximately $76 million for the year.

Sulphur Markets

With the acquisition of the Shell southern Foothills assets in late 2019, the Company's sulphur sales were governed by a long-term agreement that established a fixed net (after shipping and handling costs) sales price of $6 per metric tonne through to the end of 2025. When this arrangement was updated in 2022 to refine specific terms, we secured a successor sulphur sales agreement to take effect on January 1, 2026. This new agreement spans an initial three-year term with a one-year extension option and transitioned our sulphur pricing from a fixed net sales price to prevailing market prices, specifically FOB Vancouver.

Most recently, capitalizing on rapid increases in global sulphur prices, we revised the terms of this new agreement for the 2026 calendar year to include a structured fixed forward price component. Doing so provides certainty on the Company's 2026 sulphur sales revenue while preserving meaningful upside participation in the open market. This one-year arrangement

ensures Cavvy's 2026 debt reduction objectives will be met amidst ongoing weakness in natural gas price and volatility in natural gas liquids pricing, which are particularly sensitive to recent geopolitical events in the first quarter of 2026.

Sulphur pricing has remained resilient in the early months of 2026, providing the Company with options to consider new forward pricing arrangements for 2027 and 2028.

Board of Directors

The Board supported management throughout 2025 in shifting the organization's strategy from stabilization toward a renewed focus on long-term value creation, ensuring disciplined decision-making and alignment with the Corporation's long-term objectives. The Board also engaged in the execution of the Company's structured forward sulphur pricing agreement, supporting the enhanced exposure on sulphur pricing while maintaining strong fiscal discipline, in line with corporate goals.

The Board increased focus on understanding the potential impacts of artificial intelligence and other emerging technologies for the Corporation and the broader energy industry. This work supports the Board's ability to provide informed oversight as technological developments continue to shape the broader operating environment.

Two new members were onboarded in 2025, Michael Backus and Harvey Doerr. The Board supported their integration through multiple educational sessions. We are pleased to have Mr. Backus' and Mr. Doerr's additional knowledge and experience on the Board.

Looking Ahead

This year marks the beginning of our transition to the second phase of our strategic transformation. While our commitments to cost structure reductions, revenue growth through services to our customers, and ongoing corporate debt reduction remain, we begin 2026 by looking ahead to our opportunities for future shareholder value growth.

Our growth objectives include focus on filling our infrastructure assets to capacity, developing our deep inventory of drilling prospects in the Western Canadian Foothills, and sourcing accretive acquisitions that provide opportunities for operational synergies and development upside.

Thank you to everyone – our staff, partners, stakeholders, and directors – for their commitment to Cavvy. With the strong momentum established in 2025 we look forward to new achievements in 2026!

"*Patricia McLeod*"
Patricia McLeod K.C.
Chair of the Board of Directors

"*Darcy Reding*"
Darcy Reding
President & Chief Executive Officer

MEETING AND VOTING INFORMATION

SOLICITATION OF PROXIES

This management information circular and proxy statement ("**Circular**") is furnished in connection with the solicitation of proxies by the management of Cavvy Energy Ltd. (the "**Corporation**" or "**Cavvy**") for use at the annual general meeting (the "**Meeting**") of the holders (the "**Shareholders**") of common shares ("**Common Shares**") of the Corporation to be held on May 8, 2026 from 1:30 - 3:00 p.m. (Mountain Time) in the Macleod Room, Norton Rose Fulbright Canada LLP, Suite 3700, 400 3rd Avenue SW, Calgary, Alberta, T2P 4H2 for the purposes set forth in the Notice of Annual Meeting (the "**Notice**") accompanying this Circular.

The Meeting will also be streamed via live audio webcast with the ability to "raise the hand" to ask a verbal question during the question-and-answer session. To participate in the live webcast, go to https://edge.media-server.com/mmc/p/24tjxx4**n**. Voting will not be taken via the live audio webcast, so if you wish to vote at the Meeting, you or your duly appointed proxyholder must attend in person.

To register to participate in the live audio webcast by telephone go to: https://register-conf.media-server.com/register/BIc3835a1486ce43b184ab59bfb81edfd2 and follow the instructions provided.

The board of directors of the Corporation (the "**Board**") has fixed the record date for the Meeting at the close of business on March 24, 2026 (the "**Record Date**"). Pursuant to the *Business Corporations Act* (Alberta) (the "**ABCA**"), Shareholders of record as at the Record Date will be included on the list prepared by the Corporation of Shareholders entitled to receive notice of the Meeting and showing the number of Common Shares held by each such Shareholder. Shareholders included on such list are entitled to receive notice of the Meeting and to vote the Common Shares shown on such list, unless any such Shareholder transfers their Common Shares after the Record Date and the transferee of those Common Shares, having produced properly endorsed certificates evidencing such Common Shares or having otherwise established that they own such Common Shares, demands not later than 10 days before the Meeting, that the transferee's name be included in the list of Shareholders entitled to vote at the Meeting, in which case such transferee shall be entitled to vote such Common Shares at the Meeting.

Proxies may be solicited by mail, telephone, email, facsimile or other electronic means. Proxies may be solicited personally by directors or officers of the Corporation who will not be specifically remunerated for solicitation. The cost of solicitation of proxies will be paid by the Corporation.

Unless otherwise stated, information contained herein is given as of March 24, 2026.

NOTICE AND ACCESS

The Corporation has elected to use the notice–and-access regime under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**") and National Instrument 51-102 – *Continuous Disclosure Obligations* to deliver the proxy-related materials to Shareholders, including the Notice of Meeting, this Circular, a proxy form or voting instruction form, as applicable, and a supplemental mailing list return card (collectively, the "**Meeting Materials**"). Notice-and-access allows the Corporation to post electronic versions of the Meeting Materials on the System for Electronic Data Analysis and Retrieval+ ("**SEDAR+**") and on its website rather than mailing paper copies to Shareholders.

Under notice-and-access, instead of receiving printed copies of the Meeting Materials, Shareholders receive a notice-and-access notification package (the "**Notice Package**"). The Notice Package includes: (a) a voting instruction form or proxy form, as applicable; (b) basic information about the Meeting and the matters to be voted on; (c) instructions on how to obtain a paper copy of the Circular; and (d) a plain-language explanation of how the notice-and-access regime operates and how the Circular can be accessed online. Where prior consent has been obtained, the Corporation will send the Notice Package to Shareholders electronically. The Notice Package will be mailed to Shareholders from whom consent to electronic delivery has not been received.

The Meeting Materials will be available at https://odysseytrust.com/client/cavvy-energy-ltd. on or about April 8, 2026. The materials will also be available on the Corporation's website at www.cavvyenergy.com and on the Corporation's SEDAR+ profile at www.sedarplus.ca on or about April 8, 2026. The use of this alternative means of delivery is more environmentally friendly as it will help reduce paper use and it will also reduce the Corporation's printing and mailing costs. It also helps expedite Shareholders' receipt of the Meeting Materials. Shareholders are reminded to review the Meeting Materials prior to voting.

If you would prefer to receive a paper copy of the Meeting Materials, free of charge, or if you have any questions regarding notice-and-access, you can contact the Corporation's transfer agent, Odyssey Trust Company ("**Odyssey**"), by email at Shareholders@odysseytrust.com, or by calling 1-587-885-0960. Requests for paper copies can be made up to one year from the date this Circular was filed on SEDAR+; however, requests should be received at least ten business days in advance of the proxy deposit date and time set out in the accompanying proxy form or voting instruction form in order to allow sufficient time for Shareholders to receive and review the Meeting Materials and return the proxy form or voting instruction form prior to the deadline for receipt of proxies.

VOTING

The rules and procedures for voting depend on whether you are a "registered Shareholder" or a "non-registered Shareholder", as discussed below.

Registered Shareholders

You are a *registered holder* of Common Shares ("**Registered Shareholder**") if you hold a share certificate in your name or your Common Shares are recorded electronically in the direct registration system in your name.

If you are a Registered Shareholder and would like someone else to vote on your behalf at the Meeting, you must complete a proxy form. For detailed information on how to vote as a Registered Shareholder, please refer to the table under the heading "*VOTING PROCEDURE*" below.

Non-Registered Shareholders

You are a *non-registered (beneficial) holder* of Common Shares ("**Non-Registered Shareholder**") if you hold your Common Shares through an intermediary where the Common Shares are registered in your intermediary's name and you are the beneficial Shareholder. More particularly, you are a Non-Registered Shareholder if your Common Shares are held on your behalf but registered either: (a) in the name of an intermediary that you deal with in respect of the Common Shares (intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited) of which the intermediary is a participant. For detailed information on how to vote as a Non-Registered Shareholder, please refer to the table under the heading "*VOTING PROCEDURE*" below.

We do not have the names of Non-Registered Shareholders or a record of the number of Common Shares that are owned by Non-Registered Shareholders.

Non-Registered Shareholders who have not objected to their intermediary disclosing certain ownership information about them to the Corporation are referred to as "Non-Objecting Beneficial Owners" ("**NOBOs**"). Non-Registered Shareholders who have objected to their intermediary disclosing ownership information about them to the Corporation are referred to as "Objecting Beneficial Owners" ("**OBOs**").

In accordance with the requirements as set out in NI 54-101, the Corporation has distributed copies of the Notice Package and Meeting Materials for Non-Registered Shareholders to intermediaries for distribution to NOBOs and OBOs. Intermediaries are required to forward the Notice Package (or if requested, the Meeting Materials) to both NOBO and OBO Non-Registered Shareholders unless they have waived the right to receive them. The Corporation is not sending the Notice Package (or Meeting Materials) directly to Non-Registered Shareholders (including both NOBOs and OBOs; however, the Corporation will reimburse intermediaries for the cost incurred by them in delivering the Notice Package (or Meeting Materials).

Only Registered Shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Non-Registered Shareholders should carefully follow the instructions for voting described in the voting instruction form sent by your broker or intermediary in advance of the deadline set forth in the voting instruction form.

Voting Procedure

	Registered Shareholders	Non-Registered Shareholders
Voting at the Meeting	If you wish to vote at the Meeting, please attend the Meeting in person. Do not complete and return the proxy form – your vote will be taken and counted at the Meeting. Voting will not be taken via the live audio webcast, so if you wish to vote at the Meeting, you must attend in person.	If you wish to vote at the Meeting, please strike out the names of the Management Proxyholders (as defined below), on the voting instruction form sent to you by your intermediary, insert your own name in the space provided on the voting instruction form, follow all of the applicable instructions provided by your intermediary and register yourself as a proxyholder. If you appoint yourself as proxyholder, you must attend the Meeting in person where your vote will be taken and counted.
Voting by proxy	Your Common Shares will be voted at the Meeting according to your instructions. You can send your instructions by (a) mail in the self-addressed envelope enclosed herewith to Odyssey, (b) facsimile at (800) 517-4553 or (c) internet at https://login.odysseytrust.com/pxlogin. If you wish to appoint a person other than the Management Proxyholders (as defined below) as your proxyholder, please insert the name of your chosen proxyholder in the space provided on the proxy form. Please follow the instructions carefully. **Your instructions must be received by 1:30 pm (Mountain Time) on May 6, 2026, for your vote to be counted.** If you are mailing the form, be sure to allow enough time for the envelope to be delivered. If the Meeting is adjourned or postponed, your proxy must be received 48 hours before the time of the reconvened meeting (excluding Saturdays, Sundays, and holidays). The Chair of the Meeting may waive or extend the proxy cut-off without notice.	Your Common Shares will be voted at the Meeting according to your instructions. Send your voting instructions to your broker or intermediary using your *voting instruction form.* Most brokers and intermediaries allow you to send your instructions by mail, internet, telephone, or fax, but each has its own process so make sure you follow the instructions on the form. **Your broker or intermediary must receive your instructions in enough time to act on them. Check the deadline on the form.** If you are mailing your instructions, be sure to allow enough time for the envelope to be delivered.
Revoking a proxy or changing your vote	If you voted by proxy in advance of the Meeting, you may revoke or change your vote by: 1. completing and signing a new proxy bearing a later date than your initial proxy and delivering it to Odyssey not less than 48 hours (excluding Saturdays, Sundays, and holidays) before the time of the Meeting (or any adjourned or postponed meeting); or 2. delivering a written statement revoking your proxy, signed by you or your authorized attorney to: a. Odyssey not less than 48 hours (excluding Saturdays, Sundays, and holidays) before the time of the Meeting (or any adjourned or postponed meeting); or b. The Chair of the Meeting prior to the start of the Meeting You may then attend the Meeting in person and vote.	If you wish to revoke your proxy or change your vote in advance of the Meeting, please contact your broker or intermediary to find out how to change or revoke your voting instructions and the timing requirements. Brokers and intermediaries may set deadlines for the receipt of revocation notices that are different than those set out herein and, accordingly, any such revocation should be completed well in advance of the deadline prescribed in the proxy card or voting instruction form to ensure it is given effect at the Meeting. The vote of a duly appointed proxyholder cannot be changed once it has been taken at the Meeting.

	Registered Shareholders	Non-Registered Shareholders
	You will not be able to change your vote once it has been taken at the Meeting.	
More about voting by proxy	When you or your broker or intermediary, as applicable, send in the proxy form, by default you are appointing Darcy Reding and, in the alternative, Adam Gray ("**Management Proxyholders**"), to act as your proxyholder and vote on your behalf. They will vote your Common Shares according to the voting instructions you provide on the proxy form or voting instruction form, as applicable. If you do not provide voting instructions, they will vote FOR the resolutions to be voted on at the Meeting. The proxy form confers discretionary authority upon the persons named therein with respect to other matters which may properly come before the Meeting or any adjournment or postponement thereof. As of the date of the Circular, management of the Corporation ("**Management**") is not aware of any such amendment, variation, or other matter to come before the Meeting. **You also have the right to appoint someone else to represent you at the Meeting or at any adjournment or postponement thereof. This person does not need to be one of the Management Proxyholders or another Shareholder of the Corporation. To appoint another person, simply write that person's name in the blank space provided on the proxy form. Your vote will be counted as long as the person you appoint attends the Meeting and votes on your behalf. If you appoint someone else as your proxyholder, but do not specify how you want to vote your Common Shares, the person can vote as they see fit. Should any amendment to an item of business arise, or any other matter properly arise at the Meeting, your proxyholder has the discretion to vote as they see fit, to the extent possible.**	

QUORUM FOR THE MEETING

At least two persons who hold or represent by proxy at least 5% of the issued and outstanding Common Shares must be present at the Meeting in order to constitute a quorum, thereby enabling the Meeting to proceed. If you submit a properly executed proxy form or voting instruction form, or vote by internet, you will be considered to be part of the quorum.

APPROVAL REQUIREMENTS

The following 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: fixing the number of directors to be elected at the Meeting at seven, electing the directors, and appointing Ernst & Young LLP as auditors.

The vote to accept Cavvy's approach to executive compensation is an advisory vote pursuant to which Shareholders will have a say on the Corporation's approach to executive compensation. As this is an advisory vote, the results are not binding upon the Board; however, the Board will report on and take into account the results when considering compensation in the future.

Odyssey, our transfer agent and registrar, will count the votes during the Meeting in its capacity as the Corporation's scrutineer.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

As at the Record Date, the Corporation had 296,034,505 Common Shares issued and outstanding. Each Common Share entitles the holder thereof to one vote on each resolution proposed at a meeting of Shareholders. Except for Common Shares, the Corporation has not issued any other voting security. The outstanding Common Shares are listed on the Toronto Stock Exchange (the "**TSX**") under the symbol "CVVY".

We are not aware of any person who beneficially owns or exercises control or direction over (directly or indirectly) more than 10% of the voting rights attached to the Common Shares as at the Record Date, except the following:

- Alberta Investment Management Corporation ("**AIMCo**") is the registered holder of 136,491,029 (or approximately 46%) of the issued and outstanding Common Shares as at the Record Date.

Under the Investor Rights Agreement between AIMCo and the Corporation dated October 8, 2024 (the "**Investor Rights Agreement**"), AIMCo was granted, among other things, certain representation rights with respect to the Board, including the right to designate two nominees for election to the Board. AIMCo's Board nomination rights will terminate at such time that AIMCo, together with its affiliates, owns or exercises control or direction over less than 10% of the outstanding voting shares of the Corporation. AIMCo's nominees for election to the Board are Harvey Doerr and Michael Backus.

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

Other than interests in Common Shares of the Corporation, stock options, deferred share units ("**DSU**") and restricted share units ("**RSU**"), all as more particularly detailed in this Circular, Management is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any person who has been a director or executive officer of the Corporation at any time since January 1, 2025 (the beginning of the Corporation's last financial year) or any proposed nominee for election as a director, or any associate or affiliate of any of the foregoing persons, in any matter to be acted upon at the Meeting other than the election of directors or the appointment of auditors.

BUSINESS OF THE MEETING

The following matters will be presented during the Meeting for consideration by the Shareholders.

As of the Record Date, no director of the Corporation has informed Management in writing that he or she intends to oppose any action that is intended to be taken by Management at the Meeting.

RECEIVING THE 2025 AUDITED CONSOLIDATED FINANCIAL STATEMENTS

The audited consolidated financial statements of the Corporation for the year ended December 31, 2025, the report of auditors thereon and the related management discussion and analysis, will be placed before Shareholders, but no vote by the Shareholders is required or proposed to be taken. The financial statements will be available electronically to all Registered Shareholders and Non-Registered Shareholders on the Corporation's website at www.cavvyenergy.com and under the Corporation's profile on SEDAR+ at www.sedarplus.ca.

FIXING THE NUMBER OF DIRECTORS TO BE ELECTED

The articles of the Corporation allow for a minimum of three (3) and a maximum of eleven (11) directors of the Corporation. In accordance with the Investor Rights Agreement, it is proposed that the number of directors to be elected at the Meeting of the Shareholders be fixed at seven (7).

The proposed resolution is set out below.

> *"IT IS RESOLVED as an ordinary resolution that the number of directors to be elected at the Meeting be hereby fixed at* seven (7)*"*

The Board recommends that Shareholders vote FOR this resolution.

In the absence of a contrary instruction or if no choice is specified in the proxy with respect to the foregoing matter, the Management Proxyholders intend to vote FOR the resolution fixing the number of directors to be elected at the Meeting by Shareholders at seven (7).

ELECTION OF DIRECTORS

The members of the Board are elected at each annual meeting of Shareholders to hold office until the conclusion of the next annual meeting of Shareholders, until their successor is elected or appointed, or until they otherwise cease to hold office in accordance with the Corporation's constating documents or applicable laws. In the event of a vacancy on the Board, the by-laws of the Corporation permit the Board to fill such vacancy subject to the provisions of the ABCA. In addition, the articles

of the Corporation permit the Board to appoint one or more additional directors of the Corporation who shall hold office for a term expiring not later than the close of the next annual meeting of Shareholders, but the total number of directors so appointed may not exceed one-third of the number of directors elected at the previous annual meeting of Shareholders.

The seven (7) proposed nominees for election to the Board (collectively, the "**Nominees**" and each, a "**Nominee**"), which include the two (2) Nominees designated by AIMCo, are:

TABLE 1

Name of Nominee
Michael Backus
Harvey Doerr
Doug Dreisinger
Andrew Judson
Patricia McLeod
Darcy Reding
Kiren Singh

Except for Darcy Reding, all of the Nominees are considered to be independent, as determined by the Board in accordance with the standard of independence set forth in National Instrument 52-110 – *Audit Committees* ("**NI 52-110**").

Please refer to the text under the heading "*NOMINEES FOR ELECTION TO THE BOARD*" for particular biographical and other information concerning each Nominee and to the text under the heading "*GOVERNANCE"* for a further discussion of the independence of the Nominees.

Each Nominee who is elected as a director will hold that office until the conclusion of the next annual meeting of the Corporation, until their successor is elected or appointed, or until they otherwise cease to hold office in accordance with the Corporation's constating documents or applicable laws.

In the absence of a contrary instruction or if no choice is specified in the proxy with respect to the foregoing matter, the Management Proxyholders intend to vote FOR the election as directors of the Nominees whose names are set forth above.

APPOINTMENT OF AUDITORS

Ernst & Young LLP has been the Corporation's auditors since 2017. The Board proposes to re-appoint Ernst & Young LLP, chartered professional accountants, as auditors of the Corporation at remuneration to be fixed by the Board. The proposed resolution is set out below.

> *"IT IS RESOLVED as an ordinary resolution that Ernst & Young LLP be hereby appointed auditors of the Corporation to hold office until the close of the next annual meeting of Shareholders, at such remuneration as may be fixed by the Board."*

The Board recommends that Shareholders vote FOR this resolution.

In the absence of a contrary instruction or if no choice is specified in the proxy with respect to the foregoing matter, the Management Proxyholders intend to vote FOR the appointment of Ernst & Young LLP as auditors of the Corporation to hold office until the next annual meeting of Shareholders or until a successor is appointed and authorize the Board to fix the remuneration of the auditors.

External Auditor Service Fees

Information regarding the amount and nature of the fees that were paid by the Corporation to its external auditors is disclosed on page 29 of the annual information form of the Corporation for the year ended December 31, 2025 (the "**AIF**"), a copy of which can be found under the Corporation's profile on SEDAR+ at www.sedarplus.ca.

ADVISORY VOTE ON EXECUTIVE COMPENSATION

At the 2025 annual meeting of Shareholders, the voting results were 177,804,409 (87.37%) of Shareholders in favour of the Corporation's approach to executive compensation, with 25,694,867 (12.63%) against.

The Corporation is pleased to again provide Shareholders the opportunity to vote on a non-binding advisory resolution to accept or reject our approach to executive compensation as more particularly described in this Circular.

The Board believes its executive compensation program aligns the interests of the executives with those of the Corporation's Shareholders through our commitment to providing an equitable yet market competitive compensation program that will attract, motivate, retain, and reward a diverse, qualified, and dedicated cohort at all levels within the Corporation. Please review the information under the heading "*OUTSTANDING SHARE BASED AND OPTION BASED AWARDS*" before voting on this matter.

The proposed resolution is set out below.

> "*IT IS RESOLVED, on an advisory basis and not to diminish the role and responsibilities of the Board, that the Shareholders accept the approach to executive compensation disclosed in the Management Information Circular delivered in advance of the Meeting.*"

The Board recommends that Shareholders vote FOR the advisory vote to accept our approach to executive compensation.

In the absence of a contrary instruction or if no choice is specified in the proxy with respect to the foregoing matter, the Management Proxyholders intend to vote FOR the advisory vote to accept our approach to executive compensation.

As this is an advisory vote, the results are not binding upon the Board; however, the Board will report on and take into account the results when considering compensation in the future.

NOMINEES FOR ELECTION TO THE BOARD

BIOGRAPHICAL INFORMATION REGARDING THE NOMINEES

MICHAEL BACKUS

Status:	Independent Director
Credentials:	B.Sc., Mechanical Engineering, ICD.D; P. Eng
Age:	57
Residence:	Calgary, Alberta, Canada

Mr. Backus is the current CEO of Outwest Energy Inc., a new Western Canadian based energy company. He has over 25 years of experience in a variety of engineering, operational, finance and executive roles. Prior to founding Outwest, he was a member of the executive teams at Kiwetinohk Energy Corp and Painted Pony Energy where he was the COO, responsible for development and operations prior to the corporate sale of both companies. Most of his career was spent with Nexen Inc. (now CNOOC International) where he was most recently the VP of Operations for Canada and the UK North Sea businesses. Mr. Backus has held various positions during his career, including working both conventional and unconventional Canadian gas and power assets, oilsands, offshore North Sea, Middle East and West Africa. His career has spanned drilling and completions engineering, reservoir engineering and development, project management and planning, investor relations, corporate finance/treasury, operations, health, safety and environment, and executive leadership. Mr. Backus holds both a Bachelor of Commerce degree in Accounting and a Bachelor of Science degree in Mechanical Engineering, both from the University of Saskatchewan. He is a registered Professional Engineer in Alberta (P.Eng) and holds his Corporate Director designation (ICD.D). Mr. Backus has also held various industry association roles in both Canada and the UK. Aside from his industry career and director position with Cavvy, he currently holds director positions with two private companies.

Board memberships of other public corporations: **none**

Mr. Backus is a member of the Reserves & HSE Committee and the Audit & Risk Committee. He has been a Director of the Corporation since May 8, 2025.

2025 Board and Committee Meeting Attendance [1]		Voting Results from 2025 annual meeting	
Board	5 of 6	For	188,070,204 (92.42%)
Reserves & HSE	2 of 2	Against	15,429,072 (7.58%)
Audit & Risk	2 of 2		

[1] Mr. Backus was appointed to the Board effective May 8, 2025. Accordingly, his attendance is only recorded for meetings held after his appointment.

HARVEY DOERR

Status:	Independent Director
Credentials:	B.Sc., Mechanical Engineering, ICD.D
Age:	67
Residence:	Calgary, Alberta, Canada

Mr. Doerr has more than 29 years of full-time experience in the oil and gas industry, including broad exposure to domestic and international exploration and production, heavy oil and oilsands, offshore, refining, retail marketing, acquisitions and divestitures, strategic planning and government relations. He was previously Executive Vice President of Murphy Oil Corporation, a global oil exploration and production company, and was responsible for worldwide refining and marketing operations and strategic planning. Prior thereto, Mr. Doerr held various positions in the upstream oil and gas industry with Murphy Oil Corporation and affiliates, primarily in Canada. Since his retirement from Murphy Oil in 2009, Mr. Doerr has continued his career as a professional director, serving on the boards of directors of a number of public, private and not-for-profit corporations. Mr. Doerr earned a Bachelor of Science in Mechanical Engineering from the University of Alberta (1981). Mr. Doerr is a Professional Engineer, has completed the Advanced Management Program at Harvard Business School and holds the ICD.D designation from the Institute of Corporate Directors.

Board memberships of other public corporations: **Coelacanth Energy Inc. (TSXV: CEI)**

Mr. Doerr is a member of the Audit & Risk Committee and the Governance & HR Committee ("GHRC"). He has been a Director of the Corporation since May 8, 2025.

2025 Board and Committee Meeting Attendance [1]		**Voting Results from 2025 annual meeting**	
Board	6 of 6	For	200,366,173 (98.46%)
GHRC	3 of 3	Against	3,133,103 (1.54%)
Audit & Risk	2 of 2		

(1) Mr. Doerr was appointed to the Board effective May 8, 2025. Accordingly, his attendance is only recorded for meetings held after his appointment.

DOUG DREISINGER

Status:	Independent Director
Credentials:	B.Sc. (Hons.), Chemical Engineering
Age:	65
Residence:	Calgary, Alberta, Canada

Mr. Dreisinger is a veteran energy and chemical industry leader with over 40 years of experience spanning global markets. During his 20-year tenure at Nexen (now CNOOC), he rose to President of Global Energy Marketing & Trading, while earlier roles at Praxair/Linde established his expertise in commercializing new industrial gas technologies. Mr. Dreisinger previously held directorship positions with the Alberta Petroleum Marketing Commission (2014-18) and Connacher Oil & Gas (2015-22), where he played a pivotal role in a successful restructuring. He is also experienced in sulphur markets and logistics, having served on the board of directors of Sultran (Logistics) and Prism (Marketing). His advisory portfolio includes helping innovative companies like Atlas Materials commercialize zero-waste nickel processing and supporting Phenom Resources in developing vanadium sources for battery storage applications. He brings deep expertise in natural gas markets, power generation, and corporate restructuring. A chemical engineering graduate from Queens University, he now leverages his comprehensive experience in business development, risk management, and mergers and acquisitions to drive sustainable growth and innovation in the energy and mineral processing sectors.

Board memberships of other public corporations: **none**

Mr. Dreisinger is a member of the GHRC and the Reserves & HSE Committee. He has been the Chair of the GHRC since May 8, 2025. He has been a Director of the Corporation since May 26, 2022.

2025 Board and Committee Meeting Attendance		**Voting Results from 2025 annual meeting**	
Board	9 of 9	For	180,729,425 (88.81%)
GHRC	6 of 6	Against	22,769,851 (11.19%)
Reserves & HSE	4 of 4		

ANDREW JUDSON

Status:	Independent Director
Credentials:	B.A., MBA
Age:	58
Residence:	Calgary, Alberta, Canada

Mr. Judson is a director of Condor Energies Inc., a public Canadian company operating oil and gas developments in Kazakhstan and Uzbekistan, and of Field Safe Solutions, a private company providing SaaS safety solutions. Mr. Judson also serves as a Senior Advisor for Fort Capital Advisors, a partner owned investment bank. Mr. Judson served on the Board of Bonavista Energy Corporation, a private Canadian energy producer, from May 2022 until it was sold in December 2023. In November 2022, he joined the Board of Drift Resource Technologies Inc., a private Canadian oilsands development company. Previously Mr. Judson was a Managing Director of Camcor Partners Inc. Mr. Judson has more than 25 years of experience in Canadian energy capital markets and has advised some of the largest institutional investors in Canada, the U.S.A. and Europe on energy investments.

Board memberships of other public corporations: **Condor Energies Inc. (TSX: CDR)**

Mr. Judson is a member of the Audit & Risk Committee and the Reserves & HSE Committee. He has been the Chair of the Reserves & HSE Committee since May 8, 2025. He has been a Director of the Corporation since October 24, 2017.

2025 Board and Committee Meeting Attendance		**Voting Results from 2025 annual meeting**	
Board	9 of 9	For	187,855,215 (92.31%)
Audit & Risk	3 of 4	Against	15,644,061 (7.69%)
Reserves & HSE	4 of 4		

PATRICIA MCLEOD K.C.

Status:	Independent Director
Credentials:	B.Comm., LL.B., MBA, ICD.D, K.C.
Age:	57
Residence:	Calgary, Alberta, Canada

Ms. McLeod, K.C. is an experienced corporate director and Board Chair, former senior legal executive, and Privacy and Compliance Officer. Ms. McLeod held Vice President and General Counsel roles in energy utilities and electricity retail, property development, insurance, and financial services companies. She has extensive corporate/commercial legal experience as well as advised on mergers and acquisitions, business development and joint ventures for large infrastructure projects. Ms. McLeod also serves as Board Chair of FutEra Power Corp., a privately held geothermal power production company and as a director of Flair Airlines. Ms. McLeod is a former Board Chair of the Calgary Co-operative Association, the Calgary Film Centre, Real Estate Council of Alberta, YWCA Calgary and cSPACE Projects. She holds an MBA (Queens University) and Bachelor of Laws and a Bachelor of Commerce (University of Alberta) and an ICD.D (University of Calgary/Institute of Corporate Directors). Ms. McLeod has been recognized for her contributions, receiving the Queen Elizabeth II Platinum Jubilee Medal and accolades from BMO Financial and Women Get on Board as a top Canadian director as well as named one of Canada's Top 100 Most Powerful Women by WXN in 2018 and 2019 and Legal Advisor of the Year by Women in Finance Canada in 2019.

Board memberships of other public corporations: **none**

Ms. McLeod has been the Chair of the Board since May 26, 2022. As Chair she is also an *ex officio* member of the Audit & Risk Committee, the Reserves & HSE Committee and the GHRC. She has been a Director of the Corporation since May 26, 2022.

2025 Board and Committee Meeting Attendance		**Voting Results from 2025 annual meeting**	
Board	9 of 9	For	188,384,416 (92.57%)
Committee Meetings	14 of 14	Against	15,114,860 (7.43%)

DARCY REDING

Status:	Non-Independent Director
Credentials:	B.Sc., Chemical Engineering; P. Eng
Age:	57
Residence:	Calgary, Alberta, Canada

Mr. Reding is the President and CEO of Cavvy Energy Ltd. He was appointed to the role in September 2023 after serving in the role of President & COO since March 2022 and prior thereto, in the role of COO since April 2021. Mr. Reding has 35 years technical, business development and leadership experience in public and private organizations in the energy industry. Prior to joining Cavvy, Mr. Reding was Vice President, Operations and Geoscience at NAL Resources Management Ltd., a private exploration and production company with assets in western Canada, until its strategic combination with Whitecap Resources Inc. in January 2021. He also held positions with Norcen Energy, Northrock Resources, Samson Exploration and Enterra Energy. Mr. Reding obtained a Bachelor of Science in Chemical Engineering from the University of Calgary in 1990 and is a Professional Member of the Association of Professional Engineers and Geoscientists of Alberta (APEGA).

Board memberships of other public corporations: **none**

Following his appointment to CEO in September 2023, Mr. Reding became a non-independent director of the Board. Mr. Reding attended all Board meetings since his appointment. He has been a Director of the Corporation since September 1, 2023.

2025 Board and Committee Meeting Attendance		**Voting Results from 2025 annual meeting**	
Board	9 of 9	For	200,754,053 (98.65%)
		Against	2,745,223 (1.35%)

KIREN SINGH

Status:	Independent Director
Credentials:	B. Comm., MBA, CFA, CRM, ICD.D
Age:	61
Residence:	Canmore, Alberta, Canada

Ms. Singh is a corporate director and corporate executive. Ms. Singh serves on the board of directors of Alberta Cancer Foundation (Audit and Venture Philanthropy Committee) and previously served on the boards of Computer Modelling Group (TSX: CMG) (Audit and Risk Committee), Travel Alberta (Chair Audit, Finance and Risk Committee); Dynamic Risk Assessment Systems (Chair, Audit and Risk Committee), and Agriculture Financial Services Corp. (Chair, Audit, Finance and Risk Committee). She holds a Master of Business Administration degree and a Bachelor of Commerce (Finance) degree (University of Calgary), as well as a Chartered Financial Analyst (CFA Institute), CRM (Global Risk Management Institute) and ICD.D (University of Toronto) designations. Ms. Singh is the founder and CEO of Haskalife™, a privately held functional food company based in Alberta, Canada. Ms. Singh held senior executive roles including Chief Financial Officer, Vice President Risk Management and Treasurer during her 30-year international career in the energy sector where she led corporate and project financings and financial risk management programs representing privately held and publicly traded Canadian (Toronto Stock Exchange) and USA (New York Stock Exchange) corporations including Gibson Energy Inc., OPTI Canada Inc., Value Creation Inc., Exxon Mobil Corporation and Mobil Corporation in Calgary, AB, Fairfax, VA and Houston, TX.

Board memberships of other public corporations: **none**

Ms. Singh is a member of the Audit & Risk Committee and the GHRC. She has been the Chair of the Audit & Risk Committee since May 11, 2023. She has been a Director of the Corporation since May 26, 2020.

2025 Board and Committee Meeting Attendance		**Voting Results from 2025 annual meeting**	
Board	9 of 9	For	168,669,843 (82.88%)
Audit & Risk	4 of 4	Against	34,829,433 (17.12%)
GHRC	6 of 6		

MAJORITY VOTING POLICY

The Board has adopted a majority voting policy whereby, if a director in an uncontested election fails to receive at least a simple majority (50% + 1 vote) of votes cast "for" such director at a Shareholders' meeting, that director must immediately tender their resignation to the Board, to be effective upon acceptance by the Board. Upon receipt of such resignation, the Board will refer it to the GHRC, which will promptly consider and recommend to the Board the action to be taken with respect to the resignation. Any director who has not received the requisite majority vote shall not participate in any deliberations of the GHRC or the Board regarding the recommendations and actions to be taken with respect to such director, including consideration of such director's resignation. The Board must determine whether to accept or reject the resignation within 90 days of the applicable Shareholders' meeting and, absent exceptional circumstances, will accept the resignation. Once the Board has reached its decision on whether to accept or reject the resignation, the Corporation will promptly issue a press release disclosing its decision, the reasons for such decision and any further actions to be taken by the Corporation in connection with the decision. A copy of the press release will be provided to the TSX.

GOVERNANCE

BOARD OF DIRECTORS

The mandate of the Board is to supervise the management of the affairs of the Corporation and to act in the best interests of the Corporation. The Board has a written mandate, the text of which is reproduced in Schedule A to this Circular, which includes a position description of the Chair of the Board, including the roles and responsibilities of such Chair. The Chair of the Board is an independent director.

The Board meets at least once quarterly and at each meeting it reviews the activities of the Corporation. The frequency of the meetings of the Board and the nature of the items on the agenda will vary depending on the activities and priorities of the Corporation. The non-executive directors do not hold separate regularly scheduled meetings at which members of Management are not in attendance. However, during each meeting of the Board and each meeting of its Committees, an in-camera session is held which excludes members of Management (including directors who hold an executive office). In 2025, there were nine Board meetings, six meetings of the GHRC, four meetings of the Audit & Risk Committee and four meetings of the R&HSE Committee, and an in-camera session excluding members of Management (including the President and CEO) was held at each such meeting.

Pursuant to NI 52-110, a director is "independent" if such director 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 the director's independent judgment. After reviewing the roles and relationships of each of the directors, the Board has determined that six out of the seven directors being proposed for election are independent. Darcy Reding is the President and CEO of the Corporation and is therefore considered to be a non-independent director pursuant to NI 52-110, while all other directors being proposed for election are considered to be independent directors.

Each director, whether or not considered independent under NI 52-110, is expected to exercise independent judgment at all times when discharging their responsibilities as a director of the Corporation. The Board is able to exercise independent supervision over Management due to the fact that a majority of the members of the Board and of each of its Committees is composed of non-executive directors and at every meeting of the Board and of each of its Committees, the non-executive directors on the Board and each Committee meet in-camera in the absence of Management.

The Board's responsibilities include the appointment of the CEO, the approval of the CEO's primary duties as well as the terms and conditions (including compensation) of the CEO's employment by the Corporation. The role and responsibilities of the CEO are delineated and described in the Mandate of the Board and in the various policies approved by the Board and adopted by the Corporation, including the Delegation of Authority Policy.

NOMINATION OF DIRECTORS

The GHRC is responsible for establishing and reporting a director succession plan and a candidate identification and nomination process to the Board. To this end, the GHRC develops and recommends selection criteria for potential candidates, which such criteria strive to attain a diversity of competencies, genders, personal qualities, geographical representations,

business background, cultural backgrounds, experience, overall expertise, financial competency, and independence, taking into account the Corporation's circumstances and needs.

Additionally, the GHRC must adhere to the Corporation's obligations under the Investor Rights Agreement when considering candidates for nomination to the Board. In accordance with the Investor Rights Agreement, AIMCo has the right to designate two nominees for election to the Board (each, an "**AIMCo Nominee**"). Any AIMCo Nominee must, among other things, meet certain customary qualifications and agree in writing to comply with all policies of the Corporation applicable to directors. AIMCo's Board nomination rights will terminate at such time that AIMCo, together with its affiliates, owns or exercises control or direction over less than 10% of the outstanding voting shares of the Corporation.

At least annually, the GHRC will conduct an assessment of the Board, each Committee and each individual director regarding their performance, effectiveness, and contribution and report such findings to the Board, taking into consideration (a) in the case of the Board or a Committee, its mandate and (b) in the case of an individual director, any applicable position description, as well as the competencies and skills each individual director is expected to bring to the Board.

At least annually, the GHRC will assess the current composition, operation and organisation of the Board and the Committees, considering legal, contractual and regulatory requirements with a view to facilitating effective decision making, and make recommendations relating to the foregoing to the Board for approval.

Adoption of Director Term Limit Policy

The Corporation has adopted a Term Limit Policy limiting a director's engagement to a maximum of 10 years commencing October 24, 2017, or, if the individual was not engaged with the Corporation as a director on that date, the first day that the individual became a director.

ORIENTATION AND CONTINUING EDUCATION

As new directors are elected to the Board, they are provided with an in-depth orientation program which typically consists of comprehensive presentations from Management as well as site visits and facility tours. Presentations generally cover the Corporation's history, strategy, operations, risks, financial reporting, Code of Conduct (as defined herein), other key policies, and budgeting process. New directors also receive copies of all Board and Committee mandates, workplans and other key governance documents.

Directors keep themselves informed by receiving, in advance, information and materials relevant to upcoming Board and Committee meetings. In accordance with the mandate of the Board, the Corporation's directors also keep informed on key strategic, risk and governance topics through review of relevant publications and attendance at continuing education seminars and discussions. Board education topics in 2025 included: Cavvy's asset maintenance philosophy (focusing on plant turnarounds), cyber security, natural gas trading, Alberta Energy Regulator shallow rights reversion (land tenure), the proposed federal Clean Air Act (Bill C-5), Alberta Electric System Operator's data centre integration strategy and commodity marketing.

With respect to cyber security risk, the directors each complete mandatory quarterly cyber security training. Directors are expected to independently update their knowledge base on relevant matters and the Corporation supports them in updating or improving their skills by allocating an annual budget of $2,000 per director for relevant education and professional development activities in conjunction with the expectation of a co-contribution from each director. To this end, during 2025, members of the Board participated in external professional development activities, including national governance conferences, industry-sponsored seminars, and events addressing current trends in corporate governance and the energy sector.

BOARD COMMITTEES

The Board has the following three standing Committees: The Audit & Risk Committee, the GHRC, and the Reserves & HSE Committee. The Board has adopted a written mandate for each Committee. Each mandate includes a position description for the Chair of each Committee. The Board ensures the proper functioning of itself and each Committee by annually

reviewing and assessing the effectiveness and contribution of individual directors. The Board Chair and CEO attend each committee as *ex officio*.

The Board appoints the members of each Committee based on each director's education, experience, skills and competencies. Information regarding the education and experience of each director is available under "*BIOGRAPHICAL INFORMATION REGARDING THE NOMINEES*". Information regarding competencies and skills of each director is available under "*COMPETENCIES AND SKILLS OF DIRECTORS*". Pursuant to the Investor Rights Agreement, one AIMCo Nominee must sit on each of the Audit & Risk Committee, the GHRC, the Reserves & HSE Committee, and any additional standing committee which may be established by the Board from time to time.

Audit & Risk Committee

As of the date hereof, the Audit & Risk Committee is comprised of Kiren Singh (who serves as the Chair), Michael Backus, Harvey Doerr and Andrew Judson (each of whom is considered to be an independent member).

Ms. Singh is an Audit Financial Expert. An Audit Financial Expert is any person who is a (a) chartered accountant, (b) chartered professional accountant, (c) current or former Chief Financial Officer ("**CFO**") of a public company or corporate controller of similar experience, (d) current or former partner of an audit firm or company, or (e) someone having similar meaningful audit experience.

Additional information regarding the relevant education and experience of each Audit & Risk Committee member, the amount and nature of the fees that were paid by the Corporation to its external auditors, and a copy of the mandate for the Audit & Risk Committee are disclosed on page 29 and Appendix D respectively of the AIF, a copy of which can be found under the Corporation's profile on SEDAR+ at www.sedarplus.ca.

With regards to ESG matters, the Audit & Risk Committee reviews the financial data related to ESG and ensures that processes and procedures are in place to verify the accuracy and completeness of the Corporation's quantitative reporting of this data. At least annually, the Audit & Risk Committee reviews the education activities of its members to ensure they remain educated on the latest rules, regulations, industry trends, and best practices regarding ESG and climate-related issues specific to the scope of the Committee.

No annual or interim financial statements of the Corporation were restated during fiscal 2025.

Governance & HR Committee

As of the date hereof, the GHRC is comprised of Doug Dreisinger (who serves as the Chair), Kiren Singh and Harvey Doerr (each of whom is considered to be an independent member).

The primary objective of the GHRC is to assist the Board in carrying out its duties and responsibilities regarding corporate governance, overseeing executive officer compensation and performance and reviewing public disclosure related to governance, executive and director compensation, Board, individual director and committee effectiveness, director compensation, director nominations and reviewing public disclosure of ESG matters.

It also provides oversight of the Corporation's human resources strategy, policies, and programs with special focus on Management development and succession and leadership planning, as well as broader social matters including diversity, inclusion and corporate culture.

It is responsible for recommending policies regarding the director nomination process and assessing the qualifications, expertise, and characteristics of Board members, with the goal of a diverse, experienced, and high-quality representation. In so doing, the GHRC will consider such factors as independence, integrity, diversity, age, skills matrix and willingness and ability to devote adequate time and effort to Board responsibilities.

The GHRC is also charged with the overall responsibility of reviewing and recommending the Corporation's compensation philosophy, compensation policies that reward the creation of Shareholder value and reflect an appropriate balance between short and long-term performance and monitoring the implementation of those policies.

To that end, it is specifically responsible for monitoring the implementation of compensation policies, periodically reviewing compensation policies, periodically reviewing compensation practices and plans of the Corporation, recommending appropriate changes to the Board for consideration, administering the Corporation's incentive plans, including the Stock Option Plan, Restricted Share Unit Plan ("**RSU Plan**") and Deferred Share Unit Plan ("**DSU Plan**") in accordance with their terms and recommending to the Board the granting of incentives as appropriate. The GHRC annually reviews and recommends to the Board for approval the goals and objectives of the Corporation, the CEO's performance and compensation and periodically reviews the level of compensation of the members of the Board and its Committees and recommends appropriate changes to the Board for consideration.

In discharging its responsibilities, the GHRC may seek the advice of the CEO. However, the CEO will not participate in the deliberations of the GHRC or the Board regarding the evaluation of the CEO's performance or on matters concerning CEO compensation. The GHRC may not delegate any of its responsibilities under its mandate to another entity or to an individual without the approval of the Board.

With regards to ESG, following annual receipt and review of financial and key performance indicator ("**KPI**") information and related recommendations from each of the Audit & Risk and Reserves & HSE Committees, the GHRC may offer guidance and recommendations to the Board regarding the Corporation's ESG framework. In addition, it considers and recommends policies that conform with this framework. In conjunction with the CEO, it assists the Board in setting the Corporation's general strategy on ESG matters including, among other things, the identification and management of material ESG risks and opportunities, reviewing any concomitant ESG goals, setting realistic future targets, and the integration of such matters into the business strategy, processes, and compensation philosophy of the Corporation.

Reserves & HSE Committee

As of the date hereof, the Reserves & HSE Committee is comprised of Andrew Judson (who serves as the Chair), Doug Dreisinger and Michael Backus (each of whom is considered to be an independent member).

The Board has designated the Reserves & HSE Committee as accountable for oversight of the Corporation's environmental, health and safety matters.

Pursuant to National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* ("**NI 51-101**"), the Board has delegated to the Reserves & HSE Committee responsibility for, among other things, consulting with the Corporation's senior personnel responsible for oil and gas reserves and other information regarding the Corporation's oil and gas activities and reviewing and reporting to the Board on: (a) the Corporation's procedures relating to the disclosure of such information; (b) the appointment of, or any changes to, the independent consultant engaged to report on the Corporation's oil and gas reserves; and (c) the Corporation's procedures for providing information to the consultant.

The Reserves & HSE Committee reviews the Corporation's HSE KPIs and ensures that processes and procedures are in place to verify the accuracy and completeness of the quantitative reporting of these KPIs. At least annually, the Board ensures the members of the Reserves & HSE Committee remain educated on the latest rules, regulations, industry trends and best practices regarding ESG and climate-related issues specific to the scope of the Reserves & HSE Committee.

Prior to filing the Statement of Reserves Data and Other Oil and Gas Information and related consultant's report required under NI 51-101, the Reserves & HSE Committee meets with responsible management of the Corporation and the independent consultant to review the evaluation report and thereafter reports to the Board and recommends, as appropriate, the approval, release and filing of the Statement of Reserves Data and Other Oil and Gas Information and related reports required under NI 51-101.

COMPETENCIES AND SKILLS OF DIRECTORS

The following table provides an indicative list of the skills, experience and competencies desired for the directors. This list is reviewed annually and modified as required in order to meet the needs of the Corporation:

TABLE 2

SKILL/EXPERIENCE	COMPETENCY
Strategic Planning	Experience with developing, executing, and evaluating business strategies to create value.
Business Development	Experience in evaluating and executing on, value creation opportunities through acquisitions, divestitures, mergers, or developmental opportunities.
Enterprise Risk Management	Experience in identifying, evaluating, and managing a broad range of risks faced by an organization.
Oil & Gas Operations	Experience with oil and gas operations.
Reserves Evaluation	Experience with oil and natural gas reserves evaluation and reporting.
Health & Safety	Experience with regulations and workplace health and safety.
Audit & Financial Reporting	Experience in reading and analyzing financial statements and projections and a strong understanding of IFRS reporting standards and internal controls over financial reporting.
Capital Markets	Experience in capital markets, corporate finance, investor relations and banking matters.
Environmental, Social, Governance	Experience or a strong understanding of good corporate governance and corporate responsibility practices, including ESG disclosure.
Human Resources & Compensation	Experience with human resource matters including compensation structures, talent management and succession planning at the executive level.
Legal and Regulatory	Broad understanding of corporate, securities, land tenure and oil and natural gas law, regulatory regimes in Western Canada and governmental royalty, incentive and taxation policies or a legal background in more than one of these areas.
Information Technology, Cyber Security & Artificial Intelligence	Experience with information security practices, standards, and controls to protect assets, systems, data and networks from damage and unauthorized access.
Commodity Markets	Expertise and knowledge in natural gas, crude oil, NGL, power and sulphur commodities risk management and marketing
Audit Financial Expert	Is either a chartered accountant or certified public accountant, a former or current CFO or corporate controller of a public company, a current or former partner of an audit firm or a person with similar meaningful audit experience.

The following table summarizes the level of experience, background, and technical expertise of each Nominee, as self-declared by each Nominee, with respect to the noted categories of director competencies and skills. These competencies and skills are relevant and important to the Corporation because they enable the Corporation to discharge its statutory and common law responsibilities.

TABLE 3

	RANGE						
	3 = HIGH EXPERTISE 2 = MODERATE EXPERTISE 1 = MINIMAL OR NO EXPERTISE						
	MICHAEL BACKUS	HARVEY DOERR	DOUG DREISINGER	ANDREW JUDSON	PATRICIA MCLEOD	KIREN SINGH	DARCY REDING
Strategic Planning	3	3	3	3	3	3	3
Business Development	3	3	3	3	3	3	3
Enterprise Risk Management	2	3	2	2	3	3	2
Oil & Gas Operations	3	3	3	2	2	2	3
Reserves Evaluation	3	3	3	2	1	2	3
Health & Safety	3	3	3	3	2	2	3
Audit & Financial Reporting	2	2	2	3	2	3	2
Capital Markets	3	2	2	3	2	3	2
ESG	3	2	2	3	3	2	3
Human Resources & Compensation	2	3	3	3	3	2	2
Legal & Regulatory	2	2	2	2	3	2	2
IT, Cyber Security & AI	1	1	2	1	2	2	2

	RANGE						
	3 = HIGH EXPERTISE 2 = MODERATE EXPERTISE 1 = MINIMAL OR NO EXPERTISE						
	MICHAEL BACKUS	HARVEY DOERR	DOUG DREISINGER	ANDREW JUDSON	PATRICIA MCLEOD	KIREN SINGH	DARCY REDING
Commodity Markets	2	2	3	3	2	1	2
Audit Financial Expert						**X**	

MANAGEMENT CONTRACTS

There are no management functions of the Corporation or any of its subsidiaries that are performed to any substantial degree by persons other than their respective directors or executive officers.

ETHICAL BUSINESS CONDUCT

The directors and Management of the Corporation lead by example in setting the highest standards in ethical business conduct.

The Board has adopted a written code of conduct for the directors, officers, other employees and contractors of the Corporation (the "**Code of Conduct**") to maintain the highest standards of ethical business behaviour across the Corporation. The Code of Conduct is posted on the website which the Corporation maintains at https://www.cavvyenergy.com. Directors, executive officers and employees are required to certify that they have read the Code of Conduct and will abide by it on an annual basis.

In addition, the Corporation has adopted a Whistleblower Policy whereby individuals are invited to report incidents of actual or suspected non-compliance with any policy adopted by the Corporation, including the Code of Conduct, via a third-party email address to the Chair of the GHRC if the matter relates to non-compliance with the Code of Conduct or other matters generally related to the Corporation or its business, or to the Chair of the Audit & Risk Committee if the matter relates to financial, auditing or internal controls. All such reports are investigated in accordance with the Whistleblower Policy.

The Corporation has also adopted a Disclosure Policy which among other things requires the disclosure of conflicts of interest by directors and executive officers. When the Board becomes aware of a transaction or an agreement in which a director or executive officer has a material interest, that transaction or agreement is carefully considered by those directors who do not have a conflict of interest and is discussed and voted upon by them without the participation of any director or executive officer who has the potential conflict of interest.

ESG COMMITMENT

The Corporation focuses on supporting long-term sustainability while driving positive results for Shareholders, the community, and the environment. Recent amendments to the *Competition Act*, RSC 1985, c C-34, and the absence of any guidance from the federal government have created uncertainty with respect to how organizations can communicate about their environmental performance. However, on November 4, 2025, Bill C-15 "*An Act to implement certain provisions of the budget"* was tabled in Parliament and recently passed in the House of Commons. Bill C-15 contemplates, among other things, amending the *Competition Act* to address concerns raised by industry groups regarding the scope of these provisions. If Bill C-15 receives royal assent, it may come into effect in 2026. The Corporation remains committed to meeting or exceeding all environmental and safety standards applicable to our business and continues to prioritize the safety and security of employees, contractors, customers, neighbours, and the environment. We will monitor developments relating to the *Competition Act*, and will re-evaluate our disclosure, including the publication of an annual ESG report, as more clarity is obtained.

The Corporation also completed its second report under the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, SC 2023, c. 9, in 2025.

CYBER SECURITY RISK OVERSIGHT

The Corporation was not materially impacted by a cyber security breach in 2025. The Audit & Risk Committee is responsible for oversight of the Corporation's cyber security, as set forth in its mandate. Given the escalating threat and potential for significant loss from cyber security breaches, the Committee monitors this risk at least annually and receives quarterly updates on the Corporation's mitigation activities. The Corporation maintains an ongoing Virtual Chief Security Officer consulting agreement with a third-party cyber security advisory firm in addition to employing a robust internal IT and cyber security workforce. Additionally, a cyber risk assessment process and resulting gap identification and remediation activities are ongoing, along with periodic cyber emergency response planning exercises. Previously identified high risk gaps were and continue to be remediated through the procurement and implementation of additional software tools, the revision of certain IT policies and procedures and continued Corporation-wide mandatory cyber security training.

ARTIFICIAL INTELLIGENCE OVERSIGHT

The Board recognizes that emerging technologies, including artificial intelligence ("**AI**") present both opportunities and risks for the Corporation. In 2025, the Corporation updated its IT Acceptable Use Policy framework to address AI-related considerations, including guidelines for the appropriate and responsible use of AI technologies.

Consistent with emerging best practices favoring committee-level oversight of technology-related matters, the Audit & Risk Committee mandate will be updated in 2026 to formally assign responsibility for AI-related matters to the Committee. Management will be accountable to the Committee for implementation of AI-related policies and will report periodically on emerging developments and the effectiveness of related controls.

The Board's skills matrix includes information technology competencies, and directors are committed to continuing education on AI as this rapidly evolving area develops.

CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES AND SANCTIONS

Except as noted below, to the knowledge of the Corporation, none of the Nominees are, as at the date of this Circular, or have been, within the 10 years before the date of this Circular, a director, CEO or CFO of any company (including the Corporation) that: (a) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days (an "**Order**") that was issued while the proposed director was acting in the capacity as director, CEO or CFO; or (b) was subject to an Order that was issued after the proposed director ceased to be a director, CEO or CFO and which resulted from an event that occurred while that person was acting in the capacity as director, CEO or CFO.

Except as noted below, to the knowledge of the Corporation, none of the Nominees are, as at the date of this Circular, or have been within ten years before the date of this Circular, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets. In addition, no Nominee has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement, or compromise with creditors, or had a receiver, receiver manager, or trustee appointed to hold the assets of that person.

To the knowledge of the Corporation, no Nominees have been subject to: (a) any penalties or sanctions imposed by a court relating to securities legislation or by a security regulatory authority or has entered into a settlement agreement with a security regulatory authority, or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

Mr. Doug Dreisinger was a director of Connacher Oil and Gas Limited ("**Connacher**") from June 3, 2015, to September 30, 2019. In May 2016, Connacher announced that, due to high debt and depressed oil prices, amongst other things, it had initiated proceedings at the Court of Queen's Bench of Alberta to seek creditor protection under the Companies' Creditors Arrangement Act ("**CCAA**"). On May 16, 2016, the TSX suspended trading of Connacher's common shares subject to an

expedited review of Connacher's ability to meet the requirements for continued listing. Effective June 20, 2016, the common shares ceased to be listed on the TSX for failure to meet continued listing requirements. Connacher obtained a stay of proceedings, among other things, under the CCAA pursuant to an Initial Order dated May 17, 2016. Under the Initial Order, Ernst & Young Inc. was appointed Monitor of Connacher during the CCAA proceedings. The stay of proceedings was extended multiple times to assist Connacher in undertaking two sale and investment solicitation processes. On September 30, 2019, Connacher announced that the Amended and Restated Plan of Compromise and Arrangement (the "**Plan**") dated July 16, 2019, was sanctioned by the Court of Queen's Bench of Alberta on July 16, 2019, in the proceedings under the CCAA. The Plan became effective September 30, 2019. All existing equity interests (including outstanding common shares) were cancelled for no consideration and the first lien lenders (First Lien Credit Agreement May 23, 2014) acquired all of Connacher's new share capital and Connacher ceased to be a reporting issuer. Upon the successful completion of the Plan, Mr. Dreisinger resigned from the Board. In January 2020, Mr. Dreisinger joined the "new" privately held Connacher as a director until November 2022.

Andrew Judson was a director of Crown LNG Holdings Limited ("**Crown LNG**"), a company incorporated under the laws of Jersey that was listed on the NASDAQ Capital Market. On July 13, 2025, NASDAQ issued a cease trade order against Crown LNG due to the company's failure to maintain the minimum bid price requirement for continued listing on the exchange. On December 18, 2025, Crown LNG resolved at an extraordinary general meeting that it could not, by reason of its liabilities, continue its business and that it was advisable to wind up the company. Accordingly, Crown LNG became subject to a creditors' winding up in accordance with Chapter 4 of Part 21 of the Companies (Jersey) Law 1991, as amended. Grant Thornton Advisors Limited were appointed as Joint Liquidators of the company for the purposes of such winding up.

DIRECTOR COMPENSATION

DIRECTOR COMPENSATION POLICY

The Board, through the GHRC, is responsible for developing and implementing the directors' compensation program. The directors' compensation program is designed to reflect:

- the imperative of attracting and retaining knowledgeable and experienced individuals who have integrity and who possess the specific skills commensurate with the Corporation's requirements and objectives;
- external market competitiveness for talent and the principles of equity and fairness while recognizing the Corporation's objectives of fiscal prudence and good governance;
- the need to align the Corporation's long-term success with the basis of compensation;
- the importance of recognizing the additional responsibilities undertaken by the Chair of the Board and the Chair of each Committee; and
- the application of the Share Ownership Policy which serves to align the directors' interests with the interests of Shareholders.

Director Fees

Following receipt of a benchmarking study from independent compensation advisor Mercer Canada Limited ("**Mercer**") in 2023, which considered compensation structure and policies of the Corporation's peer group, the Corporation adopted a Director Compensation Policy pursuant to which directors receive a maximum of 75% of their total base compensation in cash and a minimum of 25% in the form of DSUs under the DSU Plan, with an option to increase the allocation to DSUs to 100%, as detailed in the table below. The Chair of the Board and each Committee Chair receive further cash retainers in recognition of their additional responsibilities. There are no other components of director compensation.

TABLE 4

2025 Total Annual Compensation (Fees & DSUs)					
POSITION	**Cash Retainer** (assumes max 75% allocation)	**DSU Grant** (assumes min 25% allocation)	**Total Base Compensation**	**Board/ Committee Chair Compensation**	**Total Director Compensation**
	($)	**($)**	**($)**	**($)**	**($)**
Chair of the Board [(1)]	63,750	21,250	85,000	50,000	135,000
Chair of the Audit & Risk Committee	63,750	21,250	85,000	15,000	100,000
Chair of all other Committees	63,750	21,250	85,000	10,000	95,000
Other Directors	63,750	21,250	85,000	-	85,000

(1) In 2024, the Board, on the recommendation of the GHRC, approved an amendment to the Director Compensation Policy to align the Total Base Compensation for the Chair of the Board with the other directors, and to instead increase the cash retainer paid to the Chair of the Board in recognition of the Chair's additional responsibilities.

In 2025, the Board engaged an independent compensation advisor Laulima Consulting Inc. ("Laulima") to review Board compensation and provide recommendations based on peer benchmarking data. Based on Laulima's review, the GHRC recommended changes to director fees to the Board on November 5, 2025, effective for the 2026 calendar year. These changes include increasing total base compensation and increasing the minimum proportion of total base compensation that must be paid in DSUs to 50%, in order to better align with the Corporation's peer group.

THE DEFERRED SHARE UNIT PLAN

The DSU Plan is designed to align the interests of the directors with those of the Shareholders of the Corporation and to provide a compensation system for directors that, together with the balance of the director compensation package, is reflective of the responsibility, commitment, and risk accompanying Board membership and the performance of the duties required of the various Committees of the Board, while balancing the need for Board independence.

Only fees that would otherwise be paid to a director pursuant to the Director Compensation Policy are eligible to be paid in DSUs on a value-for-value exchange; the Plan prohibits discretionary grants.

As discussed above, the Director Compensation Policy requires that the Total Base Compensation be paid in a combination of cash and DSUs. Each director must elect to receive a minimum of 25% of their Total Base Compensation in DSUs, however a director may elect to receive up to 100% of their Total Base Compensation in DSUs. The annual allocation percentage is nominated by each director no later than fifteen (15) days prior to the start of the calendar year in which the Total Base Compensation is to be earned. In the case of a newly elected director, the percentage is to be nominated within thirty (30) days from the date of the meeting of Shareholders at which they were elected as director. Beginning in 2026, the minimum proportion of DSU's which a director must elect will rise to 50%.

DSUs are notional securities granted to a director and are related directly to the Common Share price performance from the grant date to the date on which the DSUs are settled in cash. DSUs vest immediately upon grant but cannot be settled until a director ceases to hold office.

The cash retainer payment and DSU grant are each made at or about the end of the first pay period following the end of each calendar quarter. The value of DSUs granted is calculated by dividing the dollar amount of the compensation payable in DSUs on the grant date by the volume weighted average trading price of the Common Shares for the last five (5) trading days of the immediately preceding calendar quarter.

On the date when a director ceases to hold office (the "**Termination Date**"), the DSUs are redeemed, and the settlement amount is calculated by multiplying the number of DSUs held by the volume weighted average trading price of the Common Shares on the TSX for the five (5) trading days immediately preceding the Termination Date. This settlement formula thereby establishes an additional alignment between the directors' interest and remuneration and the interests of Shareholders.

DSUs are settled as soon as practical following the date the director ceases to hold office and before December 31 of the calendar year commencing immediately after the Termination Date.

DIRECTOR COMPENSATION TABLE

The following table sets forth information with respect to all compensation elements paid to the non-executive directors of the Corporation during the year ended December 31, 2025.

TABLE 5

(a) NAME	(b) FEES EARNED [1]	(c) SHARE-BASED AWARDS EARNED [2]	(d) OPTION-BASED AWARDS	(h) TOTAL COMPENSATION
	($)	($)	($)	($)
Michael Backus	38,547	16,520	-	55,067
Harvey Doerr	22,027	33,040	-	55,067
Doug Dreisinger	71,250	21,250	-	92,500
Andrew Judson	71,250	21,250	-	92,500
Patricia McLeod	71,250	63,750	-	135,000
Kiren Singh	78,750	21,250	-	100,000

(1) Represents the cash portion of fees paid or due to directors for services in 2025, as set forth in the Director Compensation Policy.

(2) The cash value of director compensation allocated to DSUs is converted into DSUs using the five (5) day volume weighted average price for the immediately preceding trading days prior to the grant date. DSUs granted vest immediately but cannot be redeemed until a director ceases to hold office.

For the year ended December 31, 2025, the directors of the Corporation earned an aggregate of $530,134 in total compensation (inclusive of share-based awards and all other compensation). The directors are reimbursed for all reasonable expenses incurred in the execution of their functions as directors of the Corporation. The aggregate total of such expenses was $736 for the year ended December 31, 2025.

OPTION-BASED AWARDS

No option-based awards were granted to directors during 2025.

INCENTIVE PLAN AWARDS – VALUE VESTED OR EARNED DURING THE YEAR

The following table provides the value vested in relation to awards held by each non-executive director during the financial year ended December 31, 2025.

TABLE 6

NAME	OPTION-BASED AWARDS (VALUE VESTED DURING THE YEAR) ($) [1]	SHARE-BASED AWARDS (VALUE VESTED DURING THE YEAR) ($)
Michael Backus	Nil	16,520
Harvey Doerr	Nil	33,040
Doug Dreisinger	4,288	21,250
Andrew Judson	4,288	21,250
Patricia McLeod	14,292	63,750
Kiren Singh	12,149	21,250

(1) No option-based awards were granted to non-executive directors in 2025.

OUTSTANDING SHARE BASED AND OPTION BASED AWARDS

The following table sets forth information in respect of all awards granted and to the directors and outstanding as at December 31, 2025:

TABLE 7

NAME	OPTION-BASED AWARDS				SHARE-BASED AWARDS (DSUs)[2]	
	NUMBER OF SECURITIES UNDERLYING UNEXERCISED OPTIONS	OPTION EXERCISE PRICE	OPTION EXPIRY DATE	VALUE OF UN-EXERCISED IN THE MONEY OPTIONS [1]	NUMBER OF DSUs GRANTED	MARKET OR PAYOUT VALUE OF VESTED DSUs NOT PAID OUT OR DISTRIBUTED
	(#)	($)		($)	(#)	($)
Michael Backus					26,379	24,005
Harvey Doerr					52,758	48,010
Doug Dreisinger	42,500	1.28	Sept 15, 2027	-	177,455	161,484
Andrew Judson	45,000	0.30	Aug 19, 2026	40,950	149,299	135,862
	15,000	1.28	Sept 15, 2027	-		
Patricia McLeod	50,000	1.28	Sept 15, 2027	-	466,655	424,656
Kiren Singh	45,000	0.30	Aug 19, 2026	40,950	149,299	135,862
	15,000	1.28	Sept 15, 2027	-		

(1) Value is calculated based on the difference between the market value of the underlying Common Shares at December 31, 2025 and the exercise price of the option and includes all in-the-money unexercised options held as at December 31, 2025. The closing trading value on the Toronto Stock Exchange of a Common Share on December 31, 2025, was $0.91.

(2) DSUs granted vest immediately but cannot be redeemed until a director ceases to hold office.

(3) Value is calculated based on the market value of the underlying Common Shares as at December 31, 2025.

EXECUTIVE COMPENSATION

For the financial year ended December 31, 2025, the Corporation's named executive officers (each an "**NEO**" and collectively, the "**NEOs**") were Darcy Reding (President & CEO), Adam Gray (CFO), John Emery (COO), Paul Kunkel (CCO) (together "**Executive Officers**") and Michael Bartley (VP, Human Resources & Corporate Services).

COMPENSATION DISCUSSION AND ANALYSIS

Objectives of NEO Compensation Program and Compensation Philosophy

The objectives of the Corporation's executive compensation program are to: (a) attract, motivate and retain highly qualified and dedicated individuals; (b) align the interests of the executives with those of the Corporation's Shareholders; (c) establish an objective connection between executive compensation and the Corporation's short term and long term financial and business performance; and (d) incentivize the executives to lead the Corporation in achieving its corporate objectives and fulfilling its corporate strategy. The executive compensation program is, therefore, designed to align executive compensation with Shareholder value.

The GHRC's review and evaluation of corporate compensation includes measurement of, among other factors, and with regards to the Corporation's short term incentive plans: (a) the achievement of corporate objectives which include ESG metrics, and (b) the Corporation's financial condition. The Corporation's long-term incentives are directly linked to the Corporation's Common Share price, thereby aligning executive compensation with the creation of long-term value for Shareholders. The Board recognizes the importance of ensuring that overall compensation for NEOs is not only internally equitable, but also competitive with other energy market companies.

Compensation policies, practices, amounts and structures are reviewed annually taking into consideration "best practices" recommended by proxy advisor groups, benchmarks reported by Laulima, prevailing market conditions, and corporate performance.

With respect to benchmarking, as a guideline the Corporation strives to align executive compensation with the P50 market baseline determined by a peer group selected by the Board with assistance from the Corporation's independent compensation advisor, Laulima. Corporate performance is assessed against pre-determined corporate goals and metrics

which are aligned with the strategic priorities of the Corporation as determined annually by Management and the Board. The Corporation's peer group was updated in 2025 following a third-party assessment by Laulima of energy companies in Western Canada of similar characteristics such as production, assets, enterprise value and EBITDA and is detailed in the table below.

TABLE 8

PEER GROUP			
Spartan Delta Corp.	Obsidian Energy Ltd.	Pine Cliff Energy Ltd.	InPlay Oil Corp.
Logan Energy Corp.	Kelt Exploration Ltd.	Bonterra Energy Corp.	Petrus Resources Ltd.
Kiwetinohk Energy Corp. (1)	Cardinal Energy Ltd.	Yangarra Resources Ltd.	Rubellite Energy Corp. (2)
Tidewater Midstream & Infrastructure Ltd.	Surge Energy Ltd.	Journey Energy Inc.	Saturn Oil & Gas Ltd.

(1) Kiwetinohk Energy Corp. was acquired by Cygnet Energy Ltd. on December 18, 2025.

(2) Perpetual Energy Inc. merged with Rubellite Energy Corp. on October 31, 2024.

Executive Compensation Governance

In 2025, the GHRC engaged Laulima to conduct a comprehensive market analysis of the Corporation's executive compensation program, covering base salary, short term incentives, and long term incentives. The results of the analysis indicated that the Corporation's short term incentive plan ("**STIP**") was generally competitive and aligned with its peers, but base salary and the long term incentive plan ("**LTIP**") required adjustments over time to better reflect market practices and expectations.

Based on the market analysis and feedback, the GHRC initiated several actions in 2025 to improve the alignment of the Corporation's executive compensation program with its peers and the market. These actions included:

- Reviewing and approving a corporate compensation framework, which establishes the salary ranges for each job level and job type within the organization and provides a mechanism to adjust ranges over time to reflect market movements.

- Adjusting the base salary of the CEO and certain Executive Officers to align with the median (P50) of the peer group within the Corporation's compensation philosophy. The GHRC recommended these adjustments to the Board, which approved them at its March 2025 meeting.

- Continuing discussion on the LTIP structure for Executive Officers and the introduction of performance share units ("**PSUs**") as a new component of the LTIP. Following a market review of peer practices and on the advice of Laulima, the Board determined to defer the implementation of a PSU program at this time. The Corporation's unique business model as an upstream producer and midstream operator makes the formulation of reliable multi-year performance metrics challenging. The GHRC will continue to evaluate PSUs as market practices evolve.

Fees Paid to Advisors

The following table discloses fees paid to Laulima and Mercer for each of the Corporation's two most recently completed financial years, including fees paid in connection with determining compensation for the Corporation's directors and executive officers, and fees paid for all other services. Neither the Board nor the GHRC is required to pre-approve other services provided to the Corporation at the request of management.

TABLE 9

	Mercer		Laulima	
	2025	2024	2025	2024
Executive Compensation-Related Fees	-	$19,836 (1)	$39,375 (3)	-
All Other Fees	$12,915 (2)	-	-	-

(1) Includes aggregate fees, less GST, paid to Mercer for services related to a review of compensation for the Corporation's directors and Executive Officers.

(2) Reflects amount paid to Mercer for an energy sector compensation survey data file.

(3) Includes aggregate fees, less GST, paid to Laulima for services related to a review of compensation for the Corporation's directors and Executive Officers.

Summary of Executive Compensation

As illustrated in the table below, the Corporation's 2025 compensation program for its NEOs consisted of two principal components: (a) fixed compensation consisting of base compensation, health benefits and contributions to savings plans and (b) variable compensation awarded under short and long-term incentive plans. The Corporation's STIP is a discretionary cash bonus program designed to align individual performance with the short-term annual goals of the Corporation. The Corporation's LTIP is comprised of a Stock Option Plan and RSU Plan, both of which are designed to align individual performance with the long-term strategic goals of the Corporation. An RSU is a share-based cash settled award. While each component has a different function, as described in greater detail below, all elements operate in unison to reward the NEOs appropriately for personal and corporate performance.

TABLE 10

Position	Base Salary [1]	STI (Discretionary Bonus)	LTI (RSUs and Stock Options)	Target Total Direct Compensation
	$	% Base Salary		$
President & CEO	405,000	100%	100%	1,215,000
CFO	305,000	75%	100%	838,750
COO	311,000	75%	100%	855,250
CCO	290,000	75%	100%	797,500
VP, HR & CS	230,800	30%	75%	487,900

[1] Reflects NEO base compensation effective December 31, 2025.

Base Compensation

The Corporation has written employment agreements in place with each of its employees which require the Corporation to pay base compensation in consideration for the performance of their respective duties.

The payment of base compensation, in amounts which are comparable to the amounts paid to similar positions in the energy industry, is essential to the Corporation's ability to attract and retain executive talent. Base compensation and changes in base compensation are established by the Corporation after consideration of expertise and experience as well as level of responsibility and competitive pay practices. Base compensation is reviewed periodically and adjusted as appropriate by the Corporation to reflect performance and market conditions. Amendments to the CEO's base compensation are subject to approval of the Board taking into consideration recommendations of the GHRC. The CEO is responsible for determining and approving amendments to the base compensation of the other NEOs within the compensation framework approved by the Board.

Group Retirement Savings Plan

The Corporation does not have a pension plan. In lieu thereof, the Corporation implemented a group retirement savings plan in 2019. The Corporation's group retirement savings plan is a non-equity, non-incentive plan that is available to all employees. This plan is sponsored by the Corporation and is administered by Manulife Insurance Corporation.

The plan's primary purpose is to provide a flexible and multi-faceted retirement savings vehicle to assist employees in saving for their retirement. This plan offers each participating employee the ability to make personal contributions to the plan (up to certain prescribed limits) which the employee may designate toward a registered retirement savings plan (or spousal registered retirement savings plan), a tax-free savings account or a non-registered savings plan. The Corporation contributes an amount equal to 6% of base salary to the registered retirement savings plan of each participating employee and an additional amount equal to the lesser of the contribution made by the participating employee to the group retirement savings plan and 4% of the employee's base salary.

Short Term Incentive Plan – Discretionary Bonus Program

The Corporation's STIP is a discretionary, cash based, non-equity bonus program. Annual payout is based on a quantitative assessment of pre-set operations, finance, HSE, ESG and strategic commercial performance objectives. Participation in the program is a component of overall compensation. The program is designed to incentivize executives to meet annual, short-

term, pre-determined goals which are aligned to improve the overall performance of the Corporation. The discretionary bonus program also serves to assist the Corporation in rewarding and retaining valued executives. If warranted for performance or other reasons, special cash bonuses may also be issued under the STIP from time to time.

For the Corporation's NEOs, STIP awards are based on the achievement of both corporate objectives and individual performance objectives, with corporate performance accounting for 85% of the STIP award and individual performance accounting for 15%. The STIP contains a multiplier calculated based on a target range for both the corporate performance factor ("**CPF**") and individual performance factor ("**IPF**") resulting in a target bonus payment with lower and upper multiple ranges of 0X and 2.0X for both IPF and CPF; in no case can an employee's overall STIP multiple exceed 2X the target award.

The following is a summary of the bonus calculation: Target bonus x [(CPF weighting x CPF multiplier) + (IPF weighting x IPF multiplier)].

Example, as follows:

Base salary:	$100,000
Target STIP Award:	$50,000 (50% of base salary)
CPF / IPF Weighting:	85% / 15%
Corporate Performance Multiplier:	1.0
Personal Performance Multiplier:	1.5

Calculated Bonus: ($100,000 x 50%) x [(85% x 1.0) + (15% x1.5)] = $53,750

2025 STIP Corporate Goals and Scorecard

The Board, upon recommendation from the GHRC, sets corporate operational and financial goals early each year based on business objectives, Management's recommendations and market conditions. Each KPI has a weighting and minimum (level of performance required to be eligible for cash bonus), target and maximum (level of performance at which award is capped) achievement levels. Following the conclusion of the year, the GHRC assesses actual corporate performance based on outcomes and assigns a score to each measure.

The following table identifies the performance measures the GHRC and the Board used to evaluate corporate performance in 2025. The performance measures focus on four key areas – operational, financial, commercial and HSE & ESG. Each focus area includes KPIs relevant to that area:

TABLE 11

Category	Corporate KPI	Weighting	Threshold (0.0x)	Target (1.0x)	Maximum (2.0x)	Actual Result	CPF Multiple
Operational	Operating Expense ($MM)	30%	$166.4	$158.5	$145.8	$164.8	0.21
	Rights Offering Cash Return ($MM)	10%	$8.5	$10.6	$13.8	$10.9	1.14
	Gas Plant Reliability (%)	10%	93%	95%	98%	96.9%	1.73
Financial	Net Debt, Year End ($MM) [(1)]	20%	$231.2	$192.7	$144.5	$180.2	1.32
Commercial	New Commercial Net Margin ($MM)	15%	$4.9	$6.1	$7.9	$14.8	2.00
HSE & ESG	Blended aggregate target	15%	Score of 8	Score of 12	Score of 18	14.9	1.48
						2025 CPF Achieved:	**1.14**

(1) Net Debt is a non-GAAP financial measure. This non-GAAP financial measure is not a standardized financial measure prescribed by IFRS and may not be comparable to similar measures presented by other companies. For more information on Net Debt, including a quantitative reconciliation to the most directly comparable financial measure disclosed in the Corporation's financial statements, see the section entitled "Special Note Regarding Non-GAAP Financial Measures" in the Corporation's annual management's discussion and analysis for the year ended December 31, 2025 (the "**MD&A**"), which is incorporated by reference into this Circular. The MD&A is available on the Corporation's SEDAR+ profile at www.sedarplus.ca, and upon request, a copy of the MD&A will be provided free of charge to any Shareholder. Requests can be directed to info@cavvyenergy.com.

The GHRC and the Board retain discretion to adjust corporate performance scores and individual performance objectives during the year to ensure they remain aligned with the evolving priorities of the Corporation. The Board may also adjust payout levels based on an overall assessment of the Corporation's performance, ensuring appropriate pay-for-performance alignment and flexibility to make reasonable exceptions when necessary. The GHRC Committee and the Board exercise discretion in assessing overall performance to ensure that STIP awards are not unduly influenced by an unusual result in any one given area, and to allow for recognition of unanticipated results in areas that might not be reflected by the pre-determined corporate performance measures.

The 2025 CPF of 1.14 reflects the Corporation's strong performance against its annual corporate goals and objectives. Five of the six corporate KPIs, representing 70% of the KPI weighting, delivered at or better than target.

Individual Performance Factor

Individual performance is assessed based on how well each NEO performs in their role and achieves goals set at the beginning of the performance year. The individual component of the STIP ranges from 0x to 2.0x of the IPF target based on the assessment of individual performance. The GHRC assesses the performance of the CEO, while the CEO supports the evaluation of the other NEOs. This assessment considers performance against the corporate scorecard as well as specific departmental and personal goals. While there is no fixed numeric weighting between an NEO's performance against corporate and individual goals, greater emphasis is placed on corporate performance, particularly for the CEO.

2025 STIP Award

The following table summarizes the 2025 STIP awards for all NEOs as approved by the Board:

TABLE 12

NEO	Base Salary ($)	Target (% of Salary)	Actual STIP ($)	% of Target
Darcy Reding, President & CEO	399,346	100%	462,800	116%
Adam Gray, CFO	300,558	75%	263,800	117%
John Emery, COO	308,038	75%	262,000	113%
Paul Kunkel, CCO	284,669	75%	250,800	118%
Michael Bartley, VP HR & CS	236,062	30%	77,000	109%

Long Term Incentive Plans

The Corporation has long-term incentive plans for all NEOs comprised of the RSU Plan and the Stock Option Plan.

Restricted Share Unit Plan

The Corporation's RSU Plan is intended to: (a) assist in attracting, retaining, engaging, and rewarding talent; (b) provide an opportunity for NEOs to earn competitive total compensation and (c) focus efforts towards operational and financial performance and the pursuit of long-term Shareholder value creation by aligning compensation elements to the Corporation's growth and profitability.

RSUs are granted annually at the discretion of the Board following recommendation of the GHRC. Once granted, RSUs vest equally over three (3) years on the anniversary of each grant. At each vesting date the settlement amount is calculated by multiplying the number of vested RSUs by the volume weighted average trading price of a Common Share for the five (5) previous trading days and paid in cash. Upon payment of this amount, such RSUs are surrendered. The number of RSUs to be granted is typically mathematical, based on a percentage of base compensation, which is based on a number of factors including the position held, base salary, benefits level and any other factors the Board deems appropriate. The Board does not take previous grants into account when considering new grants under the RSU Plan.

Stock Option Plan

The following is a summary of the Stock Option Plan.

The Stock Option Plan was approved and adopted by the Board as of October 24, 2017, and was amended and restated by the Board as of November 23, 2017, March 19, 2020, and again as of March 24, 2021. Each such amended and restated Stock Option Plan, including all unallocated options thereunder, was approved at the annual and special meetings of Shareholders held on June 27, 2018, May 26, 2020, and May 27, 2021. Certain amendments to the Stock Option Plan were approved at the annual and special meeting of Shareholders held on May 26, 2022. At the annual and special meeting of Shareholders held on May 8, 2025, Shareholders passed an ordinary resolution ratifying and approving the stock options granted under the Stock Option Plan after May 27, 2024 and approving all unallocated options issuable pursuant to the Stock Option Plan.

The Corporation's Stock Option Plan was established as part of a competitive compensation package to attract and retain skilled and motivated individuals who are essential to the Corporation's success. The Stock Option Plan encourages long-term commitment by providing employees with a vested interest in the Corporation's future success and aligns their interests with those of Shareholders.

Each Eligible Person (as defined in the Stock Option Plan) is eligible for an annual stock option grant that may be approved by the Board from time to time on the recommendation of the GHRC. The number of stock options granted to Eligible Persons is typically mathematical, based on a percentage of base compensation for eligible employees, which is based on a number of factors including the position held, base salary, benefits level and any other factors the Board deems appropriate. Stock option grants may also be considered and approved by the Board, if warranted, for specific performance or for other reasons in special circumstances. For example, Eligible Persons may be granted stock options upon the commencement of their engagement or employment with the Corporation. When determining whether and how many new stock option grants will be approved, the Board considers all relevant factors. The Board does not take previous grants into account when considering new stock option grants. The Board fixes the vesting terms of stock options at the time of grant.

The following table summarizes the salient terms of the Stock Option Plan. Capitalized terms used in the table below have the meanings ascribed to such terms under the Stock Option Plan.

TABLE 13

STOCK OPTION PLAN	
Number of Common Shares	The options to be granted must not be exercisable for more than 10% of the Common Shares issued and outstanding at the time the options are granted, provided that if the options expire or are terminated for any reason before they vest and are exercised, the number of Common Shares underlying such expired or terminated options may again be available under the Plan.
Eligible Participants	The Board of Directors will designate, at its discretion, the Eligible Persons who are to be granted Options. "Eligible Persons" means directors, senior executives and employees of the Corporation and Service Providers to the Corporation. "Service Provider" is a person or company engaged by the Corporation to provide services for an initial, renewable or extended period of twelve months or more.
Exercise Price	The Board of Directors shall establish the exercise price, which will not be less than the closing price of the Common Shares on TSX on the trading day immediately preceding the date of grant.
Participation Limits	(a) The maximum number of Common Shares issuable at any time to Eligible Persons who are Insiders pursuant to the exercise of Options granted under this Plan and securities granted under any other Security Based Compensation Arrangement of the Corporation must not exceed 10% of the aggregate number of Common Shares issued and outstanding from time to time (calculated on a non-diluted basis). (b) The maximum number of Common Shares issued to Eligible Persons who are Insiders within any one year period pursuant to the exercise of Options granted under this Plan and securities granted under any other Security Based Compensation Arrangement of the Corporation must not exceed 10% of the aggregate number of Common Shares issued and outstanding from time to time (calculated on a non-diluted basis). (c) The number of Common Shares that are issuable to Eligible Persons who are non-executive directors under this Plan and any other Security Based Compensation Arrangement of the Corporation shall not at any time exceed $150,000 worth of Common Shares annually per non-executive director, of which no more than $100,000 may be in the form of Options.

STOCK OPTION PLAN	
Term of Options	Subject to other terms within the Stock Option Plan, the expiry date of an option is the date established by the Board of Directors at the time of the granting of the particular option, provided that such date does not extend beyond the fifth anniversary of the date of grant of the option.
Expiry of Options	Subject to other terms within the Plan, options will expire on the following events: (a) the expiry date of the option; (b) 90 days following death of the option holder; (c) 90 days following cessation of employment of the option holder for all options issued on or after October 24, 2017; (d) at the discretion of the Board of Directors and subject to the approval of the TSX and with prior notice to the option holder; (e) on the first day the option holder ceased employment if the option holder was terminated for cause;
Assignment	Subject to other terms within the Plan, options cannot be assigned or transferred.
Change of Control	The successor corporation may either (i) assume the Corporation's rights and obligations under outstanding options, or (ii) substitute for outstanding options substantially equivalent options in the successor corporation in a manner that substantially preserves and does not impair the rights of the option holder in any material respect. In the event that an assumption or substitution of options is not made by the successor corporation prior to or in connection with a Change of Control, all options held by an option holder as at the date of the Change of Control, whether vested or unvested, will automatically vest as of the date of the Change of Control. If the employment of an option holder is terminated during the one (1) year period after a Change of Control for any reason other than for cause, or the option holder resigns as a result of constructive dismissal, then any unvested options held by the option holder as at the date of the Change of Control shall accelerate and will fully vest effective on the date of the Change of Control and all options that are vested or deemed to be vested may be exercised by the option holder within 30 days from the termination date.
Retroactive Amendments	The Board of Directors may, subject to the approval of the TSX and subject to other terms within the Plan, retroactively amend the Plan and with the consent of the affected option holders, retroactively amend the terms and conditions of the options that have been granted until then.
Amendments Not Requiring Shareholder Approval	The Board of Directors may, without the approval of the Shareholders (other than any required regulatory or TSX approvals) but subject to other terms within the Plan, suspend, discontinue, or amend this Plan or any option. Examples of the types of amendments that may be made by the Board without Shareholder approval include, without limitation, the following: (a) amendments to ensure continuing compliance with applicable laws, regulations, requirements, rules or policies or any governmental authority or any stock exchange; (b) amendments of a "housekeeping" nature, which include amendments to eliminate any ambiguity or correct or supplement any provision contained herein; (c) amendments respecting the administration of the Plan; (d) changing the vesting provisions of the Plan or any option certificate; (e) changing the termination provisions of any option that does not entail an extension beyond the original expiry date and (f) any other amendment that does not require the approval of Shareholders.
Amendments Requiring Shareholder Approval	Subject to other terms within the Plan, specific Shareholder approval is required for: (a) any change to the maximum number of Common Shares issuable under the Plan, including an increase to the fixed maximum percentage or a change from a fixed maximum percentage to a fixed maximum number of Common Shares; (b) any amendment which reduces the exercise price of any option after the options have been granted or any cancellation of an option and the substitution of that option by a new option with a reduced price; (c) any amendment which extends the option term beyond the original expiry date; (d) any amendment to remove or to exceed the participation limits; (e) any amendment which would allow non-executive directors to be eligible for awards under the Plan on a discretionary basis or an amendment which would increase limits imposed on non-executive director participation; (f) any amendment which would permit any option granted under the Plan to be transferable or assignable by any Eligible Person other than as already permitted under the Plan;

STOCK OPTION PLAN	
	(g) any amendment to the amendment provision (section 5.2) or provision regarding amendments requiring Shareholder approval (section 5.3).

The Stock Option Plan is a "rolling" stock option plan under which stock options may be granted up to a maximum of 10% of the Common Shares issued and outstanding at the time of the grant. The number of Common Shares that may be reserved under the Stock Option Plan automatically increases or decreases as the number of issued and outstanding Common Shares increases or decreases.

TABLE 14

	Common Shares issuable from stock options granted under the Stock Option Plan [1]	Represented percentage of Common Shares Outstanding	Common Shares available under the Stock Option Plan to be issued as stock options	Represented percentage of Common Shares Outstanding
Outstanding as at December 31, 2025	6,286,209	2.2%	22,781,818	7.8%
Outstanding as at Record Date	6,052,209	2.0%	23,551,241	8.0%

[1] Each option entitles the holder to acquire one Common Share

Stock Options Outstanding at the Record Date

The table below summarizes the stock options that are issued and outstanding under the Stock Option Plan as at the Record Date.

TABLE 15

GROUP	DATE OF GRANT	AGGREGATE NUMBER OF SHARES ISSUABLE	EXERCISE PRICE ($)	EXPIRY DATE
Directors	August 19, 2021	90,000	0.30	August 19, 2026
Officers and Employees	August 19, 2021	375,400	0.30	August 19, 2026
Officers and Employees	August 31, 2022	348,000	1.24	August 31, 2027
Directors	September 15, 2022	122,500	1.28	September 15, 2027
Officers and Employees	August 31, 2023	765,000	0.57	August 31, 2028
Officers and Employees	August 31, 2024	3,030,559	0.30	August 31, 2029
Officers and Employees	August 31, 2025	1,320,750	0.65	August 31, 2030
Total		**6,052,209**		

The 6,052,209 Common Shares underlying the issued and outstanding stock options of the Corporation granted under the Stock Option Plan have a weighted average exercise price of approximately $0.48 per Common Share.

Annual Burn Rate

TABLE 16

	EQUITY COMPENSATION ARRANGEMENT	2023	2024	2025
Stock Option Plan	Stock options issued [1]	909,300	3,572,075	1,320,750
	Weighted Average Common Shares Outstanding	159,000,487	191,539,405	290,482,104
	Annual Burn Rate	0.6%	1.9%	0.5%

[1] Each option entitles the holder to acquire one Common Share

During 2025, there were 292,628 options exercised under the Stock Option Plan.

Equity Compensation Plan Information

Other than the Stock Option Plan, the Corporation does not maintain any other compensation plans under which Common Shares are authorized for issuance.

TABLE 17

Plan Category	Number of securities to be issued upon exercise of outstanding options and rights	Weighted-average exercise price of outstanding options and rights	Number of securities remaining available for future issuance under equity compensation plans [1]
Equity compensation plans approved by Shareholders	6,052,209	0.48	23,551,241
Equity compensation plans not approved by Shareholders [2]	-	-	-
Total	6,052,209	0.48	23,551,241

(1) Excludes securities under the column "Number of securities to be issued upon exercise of outstanding options and rights".

(2) The Corporation does not have any equity compensation plans that are not approved by Shareholders.

Risks Associated with Compensation Policies and Practices

The Board and the GHRC have considered the implications of the risks associated with the Corporation's compensation policies and practices and have concluded that the programs do not encourage excessive or inappropriate risk-taking and are aligned with the long-term interests of Shareholders.

It is noted that while short term incentive awards are discretionary and granted as detailed above, the obligatory nature of long-term incentive awards, as described above, once granted pose payout exposure to the Corporation. That risk is, however, mitigated by the fact that the units and payout are tied to the market value of the Corporation's shares. In each case the Board has concluded that at the time that each such objective is established, its associated risk profile is acceptable to the Corporation, and the objective, if achieved, aligns with the long-term interests of its Shareholders.

Additional alignment between the interests of directors and executive officers with the interests of Shareholders is achieved through the Share Ownership Policy which prohibits each director and executive officer from entering into any agreement and from effecting any hedge or other transaction, which has as one of its purposes, or has as one of its consequences or possible consequences, the amelioration, in whole or in part, of the economic impact of a decrease, or possible decrease, in the market value of the Common Shares which are held by such director or executive officer.

Compensation policies are continuously reviewed and updated to best practice standards as undertaken by peer public companies and applicable regulatory changes. In addition, the business conduct of individuals is evaluated against the Corporation's prevailing policies including (a) the Code of Conduct, (b) the Anti-Corruption Policy, (c) the Disclosure Policy, (d) the Trading Restrictions and Blackout Period Policy, (e) the Hedging Policy, (f) the Delegation of Authority Policy, (g) the Credit Policy, and (h) the Investment Policy, each of which further protect the Corporation from the adverse consequences of inappropriate conduct and excessive risk-taking. Management is required to acknowledge annually in writing that they have followed, to the best of their knowledge, all of the above policies.

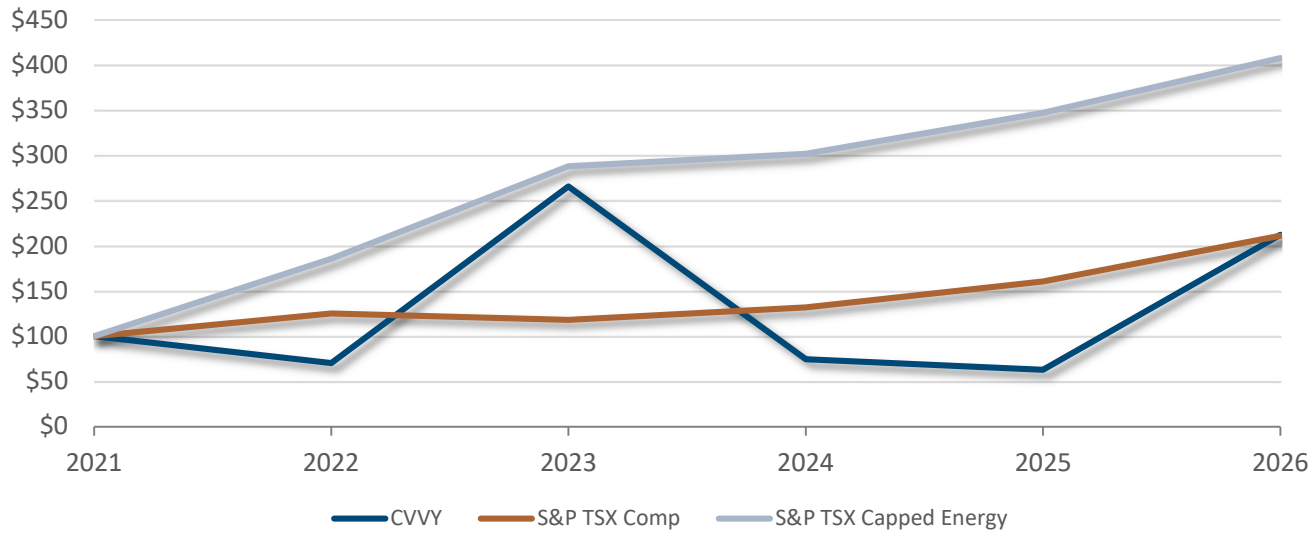
The Clawback Policy requires a member of Management, whether current or former, to immediately repay or forfeit that portion of any bonus or equity based compensation paid, granted or vested to them if the Corporation is required to prepare a restatement of any or all its financial statements due to either (a) material non-compliance with any financial reporting requirements under applicable securities laws, or (b) gross negligence or fraud of such member of Management as either admitted to or as proven in a court of competent jurisdiction.

Acknowledging that use of front-loaded cash or equity awards may (a) reduce the Board's ability to tailor compensation plans to reflect the evolving business strategies, (b) reduce the retention power of an award and (c) increase the risk of unintended consequences, the Corporation generally does not provide front-loaded cash or equity awards.

Performance Graph

The following line graph depicts the cumulative total Shareholder return of the Corporation over the five most recently completed financial years.

TOTAL SHAREHOLDER RETURN [1]



(1) This line graph is based on the assumption that $100 was invested on the first day of the five-year period.

The trend shown by this graph is not reflective of the trend in compensation reported under this Circular which the Executive Officers received from the Corporation over the same five-year period. Determination of compensation paid to Executive Officers is described above under "*SUMMARY OF EXECUTIVE COMPENSATION*".

SUMMARY COMPENSATION TABLE

The following table presents information concerning all compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, by the Corporation (or a subsidiary of the Corporation) to each NEO (in any capacity) during the last three financial years including all plan and non-plan compensation, direct and indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite paid, payable, awarded, granted, given, or otherwise provided to the NEO for services provided and for services to be provided, directly or indirectly, to the Corporation. Further discussion is available under the heading "*SUMMARY OF EXECUTIVE COMPENSATION*" and in the notes below the table.

TABLE 18

(a)	(b)	(c)	(d)	(e)	(f) NON-EQUITY INCENTIVE PLAN COMPENSATION ($)		(h)	(i)
NAME	YEAR	SALARY ($)	SHARE-BASED AWARDS ($)	OPTION-BASED AWARDS ($)	(f1) ANNUAL INCENTIVE PLANS [11]	(f2) LONG-TERM INCENTIVE PLANS	ALL OTHER COMPENSATION [4] ($)	TOTAL COMPENSATION ($)
Darcy Reding CEO [1]	2025	399,346	263,250 [10]	125,028 [7]	462,800	Nil	54,934	1,310,358
	2024	380,108	249,600 [9]	134,400 [6]	342,547	Nil	53,010	1,159,665
	2023	309,885	220,976 [8]	74,925 [5]	208,239	Nil	42,642	856,667
Adam Gray CFO	2025	300,558	198,250 [10]	94,157 [7]	263,800	Nil	40,056	896,821
	2024	287,306	187,525 [9]	100,975 [6]	193,017	Nil	38,730	807,553
	2023	275,000	178,752 [8]	60,607 [5]	242,681	Nil	37,500	794,540
John	2025	308,038	202,150 [10]	96,009 [7]	262,000	Nil	41,521	909,718

(a) NAME	(b) YEAR	(c) SALARY ($)	(d) SHARE-BASED AWARDS ($)	(e) OPTION-BASED AWARDS ($)	(f) NON-EQUITY INCENTIVE PLAN COMPENSATION ($) (f1) ANNUAL INCENTIVE PLANS [11]	(f2) LONG-TERM INCENTIVE PLANS	(h) ALL OTHER COMPENSATION [4] ($)	(i) TOTAL COMPENSATION ($)
Emery COO [2]	2024	299,558	195,000 [9]	105,000 [6]	200,711	Nil	39,955	840,224
	2023	250,000	150,024 [8]	23,611 [5]	61,000	Nil	30,000	514,635
Paul Kunkel CCO [3]	2025	284,669	188,500 [10]	89,526 [7]	250,800	Nil	38,466	851,997
	2024	268,413	175,630 [9]	94,570 [6]	183,814	Nil	31,824	754,251
	2023	82,692	162,512 [8]	55,081 [5]	52,747	Nil	3,269	356,301
Michael Bartley VP HR&CS	2025	236,062	142,800 [10]	31,489 [7]	77,000	Nil	28,606	550,917
	2024	228,076	112,515 [9]	58,829 [6]	60,727	Nil	25,000	479,137
	2023	200,000	97,496 [8]	33,048 [5]	48,470	Nil	25,000	403,614

(1) Mr. Reding was appointed President & CEO on September 1, 2023. Prior thereto, Mr. Reding served as President & COO from March 28, 2022, and COO from April 5, 2021 to March 27, 2022. He has not received any compensation for his role as a director of the Corporation.

(2) Mr. Emery was appointed COO on January 1, 2024. Prior thereto, Mr. Emery served as Interim COO from September 1, 2023, VP, Operations from November 2022 to August 2023 and Manager, Operations from November 8, 2021.

(3) Mr. Kunkel was appointed CCO on September 1, 2023.

(4) All Other Compensation includes perquisite allowance and the 10% Corporation contribution to retirement savings plan.

(5) To align with market practice, the estimated fair value of the options granted on August 31, 2023, has been calculated using the Black-Scholes-Merton model with the following assumptions: expected volatility of 91%, risk-free interest rate of 4.2% and an expected life of 3.5 years.

(6) To align with market practice, the estimated fair value of the options granted on August 31, 2024, has been calculated using the Black-Scholes-Merton model with the following assumptions: expected volatility of 84%, risk-free interest rate of 3.2% and an expected life of 3.5 years.

(7) To align with market practice, the estimated fair value of the options granted on August 31, 2025, has been calculated using the Black-Scholes-Merton model with the following assumptions: expected volatility of 76%, risk-free interest rate of 2.7% and an expected life of 3.5 years.

(8) The estimated fair value of these awards is based on the five-day volume weighted average price of $0.56 on August 31, 2023.

(9) The estimated fair value of these awards is based on the five-day volume weighted average price of $0.31 on August 31, 2024.

(10) The estimated fair value of these awards is based on the five-day volume weighted average price of $0.66 on August 31, 2025.

(11) The Corporation's "Annual Incentive Plans" is comprised of STIP payments.

INCENTIVE PLAN AWARDS

Outstanding Share-based and Option-based Awards

The following table sets forth information in respect of all awards granted to the NEOs and outstanding as at December 31, 2025:

TABLE 19

(a)	(b)	(c)	(d)	(e)				(f)	(g)	
NAME	OPTION-BASED AWARDS				SHARE-BASED AWARDS (RSUs) [2]					
	NUMBER OF SECURITIES UNDERLYING UNEXERCISED OPTIONS	OPTION EXERCISE PRICE	OPTION EXPIRY DATE	VALUE OF UN-EXERCISED IN THE MONEY OPTIONS [1]	RSU GRANT DATE	NUMBER OF RSUS GRANTED	RSU GRANT PRICE	NUMBER OF GRANTED RSUs THAT HAVE NOT VESTED	MARKET OR PAYOUT VALUE OF RSUs THAT HAVE NOT VESTED [3]	MARKET OR PAYOUT VALUE OF VESTED RSUs NOT PAID OUT OR DISTRIBUTED
	(#)	($)		($)		(#)	($)	(#)	($)	($)
Darcy Reding	146,000	0.30	Aug 19, 2026	89,060	Aug 31, 2023	394,600	$0.56	131,533	119,695 [3]	Nil
	109,800	1.24	Aug 31, 2027	Nil	Aug 31, 2024	805,161	$0.31	536,774	488,464 [3]	Nil
	208,800	0.57	Aug 31, 2028	70,922	Aug 31, 2025	398,864	$0.66	398,864	362,966 [3]	Nil
	742,952	0.30	Aug 31, 2029	453,201						

(a)	(b)	(c)	(d)	(e)				(f)	(g)	
NAME	OPTION-BASED AWARDS				SHARE-BASED AWARDS (RSUs) [2]					
	NUMBER OF SECURITIES UNDERLYING UNEXERCISED OPTIONS	OPTION EXERCISE PRICE	OPTION EXPIRY DATE	VALUE OF UN-EXERCISED IN THE MONEY OPTIONS [1]	RSU GRANT DATE	NUMBER OF RSUS GRANTED	RSU GRANT PRICE	NUMBER OF GRANTED RSUs THAT HAVE NOT VESTED	MARKET OR PAYOUT VALUE OF RSUs THAT HAVE NOT VESTED [3]	MARKET OR PAYOUT VALUE OF VESTED RSUs NOT PAID OUT OR DISTRIBUTED
	(#)	($)		($)		(#)	($)	(#)	($)	($)
	354,375	0.65	Aug 31, 2030	92,138						
Adam Gray	141,000	0.30	Aug 19, 2026	86,010	Aug 31, 2023	319,200	0.56	106,400	96,824 [3]	Nil
	102,400	1.24	Aug 31, 2027	Nil	Aug 31, 2024	604,920	0.31	403,280	366,985 [3]	Nil
	168,900	0.57	Aug 31, 2028	57,426	Aug 31, 2025	300,379	0.66	300,379	273,345 [3]	Nil
	558,182	0.30	Aug 31, 2029	340,491						
	266,875	0.65	Aug 31, 2030	69,388						
John Emery	34,300	1.24	Aug 31, 2027	Nil	Aug 31, 2023	267,900	0.56	89,300	81,263 [3]	Nil
	65,800	0.57	Aug 31, 2028	22,372	Aug 31, 2024	629,033	0.31	419,355	381,613 [3]	Nil
	580,432	0.30	Aug 31, 2029	354,064	Aug 31, 2025	306,288	0.66	306,288	278,722 [3]	Nil
	272,125	0.65	Aug 31, 2030	70,753						
Paul Kunkel	153,500	0.57	Aug 31, 2028	52,190	Aug 31, 2023	290,200	0.56	96,733	88,027 [3]	Nil
	522,775	0.30	Aug 31, 2029	318,893	Aug 31, 2024	566,549	0.31	377,699	343,706 [3]	Nil
	253,750	0.65	Aug 31, 2030	65,975	Aug 31, 2025	285,606	0.66	285,606	259,901 [3]	
Michael Bartley	21,000	0.30	Aug 19, 2026	12,810	Aug 31, 2023	174,100	0.56	58,033	52,810 [3]	Nil
	55,900	1.24	Aug 31, 2027	Nil	Aug 31, 2024	362,952	0.31	241,968	220,191 [3]	Nil
	92,100	0.57	Aug 31, 2028	31,314	Aug 31, 2025	216,364	0.66	216,364	196,891 [3]	Nil
	334,909	0.30	Aug 31, 2029	204,294						
	89,250	0.65	Aug 31, 2030	23,205						

(1) Value is calculated based on the difference between the market value of the underlying Common Shares at December 31, 2025 and the exercise price of the option and includes all in-the-money unexercised options held as at December 31, 2025. The closing trading value on the TSX of a Common Share on December 31, 2025, was $0.91.

(2) RSUs vest 1/3rd on each of the first, second and third anniversary from the grant date.

(3) Value is calculated based on the market value of the underlying Common Shares as at December 31, 2025.

Incentive Plan Awards – Value Vested or Earned during the Year

The following table provides the value vested in relation to awards held by each NEO during the year ended December 31, 2025:

TABLE 20

NAME	OPTION-BASED AWARDS – VALUE VESTED DURING THE YEAR ($) [1]	SHARE BASED AWARDS – VALUE VESTED DURING THE YEAR ($) [2]	NON-EQUITY INCENTIVE PLAN COMPENSATION – VALUE EARNED DURING THE YEAR ($) [3]
Darcy Reding	64,108	296,903	462,800
Adam Gray	50,235	234,018	263,800
John Emery	41,683	219,501	262,000
Paul Kunkel	39,050	188,485	250,800
Michael Bartley	27,017	134,915	77,000

(1) Value represents the difference between the Common Share price as at the vesting date and the option exercise price as at the vesting date.

(2) Value represents cash payments from vested RSUs.

(3) This value reflects STIP payments.

SHARE OWNERSHIP POLICY

To align the interests of executive officers, directors and Shareholders, the Corporation has adopted a mandatory Share Ownership Policy for each of the Corporation's non-executive directors and Officers (as defined in the Share Ownership Policy). The Share Ownership Policy requires each non-executive director and each Officer, by the date that is the later of five (5) years after the later of (a) October 24, 2017 and (b) the day that the individual first became a director or an Officer of the Corporation (the "**Relevant Date**"), to directly or indirectly acquire, hold and continue to hold thereafter while they remain a non-executive director or Officer of the Corporation, Common Shares, DSUs or RSUs, as applicable, which in aggregate have a value that meets or exceeds the Minimum Ownership Requirement (as defined in the Share Ownership Policy). The Minimum Ownership Requirement is three (3) times the Maximum Base Cash Payment (as defined in the Director Compensation Policy) that is paid or payable to each non-executive director, three (3) times the prevailing annual base salary that is paid or payable to the CEO, or two (2) times the prevailing annual base salary that is paid or payable to each other Officer of the Corporation.

The following table sets out the Minimum Ownership Requirement for each non-executive director and Executive Officer and whether they have met same as of the Record Date.

TABLE 21

NAME	POSITION HELD	COMMEN-CEMENT DATE	RELEVANT DATE	TOTAL SHARES OWNED AS OF THE RECORD DATE [3]	RSUs GRANTED BUT NOT VESTED AS OF THE RECORD DATE	DSUs GRANTED BUT NOT SETTLED AS OF THE RECORD DATE	MINIMUM OWNER-SHIP REQUIRE-MENT ($) [1]	MINIMUM OWNERSH-IP REQUIRE-MENT MET (Y/N) OR IN PROGRESS (IP) [2] [3] ($)
Michael Backus	Independent Director	May 8, 2025	May 8, 2030	0	Nil	26,379	191,250	IP
Harvey Doerr	Independent Director	May 8, 2025	May 8, 2030	0	Nil	52,758	191,250	IP
Doug Dreisinger	Independent Director	May 26, 2022	May 26, 2027	85,564	Nil	177,455	191,250	Y
Andrew Judson	Independent Director	October 24, 2017	October 24, 2022	587,682	Nil	149,299	191,250	Y
Patricia McLeod	Independent Director & Board Chair	May 26, 2022	May 26, 2027	1,950,403	Nil	466,655	191,250	Y
Kiren Singh	Independent Director	May 26, 2020	May 26, 2025	441,146	Nil	149,299	191,250	Y
Darcy Reding	President & CEO	September 1, 2023	September 1, 2028	618,854	1,118,160	Nil	1,152,000	Y

NAME	POSITION HELD	COMMEN-CEMENT DATE	RELEVANT DATE	TOTAL SHARES OWNED AS OF THE RECORD DATE [3]	RSUs GRANTED BUT NOT VESTED AS OF THE RECORD DATE	DSUs GRANTED BUT NOT SETTLED AS OF THE RECORD DATE	MINIMUM OWNER-SHIP REQUIRE-MENT ($) [1]	MINIMUM OWNERSH-IP REQUIRE-MENT MET (Y/N) OR IN PROGRESS (IP) [2] [3] ($)
Adam Gray	CFO	March 28, 2022	March 28, 2027	490,000	864,253	Nil	577,000	Y
John Emery	COO	January 1, 2024	January 1, 2029	347,260	841,233	Nil	600,000	Y
Paul Kunkel	CCO	September 1, 2023	September 1, 2028	161,797	760,015	Nil	540,400	Y

(1) The Minimum Ownership Requirement for Executive Officers is based on their 2025 annual base salary, and for non-executive directors is based on the 2025 Maximum Base Cash Payment.

(2) Individuals will have met their Minimum Ownership Requirement if, at any time, the value of their Qualifying Share Ownership Position meets or exceeds the Minimum Ownership Requirement. Individuals will not have met their Minimum Ownership Requirement if the Relevant Date has passed and the value of their Qualifying Share Ownership Position in less than the Minimum Ownership Requirement. "In Progress" indicates that the Relevant Date has not yet occurred, and that the individual has time to achieve the Minimum Ownership Requirement. The value of each individual's Qualifying Share Ownership Position is determined by multiplying the volume of Common Shares, DSUs or RSUs acquired in each transaction by the higher of the actual cost and the market value of such Common Shares, DSUs and RSUs on Record Date.

(3) The non-executive directors and Officers have each confirmed the total number of Common Shares held by them and whether the value of their respective Qualifying Share Ownership Positions meet their Minimum Ownership Requirement as at the Record Date.

TERMINATION AND CHANGE OF CONTROL BENEFITS

As at December 31, 2025, the Corporation was a party to an employment agreement (each, a "**Contract of Service**") with each NEO. Each Contract of Service includes, among other things, a covenant of confidentiality, non-solicitation, and non-competition. If at any time the Contract of Service is terminated by the Corporation, or the NEO resigns or retires, the NEO will continue to be subject to the covenant of confidentiality indefinitely and to the covenants of non-solicitation and non-competition for twelve months.

Each Contract of Service stipulates that the Corporation may terminate the NEO immediately, on written notice but without prior notice, for "just cause". If so terminated, the NEO is entitled to payment of their annual base pay up to the Date of Termination (as defined therein), together with all outstanding vacation pay and any expense reimbursements ("**Base Termination Pay**"). The Contract of Service allows the NEO to terminate their employment with the Corporation for any reason upon three months prior written notice. If so terminated, the NEO is entitled to Base Termination Pay.

Each Contract of Service stipulates that the Corporation may terminate the NEO, immediately with written notice, without "just cause". If so terminated, the NEO is entitled to Base Termination Pay, plus pro-rated payment of their annual bonus, any termination pay owing under Part 2, Division 8 of the *Employment Standards Code, RSA 1980, c. E-10.1* (the "**Code**"), any LTIP entitlements under the applicable plan, continuation of health care benefits for one year (or a cash payment equal thereto), reimbursement of outplacement, legal and financial counselling services and, subject to delivery of an executed release and return of all corporate property, a severance amount (altogether, the "**Severance Package**"). For the President and CEO, the severance amount is defined as an amount equal to 1.5x the annual base salary plus 1.5x the annual bonus. For the CFO, COO, CCO, and VP, HR & CS, the severance amount is defined as an amount equal to 1.0x the annual base salary plus 1.0x the annual bonus. The Contract of Service allows the NEO to terminate their employment within 30 days of an event constituting Good Reason (as defined therein) upon 30 days prior written notice. If so terminated, the NEO is entitled to Base Termination Pay plus the applicable Severance Package.

Each Contract of Service further stipulates that the Corporation may terminate the Contract of Service within 20 days of an event of Change of Control (as defined therein), immediately with written notice. If so terminated, the NEO is entitled to Base Termination Pay plus the applicable Severance Package. The Contract of Service allows the NEO to terminate their employment within 60 days of an event of Change of Control with Good Reason, upon 30 days prior written notice. If so terminated, the NEO is entitled to Base Termination Pay plus the applicable Severance Package.

In the event of termination of the Contract of Service by the Corporation for any reason other than "just cause", the NEO will also be entitled to exercise their options for a period of 90 days from such termination.

The below table illustrates the foregoing termination and change of control benefits payable assuming a December 31, 2025 Date of Termination.

TABLE 22

NAME	PAYMENT IN THE EVENT OF TERMINATION OF EMPLOYMENT WITHOUT CAUSE ($) [(1)(2)]	PAYMENT IN THE EVENT OF TERMINATION OF EMPLOYMENT AFTER CHANGE OF CONTROL ($) [(1)(2)]
Darcy Reding	1,215,000	1,215,000
Adam Gray	533,750	533,750
John Emery	544,250	544,250
Paul Kunkel	507,500	507,500
Michael Bartley	309,400	309,400

(1) The amounts shown are exclusive of any amounts the NEO may receive as a result of an exercise of options in the 90 days following the Date of Termination.

(2) In addition to payments disclosed above, the following apply to NEOs upon termination without cause or after a change of control: (i) share-based compensation vesting acceleration under the Stock Option Plan and RSU Plan; (ii) continuation of health care benefits for one year (or a cash payment equal thereto); and (iii) reimbursement of outplacement, legal and financial counselling services.

DIVERSITY OF THE BOARD AND LEADERSHIP TEAM

DIVERSITY STATEMENT

The Corporation has adopted a Diversity and Inclusion Policy with an objective of increasing diversity and inclusion on the Board and within the Corporation generally. The Diversity and Inclusion Policy governs the process for the identification and nomination of diverse candidates, including women, for election or appointment to the Board, for appointment to executive officer positions, and for employment at every level.

As set out in the Diversity and Inclusion Policy, the Corporation values the benefits that the participation of women and overall diversity can bring to its Board, Management team and employee group. These benefits include the promotion of differing perspectives and the broadening of ideas while improving oversight, decision-making and governance. Moreover, the Corporation is dedicated to diversity at all levels within the organization and is committed to fostering an inclusive corporate culture that is based on merit and is free of bias whether conscious or unconscious.

The Diversity and Inclusion Policy sets forth the Corporation's approach to diversity and inclusion, including that the promotion of women and persons with diverse backgrounds and lived experiences within the organization is best served through an objective evaluation of the knowledge, experience, expertise, and backgrounds of each candidate for director and each potential employee, in relation to the needs of the Corporation with a view to enhance diversity but without undue focus on any single diversity characteristic. The Corporation strives to maintain a Board and Management team comprised of talented and dedicated individuals with a diverse mix of knowledge, experience, expertise, and backgrounds who collectively oversee and execute the strategic objectives of the Corporation while reflecting the diversity within the society in which the Corporation operates. Thus, the Corporation considers candidates based on objective criteria, having due regard to the benefits of diversity and the needs of the Corporation when assessing the composition of the Board, the Management team and the employee group and when identifying suitable candidates for election or appointment to the Board or for employment at every level.

As provided for in the Diversity and Inclusion Policy, the Corporation is committed to conducting a diversity and inclusion survey of its directors and employees on an annual basis to ascertain and monitor the level of diversity and inclusion within the Corporation over time, and to assist the GHRC and the Board in assessing the effectiveness of the Diversity and Inclusion Policy.

The GHRC is mandated to: (a) establish and report to the Board a director succession plan and candidate identification and nomination process, (b) develop and recommend to the Board criteria for selecting potential director candidates that strives to attain a diversity of competencies and personal characteristics, and (c) assess the effectiveness of the Board nomination process at achieving its diversity objectives.

The Corporation has not adopted formal targets or quotas for Board or senior management composition; however, the Corporation considers the level of representation of women when identifying and nominating director candidates for election to the Board and when making executive officer appointments. The Corporation is committed to a merit-based approach and believes that having the flexibility to appoint the best qualified candidates, while considering diversity as a priority in succession planning, is in the best interests of the Corporation and its stakeholders.

BOARD AND LEADERSHIP TEAM DIVERSITY

As of the Record Date, two of the Corporation's seven directors (29%) are women and one of the Corporation's seven directors (14%) is a member of a visible minority. None of the Corporation's executive officers are women.

The Board is aware of investor and proxy advisory expectations regarding gender diversity, including the expectation of certain proxy advisory firms that at least 30% of the board members of TSX-listed companies be women. While the Board's current gender composition is below this threshold, women hold key leadership positions on the Board, including Board Chair and Chair of the Audit & Risk Committee, and two of the Corporation's six independent directors (33%) are women.

The Board believes it currently has the skills and experience necessary to oversee the Corporation's strategic priorities for the next year, including strengthening its balance sheet and managing costs. The Board is committed to prioritizing diversity in succession planning including through the director nomination process in connection with Board turnover as a result of directors reaching their term limit; the next such turnover expected to occur in 2027. Further, the Corporation has proactively engaged with Shareholders on Board composition and diversity matters and will continue to do so.

REGISTRAR AND TRANSFER AGENT

The transfer agent and registrar for the Common Shares is Odyssey Trust Company, having offices at Trader's Bank Building, 1100 – 67 Yonge St, Toronto, Ontario M5E 1J8.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the current or former directors, executive officers, or employees of the Corporation or any of its subsidiaries, nor any of the Nominees, nor any associate of any of the foregoing persons, is or was indebted, directly or indirectly, to the Corporation or any of its subsidiaries at any time since January 1, 2025.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

There were no material interests, direct or indirect, of any director or executive officer of the Corporation, any Nominee or any other "informed person" (as such term is defined in NI 51-102), or any associate or affiliate of any of the foregoing persons, in any transaction since January 1, 2025 or in any proposed transaction which has materially affected, or would materially affect, the Corporation or any of its subsidiaries.

INDEMNIFICATION OF DIRECTORS AND SENIOR MANAGEMENT

The Corporation covenants to indemnify and save harmless the directors and officers of the Corporation and its affiliated entities from and against any and all losses, liabilities, claims, damages, fines, penalties, costs, charges or expenses (including, but not limited to, an amount paid to settle any action or to satisfy any judgment, legal fees on a solicitor and client basis, other professional fees, out-of-pocket expenses for attending proceedings including discoveries, trials, hearings and meetings and any amount for which the indemnified is liable by reasons of any statutory provision whether civil, criminal or otherwise and whether such claim is anticipated, threatened, pending, commenced, continued or completed). The foregoing includes any appeal, (as well as the amount of any taxes or interest payable as a result of other payments made thereunder) suffered

or incurred by the indemnified, directly or indirectly, as a result or by reason of the indemnified being or having been a director or officer of the Corporation or any of its affiliated entities, or by reason of any action taken or not taken by the indemnified in the capacity of director or officer of the Corporation or of any of its affiliated entities, provided that he or she acted honestly and in good faith with a view to the best interests of the Corporation and, in the case of a criminal or administrative action or proceeding, that he or she had reasonable grounds for believing that his or her conduct was lawful. The policy provides further that such costs, charges, or expenses must not be suffered or incurred as a result of the fraud, dishonesty or wilful default by the indemnified.

LIABILITY INSURANCE FOR DIRECTORS AND SENIOR MANAGEMENT

The Corporation maintains a policy of insurance for the benefit of its directors and members of its senior management which cover them from losses (including damages, costs and similar amounts) which they suffer or incur as a result or by reason of being, or having been, a director or a member of its senior management except to the extent that such losses are suffered or are incurred as a result of their own fraud, dishonesty or wilful default. The insurance policy, effective October 1, 2025, and expiring on September 30, 2026, provides coverage of $20 million per event and per policy year.

OTHER BUSINESS

Management knows of no amendment, variation, or other matter to come before the Meeting other than those set forth in the Notice of Meeting. However, if any other matter properly comes before the Meeting, the Common Shares represented by the accompanying proxy will be voted on such matter in accordance with the best judgment of the person or persons voting the proxy.

SHAREHOLDER PROPOSALS

No Shareholder proposals were submitted to or voted upon at the Corporation's 2025 annual and special meeting of Shareholders. Pursuant to the provisions of the ABCA, any Shareholder wishing to present a proposal to be considered for inclusion at the next annual meeting of Shareholders in 2027 must ensure that such proposal is received by the Corporation at least 90 days before the anniversary date of the 2026 annual meeting of Shareholders. Any such proposal must comply with all requirements of the ABCA and the regulations thereunder. A Shareholder proposal must be addressed to the Corporate Secretary and either (a) mailed to Cavvy Energy Ltd. at 1100, 411-1 Street S.E., Calgary, Alberta T2G 4Y5, or (b) emailed to legal@cavvyenergy.com.

ADVANCE NOTICE BY-LAW

By-Law No.2: The Advance Notice By-Law (the "**Advance Notice By-Law**") was adopted by the Board on May 8, 2025, and confirmed by the Shareholders at the annual and special meeting of Shareholders on May 8, 2025. The Advance Notice By-Law establishes the procedures, timeframe, and forms which a Shareholder must follow in order to nominate a person for election as a director of the Corporation at the Meeting.

To be timely, a nominating Shareholder's notice to the Corporate Secretary of the Corporation must be made:

(a) in the case of an annual meeting (including an annual and special meeting) of Shareholders, not less than thirty (30) days prior to the date of the annual meeting of Shareholders; provided, however, that in the event that the annual meeting of Shareholders is to be held on a date that is less than fifty (50) days after the date on which the first public announcement (the "**Notice Date**") of the date of the annual meeting was made by the Corporation, notice by the nominating Shareholder may be made not later than the close of business on the tenth (10th) day following the Notice Date;
(b) in the case of a special meeting (which is not also an annual meeting) of Shareholders called for the purpose of electing directors (whether or not called for other purposes as well), not later than the close of business on the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of Shareholders was made by the Corporation, and;

(c) in the case of an annual meeting (including an annual and special meeting) of Shareholders or a special meeting of Shareholders called for the purpose of electing directors (whether or not also called for other purposes) where notice-and-access is used for delivery of proxy related materials, not less than forty (40) days prior to the date of the meeting (but in any event, not prior to the Notice Date); provided, however, that in the event that the meeting is to be held on a date that is less than fifty (50) days after the Notice Date, notice by the nominating Shareholder shall be made, in the case of an annual meeting of Shareholders, not later than the close of business on the tenth (10th) day following the Notice Date and, in the case of a special meeting of Shareholders, not later than the close of business on the fifteenth (15th) day following the Notice Date.

Each of the notice periods set forth above shall reset if the meeting is adjourned and/or postponed and for these purposes the date on which the first public announcement of the date of the meeting was made shall be the date of the first public announcement of the adjournment and/or postponement.

The notice must be addressed to the attention of the Corporate Secretary and delivered by either (a) personal delivery to Cavvy Energy Ltd. Suite 1100, 411-1 Street S.E. Calgary, Alberta T2G 4Y5, (b) facsimile to (403) 261 5902, or (c) email to legal@cavvyenergy.com and shall be deemed to have been given and made only at the time it is served by personal delivery, email or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) to the Corporate Secretary at the address noted above. If delivery or electronic communications is made on a day which is not a business day or later than 5:00 pm (Calgary time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day.

The Chair of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the Advance Notice By-Law and, if any proposed nomination is not in compliance with the Advance Notice By-Law, to declare that such defective nomination shall be disregarded. Notwithstanding the foregoing, the Board may, in its sole discretion, waive all or any requirements in the Advance Notice By-Law. The Advance Notice By-Law enumerates all required nomination disclosures within the by-law itself and does not condition nominations on completion of non-public director questionnaires or disclosure requirements exceeding those required by applicable law. A copy of the Advance Notice By-Law can be found on our website (https://www.cavvyenergy.com/who-we-are/governance).

ADDITIONAL INFORMATION

Additional information relating to the Corporation can be found under the Corporation's profile on SEDAR+ at www.sedarplus.ca.

Financial information about the Corporation is provided in the Corporation's comparative financial statements for the year ended December 31, 2025 and related MD&A which can be found under the Corporation's profile on SEDAR+ at www.sedarplus.ca or on the Corporation's website at www.cavvyenergy.com. Shareholders may also obtain these documents, without charge, upon request by mail to the CFO at Cavvy Energy Ltd., 1100, 411-1 Street S.E., Calgary, Alberta T2G 4Y5 or by email to legal@cavvyenergy.com.

FORWARD-LOOKING INFORMATION

Certain statements and information contained herein including, without limitation, may constitute "forward-looking statements" or "forward-looking information" within the meaning of applicable securities laws (collectively "forward-looking statements"). Words such as "will", "shall", "may", "would" "anticipate", "expect", "believe", "intend", "execute", "continue", "strive", "focus on", "improve", "design", "goal", "objective", "remain", "strategy", "target", "success", "vision", "growth", "benefit", "commitment" "opportunity" and similar expressions may be used to identify these forward-looking statements.

In particular, this Circular contains forward-looking statements pertaining to, among other things: [the Corporation's ability to advance commercial opportunities; the Corporation's active management of the hedging program; expectations with respect to improving and growing the Corporation's upstream and midstream business in western Canada; expectations with respect to AECO pricing in the next several years; the Corporation's renewed vision and direction]; information in respect of

the Meeting, including the location and timing thereof, expectations with respect to delivery of Meeting Materials and the solicitation of proxies; the Corporation's practices and commitments with respect to ESG; the Corporation's practices with respect to cyber security risk and artificial intelligence oversight; the purpose, objectives and intended outcomes of the Corporation's executive and director compensation programs, including all components thereof; the risks associated with the Corporation's compensation policies and practices and the strategies used to manage such risks; the Corporation's practices and commitments with respect to diversity and the intended outcomes thereof; the Board's commitment to prioritizing diversity in succession planning, including in connection with anticipated Board turnover; the application and intended outcomes of the Corporation's governance policies and practices; the termination and change of control benefits for NEOs, including the estimated payments in connection therewith; the Corporation's practices and intended outcomes with respect to director orientation and continuing education; and the Corporation's ability to execute its strategic objectives.

Forward-looking statements are based on a number of factors and assumptions which have been used to develop such forward-looking statements, but which may prove to be incorrect. All forward-looking statements reflect Management's beliefs and assumptions based on information available at the time the assumption was made. Forward-looking statements involve significant risk and uncertainties. A number of risk factors could cause actual results to differ materially from those anticipated, expressed or implied by the forward-looking statements contained herein. For more information about the assumptions and risks associated with the forward-looking statements in this Circular, see "Forward-Looking Information" and "Risk Factors" in the AIF and "Cautionary Note Regarding Forward-Looking Information" in the Corporation's MD&A for the year ended December 31, 2025, each of which may be accessed through the Corporation's SEDAR+ profile at www.sedarplus.ca.

Although the forward-looking statements contained herein are based upon what Management believes to be reasonable assumptions, Management cannot assure that actual results will be consistent with these forward-looking statements. Investors should not place undue reliance on forward-looking statements. These forward-looking statements are made as of the date hereof and the Corporation assumes no obligation to update or review them to reflect new events or circumstances except as required by applicable securities laws.

Forward-looking statements contained herein concerning the oil and gas industry and the Corporation's general expectations concerning this industry are based on estimates prepared by Management using data from publicly available industry sources as well as from reserve reports, market research and industry analysis and on assumptions based on data and knowledge of this industry which the Corporation believes to be reasonable. However, this data is inherently imprecise, although generally indicative of relative market positions, market shares and performance characteristics. While the Corporation is not aware of any misstatements regarding any industry data presented herein, the industry involves risks and uncertainties and is subject to change based on various factors.

APPROVAL OF DIRECTORS

The contents and the sending of this Circular have been approved by the directors of the Corporation.

SCHEDULE A - BOARD OF DIRECTORS MANDATE

1. Primary Objective

The primary objective of the Board in discharging its mandate is the effective and efficient conduct by the Corporation of its business and affairs in accordance with its articles, by-laws and policies, and in a manner and to the extent consistent with applicable law and with the purpose of enhancing and preserving shareholder value while taking into account the legitimate interests of employees, customers, lenders and the wider communities.

Accordingly, the Board will be concerned with such matters as strategic and financial planning, risk assessment and mitigation, senior management determination, corporate governance, public disclosure and compliance monitoring.

2. Directors

Each director has the duty to act in the best interests of the Corporation and in so doing must thoroughly understand the nature and extent of the Corporation's business and affairs while maintaining an acute awareness of the political, economic, social, legal and environmental realities and constraints prevailing in all jurisdictions in which the Corporation conducts, or proposes to conduct, its business and affairs. In exercising their powers and in discharging their duties, the directors shall:

- act honestly and in good faith with a view to the best interests of the Corporation;
- exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances;
- disclose to the Corporation the nature and extent of any interest that the director has in a material contract or material transaction with the Corporation if the director is a party to the contract or transaction, is a director or an officer, or an individual acting in a similar capacity, of a party to the contract or transaction or has a material interest in a party to the contract or transaction;
- comply with the *Business Corporation Act* (Alberta) ("ABCA") and the regulations enacted thereunder as well as with the Corporation's articles and by-laws; and
- comply with their obligations under applicable law and the policies adopted by the Corporation.

3. Mandate

(a) statutory responsibilities

The Board has the statutory responsibility:

- to supervise the management of the business and affairs of the Corporation;
- to review and to approve the annual consolidated financial statements of the Corporation;
- to place before the shareholders at every annual meeting the annual consolidated financial statements of the Corporation, the report of the auditor and any further information respecting the financial position of the Corporation and the results of its operations required by the articles and by-laws of the Corporation.

The Board is also responsible for considering the following matters as a full Board which in law may not be delegated to management or to a committee of the Board:

- any submission to the shareholders of a question or matter requiring the approval of the shareholders;
- the filling of a vacancy among the directors or in the office of auditor, or appointment of additional directors;
- the declaration of dividends;
- the purchase, redemption or any other form of acquisition of securities issued by the Corporation;
- the approval of a management proxy circulars;
- the approval of any take-over bid circular or directors' circular;
- the approval of annual consolidated financial statements of the Corporation; and

- the adoption, amendment or repeal of the by-laws of the Corporation.

(b) strategic and financial planning

The Board has the responsibility:

- to review and consider for approval the strategic and financial objectives of the Corporation proposed by management;
- to review and consider for approval the operating and capital budgets of the Corporation proposed by management;
- to review and consider for approval all amendments or departures from the established strategic and financial objectives and budgets of the Corporation as proposed by management; and
- to review financial performance of the Corporation measured against the financial objectives and budgets of the Corporation.

(c) risk assessment and mitigation

The Board has the responsibility:

- to ensure that management has identified and assessed the principal risks attendant on the business and affairs of the Corporation and has achieved an appropriate balance between the risks incurred and the anticipated benefits; and
- to confirm that there are systems in place which effectively monitor and mitigate those risks with a view to achieving the strategic and financial objectives of the Corporation.

(d) senior management determination

The Board has the responsibility:

- to appoint the CEO and approve the primary duties of the CEO;
- to approve the terms and conditions (including compensation) of the CEO's employment by the Corporation;
- to monitor and assess the performance of the CEO measured against the strategic and financial objectives of the Corporation;
- if requested by the CEO, to advise and counsel the CEO in the execution of the CEO's duties;
- in consultation with the CEO, to approve the appointment of the other Officers and to approve the terms and conditions (including compensation) of those Officer's employment by the Corporation; and
- to assess the adequacy of the processes implemented by the Corporation to train and develop the Officers and other members of senior management and to achieve the orderly succession of management.

(e) corporate governance

The Board has the responsibility:

- to implement appropriate structures and procedures to permit the Board to function independently of management;
- to analyze the definition of independence and its application to individual directors on a periodic basis;
- to establish appropriate practices for the regular evaluation of the effectiveness of the Board, its committees and individual directors;
- to establish committees and approve their respective mandates and the limits of authority delegated to each committee;
- to establish limits of authority delegated to Officers; and
- to assess the integrity and professional conduct of the Officers and other members of senior management, to monitor their compliance with applicable law and the policies adopted by the Corporation and to evaluate their success in creating a corporate culture of integrity, professionalism and compliance with legal and corporate standards.

(f) public disclosure

The Board has the responsibility:

- to supervise the Corporation's compliance with its public disclosure obligations;
- to verify that the Corporation has in place policies and programs that ensure that the Corporation communicates effectively and on a timely basis with shareholders, employees, other stakeholders and the public generally;
- to verify that management of the Corporation discharges its responsibilities in relation to the preparation and fair presentation of the Corporation's annual consolidated financial statements in accordance with International Financial Reporting Standards;
- to verify that the financial performance of the Corporation is adequately reported to shareholders and regulators on a timely and regular basis;
- to verify the timely disclosure of any other developments that have, or could have, a material or significant impact on the business or affairs of the Corporation; and
- to report at least annually to the shareholders of the Corporation on its stewardship of the business and affairs of the Corporation.

(g) compliance monitoring

The Board has the responsibility to:

- to monitor the Corporation's compliance with applicable law in the conduct of its business and affairs including compliance with each of its contractual obligations;
- to monitor the Corporation's compliance with its policies and procedures in the conduct of its business and affairs including compliance with policies and procedures concerning such matters as the health and safety of its employees, the protection of the environment and ethical business conduct;
- to verify that the Corporation maintains adequate internal controls and information systems for the purpose of ensuring that the Corporation satisfies all of its compliance obligations; and
- to take remedial action if the Corporation fails to satisfy any of its compliance obligations.

(h) other responsibilities

The Board has the responsibility to:

- to ensure that all new directors receive an orientation respecting the Corporation's business and affairs and receive continuing education opportunities to enhance their skills; and
- to take such other action that is consistent with this mandate, the Corporation's articles, by-laws and policies and applicable law as the Board considers necessary or appropriate acting reasonably.

4. Meetings and Operation

The Chair or any two directors may call a meeting of the Board, at such time and at such place as they determine, by giving at least forty eight hours' notice of such meeting to all directors.

The Board shall meet as often as it determines, but not less frequently than quarterly.

Independent directors shall meet regularly and as often as necessary to fulfill their responsibilities, without non-independent directors and management participation.

A quorum for meetings of the Board will be a majority of directors and the rules for calling, holding, conducting and adjourning meetings of the Board will be those prescribed by the articles and by-laws of the Corporation.

The affirmative vote of a majority of the directors participating in any meeting of the Board is necessary for the adoption of any resolution.

The Chair will preside at all meetings of the Board, unless the Chair is not present, in which case the directors that are present will designate from among such members the Chair for the purposes of the meeting.

Agendas, approved by the Chair, will be circulated to the directors along with background information on a timely basis prior to the Board meetings. Minutes of all meetings of the Board will be taken. The minutes of the Board will be recorded and maintained.

All directors are expected to allow sufficient time to review meeting materials and be prepared for Board meetings. Directors are expected to attend most, if not all, Board meetings.

A director or directors may participate in a meeting of the Board by means of such telephonic, electronic or other communication facilities that permit all persons participating in the meeting to communicate adequately with each other, and a director participating in such a meeting by any such means is deemed to be present at that meeting.

The CEO will attend meetings of the Board where matters relating to the functions as the Board are dealt with, unless otherwise excused from all or part of any such meeting by the Chair. The Board may invite such other Officers, directors and employees of the Corporation as it sees fit from time to time to attend at meetings of the Board and assist in the discussion and consideration of the matters being considered by the Board.

Subject to the articles and by-laws of the Corporation and applicable law, the Board may delegate powers, duties and responsibilities to committees of the Board and the Board retains the responsibility of managing its own affairs including selecting its Chair, nominating candidates for election to the Board, constituting committees of the full Board, determining directors' compensation and assessing the effectiveness of the Board, committees and directors in fulfilling their responsibilities.

5. Independent Advisors

The Board has the authority to retain such independent advisors as it may consider necessary or advisable for its purposes. The expenses related to such engagement shall be funded by the Corporation.

6. Responsibilities of the Chair

The Chair of the Board is appointed at the pleasure of, and reports to the Board. The responsibilities of the Chair include:

- working collaboratively with the CEO to coordinate the affairs of the Board and to ensure effective relations with Officers, shareholders, other stakeholders and the public; and
- ensuring that the Board is organized properly, functions effectively, and meets its obligations and responsibilities in all aspects of its work.

(a) relationship with the CEO

The Chair will maintain unfettered bi-lateral communication with the CEO. The Chair's interaction with all other Officers is permitted as appropriate.

The Chair will work collaboratively with the CEO:

- to act as the principal sounding board, counselor and confidant for the CEO, including helping to review strategies, define issues, maintain accountability, and build relationships;
- to ensure the CEO is aware of concerns of the directors, other Officers, shareholders, other stakeholders and the public;
- to assess, in conjunction with the relevant committees, the performance of the CEO and provide input with respect to compensation and succession;
- to work closely with the CEO to ensure management strategies, plans, and performance are appropriately presented to the Board; and
- at the request of the CEO, to provide assistance on major policy issues such as acquisitions, divestitures, and new strategic initiatives.

(b) relationship with the board

The Chair will work collaboratively with the other members of the Board:

- to lead the Board in monitoring and evaluating the performance of the CEO, the accountability of the CEO, and the implementation of management succession and development plans;

- to ensure the Board receives adequate and regular updates from the CEO on all issues important to the interests of the Corporation;
- to maintain a liaison and communication with all directors and committee chairs to co-ordinate input from directors, and optimize the effectiveness of the Board and its committees; and
- in collaboration with the CEO, to ensure data requested by directors or committees is provided in a timely manner and meets their needs.

(c) board meetings

The Chair has the responsibility:

- to chair meetings of the Board;
- to ensure the directors are alert to their obligations to the Corporation, shareholders, management, other stakeholders and pursuant to law;
- to establish the frequency of meetings of the Board and review such frequency from time to time, as considered appropriate or as requested by the directors;
- to assist the appropriate committee in identifying a slate of directors to be nominated for election to the Board;
- to recommend board committees and their composition, review the need for, and the performance and suitability of, those committees and make such adjustments as are deemed necessary from time to time, all in conjunction with the CEO and the relevant committees;
- to prepare the agenda and co-ordinate the distribution of the agenda, information packages and related materials for meetings of the Board in consultation with the CEO;
- to coordinate the review and assessment of individual attendance, performance and compensation of directors and the size and composition, and overall performance of the Board, all in conjunction with the relevant committees of the Board;
- to endeavor to ensure that the Board's key discussions take place when as many of the directors as possible are present and that essential decisions are made when as many directors as possible are present (either in person or by telephone);
- to endeavor to ensure that Board meetings can be scheduled to deal with important business that arises outside of the regular periodic meetings;
- to endeavor to ensure that the Board is able to function independently of management;
- to consider, and allow for, when appropriate, a meeting of all independent directors, so that Board meetings can take place without management being present;
- to endeavor to ensure reasonable procedures are in place to allow for directors to engage outside advisors at the expense of the Corporation, in appropriate circumstances; and
- to apply the Rules of Order:
    - to ensure that the meeting is duly constituted;
    - to ensure the meeting provides for reasonable accommodation;
    - to confirm the admissibility of all persons at the meeting;
    - to preserve order and the control of the meeting; and
    - to ascertain the sense of the meeting by a vote on all questions properly brought before the meeting.

(d) shareholder meetings

The Chair has the responsibility:

- to chair meetings of shareholders;

- to ensure, in collaboration with the CEO and relevant committees, that the Corporation's management and, where applicable, the Board are appropriately represented at official functions and meetings with major shareholder groups, and other stakeholder groups;
- at the request of the CEO, to assist in representing the Corporation at specific shareholder presentations, or with senior levels of industry or government to promote specific corporate objectives;
- at the request of the CEO, to undertake public service activities in conjunction with the Corporation's charitable, educational and cultural objectives; and
- to apply the Rules of Order:
    - to ensure that the meeting is duly constituted;
    - to ensure the meeting provides for reasonable accommodation;
    - to confirm the admissibility of all persons at the meeting;
    - to preserve order and the control of the meeting;
    - to appoint scrutineers if requested and instructing them in their duties;
    - to rule on the validity of proxies; and
    - to ascertain the sense of the meeting by a vote on all questions properly brought before the meeting.

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