

NOTICE OF MEETING

AND

MANAGEMENT INFORMATION CIRCULAR

ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

OF

GUARDIAN EXPLORATION INC.

to be held on

September 11, 2020

at 2:00 PM (Calgary time)

at 516 Hurricane Drive, Calgary, Alberta

This Management Information Circular and Proxy Statement is furnished in connection with the solicitation of proxies by the management of Guardian Exploration Inc. to be voted at the Annual General and Special Meeting to be held on September 11, 2020 at the time and place and for the purposes set out in the accompanying Notice of Annual General and Special Meeting and at any adjournments thereof.

GUARDIAN EXPLORATION INC.

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF THE SHAREHOLDERS

TAKE NOTICE THAT an Annual General and Special Meeting (the “**Meeting**”) of the shareholders of GUARDIAN EXPLORATION INC. (the “**Corporation**”) will be held at 2:00 PM on September 11, 2020 (Calgary time) at 516 Hurricane Drive, Calgary, Alberta, for the following purposes:

1. to receive the financial statements of the Corporation as at and for the year ended December 31, 2019, together with the report of the auditors thereon, and the interim financial statements as at and for the three months ended March 31, 2020;
2. to fix the number of directors of the Corporation to be elected at the Meeting at three;
3. to elect the board of directors of the Corporation to serve until the next annual meeting of the shareholders or until their successors are duly elected or appointed;
4. to appoint the auditors of the Corporation for the ensuing year and to authorize the directors of the Corporation to determine the remuneration to be paid to the auditors;
5. to consider and, if deemed advisable, to pass an ordinary resolution, the full text of which is set forth in the accompanying Management Information Circular and Proxy Statement (the “Management Information Circular”), approving the stock option plan of the Corporation in the form set out in Schedule “C” to the Management Information Circular; and
6. to transact such other business as may properly come before the Meeting.

Information relating to matters to be acted upon by the shareholders at the Meeting is set forth in the accompanying Management Information Circular.

A shareholder may attend the Meeting in person or may be represented at the Meeting by proxy. Shareholders who are unable to attend the Meeting in person and wish to be represented by proxy are requested to date, sign and return the accompanying Instrument of Proxy, or other appropriate form of proxy, in accordance with the instructions set forth in the accompanying Management Information Circular and Instrument of Proxy. An Instrument of Proxy will not be valid unless it is deposited with the Corporate Secretary of the Corporation, c/o Computershare Trust Company of Canada, 8th Floor, 100 University Avenue Toronto, Ontario M5J 2Y1 in the enclosed self-addressed envelope, not less than 48 hours (excluding Saturdays, Sundays and statutory holidays) before the time of the Meeting, or any adjournment thereof. A person appointed as proxy holder need not be a shareholder of the Corporation.

Only shareholders of record as at the close of business on August 10, 2020 (the “**Record Date**”) are entitled to receive notice of the Meeting.

SHAREHOLDERS ARE CAUTIONED THAT THE USE OF THE MAIL TO TRANSMIT PROXIES IS AT EACH SHAREHOLDER’S RISK.

DATED at Calgary, Alberta as of the 10th day of August 2020

BY ORDER OF THE BOARD OF DIRECTORS

(Signed) “*Graydon Kowal*”

Graydon Kowal
President and Chief Executive Officer

GUARDIAN EXPLORATION INC.

MANAGEMENT INFORMATION CIRCULAR

(Unless otherwise stated, information contained herein is given as of August 10, 2020)

INFORMATION REGARDING PROXIES AND VOTING AT THE MEETING

Solicitation of Proxies

This Management Information Circular is furnished in connection with the solicitation of proxies by the management of Guardian Exploration Inc. (the “**Corporation**”) for use at the Annual General and Special Meeting of the holders (the “**Shareholders**”) of common shares (“**Common Shares**”) of the Corporation to be held at 2:00 PM on September 11, 2020 (Calgary time) (the “**Meeting**”), for the purposes set forth in the Notice of Annual General and Special Meeting (the “**Notice**”) accompanying this Management Information Circular. Solicitation of proxies will be primarily by mail, but may also be undertaken by way of telephone, facsimile or oral communication by the directors, officers and regular employees of the Corporation, at no additional compensation. Costs associated with the solicitation of proxies will be borne by the Corporation.

Appointment of Proxyholders

Accompanying this Management Information Circular is an instrument of proxy for use at the Meeting. Shareholders who are unable to attend the Meeting in person and wish to be represented by proxy are required to date and sign the enclosed instrument of proxy and return it in the enclosed return envelope. **All properly executed instruments of proxy for Shareholders must be mailed so as to reach or be deposited with the Corporate Secretary of the Corporation, c/o Computershare Trust Company of Canada, 8th Floor, 100 University Avenue Toronto, Ontario M5J 2Y1 not later than 48 hours (excluding Saturdays, Sundays and statutory holidays in the Province of Alberta) prior to the time set for the Meeting or any adjournment thereof.**

The persons designated in the instrument of proxy are officers and/or directors of the Corporation. **A Shareholder has the right to appoint a person (who need not be a Shareholder) other than the persons designated in the accompanying instrument of proxy, to attend at and represent the Shareholder at the Meeting.** To exercise this right, a Shareholder should insert the name of the designated representative in the blank space provided on the instrument of proxy and strike out the names of management’s nominees. Alternatively, a Shareholder may complete another appropriate instrument of proxy.

Signing of Proxy

The instrument of proxy must be signed by the Shareholder or the Shareholder’s duly appointed attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal or by a duly authorized officer or attorney of the Corporation. An instrument of proxy signed by a person acting as attorney or in some other representative capacity (including a representative of a corporate Shareholder) should indicate that person’s capacity (following his or her signature) and should be accompanied by the appropriate instrument evidencing qualification and authority to act (unless such instrument has previously been filed with the Corporation).

Revocability of Proxies

A Shareholder who has submitted an instrument of proxy may revoke it at any time prior to the exercise thereof. In addition to any manner permitted by law, a proxy may be revoked by instrument in writing executed by the Shareholder or by his or her duly authorized attorney or, if the Shareholder is a corporation, under its corporate seal or executed by a duly authorized officer or attorney of the corporation and deposited either: (i) at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting, or

any adjournments thereof, at which the instrument of proxy is to be used; or (ii) with the Chairman of the Meeting on the day of the Meeting, or any adjournment thereof. In addition, an instrument of proxy may be revoked: (i) by the Shareholder personally attending the Meeting and voting the securities represented thereby or, if the Shareholder is a corporation, by a duly authorized representative of the corporation attending at the Meeting and voting such securities; or (ii) in any other manner permitted by law.

Voting of Proxies and Exercise of Discretion by Proxyholders

All Common Shares represented at the Meeting by properly executed proxies will be voted on any ballot that may be called for and, where a choice with respect to any matter to be acted upon has been specified in the instrument of proxy, the Common Shares represented by the instrument of proxy will be voted in accordance with such instructions. The management designees named in the accompanying instrument of proxy will vote or withhold from voting the Common Shares in respect of which they are appointed in accordance with the direction of the Shareholder appointing him or her on any ballot that may be called for at the Meeting. **In the absence of such direction, such Common Shares will be voted “FOR” the proposed resolutions at the Meeting. The accompanying instrument of proxy confers discretionary authority upon the persons named therein with respect to amendments of or variations to the matters identified in the accompanying Notice and with respect to other matters that may properly be brought before the Meeting.** In the event that amendments or variations to matters identified in the Notice are properly brought before the Meeting or any further or other business is properly brought before the Meeting, it is the intention of the management designees to vote in accordance with their best judgment on such matters or business. At the time of printing this Management Information Circular, the management of the Corporation knows of no such amendment, variation or other matter to come before the Meeting other than the matters referred to in the accompanying Notice.

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

Except as disclosed in this Management Information Circular, none of the directors or executive officers of the Corporation at any time since the beginning of the Corporation’s last financial year, nor any proposed nominee for election as a director of the Corporation, nor any associate or affiliate of any of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise in any matter to be acted on, other than the election of directors or the appointment of auditors.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

Voting Shares and Record Date

The authorized share capital of the Corporation consists of an unlimited number of Common Shares. The record date for the determination of Shareholders entitled to receive notice of and to vote at the Meeting is August 10, 2020 (the “**Record Date**”). As at the Record Date, there were 74,313,748 Common Shares issued and outstanding as fully paid and non-assessable.

Common Shares

The holders of Common Shares are entitled to notice of and to vote at all Annual General and Special Meetings of shareholders and are entitled to one vote per Common Share. The holders of Common Shares are entitled, upon dissolution, to receive the remaining property of the Corporation.

Voting of Common Shares – General

Only Shareholders whose names are entered in the Corporation’s register of shareholders at the close of business on the Record Date and holders of Common Shares issued by the Corporation after the Record Date and prior to the Meeting will be entitled to receive notice of and to vote at the Meeting, provided that, to the extent that: (i) a registered Shareholder has transferred the ownership of any Common Shares subsequent to the Record Date; and (ii) the transferee of those Common Shares produces properly endorsed share certificates, or otherwise establishes that he or she owns the Common Shares and demands, not later than ten days before the Meeting, that his or her name be

included on the Shareholder list before the Meeting, in which case the transferee shall be entitled to vote his or her Common Shares at the Meeting.

Voting of Common Shares – Advice to Non-Registered Holders

Only registered holders of Common Shares, or the persons they appoint as their proxies, are permitted to attend and vote at the Meeting. However, in many cases, Common Shares beneficially owned by a holder (a “**Non-Registered Holder**”) are registered either:

- (a) in the name of an intermediary (an “**Intermediary**”) that the Non-Registered Holder deals with in respect of the Common Shares. Intermediaries include 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 or “**CDS**”).

In accordance with the requirements of National Instrument 54-101 of the Canadian Securities Administrators, the Corporation has distributed copies of the Notice, this Management Information Circular and the instrument of proxy (collectively, the “**Meeting Materials**”) to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders.

Intermediaries are required to forward meeting materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Typically, Intermediaries will use a service company (such as Broadridge Investor Communication Solutions (“**Broadridge**”)) to forward Meeting Materials to Non-Registered Holders.

Generally, Non-Registered Holders who have not waived the right to receive meeting materials will:

- (a) have received as part of the Meeting Materials a voting instruction form which must be completed, signed and delivered by the Non-Registered Holder in accordance with the directions on the voting instruction form; voting instruction forms sent by Broadridge permit the completion of the voting instruction form by telephone or through the Internet at www.proxyvotecanada.com; or
- (b) less typically, be given a proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature) which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Holder but which is otherwise uncompleted. This form of proxy need not be signed by the Non-Registered Holder. In this case, the Non-Registered Holder who wishes to submit a proxy should otherwise properly complete the form of proxy and deposit it with Equity Financial Trust Company at the address referred to above.

The purpose of these procedures is to permit Non-Registered Holders to direct the voting of the Common Shares they beneficially own. Should a Non-Registered Holder wish to attend and vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should strike out the names of the persons named in the proxy and insert the Non-Registered Holder’s (or such other person’s) name in the blank space provided or, in the case of a voting instruction form, follow the corresponding instructions on the form. In either case, Non-Registered Holders should carefully follow the instructions of their Intermediaries and their service companies.

Only registered Shareholders have the right to revoke a proxy. Non-Registered Holders who wish to change their vote must in sufficient time in advance of the Meeting, arrange for their respective Intermediaries to change their vote and if necessary revoke their proxy in accordance with the revocation procedures set forth above.

Principal Holders of Common Shares

To the knowledge of the directors and officers of the Corporation, the only persons as at the date hereof who, beneficially own, directly or indirectly, or exercise control or direction over, more than 10% of the Common Shares, are as follows:

Name	Type of Ownership	Number and Class of securities owned, controlled or directed	Percentage of Class
Graydon Kowal ⁽¹⁾	Direct and Indirect	66,490,085 Common Shares	89.47%

Notes:

(1) Graydon Kowal is the President, Chief Executive Officer and a director of the Corporation.

STATEMENT OF EXECUTIVE COMPENSATION - VENTURE ISSUERS

The following information, dated as of December 31, 2019, is provided in accordance with Form 51-102F6V - *Statement of Executive Compensation - Venture Issuers*, for the financial years ending December 31, 2018 and December 31, 2019.

General

The purpose of the following is to provide information about the Corporation's philosophy, objectives and processes regarding compensation of the Corporation's directors and for the following executive officers of the Corporation (referred to herein as "**Named Executive Officers**"):

- (a) each individual who, in respect of the Corporation, during any part of the most recently completed financial year, served as chief executive officer, including an individual performing functions similar to a chief executive officer;
- (b) each individual who, in respect of the Corporation, during any part of the most recently completed financial year, served as chief financial officer, including an individual performing functions similar to a chief financial officer;
- (c) in respect of the Corporation and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5) of Form 51-102F6V, for that financial year;
- (d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the Corporation, and was not acting in a similar capacity, at the end of that financial year.

The Named Executive Officers of the Corporation during the last completed fiscal year of the Corporation commencing January 1, 2019 and ending on December 31, 2019 ("**Fiscal 2019**") and for the fiscal year of the Corporation commencing January 1, 2018 and ending on December 31, 2018 ("**Fiscal 2018**") were Graydon Kowal, the President, Chief Executive Officer of the Corporation and Roger Jewett, the Chief Financial Officer of the Corporation. There were no other Named Executive Officers during Fiscal 2018 or Fiscal 2019.

Graydon Kowal and David McMillan served as directors of the Corporation during Fiscal 2019 and Fiscal 2018. Scott Reeves served as a director during Fiscal 2018, resigning effective September 19, 2018.

The description of the Corporation's compensation philosophy and objectives and the elements of such compensation during Fiscal 2018 and Fiscal 2019 are set forth below.

Director and Named Executive Officer Compensation

Director and Named Executive Officer Compensation, Excluding Stock Options and Other Compensation Securities

The following table sets forth information concerning the total compensation (other than the compensation disclosed in Item 2.3 hereof) paid during Fiscal 2018 and Fiscal 2019 to all persons who were Named Executive Officers or directors during the past two fiscal years.

TABLE OF COMPENSATION EXCLUDING COMPENSATION SECURITIES

Name and Position	Fiscal Year Ended December 31	Salary, Consulting Fee, Retainer or Commission⁽¹⁾ (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites (\$)	Value of all Other Compensation (\$)	Total Compensation⁽¹⁾ (\$)
Graydon Kowal	2019	Nil ⁽²⁾	Nil	Nil	Nil	Nil	Nil ⁽²⁾
<i>Director, President, Chief Executive Officer and Chairman of the Board of Directors</i>	2018	Nil ⁽²⁾	Nil	Nil	Nil	Nil	Nil ⁽²⁾
Roger Jewett	2019	43,120 ⁽³⁾	Nil	Nil	Nil	Nil	43,120 ⁽³⁾
<i>Chief Financial Officer</i>	2018	27,562 ⁽³⁾	Nil	Nil	Nil	Nil	27,562 ⁽³⁾
David McMillan	2019	Nil	Nil	Nil	Nil	Nil	Nil
<i>Director</i>	2018	Nil	Nil	Nil	Nil	Nil	Nil
Scott Reeves	2018	Nil	Nil	Nil	Nil	Nil	Nil
<i>Director⁽⁴⁾</i>							

Notes:

(1) Without GST.

(2) During the years ended December 31, 2019 and 2018, Mr. Kowal forgave all wages, salaries and benefits owing to him by the Corporation. Under the terms of an employment contract with Mr. Kowal as the Chief Executive Officer of the Corporation, the Corporation is committed to pay (i) severance equal to 24 months' base salary; (ii) compensation for loss of employee benefits; (iii) all accrued but unpaid bonuses; and (iv) accrued and unpaid salary, benefits, perquisites and expenses to the termination date and any un-received vacation allotment.

(3) Mr. Jewett is paid through his consulting company, A Fresh Approach Inc., pursuant to a consulting agreement. The consulting agreement commenced on November 1, 2017 and provides for payment to A Fresh Approach Inc. on an hourly basis for time incurred by Mr. Jewett. The consulting agreement may be terminated by either party upon the provision of 30 days' notice.

(4) Mr. Reeves resigned as a director effective September 19, 2018.

External Management Companies

Mr. Jewett is not an employee of the Corporation. He provides executive management services through the company described in the note to the table above.

Stock Options and Other Compensation Securities

The Corporation issued no stock options or other compensation securities during Fiscal 2018 and Fiscal 2019.

No stock options or other compensation securities were exercised during Fiscal 2018 and Fiscal 2019.

No stock options were issued to, or outstanding for, the Named Executive Officers or any of the directors as at the end of Fiscal 2018 or Fiscal 2019. The Corporation had no compensation securities issued or outstanding as at the end of Fiscal 2018 or Fiscal 2019.

Stock Option Plans and Other Incentive Plans

The Corporation has established a stock option plan (the “**Plan**”) to provide an incentive to the directors, officers, employees, consultants and other personnel of the Corporation to achieve the longer-term objectives of the Corporation, to give suitable recognition to the ability and industry of such persons who contribute materially to the success of the Corporation and to attract to and retain in the employ of the Corporation, persons of experience and ability, by providing them with the opportunity to acquire an increased proprietary interest in the Corporation.

The Corporation does not issue stock options outside of the Plan and has no other plan for the grant of stock appreciation rights, deferred share units or restricted stock units and any other incentive plan or portion of a plan under which awards are granted.

The following is a summary of the material terms of the Plan:

- The number of Common Shares to be reserved and authorized for issuance pursuant to options granted under the Plan shall not exceed ten percent (10%) of the total number of issued and outstanding shares in the Corporation.
- The exercise price for options granted under the Plan will not be less than the market price of the Corporation’s Common Shares at the time of the grant, less applicable discounts permitted by the policies of the TSX Venture Exchange.
- Options will be exercisable for a term of up to five years, subject to earlier termination in the event of the optionee’s death or the cessation of the optionee’s services to the Corporation.
- Options granted under the Plan are non-assignable, except by will or by the laws of descent and distribution.

Employment, Consulting and Management Agreements

There are no management functions of the Corporation that are to any substantial degree performed by a person or Corporation other than the directors or executive officers (or private companies controlled by them, either directly or indirectly) of the Corporation other than those referred to in Note 3 of the Table of Compensation Excluding Compensation Securities and under the heading, “*External Management Companies*”, above.

Oversight and Description of Directors and Named Executive Officers Compensation

Compensation of Named Executive Officers:

The Board of Directors sets the compensation received by Named Executive Officers so as to be generally competitive with the compensation received by persons with similar qualifications and responsibilities who are engaged by other companies of corresponding size, stage of development, having similar assets, number of employees, market capitalization and profit margin. In setting such levels, the Board of Directors will rely primarily on their own experience and knowledge.

The executive compensation program adopted by the Corporation and applied to its executive officers is designed to attract and retain qualified and experienced executives who will contribute to the success of the Corporation. The executive compensation program attempts to ensure that the compensation of the senior executive officers provides a competitive base compensation package and a strong link between corporate performance and compensation. Senior executive officers are motivated through the program to enhance long-term shareholder value.

Compensation provided to Named Executive Officers consists of two principal components: salary (including potential bonuses) and stock options granted under the Corporation's stock option plan, described below. In addition to base salary, the Board of Directors may from time to time pay a bonus to Named Executive Officers for either the accomplishment of specific performance criteria or for exceptional performance. Currently, compensation is not tied any performance criteria or goals. Pursuant to the Corporation's stock option plan, the Board of Directors, at its discretion, determines all grants of stock options to Named Executive Officers and Directors. Such grants are considered incentives intended to align the Named Executive Officers', Directors' and Shareholders' interests in the long term.

Compensation of Directors:

The Board of Directors sets the compensation received by directors. Currently, the Corporation does not compensate its directors in their capacity as directors of the Corporation except that each director is eligible to receive stock options granted pursuant to the Corporation's stock option plan. The Corporation has compensated the directors with stock options in the past, but did not issue stock options during Fiscal 2019; consequently, no compensation was paid to the directors of the Corporation, in their capacity as directors, during Fiscal 2019.

Pension Disclosure

The Corporation does not have any defined benefit or defined contribution pension plans in place which provide for payments or benefits at, following, or in connection with retirement.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The Corporation has not established a formal stock option plan or any other incentive plan other than the Plan. No stock options or other compensation securities were issued or outstanding as the end of Fiscal 2018 or Fiscal 2019.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the directors and officers of the Corporation, any proposed management nominee for election as a director of the Corporation or any associate of any director, officer or proposed management nominee is or has been indebted to the Corporation at any time during the last completed financial year.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed in this Management Information Circular, none of the informed persons of the Corporation (as defined in National Instrument 51-102), nor any proposed nominee for election as a director of the Corporation, nor any associate or affiliate of the foregoing persons has any material interest, direct or indirect, in any transaction since the commencement of the Corporation's most recently completed financial year or in any Transaction which, in either case, has or will materially affect the Corporation and none of such persons has any material interest in any transaction proposed to be undertaken by the Corporation that will materially affect the Corporation.

CORPORATE GOVERNANCE

Please see the attached Schedule "A" for information on the Corporation's Corporate Governance (Form 58-101F2).

AUDIT COMMITTEE

Audit Committee Charter

The Charter of the Corporation's Audit Committee is attached to this Management Information Circular as Schedule "B".

Composition of the Audit Committee

The following are the members of the Audit Committee:

Graydon Kowal	-	Non-Independent*; Financially Literate*
David McMillan	-	Independent*; Financially Literate*

* As defined by Multilateral Instrument 52-110 – Audit Committees (“MI 52-110”).

Education and Experience

Graydon Kowal: Mr. Kowal has been active in the petroleum industry in Alberta and British Columbia for the last 15 years. Since 1995, Mr. Kowal has been the President and Chief Executive Officer of Guardian Helicopters Inc., a private helicopter company serving the oil and gas, mining, and forest industries across North America.

David McMillan: With over 50 years in the resource industries, Mr. McMillan’s career has spanned manufacturing, marketing, sales and financing, including 17 years as an Investment Advisor as VP, Senior VP, Director, and member of the Executive Committee for Yorkton Securities and Yorkton Holdings Inc. Mr. McMillan has acted as a director and officer of numerous mineral exploration companies and has extensive experience with the financial and accounting aspects of the industry in which the Corporation operates.

Audit Committee Oversight

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

Reliance on Certain Exemptions

At no time since the commencement of the Corporation’s most recently completed financial year has the Corporation relied on the exemption in Section 2.4 of MI 52-110 (De Minimis Non-Audit Services), or an exemption from MI 52-110, in whole or in part, granted under Part 8 of Multilateral Instrument 52-110.

Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services. The Audit Committee will review the engagement of non-audit services as required.

External Auditor Service Fees (by Category)

The aggregate fees billed by the Corporation’s external auditors in each of the last two fiscal years for audit fees are as follows:

Financial Year Ending	Audit Fees⁽¹⁾	Audit Related Fees⁽²⁾	Tax Fees⁽³⁾	All Other Fees
2018	\$13,375	\$0	\$2,675	\$0
2019	\$11,770	\$0	\$0	\$0

Notes:

- (1) Represents fees paid for professional services rendered by the auditors for the audit of the Corporation’s annual financial statements and services provided in connection with statutory and regulatory filings.
- (2) Represents fees incurred in connection with the International Financial Reporting Standard compliance.
- (3) Represents fees incurred for professional services rendered by the Corporation’s external auditor for tax compliance, tax advice, and tax planning.

Exemption

The Corporation is relying on the exemption provided in Section 6.1 of MI 52-110 and, as such, the Corporation is exempt from Parts 3 (Composition of the Audit Committee) and 5 (Reporting Obligations) of MI 52-110.

PARTICULARS OF MATTERS TO BE ACTED UPON

1. Financial Statements

The financial statements of the Corporation for the Corporation’s financial year ended December 31, 2019 and for the three months ended March 31, 2020, which financial statements accompanying this Management Information Circular, will be placed before the Shareholders at the Meeting. Shareholders who wish to receive interim financial statements are encouraged to send the enclosed notice, in the addressed envelope to Computershare Trust Company.

2. Election of Directors

The term of office of each of the present directors expires at the Meeting. At the Meeting, the Shareholders will be asked to fix the number of directors of the Corporation to be elected at three members. Management of the Corporation proposes to nominate the persons named below for election as directors of the Corporation at the Meeting, each to serve until the next annual meeting of the Shareholders of the Corporation, unless his office is earlier vacated.

Approval of the election of each director will require the affirmative votes of the holders of not less than half of the votes cast in respect thereof by Shareholders present in person or by proxy at the Meeting. Shareholders can vote for all of the proposed directors set forth herein, vote for some of them and withhold from voting for others, or withhold for all of them. **Unless otherwise instructed, the named proxyholders intend to vote “FOR” the election of each of the proposed nominees set forth below as Directors of the Corporation.** If, prior to the Meeting, any vacancies occur in the list of proposed nominees herein submitted, the persons named in the enclosed form of proxy intend to vote FOR the election of any substitute nominee or nominees recommended by management of the Corporation and FOR the remaining proposed nominees. Management has been informed that each of the proposed nominees listed below is willing to serve as a director if elected.

The following information concerning the proposed nominees has been furnished by each of them:

Name, Residence and Present Office Held	Principal Occupation or Employment	Director Since	Number of Common Shares Beneficially Owned or Controlled⁽¹⁾ and [percentage] of total issued and outstanding
GRAYDON KOWAL ⁽²⁾ Calgary, Alberta, Canada <i>President, Chief Executive Officer and Director</i>	Mr. Kowal is now, and has been since April 21, 2006, the President and Chief Executive Officer of the Corporation. He is also, and has been since July 31, 1995, the President and Chief Executive Officer of Guardian Helicopters Inc., a helicopter charter company based in Springbank, Alberta.	April 21, 2006	66,490,085 [89.47%]
DAVID MCMILLAN ⁽²⁾ Calgary, Alberta, Canada <i>Director</i>	Mr. McMillan has been a director of the Corporation since 2014. Since 2003, he has been the CEO, director and the Chairman of South Star Mining Corp., a public company engaged in the development of a graphite mine in Brazil. From September 2017 to July 2018, he was a director of IMC International Mining Corp., a public mineral exploration corporation.	April 1, 2014	0 [0.0%]

Name, Residence and Present Office Held	Principal Occupation or Employment	Director Since	Number of Common Shares Beneficially Owned or Controlled ⁽¹⁾ and [percentage] of total issued and outstanding
KEVIN FLAHERTY ⁽²⁾ Ho Ch Minh, Vietnam <i>Proposed Director</i>	Mr. Flaherty is the Managing Director of Savitar Exploration Limited, a private Myanmar focused minerals explorer and developer, since February 2011.	Proposed Director	0 [0.0%]

Notes:

- (1) The information as to the number of Common Shares beneficially owned, not being within the knowledge of the Corporation, has been furnished by the respective nominees. These figures do not include any securities that are convertible into or exercisable for Common Shares.
- (2) Member of the Audit Committee.

Corporate Cease Trade Orders or Bankruptcies

Other than as disclosed below, to the knowledge of the Corporation, no proposed director is, as at the date of the Information Circular, or has been, within 10 years before the date of the Information Circular, a director, chief executive officer (“CEO”) or chief financial officer (“CFO”) of any company (including the Corporation) that:

- (i) was the subject, while the proposed director was acting in the capacity as director, CEO or CFO of such company, of a cease trade or similar 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; or
- (ii) 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, for a period of more than 30 consecutive days, that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

David McMillan was a director of Barkerville Gold Mines Ltd. (“Barkerville”). On August 14, 2012, the British Columbia Securities Commission (the “BCSC”) issued a cease trade order against Barkerville for failure to file a National Instrument 43-101 compliant technical report supporting first time disclosure of a change in mineral resources on a mineral property owned by Barkerville. The cease trade order was revoked on July 15, 2013 after Barkerville filed a technical report supporting the disclosure of a change in mineral resources that was compliant with National Instrument 43-101.

No director or executive officer of the Corporation, and no shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation:

- (a) is, as at the date of this Management Information Circular, or has been within the 10 years before the date of this Management Information 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; or
- (b) has, within 10 years before the date of this Management Information 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 the director, executive officer or shareholder.

Penalties or Sanctions

No director or executive officer of the Corporation, and no shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation, has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

3. Appointment of Auditors

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, to pass a resolution approving the appointment of MNP LLP as auditor of the Corporation and authorizing the directors of the Corporation to determine the remuneration to be paid to the auditor. MNP LLP has been the auditor of the Corporation since 2014.

Approval of the appointment of the auditors will require the affirmative votes of the holders of not less than half of the votes cast in respect thereof by Shareholders present in person or by proxy at the Meeting. **Unless instructed otherwise, the management designees in the accompanying Instrument of Proxy intend to vote “FOR” the resolution.**

4. Ratification and Approval of Stock Option Plan

In accordance with the TSXV's Policy 4.4 governing stock options, all issuers that have a rolling stock option plan reserving a maximum of 10% of the issued and outstanding shares of the Corporation must receive yearly shareholder approval of the stock option plan. The Corporation has such a rolling stock option plan (see "*Stock Option Plans and Other Incentive Plans*" under the heading, Statement of Executive Compensation - Venture Issuers, above). The Board of Directors of the Corporation approved the Plan on August 10, 2020 in the form attached hereto as Schedule "C". The TSXV requires the Plan to be approved by the Shareholders of the Corporation.

Management of the Corporation will place before the Meeting the following resolution relating to the approval of the Plan:

“BE IT RESOLVED, AS AN ORDINARY RESOLUTION, THAT:

- 1. The Corporation's Stock Option Plan (the "Plan") be and is hereby confirmed, ratified and approved in substantially the form attached as Schedule "C" to the Information Circular prepared for the purposes of this Meeting, subject to acceptance by the TSX Venture Exchange;**
- 2. The Corporation be and is hereby authorized to grant stock options for up to 10% of the Common Shares of the Corporation outstanding from time to time pursuant and subject to the terms and conditions of the Plan;**
- 3. The previous existing stock options granted to directors, officers, employees and others be and are hereby ratified, confirmed and approved; and that all existing stock options becoming subject to the provisions of the Plan upon adoption by the Corporation;**
- 4. The Board of Directors be and is hereby authorized, on behalf of the Corporation, to make any amendments to the Plan as may be required by regulatory authorities, without further approval of the shareholders of the Corporation, in order to ensure adoption of the Plan;**

5. **Notwithstanding that this resolution has been duly passed by the shareholders of the Corporation, without further resolution of shareholders, approval is hereby given to the Board of Directors of the Corporation, in their sole discretion, to revoke this resolution at any time and to refrain from implementing the Plan; and**
6. **Any one director or officer of the Corporation be and is hereby authorized and directed to do all such acts and things and to execute and deliver under the corporate seal or otherwise all such deeds, documents, instruments and assurances as in his opinion may be necessary or desirable to give effect to this resolution.”**

The approval by Shareholders requires a favourable vote of a majority of the Common Shares voted in respect thereof at the Meeting. The TSXV requires such approval before it will allow the adoption of the Plan. Options to purchase Common Shares that were previously granted to directors, officers and employees of the Corporation will be deemed to be granted under the Plan. **Unless instructed otherwise, the management designees in the accompanying Instrument of Proxy intend to vote “FOR” the foregoing resolution.**

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available through the internet on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) which can be accessed at www.sedar.com. Financial information on the Corporation is provided in the comparative financial statements and management discussion and analysis of the Corporation which can also be accessed at www.sedar.com or which may be obtained upon request from the Corporation at its registered office located at 1250, 639 – 5th Avenue SW, Calgary, Alberta, T2P 0M9.

SCHEDULE “A”

GUARDIAN EXPLORATION INC.

CORPORATE GOVERNANCE POLICY

CORPORATE GOVERNANCE DISCLOSURE (FORM 58-101F2)

The Board and senior management of the Corporation consider good corporate governance to be central to the effective operation of the Corporation and are committed to maintaining a high standard of corporate governance.

The Board has assumed the responsibility for the development of certain governance practices and mechanisms. Responsibilities with respect to corporate governance practices include: (i) establishing and reviewing member characteristics for the Board; (ii) evaluating, identifying and recommending nominees to the Board; (iii) monitoring and reviewing the education and development of members of the Board; (iv) recommending directors to serve as committee members and chairs; (v) reviewing and developing corporate governance guidelines, policies and procedures for the Board; (vi) establishing and implementing evaluation processes for the Board, committees and chairs; (vii) establishing procedures for the engagement of independent counsel by a director; (viii) reviewing disclosure by the Corporation; and (ix) reviewing and evaluating the Board’s charter and efficiency.

The Board and the Corporation are devoting attention and resources to reviewing the Corporation’s corporate governance practices and ensuring that the Corporation’s system of corporate governance meets applicable legal requirements. The Board adopted the Charter of the Board (“Board Charter”) and a number of policies including policies related to insider trading, disclosure and the media, a code of business conduct and ethics (the “Code of Business Conduct and Ethics”), and a whistleblower policy (the “Whistleblower Policy”), to assist the Corporation in maintaining a high standard of corporate governance. With input from the relevant committees, the Board also created the charters of all of its committees including the Audit Committee and Technical Committee.

The Board had appointed Graydon Kowal as Chair of the Board. The Board consists of three directors who have significant experience in, and an understanding of the role and responsibilities of acting as a director.

Directorships

The Board currently consists of two directors, both of whom are proposed for election at the Meeting. The Board has concluded that one of the two directors, David McMillan, is independent. Graydon Kowal is not considered to be independent by virtue of his executive positions with the Corporation.

The following current and proposed directors of the Corporation presently serve as directors of other reporting issuers as follows:

Name	Name of Reporting Issuer	Exchange or Market
David McMillan	Southstar Mining Corp.	TSXV and OTCQB

The Board and committees hold regularly scheduled meetings with a view to facilitating regular open and candid discussion among the directors, including an entitlement for the directors to hold in camera sessions without management present at the meetings of the Board, as deemed necessary, which ensures that adequate structures and processes are in place to permit the Board to function independently of management.

Orientation and Continuing Education

The Corporation also provides directors with continuous opportunities to increase their knowledge and understanding of the Corporation's business. Briefings on strategic issues are conducted regularly, and typically include reviews of the competitive environment, the Corporation's performance relative to its peers, and any other developments that could materially affect the Corporation's business.

Ethical Business Conduct

The Corporation has adopted a Code of Business Conduct and Ethics. The Code of Business Conduct and Ethics sets out the purpose, scope and application of the Code and outlines general principles by which the Corporation is governed.

The Board has established a Whistleblower Policy to encourage employees, officers and directors to raise concerns regarding any matters, including accounting, internal controls or auditing matters, on a confidential basis free from discrimination, retaliation or harassment.

Nomination of Directors

The Board is responsible for identifying new candidates for Board nomination.

Compensation

The Board is responsible for determining the compensation of the directors and executive officers. The Board uses market data for comparable industry sectors in order to set compensation levels.

Other Board Committees

The Corporation has no committees other than the Audit Committee.

Board Assessments

The Board has not implemented a formal process for assessing its effectiveness or the effectiveness of individual members or committees. Due to the Corporation's size, its stage of development and the limited number of directors, the Board considers a formal assessment process to be unnecessary at this time. The Board continues to evaluate its own effectiveness on an ad hoc basis.

SCHEDULE "B"

GUARDIAN EXPLORATION INC.

AUDIT COMMITTEE CHARTER

1. **Establishment of Audit Committee:** The directors of the Corporation (the "Directors") hereby establish an audit committee (the "Audit Committee").
2. **Membership:** The membership of the Audit Committee shall be as follows:
 - (a) The Audit Committee shall be composed of three members or such greater number as the Directors may from time to time determine.
 - (b) The majority of the members of the Audit Committee shall be independent Directors.
 - (c) Each member of the Audit Committee shall be financially literate. For purposes hereof "financially literate" has the meaning set forth under NI 52-110 (as amended from time to time) and currently means the ability to read and understand a set of financial statements that present the breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can be reasonably be expected to be raised by the Corporation's financial statements.
 - (d) Members shall be appointed annually from among members of the Directors. A member of the Audit Committee shall ipso facto cease to be a member of the Audit Committee upon ceasing to be a Director of the Corporation.
3. **Oversight Responsibility:** The external auditor is ultimately accountable to the Directors and the Audit Committee, as representatives of the shareholders and such shareholders representatives have the ultimate authority and responsibility to select, evaluate, and where appropriate, replace the external auditors (or to nominate the external auditors to be proposed for shareholder approval in any management information circular and proxy statement). The external auditor shall report directly to the Audit Committee and shall have the responsibilities as set forth herein.
4. **Mandate:** The Audit Committee shall have responsibility for overseeing:
 - (a) the accounting and financial reporting processes of the Corporation; and
 - (b) audits of the financial statements of the Corporation.

In addition to any other duties assigned to the Audit Committee by the Directors, from time to time, the role of the Audit Committee shall include meeting with the external auditor and the senior financial management of the Corporation to review all financial statements of the Corporation which require approval by the Directors, including year-end audited financial statements. Specifically, the Audit Committee shall have authority and responsibility for:

- (a) reviewing the Corporation's financial statements, MD&A and earnings press releases before the information is publicly disclosed;
- (b) overseeing the work of the external auditors engaged for purpose of preparing or issuing , an audit report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditors regarding financial reporting;
- (c) reviewing annually and recommending to the Directors:

- (i) the external auditors to be nominated for purposes of preparing or issuing an audit report or performing other audit, review or attest services for the Corporation; and
- (ii) the compensation of the external auditors;
- (d) discussing with the external auditor:
 - (i) the scope of the audit, in particular their view of the quality of the Corporation's accounting principles as applied in the financials in terms of disclosure quality and evaluation methods, inclusive of the clarity of the Corporation's financial disclosure and reporting, degree of conservatism or aggressiveness of the Corporation's accounting principles and underlying estimates and other significant decisions made by management in preparing the financial disclosure and reviewed by the auditors;
 - (ii) significant changes in the Corporation's accounting principles, practices or policies; and
 - (iii) new developments in accounting principles, reporting matters or industry practices which may materially affect the Corporation.
- (e) reviewing with the external auditor and the Corporation's senior financial management the results of the annual audit regarding:
 - (i) the financial statements;
 - (ii) MD&A and related financial disclosure contained in continuous disclosure documents;
 - (iii) significant changes, if any, to the initial audit plan;
 - (iv) accounting and reporting decisions relating to significant current year events and transactions;
 - (v) the management letter, if any, outlining the auditor's findings and recommendations, together with management's response, with respect to internal controls and accounting procedures; and
 - (vi) any other matters relating to the conduct of the audit, including such other matters which should be communicated to the Audit Committee under Canadian generally accepted auditing standards.
- (f) reviewing and discussing with the Corporation's senior financial management and, if requested by the Audit Committee, the external auditor:
 - (i) the interim financial statements;
 - (ii) the interim MD&A; and
 - (iii) any other material matters relating to the interim financial statements, including, inter alia, any significant adjustments, management judgments or estimates, new or amended accounting policies;
- (g) receipt from external auditor of a formal written statement delineating all relationships between the auditor and the Corporation and considering whether the advisory services performed by the external auditor during the course of the year have impacted their independence, and also ensuring that no relationship or services between) the external auditor and the Corporation is in existence which may affect the objectivity and independence of the auditor or recommending appropriate action to ensure the independence of the external auditor;

- (h) pre-approval of all non-audit services to be provided to the Corporation or its subsidiary entities by the external auditors or the external auditors of the Corporation's subsidiary entities, unless such pre-approval is otherwise appropriately delegated or if appropriate specific policies and procedures for the engagement of non-audit services have been adopted by the Audit Committee;
- (i) reviewing and discussing with the external auditors and senior financial management: the adequacy of procedures for review of disclosure of financial information extracted or derived from financial statements, other than the disclosure referred to in subparagraph (a) above;
- (j) establishing and reviewing of procedures for:
 - (i) receipt, retention and treatment of complaints received by the Corporation and its subsidiary entities regarding internal accounting controls, or auditing matters; confidential;
 - (ii) anonymous submission by employees of the Corporation and its subsidiary entities of concerns regarding questionable accounting or auditing matters; and
 - (iii) hiring policies regarding employees and former employees of present and former external auditors of the Corporation and its subsidiary entities;
- (k) reviewing with the external auditor, the adequacy of management's internal control over financial reporting relating to financial information and management information systems and inquiring of management and the external auditor about significant risks and exposures to the Corporation that may have a material adverse impact on the Corporation's financial statements, and inquiring of the external auditor as to the efforts of management to mitigate such risks and exposures; and
- (l) reviewing and/or considering that, with regard to the previous fiscal year,
 - management has reviewed the Corporation's audited financial statements with the Audit Committee, including a discussion of the quality of the accounting principles as applied and significant judgments affecting the financial statements;
 - the external auditors and the Audit Committee have discussed the external auditors' judgments of the quality of the accounting principles applied and the type of judgments made with respect to the Corporation's financial statements;
 - the Audit Committee, on its own (without management or the external auditors present), has considered and discussed all the information disclosed to the Audit Committee from the Corporation's management and the external auditor; and
 - in reliance on review and discussions conducted with senior financial management and the external auditors, the Audit Committee believes that the Corporation's financial statements are fairly presented in conformity with the with Canadian Generally Accepted Accounting Principles (GAAP) in all material respects and that the financial statements fairly reflect the financial condition of the Corporation.

5. **Administrative Matters:** The following general provisions shall have application to the Audit Committee:

- (a) A quorum of the Audit Committee shall be the attendance of a majority of the members thereof. No business may be transacted by the Audit Committee except at a meeting of its members at which a quorum of the Audit Committee is present or by a resolution in writing signed by all the members of the Audit Committee.

- (b) Any member of the Audit Committee may be removed or replaced at any time by resolution of the Directors of the Corporation. If and whenever a vacancy shall exist on the Audit Committee, the remaining members may exercise all its powers so long as a quorum remains. Subject to the foregoing, each member of the Audit Committee shall hold such office until the close of the annual meeting of shareholders next following the date of appointment as a member of the Audit Committee or until a successor is duly appointed.
- (c) The Audit Committee may invite such Directors, directors, officers and employees of the Corporation or affiliates thereof as it may see fit from time to time to attend at meetings of the Audit Committee and to assist thereat in the discussion of matters being considered by the Audit Committee. The independent auditor is to appear before the Audit Committee when requested to do so by the Audit Committee.
- (d) The time and place for the Audit Committee meetings, the calling and the procedure at such meetings shall be determined by the Audit Committee having regard to the Articles and By-Laws of the Corporation.
- (e) The Chair shall preside at all meetings of the Audit Committee and shall have a second and deciding vote in the event of a tie. In the absence of the Chair, the other members of the Audit Committee shall appoint a representative amongst them to act as Chair for that particular meeting.
- (f) Notice of meetings of the Audit Committee may be given to the independent auditor and shall be given in respect of meetings relating to the annual audited financial statements. The independent auditor has the right to appear before and to be heard at any meeting of the Audit Committee. Upon the request of the independent auditor, the Chair of the Audit Committee shall convene a meeting of the Audit Committee to consider any matters which the external auditor believes should be brought to the attention of the Directors or shareholders of the Corporation.
- (g) The Audit Committee shall report to the Directors of the Corporation on such matters and questions relating to the financial position of the Corporation or any affiliates of the Corporation as the Directors of the Corporation may from time to time refer to the Audit Committee.
- (h) The members of the Audit Committee shall, for the purpose of performing their duties, have the right to inspect all the books and records of the Corporation and its affiliates, and to discuss such books and records that are in any way related to the financial position of the Corporation with the Directors, directors, officers, employees and independent auditor of the Corporation and its affiliates.
- (i) Minutes of the Audit Committee meetings shall be recorded and maintained. The Chair of the Audit Committee will report to the Directors on the activities of the Audit Committee and/or the minutes of the Audit Committee meetings will be promptly circulated to the Directors or otherwise made available at the next meeting of Directors.
- (j) The Audit Committee shall, upon the approval of the Directors, adopt a formal written charter, which sets out the Audit Committee's responsibilities, the way they should be implemented and any other requirement such as membership and structure of the Audit Committee. The Audit Committee shall review and reassess the adequacy of the charter on an annual basis.
- (k) The Audit Committee shall ensure and/or consider that, with regard to the previous fiscal year,
 - (i) management has reviewed the Corporation's audited financial statements with the Audit Committee, including a discussion of the quality of the accounting principles as applied and significant judgments affecting the financial statements;

- (ii) the external auditor and the Audit Committee have discussed the independent auditor's judgments of the quality of the accounting principles applied and the type of judgments made with respect to the Corporation's and/or the Corporation's financial statements;
 - (iii) the Audit Committee, on its own (without management or the independent auditors present), has considered and discussed all the information disclosed to the Audit Committee from the Corporation's management and the external auditor; and
 - (iv) in reliance on review and discussions conducted with management and outside auditors, the Audit Committee believes that the Corporation's financial statements are fairly presented in conformity with the with Canadian Generally Accepted Accounting Principles (GAAP) in all material respects.
- (l) The Audit Committee shall have the authority to:
- (i) engage independent counsel and other advisors or consultants as it determines necessary to carry out its duties;
 - (ii) set and pay the compensation for any advisors employed by the Audit Committee; and
 - (iii) communicate directly with the internal (if any) and external auditors and qualified reserves evaluators or auditors.

SCHEDULE “C”

GUARDIAN EXPLORATION INC.

STOCK OPTION PLAN

(2020 - 2021)

1. Purpose

The purpose of the Stock Option Plan (the “Plan”) of GUARDIAN EXPLORATION INC. (the “Corporation”) is to advance the interests of the Corporation and each Affiliate of the Corporation by encouraging the Directors, Consultants and Employees of the Corporation and its Affiliates to acquire shares in the Corporation, thereby increasing their proprietary interest in the Corporation, encouraging them to remain associated with the Corporation and its Affiliates and furnishing them with additional incentive in their efforts on behalf of the Corporation and its Affiliates.

2. Definitions

Unless otherwise defined in this Plan, all capitalized words shall have the meanings ascribed thereto in the policies of the TSX Venture Exchange Inc. (the “Exchange”) as such policies are from time to time amended or varied (the “Policies”).

3. Administration

The Plan shall be administered by the board of directors of the Corporation. A majority of the board of directors shall constitute a quorum, and the acts of a majority of the directors present at any meeting at which a quorum is present, or acts unanimously approved in writing, shall be the acts of the directors.

Subject to the provisions of the Plan, the board of directors shall have authority to construe and interpret the Plan and all option agreements entered into thereunder, to define the terms used in the Plan and in all option agreements entered into thereunder, to prescribe, amend and rescind rules and regulations relating to the Plan and to make all other determinations necessary or advisable for the administration of the Plan. All determinations and interpretations made by the board of directors shall be binding and conclusive on the Optionees and on their legal personal representatives and beneficiaries.

Notwithstanding the foregoing or any other provision contained herein, the board of directors shall have the right to delegate the administration and operation of the Plan, in whole or in part, to a committee of the board of directors or to the President or any other officer of the Corporation. Whenever used herein, the term “board of directors” shall be deemed to include any committee or officer to which the board of directors has, fully or partially, delegated responsibility and/or authority relating to the Plan or the administration and operation of the Plan pursuant to this Section 3.

Each option granted hereunder shall be evidenced by an agreement, signed on behalf of the Corporation and by the Optionee, in such form as the directors shall approve. Each such agreement shall recite that it is subject to the provisions of the Plan.

4. Shares Subject to Plan

Subject to adjustment as provided in Section 15 hereof, the shares to be offered under the Plan shall consist of shares of the Corporation’s authorized but unissued common shares (the “Shares”). The aggregate number of Shares to be delivered upon the exercise of all options granted under the Plan shall not exceed 10% of the issued Shares of the Corporation as at time of granting of options. If any option granted hereunder shall expire or terminate for any

reason without having been exercised in full, the unpurchased Shares subject thereto shall again be available for the purpose of the Plan.

5. Maintenance of Sufficient Capital

The Corporation shall at all times during the term of the Plan reserve and keep available such numbers of Shares as will be sufficient to satisfy the requirements of the Plan.

6. Eligibility and Participation

Directors, Employees and Consultants of the Corporation and its Affiliates shall be eligible for selection to participate in the Plan. The board of directors shall determine to whom options shall be granted, the terms and provisions of the respective option agreements, the time or times at which such options shall be granted, and the number of Shares to be subject to each option. An Optionee may, if he is otherwise eligible, and if permitted under the Policies, be granted an additional option or options if the directors shall so determine.

For options granted to Employees, Consultants or Management Company Employees, the Corporation shall represent in the agreement granting the option that the Optionee is a bona fide Employee, Consultant or Management Company Employee, as the case may be.

7. Exercise Price

The exercise price of the Shares covered by each option shall be determined by the directors. The exercise price shall be not less than the price permitted by the Policies.

8. Number of Optioned Shares

The number of Shares subject to an option to an Optionee shall be determined in the resolution of the board of directors, provided that:

- (a) unless the Corporation has obtained disinterested shareholder approval as provided for in the Policies, no Optionee shall, during any 12 month period, be granted an option which exceeds 5% of the issued and outstanding Shares of the Corporation at the time of granting of the option, calculated at the date an option is granted to any such person;
- (b) no one Consultant shall, during any 12 month period, be granted an option which exceeds 2% of the issued and outstanding Shares of the Corporation at the time of granting of the option;
- (c) the aggregate number of options granted to all persons retained to provide Investor Relations Activities, including any Consultant that performs Investor Relations Activities and any Employee or Director whose role and duties primarily consist of Investor Relations Activities (each such person being referred to herein as an "Investor Relations Provider"), must not exceed 2% of the issued and outstanding Shares of the Corporation, during any 12 month period, calculated at the date an option is granted to any such person. In addition, options issued to Investor Relations Providers must vest in stages over a period of not less than 12 months with no more than $\frac{1}{4}$ of the options vesting in any three month period; and
- (d) unless the Corporation has obtained disinterested shareholder approval and meets applicable Exchange requirements, no options shall be granted to Insiders, as defined in the Exchange policies, if such grant could result in the Insiders, as a group, being granted, within a 12 month period, options to purchase a number of common shares exceeding 10% of the issued common shares of the Corporation, calculated at the date an option is granted to any Insider.

9. Duration of Option

Each option and all rights thereunder shall be expressed to expire on the date set out in the option agreements and shall be subject to earlier termination as provided in Sections 11, 12 and 15.

10. Option Period, Consideration and Payment

The period within which such option shall be exercised (the "Option Period") shall be a period of time fixed by the board of directors, not to exceed ten (10) years from the date the option is granted, provided that the Option Period shall be reduced with respect to any option as provided in Sections 11, 12 and 15.

An option shall vest and may be exercised (in each case to the nearest full share) during the Option Period in such manner as the board of directors may fix by resolution. Options which have vested may be exercised in whole or in part at any time and from time to time during the Option Period.

The exercise of any option shall be contingent upon receipt by the Corporation at its head office of a written notice of exercise, specifying the number of Shares with respect to which the option is being exercised, accompanied by cash payment, certified cheque, bank draft, or such other form of payment as shall be accepted by the Corporation, for the full purchase price of such Shares with respect to which the option is exercised. No Optionee or his legal representatives, legatees or distributees shall be, or shall be deemed to be, a holder of any Shares subject to an option under the Plan, unless and until the certificates for such Shares are issued to him or them under the terms of the Plan.

11. Ceasing To Be a Director, Employee or Consultant

- (a) If an Optionee ceases to be a Director, Employee, Consultant or Management Company Employee of the Corporation or any of its Affiliates for any reason (other than death), the Optionee may, but only within a reasonable period, as fixed by the board of directors, next succeeding the Optionee's ceasing to be in at least one of the foregoing categories, exercise the Optionee's option to the extent that the Optionee was entitled to exercise such option at the date of such cessation.
- (b) If the Optionee who has been engaged in Investor Relations Activities shall cease to be employed to provide Investor Relations Activities for any reason (other than death), the Optionee may, but only within a reasonable period, as fixed by the board of directors, next succeeding the Optionee's ceasing to be employed to provide Investor Relations Activities, exercise the Optionee's option to the extent that the Optionee was entitled to exercise such option at the date of such cessation.
- (c) Nothing contained in the Plan, nor in any option granted pursuant to the Plan, shall as such confer upon any Optionee any right with respect to continuance as a Director, Employee, Consultant or Management Company Employee of the Corporation or of any of its Affiliates.

12. Death of Optionee

In the event of the death of an Optionee, the Optionee's option shall be exercisable only within one year next succeeding such death and then only:

- (a) by the person or persons to whom the Optionee's rights under the option shall pass by the Optionee's will or the laws of descent and distribution; and
- (b) to the extent that the Optionee was entitled to exercise the option at the date of the Optionee's death.

13. Rights of Optionee

No person entitled to exercise any option granted under the Plan shall have any of the rights or privileges of a shareholder of the Corporation in respect of any Shares issuable upon exercise of such option until certificates representing such Shares shall have been issued.

14. Proceeds from Sale of Shares

The proceeds from sale of Shares issued upon the exercise of options shall be added to the general funds of the Corporation and shall thereafter be used from time to time for such corporate purposes as the board of directors may determine and direct.

15. Adjustments

In the event that the outstanding Shares of the Corporation are changed into or exchanged for a different number or kind of shares or other securities of the Corporation, or in the event that there is a reorganization, amalgamation, consolidation, subdivision, reclassification, dividend payable in capital stock or other change in the capital stock of the Corporation, then each Optionee shall thereafter upon the exercise of the option granted to him, be entitled to receive, in lieu of the number of Shares to which the Optionee was theretofore entitled upon such exercise, the kind and amount of shares or other securities or property which the Optionee would have been entitled to receive as a result of any such event if, on the effective date thereof, the Optionee had been the holder of the Shares to which he was theretofore entitled upon such exercise.

In the event the Corporation proposes to amalgamate, merge or consolidate with any other corporation (other than with a wholly-owned subsidiary of the Corporation) or to liquidate, dissolve or wind-up, or in the event an offer to purchase the Shares of the Corporation or any part thereof shall be made to all holders of Shares of the Corporation, the Corporation shall have the right, upon written notice thereof to each Optionee, to require the exercise of the option granted within the thirty (30) day period next following the date of such notice and to determine that upon the expiry of such thirty (30) day period, all rights of the Optionee to exercise same (to the extent not theretofore exercised) shall ipso facto terminate and cease to have any further force or effect whatsoever.

16. Transferability

All benefits, rights and options accruing to any Optionee in accordance with the terms and conditions of the Plan shall not be transferable or assignable unless specifically provided herein. During the lifetime of an Optionee any benefits, rights and options may only be exercised by the Optionee.

17. Amendment and Termination of Plan

The board of directors may, at any time, suspend or terminate the Plan. The board may also at any time amend or revise the terms of the Plan subject to the Policies; provided that no such amendment or revision shall alter the terms of any options theretofore granted under the Plan.

18. Reduction of Exercise Price

If the Corporation agrees to amend any option agreement by reduction of the exercise price of an option, and if the Optionee is an Insider at the time of the amendment, such amendment shall be subject to disinterested shareholder approval in accordance with the Policies.

19. Necessary Approvals

The obligation of the Corporation to issue and deliver Shares in accordance with the Plan is subject to any approvals which may be required from any regulatory authority or stock exchange having jurisdiction over the securities of the Corporation. If any Shares cannot be issued to any Optionee for whatever reason, the obligation of the Corporation to issue such Shares shall terminate and any option exercise price paid to the Corporation will be returned to the Optionee.

20. Effective Date of Plan

The Plan has been adopted by the board of directors of the Corporation subject to the approval of the TSX Venture Exchange and, if so approved, the Plan shall become effective upon such approval being obtained, subject to disinterested shareholder approval being obtained in accordance with the Policies.

21. Interpretation

The Plan will be governed by and construed in accordance with the laws of Canada and of the Province of Alberta.