



**HTC PUREENERGY INC.**  
*'doing business as'* **HTC EXTRACTION SYSTEMS**

**MANAGEMENT INFORMATION CIRCULAR**

Annual General and Special Meeting of Shareholders to be held at  
**11:30 am CST on Wednesday, October 30, 2024.**  
(The information contained in this Management Information Circular shall be  
considered correct and true as of **September 13, 2024.**

**DATE: September 13, 2024**

**SOLICITATION OF PROXIES**

This management information circular (“**Management Information Circular**”) is furnished in connection with the solicitation by the management (“**Management**”) of **HTC Pureenergy Inc.** (the “**Corporation**”) of proxies to be used at the annual general and special meeting of shareholders (“**Shareholders**”) of the Corporation (“**Annual General and Special Meeting**” or “**Meeting**”) to be held at the time and place and for the purposes set forth in the notice of meeting (“**Notice of Meeting**”). Proxies will be solicited primarily by mail but may be solicited personally by regular employees of the Corporation. The cost of solicitation to registered Shareholders will be borne by the Corporation. In accordance with National Instrument 54-101, arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees, and fiduciaries to forward solicitation materials to the beneficial owners of the Common Shares held of record by such persons and the Corporation may reimburse such persons for reasonable fees and disbursements incurred by them in so doing. These shareholder materials are being sent to both registered and non-registered owners of the common shares of the Corporation. If you are a non-registered owner, and the Corporation or its agent has sent these materials directly to you, your name and address and information about your holdings of common shares, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf.

**APPOINTMENT AND DELIVERY OF PROXIES**

The persons named in the enclosed instrument of proxy (“**Instrument of Proxy**”) are directors or officers of the Corporation and have indicated their willingness to represent as proxy the shareholder who appoints them.

**Shareholders have the right to appoint a person, who need not be a shareholder, as their nominee to attend and act for them at the Meeting other than the persons designated in the Instrument of Proxy. Such right may be exercised by striking out the names of the persons designated in the Instrument of Proxy and by inserting such other person’s name in the blank space provided for that purpose or by completing another proper Instrument of Proxy. Such shareholders should notify the nominee of the appointment, obtain consent to act as proxy and should provide instructions on how the shareholder’s shares are to be voted. In any case, the Form of Proxy should be dated and executed by the shareholder or an attorney authorized in writing, with proof of such authorization attached, where an attorney executed the proxy form.**

**Instruments of Proxy must be deposited:**

- a) Online using the control number printed on your form of proxy by visiting <https://login.odysseytrust.com/pxlogin> and clicking on vote; or
- b) at the office of the registrar and transfer agent of the Corporation, Odyssey Trust Company, Attn: Proxy Department, Stock Exchange Tower, 1230 – 300 5<sup>th</sup> Avenue SW, Calgary, AB T2P 3C4 or emailed to [proxy@odysseytrust.com](mailto:proxy@odysseytrust.com); or at the head office of the Corporation, #002 – 2305 Victoria Avenue, Regina, Saskatchewan, S4P 0S7 or faxed to (306) 545-3262 or emailed to [admin@compliancesolution.ca](mailto:admin@compliancesolution.ca), not less than 48 hours before the Meeting (excluding Saturdays, Sundays and holidays) or any adjournment thereof (**11:30 am CST, Monday, the 28<sup>th</sup> day of October, 2024**); or
- c) by signing another Instrument of Proxy bearing a later date and depositing it, as stipulated in paragraph a) or b) above.

**REVOCAION OF PROXIES**

A shareholder who has given a proxy may revoke it as to any matter upon which a vote has not already been cast pursuant to the authority conferred by the proxy. A proxy may be revoked by either executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the shareholder or by his authorized attorney in writing, or, if the shareholder is a corporation, under its corporate seal by an officer or attorney thereof duly authorized, and by depositing the proxy bearing a later date with the registrar and transfer agent of the Corporation, at any time up to and including the last business day preceding the date of the Meeting or any adjournment thereof at which the proxy is to be used or by depositing the revocation of proxy with the Chairman of such by depositing a written notice of revocation signed by the shareholder or the shareholder's attorney authorized in writing. In addition, a proxy may be revoked by the shareholder personally attending at the Meeting and voting his/her shares.

**VOTING OF PROXIES**

**All common shares of the Corporation (“Common Shares”) represented at the Meeting by any properly executed Instrument of Proxy in the enclosed form will be voted or withheld from voting on any ballot that may be called for in accordance with the instructions given by the shareholder. If the shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly.**

In the absence of the instructions, the management designees, if named as proxy, will vote in favour of all matters set out thereon.

The enclosed Instrument of Proxy confers discretionary authority upon the person appointed as proxy with respect to amendments to or variations of matters identified in the Notice of Meeting and any other matters, which may properly come before the Meeting. As of the date hereof, the management of the Corporation is not aware of any such amendments, variations, or other matters to come before the Meeting. In the event that other matters come before the Meeting, then the management designees intend to vote in accordance with the judgment of the management of the Corporation.

**ADVICE TO BENEFICIAL SHAREHOLDERS**

**The information set forth in this section is of significant importance to many shareholders, as a substantial number of shareholders do not hold Common Shares in their own name.**

**Shareholders who hold their Common Shares through their brokers, intermediaries, trustees or other persons, or who otherwise do not hold their Common Shares in their own name, (referred to herein as “Beneficial Shareholders”) are advised that only proxies from shareholders who appear on the records maintained by the Corporation’s registrar and transfer agent as registered holders of Common Shares**

(i.e., shareholders of record or “Registered Shareholders”) can be recognized, and only such Registered Shareholders may vote at the Meeting. If Common Shares are listed in an account statement provided to a Beneficial Shareholder by a broker, those Common Shares will, in all likelihood, not be registered in the shareholder’s name. Such Common Shares will more likely be registered under the name of the shareholder’s broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities, which acts as nominee for many Canadian brokerage firms). Common Shares held by brokers (or their agents or nominees) on behalf of a broker’s client can only be voted (for or against resolutions) at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker’s clients. Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholder’s meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. The Form of Proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is substantially similar to the Instrument of Proxy provided directly to Registered Shareholders by the Corporation. However, its purpose is limited to instructing the Registered Shareholder (i.e. the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The vast majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Investor Communications (“**Broadridge**”) in Canada. Broadridge typically prepares a machine-readable voting instruction form, mails those forms to Beneficial Shareholders and asks Beneficial Shareholders to return the forms to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. **A Beneficial Shareholder who receives a Broadridge voting instruction form cannot use that form to vote Common Shares directly at the Meeting. The voting instruction forms must be returned to Broadridge (or instructions respecting the voting of Common Shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the Common Shares voted. If you have any questions respecting the voting of Common Shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance.**

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his broker, a Beneficial Shareholder may attend the Meeting as proxy holder for the Registered Shareholder and vote the Common Shares in that capacity. **Beneficial Shareholders, who wish to attend the Meeting and indirectly vote their Common Shares as proxy holder for the Registered Shareholder, should enter their own names in the blank space on the Form of Proxy provided to them and return the same to their broker (or the broker’s agent) in accordance with the instructions provided by such broker.**

All references to shareholders in this Management Information Circular and the accompanying Instrument of Proxy and Notice of Meeting are to shareholders of record (Registered Shareholders) unless specifically stated otherwise. Where documents are stated to be available for review or inspection, such items will be shown upon request to Registered Shareholders, who produce proof of identity.

#### **INTERESTS OF CERTAIN PERSONS AND COMPANIES IN MATTERS TO BE ACTED UPON**

Other than stated herein, none of the directors, senior or executive officers or proposed nominees for election as a director of the Corporation or any of their associates or affiliates has or has had 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**

The directors have fixed the close of business on **Friday, September 13<sup>th</sup>, 2024**, as the **record date** for the determination of shareholders entitled to receive notice of the Meeting. Each holder of a Common Share of record on the record date will be entitled to one vote for each Common Share held by such holder on all matters proposed to come before the Meeting, except to the extent that such holder has transferred any such Common Shares after the record date and the transferee of such Common Shares produces properly endorsed share certificates or otherwise establishes ownership thereof and makes a written demand, not later than ten days before the Meeting, to be included in the list of shareholders entitled to vote at the Meeting, in which case the transferee will be entitled to vote such Common Shares at the Meeting.

The Corporation is authorized to issue an unlimited number of Common Shares and preferred shares. The Corporation has 206,983,741 Common Shares that are issued and outstanding as of the date of this Management Information Circular, without nominal or par value, each carrying the right to one vote at all meetings of the Corporation. The Corporation has no preferred shares issued or outstanding. No group of shareholders has the right to elect a specified number of directors, nor are there cumulative or similar voting rights attached to the Common Shares.

102047601 Saskatchewan Ltd., a corporation, duly incorporated under the laws of the Province of Saskatchewan, directly owns 35,582,524 Common Shares (17.19%) on an undiluted and fully diluted basis.

Other than stated above, the directors and executive officers of the Corporation do not know of any person or company beneficially owning, directly or indirectly, or exercising control or direction over, Common Shares carrying more than ten (10%) per cent of the votes attached to all Common Shares of the Corporation as of the date of this Management Information Circular.

## **QUORUM AND MAJORITY**

The Bylaws of the Corporation provide that a quorum of shareholders is present at a meeting if a holder or holders of not less than five (5%) per cent of the votes entitled to be voted at the meeting are present in person or by proxy, irrespective of the number of shareholders present.

## **ELECTION OF DIRECTORS**

The Articles of the Corporation provide for a minimum of one and a maximum of fifteen Directors and provide that the number of Directors is to be fixed by the shareholders by an ordinary resolution. At the **October 30, 2024** Annual General and Special Meeting of Shareholders, shareholders of the Corporation will be asked to consider, and if thought appropriate, approve an ordinary resolution to fix the number of Directors at four (4). The Directors may, between annual general meetings, appoint one or more additional Directors of the Corporation to serve until the next annual general meeting, but the number of additional Directors shall not exceed 1/3 of the number of Directors who held office at the expiration of the last annual meeting of the Corporation.

It is the intention of the management designees, if named as proxy, to vote for the election of the persons set forth below. Management of the Corporation does not contemplate that any of the nominees will be unable to serve as Directors, however, if for any reason any of the proposed nominees does not stand for election or is unable to serve as such, the management designees, if named as proxy, will vote proxies under their control for another nominee in their discretion, unless the shareholder has specified in his proxy that his Common Shares are to be withheld from voting in the election of Directors.

Names of the persons to be nominated for election as directors, the positions and offices in the Corporation currently held by them, their principal occupations, business and employment, and the number of Common Shares of the Corporation that they beneficially own, directly or indirectly, or over which control or direction is exercised by them, is set forth in the following table. The nominees will be elected for a term

expiring at the next Annual General Meeting of Shareholders of the Corporation.

All the persons listed below have been engaged for more than five years in their present principal occupations or executive positions with the same or associated companies.

<b>Nominated &amp; Proposed Directors</b>			
<b>Name, Province, and Country of Residence</b>	<b>Principal Occupation, Business or Employment and Committee Members</b>	<b>Common Shares of the Corporation Owned or Controlled</b>	<b>First Elected or Nominated as a Director</b>
Jeffrey Allison, Alberta, Canada <sup>1&amp;3</sup>	CEO and President of Delta CleanTech Inc. (“Delta”), with its principal business being Clean Energy; President & CEO of the Corporation; Non-Independent Director; Member of the Nominating Committee; Director and CEO of Kingsland Energy Corp. (“KLE”)	(Directly) 2,473,098 (Indirectly) 500	2005
Wayne Bernakevitch, Saskatchewan, Canada <sup>3</sup>	Retired Former Senior Corporate Counsel McDougall Gauley (Law Firm); Chairman and Non-Independent Director; Member of the Audit -, Compensation -, and Nominating Committee; Director and Chairman of Delta and KLE	(Directly) 26,000	1996
Garth Fredrickson, Saskatchewan, Canada <sup>3</sup>	President of Friona Development and Consulting Ltd. and Vice-President of Bison Properties Limited, Independent Director and Member of the Audit Committee; Director of Delta and Above Food Ingredients Inc. (“ABVE”)	6,000	2012
Lionel Kambeitz, Saskatchewan, Canada <sup>2&amp;3</sup>	Chairman, CEO and President of ABVE with its principal business being a plant-based food company; Non-Independent Director; Member of the Audit -, Nominating - and Compensation Committee, Director of Delta and KLE	(Directly) 6,914,456 (Indirectly) 66,000	1996

1. Mr. Allison owns or controls, 500 common shares indirectly through his 100% ownership interest in Clearview Financial Services Inc.
2. Mr. Kambeitz owns or controls, 66,000 common shares indirectly through his 1% ownership interest in KF Kambeitz Land Corp.
3. On May 3, 2021, May 2, 2022 and May 3, 2023, HTC applied for Management Cease Trade Orders (“MCTO”) pursuant to National Policy 12-203, as a result of its failure to file its audited annual financial statements, management’s discussion and analysis and related certifications (“Materials”) for the fiscal years ended (“YE”) December 31, 2020, 2021 and 2022 in a timely manner. The first delay in filing the Materials was caused due to auditor and valuation delays, and Covid restrictions. On July 30, 2021, the Materials for the YE 2022 were duly filed and the MCTO was lifted. The second delay was caused due to auditor and valuation delays, and TSX-V final approval regarding a reviewable transaction. On Oct 22, 2022, the Materials for the YE 2021 were duly filed and the MCTO was lifted. The third delay in filing the Materials was caused due to audit requirements related to the conversion of debt to securities of regulated US entities. On June 30, 2023, the Materials for the YE 2022 were duly filed and the MCTO was subsequently lifted.

### **Board of Directors**

The board of directors of the Corporation (the “Board”), which has the statutory responsibility to oversee the conduct of the business of the Corporation and to supervise management, as of the date of this

Management Information Circular, is comprised of four directors, of which one is independent. Accordingly, 25% of the directors on the Board are independent. A director is independent if he or she would be independent within the meaning of section 1.4 of National Instrument (“NI”) 52-110 - *Audit Committees*. The independent director is Garth Fredrickson. Wayne Bernakevitch, Lionel Kambeitz and Jeffrey Allison are not independent by virtue of being executive officers or former executive officers of the Corporation.

The Board facilitates its exercise of independent judgment in carrying out its responsibilities by carefully examining issues involving the Corporation while maintaining an objective view. In addition, the Board requires management to provide complete and accurate information with respect to the Corporation’s activities, both good and bad. Most importantly, the Chair actively seeks out the views of the independent directors on all Board matters. Independent directors meet whenever a matter arises which requires their independent judgement.

Jeffrey Allison, Lionel Kambeitz, and Wayne Bernakevitch are presently directors of KLE. Jeffrey Allison, Lionel Kambeitz, Garth Fredrickson and Wayne Bernakevitch are presently directors of Delta. Lionel Kambeitz and Garth Fredrickson are presently directors of ABVE. The directors of the Corporation are not currently directors of any other reporting issuers (or the equivalent).

### **Orientation and Continuing Education**

Given the current size of the Corporation and the Board, the Corporation provides only a limited orientation and education program for new directors. This process includes discussions with the Chief Executive Officer and the Chief Financial Officer with respect to the business and operations of the Corporation. In addition, any newly appointed or elected directors are taken on an extensive tour of the Corporation’s plants and operations. Each new Board member is also entitled to review all previous minutes of the Board and the shareholders and receives all policies and codes of the Corporation. Any new director is encouraged to ask questions about the role of the Board, its committees and the nature and operations of the Corporation’s business.

Management keeps the Board up to date on corporate developments and changes in legal, regulatory and industry requirements affecting the Corporation. As well, the Board supports and encourages senior management and directors to take professional development courses at the Corporation’s expense. Directors or a group of directors may also engage outside advisors, at the Corporation’s expense, to provide advice with respect to a decision or action of the Corporation upon providing notice thereof to the Corporation.

### **Ethical Business Conduct**

The Corporation has adopted a written code of ethical business conduct (the “Code”) for the Corporation’s directors, officers, and associates, which include employees and consultants. A copy of the Code may be obtained by writing to the Corporation and requesting same. The Code is also available on the Corporation’s website at [www.htcextraction.com](http://www.htcextraction.com) and on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

The Board encourages employees and associates to follow the Code by making it widely available. It is distributed to directors, officers, and employees at the commencement of their appointment or employment, as the case may be. The Corporation advises directors, officers, and employees to read and study the Code. The Board feels that the consequences of not complying with the Code, including the termination of one’s employment or appointment, as the case may be, encourage compliance with the Code. The Board also encourages employees and associates to report violations of the Code and allow employees and associates to submit their complaints anonymously, which the Board feels encourages compliance. Since the beginning of the Corporation’s most recently completed financial year, no material change reports have been filed that pertain to any conduct of a director or officer of the Corporation that constitutes a departure from the Code.

The Board encourages and promotes a culture of ethical business conduct by appointing directors who demonstrate integrity and high ethical standards in their business dealings and personal affairs. Directors are required to abide by the Code and are expected to make responsible and ethical decisions in discharging their

duties, thereby setting an example of the standard to which management and employees should adhere.

The Board is responsible for responding to potential conflict of interest situations, particularly with respect to considering existing or proposed transactions and agreements in respect of which directors or officers advise they have a material interest. The Board's responsibilities are governed by the *Business Corporations Act* (Alberta), which requires a director with a material interest in an agreement to disclose the interest in the agreement to the Board and to abstain from voting on the agreement in certain circumstances. By ensuring that these steps are followed, the Board strives to ensure that directors exercise independent judgement in considering transactions and agreements in respect of which directors and executive officers have an interest.

### **Nomination of Directors**

The Board has constituted a Nominating Committee to assist the Board in identifying individuals who are qualified to become Board members, to recommend to the Board the nominees for election at the next annual meeting of shareholders and to recommend to the Board nominees for each committee. The Nominating Committee, if required to, actively seeks out individuals qualified to become Board members for recommendation to the Board. The Nominating Committee is responsible for reviewing the qualifications and independence of the members of the Board and its various committees on a periodic basis as well as the composition of the Board as a whole. In making its recommendations to the Board, the Nominating Committee is to consider: (a) the competencies and skills that the Board considers to be necessary for the Board, as a whole, to possess; (b) the competencies and skills that the Board considers each existing director to possess; (c) the competencies and skills each new nominee will bring to the boardroom; and (d) whether or not each new nominee can devote sufficient time and resources to his or her duties as a Board member. The Nominating Committee and the Board have adopted a Nominating Committee Charter which the Nominating Committee adheres to in carrying out its responsibilities.

The Nominating Committee is comprised of two non-independent directors. The members of the Nominating Committee are Wayne Bernakevitch and Jeffrey Allison. The chair of the Nominating Committee, Wayne Bernakevitch, is also the Chairman of the Board, and Jeffrey Allison is the President and CEO and therefore they are considered non-independent directors. The Nominating Committee is required to adhere to the Nominating Committee Charter, which the Board feels encourages an objective process with respect to the nomination of directors.

The Committee reviews and reassesses the adequacy of its Charter and its own performance annually and recommends any proposed changes to the Board for approval. A copy of the Nominating Committee Charter can also be found on the Corporation's web site at [www.htcextraction.com](http://www.htcextraction.com) and on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). The Corporation's Nominating Committee and Board have approved the Charter. Upon a shareholder's request, the Corporation will promptly provide a copy of the Nominating Committee Charter to the requesting shareholder, free of charge.

### **AUDIT COMMITTEE**

Pursuant to Section 171 of the *Business Corporations Act* (Alberta), the Policies of the TSX Venture Exchange Inc. ("**Exchange**") and National Instrument ("**NI**") 52-110 *Audit Committees*, the Corporation is required to have an Audit Committee.

The Audit Committee reviews the interim financial statements and interim managements' discussion and analysis of the Corporation on a quarterly basis and discusses these statements with the Corporation's Accountant and or Auditor if necessary. In addition, the interim financial statements and interim managements' discussion and analysis are approved by way of an Audit Committee resolution and the annual financial statements and annual managements' discussion, and analysis are approved by way of Audit Committee resolution and then recommended for approval by the Board. The Audit Committee meets annually to review and discuss the annual financial statements and the annual managements' discussion and

analysis with the Corporation's accountant and auditor. Once approved, the Audit Committee recommends to the Board that the annual financial statements and annual managements' discussion and analysis be approved by the Board.

The Audit Committee Charter, a copy of which is attached hereto marked at **Exhibit "A"** (a copy of which can also be found on the Corporation's web site at [www.htcextraction.com](http://www.htcextraction.com) and on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca)), has been adopted by the Corporation's Audit Committee and the Board. Upon a shareholder's request, the Corporation will promptly provide a copy of the Audit Committee Charter to the requesting shareholder, free of charge. The Committee reviews and reassesses the adequacy of this Charter and its own performance annually and recommends any proposed changes to the Board for approval.

As of the date of this Management Information Circular, the Corporation has an Audit Committee consisting of three members. The current members are Messrs. Garth Fredrickson, Lionel Kambeitz, and Wayne Bernakevitch. All three Audit Committee members are financially literate. Two Audit Committee members are considered non-independent Audit Committee members under NI 52-110, namely Messrs. Wayne Bernakevitch and Lionel Kambeitz. Mr. Garth Fredrickson is considered an independent member of the Audit Committee. Mr. Wayne Bernakevitch, a non independent director and member of the Audit Committee as he is the Chairman of the Board. Mr. Lionel Kambeitz is considered a non-independent director and member of the Audit Committee, as he is the former Chairman and CEO of the Corporation.

#### Relevant education and experience

The Audit Committee members are financially literate, as required in NI 52-110, in that they are not only directors of the Corporation, but also directors and founders of various other private and/or publicly traded companies, where they have obtained:

- (i) an understanding of the accounting principles used by the Corporation to prepare its financial statement;
- (ii) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves;
- (iii) experience preparing, auditing, and analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Corporation's financial statements, or experience actively supervising one or more individuals engaged in such activities; and
- (iv) an understanding of internal controls and procedures for financial reporting.

#### Audit Fee

The aggregate fees billed by the Corporation's external Auditor in each of the last two fiscal years for audit fees are estimated at \$40,000 for 2023 and \$95,000 for 2022.

#### All other Fees

The aggregate fees billed by the Corporation's external Auditor for services, other than audit services, for the years 2023 and 2022 were Nil.

#### Exemption

The Corporation relies upon the exemption in Section 6.1 of NI 52-110.

### **STATEMENT OF EXECUTIVE COMPENSATION**

#### **General Provisions**

For the purposes of this Information Circular:

**"CEO"** means an individual who acted as chief executive officer of the company, or acted in a similar capacity, for any part of the most recently completed financial year;

“**CFO**” means an individual who acted as chief financial officer of the company, or acted in a similar capacity, for any part of the most recently completed financial year;

“**equity incentive plan**” means an incentive plan, or portion of an incentive plan, under which awards are granted and that falls within the scope of IFRS 2 *Share-based Payment*;

“**incentive plan**” means any plan providing compensation that depends on achieving certain performance goals or similar conditions within a specified period;

“**incentive plan award**” means compensation awarded, earned, paid, or payable under an incentive plan;

“**NEO**” or “**named executive officer**” means each of the following individuals: (a) the CEO of the Issuer; (b) the CFO of the Issuer; (c) the most highly compensated executive officers of the company, including any of its subsidiaries, other than the CEO and CFO of the Issuer, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000; and (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the company or its subsidiaries, nor acting in a similar capacity, at the end of that financial year;

“**non-equity incentive plan**” means an incentive plan or portion of an incentive plan that is not an equity incentive plan; and

“**option-based award**” means an award under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights, and similar instruments that have option-like features.

## **Compensation Discussion and Analysis**

### **Compensation Committee**

The Corporation has a Compensation Committee which is responsible in helping the Board to discharge the Board’s responsibilities relating to compensation of the Corporation’s executive officers, senior executives and directors and approving and evaluating all compensation plans, policies and programs of the Corporation as they effect the executive officers and other senior executives.

In carrying out its mandate, the Compensation Committee is required to annually review and approve the Corporation’s goals and objectives relevant to the Chief Executive Officer’s compensation, evaluate the Chief Executive Officer’s performance in light of those goals and objectives and recommend to the Board the Chief Executive Officer’s compensation levels based on this evaluation. The Compensation Committee makes recommendations to the Board with respect to other officer and director compensation, incentive compensation plans and equity-based plans. In assessing compensation, the Compensation Committee reviews external surveys and other third-party information pertaining to compensation paid by the Corporation’s industry peers to their directors and considers the duties and responsibilities of each director and/or officer, his past service and continuing duties in service to the Corporation. The Compensation Committee also discusses the corporate goals and objectives relevant to NEO compensation. In addition, the Compensation Committee has the power to engage a compensation consultant or advisor to assist in determining appropriate compensation and also has the authority to obtain advice and assistance from internal or external legal, accounting or other advisors. The Compensation Committee and the Board have adopted a Compensation Committee Charter which the Compensation Committee adheres to in carrying out its responsibilities.

The Compensation Committee is comprised of two non-independent directors. The members of the Compensation Committee are Wayne Bernakevitch and Lionel Kambeitz. The chair of the Compensation Committee, Wayne Bernakevitch, is also the Chairman of the Board, and Lionel Kambeitz is the former Chairman and CEO, and therefore they are considered non-independent directors. The Board believes that having these individuals on the committee ensures an objective process for determining

the compensation of the Chief Executive Officer for the Corporation. Both committee members have served on various public and private companies' board of directors and compensation committees, which exposure has provided them with the necessary experience that is relevant to their responsibilities related to serving as committee members. The Compensation Committee is required to adhere to the Compensation Committee Charter, which the Board feels encourages an objective process for recommending the compensation of the Corporation's officers and directors.

No compensation consultant or advisor has, at any time since the beginning of the Corporation's most recently completed financial year, been retained to assist in determining compensation for any of the Corporation's directors or officers.

The Committee reviews and reassesses the adequacy of its Charter and its own performance annually and recommends any proposed changes to the Board for approval. The Compensation Committee Charter, a copy of which can be found on the Corporation's website at [www.htcextraction.com](http://www.htcextraction.com) and on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca), has been adopted by the Corporation's Compensation Committee and the Board. Upon a shareholder's request, the Corporation will promptly provide a copy of the Compensation Committee Charter to the requesting shareholder, free of charge.

### **Risk Considerations**

The Compensation Committee reviews from time to time and at least once annually, the risks, if any, associated with the Corporation's compensation policies and practices. Implicit in the Compensation Committee's mandate is that the Corporation's policies and practice respecting compensation, including those applicable to the Corporation's executive, be designed in a manner which is in the best interests of the Corporation and its shareholders and risk implications is one of many considerations which are taken into account in such design.

A portion (set at a level consistent with its industry peers) of the Corporation's executive compensation for the year ending March 31, 2024, may consist of options granted under the Plan. Such compensation is both "long term" and "at risk" and, accordingly, is directly linked to the achievement of long-term value creation. As the benefits of such compensation, if any, are not realized by the executive until a significant period of time has passed, the ability of executives to take inappropriate or excessive risks that are beneficial to them from the standpoint of their compensation at the expense of the Corporation and its shareholders is extremely limited. Currently the Corporation has 3,483,187 stock options outstanding. Whenever stock options are outstanding, there is some risk, that due to the fact that the stock options are exercisable over a period of time, that the share price may increase and accordingly, that the said stock options may be exercised well below market value. This risk is limited to a maximum 10-year period and has been considered and approved by the Board. All stock options have been granted in accordance with regulatory policies.

The other element of compensation, salary, represents the remaining portion of an executive's total compensation. While salary is not "long term" or "at risk", as noted above, these components of compensation represent a relatively small part of total compensation and as a result it is unlikely that an executive would take inappropriate or excessive risks at the expense of the Corporation and its shareholders that would be beneficial to them from the standpoint of their short term compensation when their long term compensation might be put at risk from their actions.

Due to the size of the Corporation, and the current level of the Corporation's activity, the Board is able to closely monitor and consider any risks which may be associated with the Corporation's compensation policies and practices. Risks, if any may be identified and mitigated through regular Board meetings during which, financial and other information of the Corporation are reviewed, and which review includes executive compensation.

Save for the possibility of future stock option issuances, no other risks have been identified arising from

the Corporation’s compensation policies and practices that are reasonably likely to have a material adverse effect on the Corporation.

No NEO or director is permitted to purchase financial instruments including for greater certainty, prepaid variable forward contracts, equity swaps, collars, units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by an NEO or director.

**Other Board Committees**

The Board has no standing committees other than the Audit Committee, Compensation Committee and Nominating Committee.

**Assessments**

The process of assessing Board effectiveness is carried on through an informal process of engagement and dialogue between the Chair and the individual directors.

**COMPENSATION OF EXECUTIVE OFFICERS AND DIRECTORS**

The Board considers the compensation for the NEOs to be below compensation offered to senior officers of corporations of similar size in the same industry.

The Compensation Committee annually reviews and approves the Corporation’s CEO’s compensation. The Board has authorized the CEO to review and approve compensation to executives, consultants, and employees of the Corporation. In assessing compensation, the CEO considers external surveys and other third-party information pertaining to compensation paid by the Corporation’s industry peers to their executives, consultants and employees performing similar duties. The CEO considers the duties and responsibilities of each individual, his past service and continuing duties in service to the Corporation.

The current Board consists of four members: Messrs. Jeffrey Allison, President and CEO, Wayne Bernakevitch, Chairman, Lionel Kambeitz, and Garth Fredrickson. Directors may receive compensation or remuneration for their services provided as directors of the Corporation. Directors may also be engaged in a consulting capacity directly or through a corporation. Directors are reimbursed for expenses incurred in discharging their responsibilities as directors of the Corporation. The Board approved a \$500 director’s fee, payable to each director attending a Board or Committee Meeting, to a maximum of \$500 per day and \$250.00 per day for a meeting held by phone.

**SUMMARY COMPENSATION TABLE**

The following table and notes thereto set forth a summary of the annual and long-term compensation for services paid to the Chairman, the CEO and President and the CFO (the “Named Executive Officers” or “NEO”) and the remaining directors of the Corporation.

<b>TABLE OF COMPENSATION EXCLUDING COMPENSATION SECURITIES</b>							
<b>Name and Position</b>	<b>Year</b>	<b>Salary, Consulting fee, retainer or commission (\$)</b>	<b>Bonus (\$)</b>	<b>Committee or meeting fees (\$)</b>	<b>Value of perquisites (\$)</b>	<b>Value of all other compensation (\$)</b>	<b>Total compensation (\$)</b>
Jeffrey Allison, President, CEO, Corporate Secretary and Director	15-month YE March 31/24	-	-	250	-	-	250
	2022	-	-	250	-	-	250

Jacelyn Case, CFO	15-month YE March 31/24	39,072	-	-	-	-	39,072
	2022	27,000.08	-	-	-	-	27,000.08
Wayne Bernakevitch, Chairman and Director	15-month YE March 31/24	-	-	1,000	-	-	1,000
	2022	-	-	1,000	-	-	1,000
Lionel Kambeitz, Director	15-month YE March 31/24	-	-	500	-	-	500
	2022	-	-	250	-	-	250
Garth Fredrickson, Director	15-month YE March 31/24	-	-	750	-	-	750
	2022	-	-	750	-	-	750

There were no other Named Executive Officers during the most recently completed financial year whose total compensation exceeded \$150,000 per year.

### **STOCK OPTIONS AND OTHER COMPENSATION SECURITIES**

The Board has adopted and the shareholders of the Corporation have approved a stock option plan (“Plan”) for the Corporation. This Plan is approved annually by the Board and the shareholders. Pursuant to the Plan, the Board of the Corporation may allocate non-transferable options to purchase Common Shares of the Corporation to directors, officers, employees and consultants of the Corporation and its subsidiaries. The aggregate number of Common Shares to be issued upon exercise of all options granted under the plan and the aggregate number of Common Shares to be issued to any one individual upon exercise of options granted under the plan shall not exceed the maximum number of Common Shares to be issued under the rules of any stock exchange on which the Common Shares are then listed or other regulatory body having jurisdiction.

In allocating any option grants, the Board considers the interests of the Corporation. The Board encourages the directors, officers, employees, and consultants of the Corporation, and of its subsidiaries and affiliates, if any, to acquire Common Shares in the share capital of the Corporation, thereby increasing their proprietary interest in the Corporation, encouraging them to remain associated with the Corporation and furnishing them with additional incentive in their efforts on behalf of the Corporation in the conduct of its affairs. Prior to any new allocation, previously allocated option-based awards are taken into consideration.

The Plan provides that the exercise price of the Common Shares covered by each option shall be determined by the Board and shall not be less than the price permitted by any stock exchange on which the Common Shares are then listed or by any regulatory body having jurisdiction.

The options are non-transferable and will expire, if not exercised no more than one year following the date the optionee ceases to be a director or hold office of the Corporation by reason of death, or within a reasonable period after ceasing to be a director or officer for any reason other than death.

During the fiscal year which ended December 31, 2021 3,483,187 stock options were granted to four directors of the Corporation, as set out in the table below:

<b>Compensation Securities</b>							
<b>Name and position</b>	<b>Type of compensation security</b>	<b>Number of compensation securities, number of underlying securities and percentage of class</b>	<b>Date of issue or grant</b>	<b>Issue, conversion or exercise price (\$)</b>	<b>Closing price of security or underlying security on date of grant</b>	<b>Closing price of security or underlying security at year end</b>	<b>Expiry date</b>
J. Allison, President & CEO	Stock Options	750,000	March 26, 2019	\$0.075	\$0.10	\$0.03	Mar 25, 2029
L. Kambeitz, Director	Stock Options	1,933,187	March 26, 2019	\$0.075	\$0.10	\$0.03	Mar 25, 2029
W. Bernakevitch, Chairman	Stock Options	400,000	March 26, 2019	\$0.075	\$0.10	\$0.03	Mar 25, 2029
G. Fredrickson, Director	Stock Options	400,000	March 26, 2019	\$0.075	\$0.10	\$0.03	Mar 25, 2029

#### **SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

<b>Plan Category</b>	<b>(a)Number of securities to be issued upon exercise of outstanding options, warrants and rights</b>	<b>(b)Weighted-average exercise price of outstanding options, warrants and rights</b>	<b>(c)Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))</b>
<b>Equity compensation plans approved by security holders</b>	3,483,187	\$278,654.96	17,215,187
<b>Equity compensation plans not approved by security holders</b>	Nil	Nil	Nil
<b>Total</b>	3,483,187	\$278,654.96	17,215,187

#### **EMPLOYMENT, CONSULTING AND MANAGEMENT AGREEMENTS**

All management functions of the Corporation and its subsidiaries are performed by the directors and executive officers of the Corporation or its subsidiaries. These directors and officers are not compensated for providing these management services.

#### **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

Other than as disclosed herein, there are no material transactions with informed persons for the period applicable.

#### **APPOINTMENT OF AUDITORS**

On December 17, 2021, the Directors of the Corporation appointed PKF Antares as the Auditor for the Corporation. Management designees named in the enclosed Instrument of Proxy intend to vote for the reappointment of PKF Antares as the Auditor of the Corporation, to hold office until the close of the next Annual General Meeting of shareholders, or until PKF Antares is removed from office or resigns as provided

by the Corporation's bylaws, at a remuneration to be fixed by the Board.

## **PARTICULARS OF MATTERS TO BE CONSIDERED AND ACTED UPON**

### **AUDITED ANNUAL FINANCIAL STATEMENTS AND ANNUAL MANAGEMENT DISCUSSION AND ANALYSIS**

Copies of the Audited Annual Financial Statements ("AAFS") and Annual Management Discussion and Analysis ("AMDA") for the year ending March 31, 2024, as approved by the Board of the Corporation, can be viewed on the Corporation's website at [www.htcextraction.com](http://www.htcextraction.com) and are also available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). Upon request, HTC will promptly provide a copy of any such document free of charge to a securityholder of the Corporation. The AAFS and the AMDA and the accompanying Auditor's report will be considered at the Meeting.

### **NUMBER OF DIRECTORS**

At the Meeting, the shareholders of the Corporation will be asked to consider and, if thought fit, approve an ordinary resolution to fix the number of Directors to be elected at four (4).

**Unless otherwise indicated in the Instrument of Proxy, it is management's intention to vote the proxies in favour of the resolution fixing the number of Directors to be elected at four (4) for the next ensuing year.**

The text of the ordinary resolution which Management intends to place before the Meeting for the approval is as follows:

**"Be it resolved as an ordinary resolution of the Corporation that:**

- 1. the number of Directors to be elected for the next ensuing year, be fixed at the number four; and**
- 2. any one (or more) Director or Officer of the Corporation is authorized and directed, on behalf of the Corporation, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things (whether under corporate seal of the Corporation or otherwise) that may be necessary or desirable to give effect to this ordinary resolution."**

In order to be effective, an ordinary resolution requires approval of a majority of the votes cast by shareholders who vote in respect of the resolution.

### **ELECTION OF BOARD**

At the Meeting, the shareholders of the Corporation will be asked to vote in favour of the election of Mr. J. Allison, Mr. W. Bernakevitch, Mr. G. Fredrickson and Mr. L. Kambeitz, as directors to the Board of the Corporation. Management does not contemplate that any of such nominees will be unable to serve as directors, however, if for any reason any of the proposed nominees do not stand for election or are unable to serve as such, proxies in favour of management designees will be voted for another nominee in their discretion unless the shareholder has specified in his proxy that his shares are to be withheld from voting in the election of directors. Each director elected will hold office until the next Annual Meeting of shareholders or until his successor is duly elected, unless his office is earlier vacated in accordance with the By-laws of the Corporation.

**In the absence of contrary directions, the Management Designees intend to vote proxies in the accompanying form in favour of this ordinary resolution.**

The text of the ordinary resolution which Management intends to place before the Meeting for the approval is as follows:

**“Be it resolved as an ordinary resolution of the Corporation that:**

- 1. Messrs. Jeffrey Allison, Wayne Bernakevitch, Garth Fredrickson and Lionel Kambeitz be and are hereby elected as the Directors of the Corporation for the next ensuing year; and**
- 2. any one (or more) Director or Officer of the Corporation is authorized and directed, on behalf of the Corporation, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things (whether under corporate seal of the Corporation or otherwise) that may be necessary or desirable to give effect to this ordinary resolution.”**

In order to be effective, an ordinary resolution requires approval of a majority of the votes cast by shareholders in person or by proxy who vote in respect of this resolution.

### **APPOINTMENT OF AUDITOR AND REMUNERATION**

At the Meeting, the shareholders of the Corporation will be asked to consider and, if thought fit, approve an ordinary resolution to elect PKF Antares as the auditor for the Corporation.

**In the absence of contrary directions, the Management Designees intend to vote proxies in the accompanying form in favour of this ordinary resolution.**

The text of the ordinary resolution which Management intends to place before the Meeting for the approval is as follows:

**“Be it resolved as an ordinary resolution of the Corporation that:**

- 1. PKF Antares be and is hereby elected as auditor of the Corporation for the next ensuing year and the Directors are authorized to fix their remuneration; and**
- 2. any one (or more) Director or Officer of the Corporation is authorized and directed, on behalf of the Corporation, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things (whether under corporate seal of the Corporation or otherwise) that may be necessary or desirable to give effect to this ordinary resolution.”**

In order to be effective, an ordinary resolution requires approval of a majority of the votes cast by shareholders in person or by proxy who vote in respect of this resolution.

### **SPECIAL BUSINESS:**

#### **APPROVAL OF STOCK OPTION PLAN**

The Corporation grants stock options under a “rolling stock plan”, which was approved by the Corporation’s shareholders at its October 26, 2023, Annual General and Special Meeting of shareholders. In order to comply with Exchange policies, the shareholders of the Corporation must approve this Plan annually, subject to Exchange approval.

The Board approved the Plan by a directors’ resolution dated September 13, 2024. The Shareholders of the Corporation will be asked to consider and if thought fit, approve an ordinary resolution authorizing the Plan. **In the absence of contrary directions, the Management Designees, if named as proxy, intend to vote proxies in the accompanying form in favour of this ordinary resolution.**

The text of the ordinary resolution which management intends to place before the Meeting for the approval, adoption and ratification of the Plan is as follows:

**“Be it resolved as an ordinary resolution of the Corporation that:**

- 1. the stock option plan of the Corporation, substantially in the form attached as Exhibit “B” (the**

“Plan”) to the Management Information Circular of the Corporation prepared for the purpose of the Meeting, be and is hereby approved and adopted as the stock option plan of the Corporation;

2. the form of the Plan may be amended in order to satisfy the requirements or requests of any regulatory authorities, from time to time, without requiring further approval of the shareholders of the Corporation;
3. the shareholders of the Corporation hereby expressly authorize the Board to revoke this resolution before it is acted upon without requiring further approval of the shareholders in that regard; and
4. any one (or more) director or officer of the Corporation is authorized and directed, on behalf of the Corporation, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things (whether under corporate seal of the Corporation or otherwise) that may be necessary or desirable to give effect to this ordinary resolution.”

In order to be effective, an ordinary resolution requires approval of a majority of the votes cast by shareholders in person or by proxy who vote in respect of this resolution.

#### **OTHER MATTERS TO BE ACTED UPON**

Management of the Corporation is unaware of any other matters to come before the Annual General and Special Meeting of shareholders, other than the matters referred to in the Notice of Annual General and Special Meeting of Shareholders. However, if any other matters should properly come before the meeting or if amendments or variations to the matters referred to in the Notice of Annual General and Special Meeting of Shareholders are presented for action at the meeting, the Instrument of Proxy will be voted on such matters, amendments or variations in accordance with the best judgment of the persons voting the proxies, which confer discretionary authority to all the Directors.

#### **ADDITIONAL INFORMATION**

Additional information relating to the Corporation is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). Shareholders may contact the Corporation to request copies of the Corporation’s AAFS, unaudited interim financial statements, AMDA and interim management’s discussion and analysis at telephone number (306) 352-6132, by fax at (306) 545-3262, by email at [jallison@htcenergy.com](mailto:jallison@htcenergy.com) or in writing to HTC Extraction Systems, #002 – 2305 Victoria Avenue, Regina, SK, S4P 0S7.

The Corporation’s most recent annual financial information is provided in the Corporation’s comparative AAFS and AMDA for the year-ending March 31, 2024.

#### **BOARD APPROVAL**

The contents and sending of this circular have been approved by the Board of the Corporation.

*“Jeffrey Allison”*

**Jeffrey Allison President & CEO**

The Audit Committee (the “**Committee**”) is a committee of the Board of Directors (the “**Board**”), of HTC Pureenergy Inc. (dba HTC Extraction Systems) and its subsidiaries, (the “**Corporation**”), designed to assist the Board in monitoring (1) the integrity of the financial statements of the Corporation; (2) the adequacy of the Corporation’s internal controls; (3) the independence and performance of the Corporation’s external auditor; and (4) conflict of interest transactions.

**I. ROLES AND RESPONSIBILITIES**

A. **Maintenance of Charter.** The Committee shall review and reassess the adequacy of this formal written Charter on at least an annual basis.

B. **Financial Reporting.** The Committee shall review and make recommendations to the Board regarding the adequacy of the Corporation’s financial statements and compliance of such statements with financial standards. In particular, and without limiting such responsibilities, the Committee shall:

*With respect to the Annual Audited Financial Statements:*

- Review and discuss with management and with the Corporation’s external auditor the Corporation’s audited financial statements, management discussion and analysis (“**MD&A**”) and news releases regarding annual financial results before the Corporation publicly discloses this information.
- Review an analysis prepared by management and the external auditor of significant financial reporting issues and judgments made in connection with the preparation of the Corporation’s audited financial statements.
- Discuss with the external auditor the matters required to be discussed by National Instrument 52-107 *Acceptable Accounting Principles, Auditing Standards and Reporting Currency* (as may be modified or supplemented) (“**NI 52-107**”) relating to the conduct of the audit.
- Based on the foregoing, indicate to the Board whether the Committee recommends that the audited financial statements be included in the Corporation’s Annual Report, which includes the MD&A.

*With respect to Interim Unaudited Financial Statements:*

- Review and discuss with management and the external auditor the Corporation’s interim unaudited financial statements, MD&A and news releases regarding interim financial results before the Corporation publicly discloses this information. The review may be conducted through a designated representative member of the Committee who shall inform the Committee of any approvals granted at the next scheduled meeting.
- Discuss with the external auditor the matters required to be discussed by NI 52- 107.
- Approve interim unaudited financial statements and interim MD&A on behalf of the Board, if so delegated, provided that such approval is subsequently reported to the Board at its next meeting.

*Generally:*

- Be satisfied that adequate procedures are in place for the review of the Corporation’s public disclosure of financial information extracted or derived from the Corporation’s financial statements and annually assess the adequacy of those procedures.

C. **Internal Controls.** The Committee shall evaluate and report to the Board regarding the adequacy of the Corporation’s financial controls. In particular, the Committee shall:

- Ensure that the external auditor is aware that the Committee is to be informed of all control problems identified.
- Ensure that the external auditor is in good standing with the Canadian Public Accountability Board (CPAB) and enquire if there are any sanctions imposed by the CPAB on the external auditor.
- Review with the Corporation’s counsel legal matters that may have a material impact on the financial statements.
- Review the effectiveness of systems for monitoring compliance with law, regulations and instruments relating to financial reporting.
- Receive periodic updates from management, legal counsel, and the external auditor concerning financial compliance.
- Establish procedures of the receipt, retention and treatment of complaints received by the Corporation regarding

accounting, internal accounting controls or auditing matters.

- Establish procedures for the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

**D. Relationship with External Auditor.** The Committee shall:

- Interview, evaluate and make recommendations to the Board with respect to the nomination and retention of or replacement of, the external auditor.
- Ensure receipt from external auditor of a formal written statement delineating all relationships between the external auditor and the Corporation.
- Actively engage in a dialogue with the external auditor with respect to any disclosed relationships or services that may impact the objectivity and independence of the external auditor.
- Take, or recommend that the Board take, appropriate action to oversee the independence of the external auditor.
- Review and recommend for approval by the Board the compensation to be paid to the external auditor.
- Oversee the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation.
- Review and resolve disagreements between management and the external auditor regarding financial reporting.
- Pre-approve all non-audit services to be provided to the Corporation by the external auditor in accordance with subsection 2.3(4) and sections, 2.4 and 2.6 of National Instrument 52-110 *Audit Committees* ("NI 52-110").
- Review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Corporation.

Notwithstanding the foregoing, the external auditor shall be ultimately accountable to the Board and the Committee, as representatives of Shareholders and the external auditor shall report directly to the Committee. The Board, upon recommendation from the Committee, shall have ultimate authority and responsibility to select, evaluate and, where appropriate, replace the external auditor (or to nominate the external auditor to be proposed for shareholder approval in any information circular).

**E. Conflict of Interest Transactions.** The Committee shall:

- Review potential conflict of interest situations including transactions between the Corporation and its officers, directors and significant shareholders not in their capacities as such.
- Make recommendations to the Board regarding the disposition of conflict of interest transactions in accordance with applicable law.

**II. MEMBERSHIP REQUIREMENTS**

- The Committee shall consist of at least three directors chosen by the Board.
- Subject to the provisions of this Section II, a majority of the members of the Committee shall not be executive officers, employees or control persons of the Corporation or of an affiliate of the Corporation.
- If a circumstance arises that affects the business or operations of the Corporation, and the Committee reasonably concludes that the circumstance can be best addressed by a member of the Committee becoming an executive officer or employee of the Corporation, then the member so appointed, may serve in that position until the later of the next annual meeting of the Corporation or the date that is six months after the date on which the circumstance arose.
- If a member becomes a control person of the Corporation or of an affiliate of the Corporation, for reasons outside the member's reasonable control, that member may serve on the Committee until the later of the next annual meeting of the Corporation or the date that is six months after the event which caused the member to become a control person.
- If a vacancy on the Committee arises as a result of the death, incapacity or resignation of a member and the Board is required to fill the vacancy, then the Board may fill such vacancy, regardless of the fact that such appointed individual is an executive officer, employee or control person of the Corporation or of an affiliate of the Corporation, and such member may serve as a member of the Committee, until the later of the next annual meeting of the Corporation or the date that is six months from the day the vacancy was created.
- At least one member of the Committee shall be able to read and understand a set of financial statements, including the

Corporation's balance sheet, income statement, and cash flow statement, or will become able to do so within a reasonable period of time after his or her appointment to the Committee.

- At least one member of the Committee shall have past employment experience in finance or accounting, requisite professional certification in accounting, or comparable experience or background (such as a position as a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities), which results in financial sophistication, recognized financial or accounting expertise.
- The Board shall ensure, as far as possible, that at least one independent director serves on the Committee.

### **III. STRUCTURE AND POWERS**

- The Committee shall appoint one of its members to act as a chairperson, either generally or with respect to each meeting.
- The Committee chairperson shall review and approve an agenda in advance of each meeting.
- The Committee shall meet at least annually or more frequently as circumstances dictate.
- The Committee shall have the authority to engage independent legal counsel and other advisors as it determines necessary to carry out its duties, and to set and pay the compensation for any advisors employed by the Committee.
- The Committee shall have the authority to communicate directly with the internal and external auditors.
- The Committee may request any officer or employee of the Corporation or the Corporation's outside counsel or external auditor to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.
- The Committee shall possess the power to conduct any investigation appropriate to fulfilling its responsibilities.
- The Committee may delegate to one or more independent members the authority to pre-approve non-audit services in satisfaction of the requirements in subsection 2.3(4) of NI 52-110, and such pre-approval must be presented to the Committee at its first scheduled meeting following such pre-approval.

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Corporation's financial statements are complete and accurate and are in accordance with generally accepted accounting principles. This is the responsibility of management and the external auditor. Nor is it the duty of the Committee to conduct investigations or to assure compliance with laws and regulations and the Corporation's Corporate Governance Policies and Practices.

### **IV. MEETINGS**

- The quorum for a meeting of the Committee is a majority of the members of the Committee.
- The members of the Committee must elect a chair from among their number and may determine their own procedures.
- The Committee may establish its own agenda that it will provide to the Board in advance.
- The external auditor is entitled to receive reasonable notice of every meeting of the Committee and to attend and be heard thereat.
- A member of the Committee or the external auditor may call a meeting of the Committee.
- The Committee may hold meetings by telephone conference call where each member can hear the other members or pass matters that would otherwise be approved at a meeting by all members signing consent resolutions in lieu of holding a meeting.
- The Committee will meet with the President and with the Chief Financial Officer of the Corporation, at least annually to review the financial affairs of the Corporation.
- The Committee will meet with the external auditor of the Corporation at least annually, at such time as it deems appropriate, to review the external auditor's examination and report.
- The chair of the Committee must convene a meeting of the Committee at the request of the external auditor, to consider any matter that the auditor believes should be brought to the attention of the Board or the Shareholders.
- The Committee will record its recommendations to the Board in written form which will be incorporated as a part of the minutes of the Board's meeting at which those recommendations are presented.
- The Committee will maintain written minutes of its meetings, which minutes will be filed with the minutes of the meeting of the Board.

**1. Definitions**

Capitalized terms used herein, and not defined, shall bear the meaning ascribed to them in Policy 4.4 (“**Incentive Stock Options**”) as set out in the TSX Venture Exchange Inc. Corporate Finance Manual.

**2. Purpose**

The purpose of the Stock Option Plan (the “**Plan**”) of HTC Pureenergy Inc., a corporation incorporated under the *Business Corporations Act* (Alberta) (the “**Corporation**”) is to advance the interests of the Corporation by encouraging the Directors, Employees and Consultants of the Corporation, and of its subsidiaries and affiliates, if any, to acquire Common Shares in the share capital of the Corporation (the “**Shares**”), thereby increasing their proprietary interest in the Corporation, encouraging them to remain associated with the Corporation and furnishing them with additional incentive in their efforts on behalf of the Corporation in the conduct of its affairs.

**3. Administration**

The Plan shall be administered by the board of directors of the Corporation (“**Board**”) or by a special committee of the Directors appointed from time to time by the Board pursuant to rules of procedure fixed by the Board. A majority of the Board 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, regulatory and legal requirements, the Board 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 shall be binding and conclusive on all participants in the Plan and on their legal personal representatives and beneficiaries.

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

**4. Stock Exchange Rules and Securities Law**

All options granted pursuant to this Plan shall be subject to rules and policies of any stock exchange or exchanges on which the Common Shares of the Corporation are then listed and any other regulatory body having jurisdiction hereinafter (hereinafter collectively referred to as, the “**Exchange**”).

**5. Shares Subject to Plan**

Subject to adjustment as provided in Section 17 hereof, the Shares to be offered under the Plan shall consist of Shares of the Corporation's authorized but unissued Shares. The aggregate number of Shares issuable upon the exercise of all options granted under the Plan shall not exceed 10 per cent of the issued and outstanding Shares of the Corporation from time to time. If any option granted hereunder shall expire or terminate for any reason in accordance with the terms of the Plan without being exercised, the unpurchased Shares subject thereto shall again be available for the purpose of this Plan.

**6. 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.

**7. Eligibility and Participation**

Directors, Consultants, and Employees of the Corporation or its subsidiaries, and Management Corporation Employees shall be eligible for selection to participate in the Plan (such persons hereinafter collectively referred to as “**Participants**”). Subject to compliance with applicable requirements of the Exchange, Participants may elect to hold options granted to them in an incorporated entity wholly owned by them and such entity shall be bound by the Plan in the same manner as if the options were held by the Participant.

Subject to the terms hereof, the Board 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 vested, and the number of Shares to be subject to each option. In the case of Employees or Consultants of the Corporation or

Management Corporation Employees, the option agreements to which they are party must contain a representation of the Corporation that such Employee, Consultant or Management Corporation Employee, as the case may be, is a bona fide Employee, Consultant or Management Corporation Employee of the Corporation or its subsidiaries.

A Participant who has been granted an option may, if such Participant is otherwise eligible, and if permitted under the policies of the Exchange, be granted an additional option or options if the Board shall so determine.

#### **8. Exercise Price**

(a) The exercise price of the Shares subject to each option shall be determined by the Board, subject to applicable Exchange approval, at the time any option is granted. In no event shall such exercise price be lower than the exercise price permitted by the Exchange. For greater certainty, at no time shall the exercise price be less than the Discounted Market Price, as this term is defined in the Policy 1.1 of the Exchange.

(b) Once the exercise price has been determined by the Board, accepted by the Exchange and the option has been granted, the exercise price of an option may be reduced upon receipt of Board approval and TSX approval (if required), provided that in the case of options held by insiders of the Corporation (as defined in the Policy 1.1 of the Exchange), the exercise price of an option may be reduced only if disinterested Shareholder approval is obtained.

#### **9. Hold Period**

In addition to any Resale Restrictions under Securities Laws, where the exercise price of the stock option is based on the Discounted Market Price, all stock options and any Shares issued on the exercise of the stock options will have a legend affixed with the Exchange Hold Period (as defined in Policy 3.2) commencing on the date the stock options were granted

#### **10. Number of Optioned Shares**

(a) The number of Shares subject to an option granted to any one Participant shall be determined by the Board, but no one Participant shall be granted an option which exceeds the maximum number permitted by the Exchange.

(b) No single Participant may be granted options to purchase a number of Shares equaling more than 5% of the issued Shares of the Corporation in any twelve-month period unless the Corporation has obtained disinterested Shareholder approval in respect of such grant and meets applicable Exchange requirements.

(c) Options shall not be granted if the exercise thereof would result in the issuance of more than 2% of the issued Shares of the Corporation in any twelve-month period to any one Consultant of the Corporation (or any of its subsidiaries).

(d) Options shall not be granted if the exercise thereof would result in the issuance of more than 2% of the issued Shares of the Corporation in any twelve-month period to persons employed to provide Investor Relations Activities. Options granted to Consultants performing Investor Relations Activities will contain vesting provisions such that vesting occurs over at least 12 months with no more than  $\frac{1}{4}$  of the options vesting in any 3-month period. The Corporation shall have the right to establish appropriate procedures to monitor the trading of the Shares by the Optionees performing the Investor Relations Activities.

#### **11. Duration of Option, Cancellation or Expiry**

Each option and all rights thereunder shall be expressed to expire on the date set out in the option agreement and shall be subject to earlier termination as provided in Sections 13 and 14, provided that in no circumstances shall the duration of an option exceed the maximum term permitted by the Exchange. For greater certainty, the maximum term may not exceed 10 years.

Options that have been cancelled or that have expired without being exercised shall continue to be issuable under the Plan. The expiry date of a stock option may automatically be extended if such expiry date falls within a period (a “**blackout period**”) during which the Corporation prohibits Participants from exercising their stock options. The following requirements are applicable to any such automatic extension provision:

(a) The blackout period must be formally imposed by the Corporation pursuant to its internal trading policies as a result of the bona fide existence of undisclosed material information. For greater certainty, in the absence of the Corporation formally imposing a blackout period, the expiry date of any options will not be automatically extended in any circumstances.

(b) The blackout period must expire upon the general disclosure of the undisclosed material information. The expiry date of the affected stock options can be extended to no later than ten (10) business days after the expiry of the blackout period.

(c) The automatic extension of a Participant's options will not be permitted where the Participant or the Corporation is subject to a cease trade order (or similar order under Securities Laws) in respect of the Corporation's securities.

## **12. Option Period, Consideration and Payment**

(a) The option period shall be a period of time fixed by the Board not to exceed the maximum term permitted by the Exchange, provided that the option period shall be reduced with respect to any option as provided in Sections 13 and 14 covering cessation as a Director, Consultant, Employee or Management Corporation Employee of the Corporation or its subsidiaries, or death of the Participant.

(b) Subject to any vesting restrictions imposed by the Exchange, the Board may, in its sole discretion, determine the time during which options shall vest and the method of vesting, or that no vesting restriction shall exist.

(c) Subject to any vesting restrictions imposed by the Board, options may be exercised in whole or in part at any time and from time to time during the option period. To the extent required by the Exchange, no options may be exercised under this Plan until this Plan has been approved by a resolution duly passed by the Shareholders of the Corporation.

(d) Except as set forth in Sections 13 and 14, no option may be exercised unless the Participant is at the time of such exercise a Director, Consultant, or Employee of the Corporation or any of its subsidiaries, or a Management Corporation Employee of the Corporation or any of its subsidiaries.

(e) The exercise of any option will 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 bank transfer, and no exercise shall be complete until such payment has cleared the bank, for the full purchase price of such Shares with respect to which the option is exercised. No Participant or his legal representatives, legatees or distributees will be, or will be deemed to be, a holder of any Shares of the Corporation unless and until the certificates for Shares issuable pursuant to options under the Plan are issued to him or them under the terms of the Plan.

## **13. Ceasing To Be a Director, Officer, Consultant or Employee**

If a Participant shall cease to be a Director, Consultant, Employee of the Corporation, or its subsidiaries, or ceases to be a Management Corporation Employee, for any reason (other than death), such Participant may exercise his option to the extent that the Participant was entitled to exercise it at the date of such cessation, provided that such exercise must occur within a reasonable period following the date the Participant ceases to be in that role.

Nothing contained in the Plan, nor in any option granted pursuant to the Plan, shall as such confer upon any Participant any right with respect to continuance as a Director, Consultant, Employee or Management Corporation Employee of the Corporation or of any of its subsidiaries or affiliates.

## **14. Death of Participant**

Notwithstanding section 13, in the event of the death of a Participant, the option previously granted to him shall be exercisable only within the one (1) year after such death and then only:

(a) by the person or persons to whom the Participant's rights under the option shall pass by the Participant's will or the laws of descent and distribution; and

(b) if and to the extent that such Participant was entitled to exercise the Option at the date of his death.

## **15. 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 and delivered.

**16. Proceeds from Sale of Common Shares**

The proceeds from the 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 may determine.

**17. Adjustments**

If the outstanding Shares of the Corporation are increased, decreased, changed into or exchanged for a different number or kind of shares or securities of the Corporation or another corporation or entity through re-organization, merger, re-capitalization, re-classification, stock dividend, subdivision or consolidation, any adjustments relating to the Shares optioned or issued on exercise of options and the exercise price per Share as set forth in the respective stock option agreements shall be made in accordance to the terms of such agreements.

Adjustments under this Section shall be made by the Board whose determination as to what adjustments shall be made, and the extent thereof, shall be final, binding, and conclusive. No fractional Share shall be required to be issued under the Plan on any such adjustment.

**18. Transferability**

All benefits, rights and options accruing to any Participant in accordance with the terms and conditions of the Plan shall not be transferable or assignable unless specifically provided herein or the extent, if any, permitted by the Exchange. During the lifetime of a Participant any benefits, rights and options may only be exercised by the Participant or the Participant's heirs or administrators, as provided for herein.

**19. Amendment and Termination of Plan**

Subject to applicable approval of the Exchange, the Board may, at any time, suspend or terminate the Plan. Subject to applicable approval of the Exchange, the Board may also at any time amend or revise the terms of the Plan; provided that no such amendment or revision shall result in a material adverse change to the terms of any options theretofore granted under the Plan, unless Shareholder approval, or disinterested Shareholder approval, as the case may be, is obtained for such amendment or revision.

**20. Necessary Approvals**

The ability of a Participant to exercise options and 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 Shareholders of the Corporation and any regulatory authority or stock exchange having jurisdiction over the securities of the Corporation. If any Shares cannot be issued to any Participant 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 Participant.

Notwithstanding the aforesaid, the Corporation shall obtain disinterested Shareholder approval of stock options in the event that:

- a) the Plan, together with all of the Corporation's previously established and outstanding stock option plans or grants, could result at any time in:
  - i) The number of Shares reserved for issuance under the stock options granted to Insiders exceeding 10% of the issued Shares;
  - ii) The grant to Insiders, within a 12-month period, of a number of options exceeding 10% of the issued Shares; or
  - iii) The issuance to any one Participant, within a 12-month period, of a number of Shares exceeding 5% of the issued Shares; or
- b) The Corporation is decreasing the exercise price of stock options previously granted to Insiders.

**21. Effective Date of Plan**

The Plan has been adopted by the Board of the Corporation subject to the approval of the Exchange and, if so approved, subject to the discretion of the Board, the Plan shall become effective upon such approvals being obtained.

**22. Interpretation**

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

**MADE** by the Board of Directors of the Corporation as evidenced by the signature of the following Director duly authorized in that behalf effective September 13, 2024, and approved by the shareholders of the Corporation on October 26, 2023.

**HTC Pureenergy Inc.**

Per: “Wayne Bernakevitch”  
**Wayne Bernakevitch Chairman**