



KELT EXPLORATION LTD.

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON

APRIL 19, 2023

MANAGEMENT INFORMATION CIRCULAR

March 9, 2023

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KELT EXPLORATION LTD.

Suite 300, 311 – 6th Avenue SW
Calgary, Alberta
T2P 3H2

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT an annual and special meeting (the “**Meeting**”) of holders of common shares (“**Common Shares**”) of Kelt Exploration Ltd. (the “**Corporation**”) to be held virtually via live audio webcast, available online using the LUMI meeting platform at <https://web.lumiagm.com/295856036>, on Wednesday, April 19, 2023 at 3:00 p.m. (Calgary time), for the following purposes:

1. to receive the audited financial statements of the Corporation for the year ended December 31, 2022 and the report of the auditors thereon;
2. to fix the number of directors to be elected at the Meeting at six (6);
3. to elect the board of directors of the Corporation for the ensuing year;
4. to appoint PricewaterhouseCoopers LLP, Chartered Professional Accountants, as auditors of the Corporation for the ensuing year, at a remuneration to be fixed by the board of directors;
5. to approve a special resolution authorizing an amendment to the articles of the Corporation to amend the Preferred shares of the Corporation, as described in the accompanying Management Information Circular;
6. to approve an ordinary resolution adopting, ratifying and confirming amended and restated by-laws of the Corporation, as described in the accompanying Management Information Circular; and
7. to transact such other business as may be properly brought before the Meeting or any adjournment or adjournments thereof.

The details of all matters proposed to be put before shareholders at the Meeting are set forth in the Management Information Circular accompanying this Notice of Meeting. Only shareholders of record at the close of business on March 3, 2023 are entitled to notice of and to attend the Meeting or any adjournment or adjournments thereof and to vote thereat.

DATED at the City of Calgary, in the Province of Alberta this 9th day of March, 2023.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) “*David J. Wilson*”

David J. Wilson
President and Chief Executive Officer

IMPORTANT

The Corporation intends on holding the Meeting as a virtual (by electronic means) shareholder meeting only. A summary of the information you need to participate in the Meeting online is provided under the Management Information Circular accompanying this Notice of Meeting.

It is desirable that as many Common Shares as possible are represented at the Meeting. If you do not expect to attend and would like your Common Shares represented, please complete the enclosed Instrument of Proxy and return it as soon as possible in the envelope provided for that purpose. Shareholders who do not hold their Common Shares in their own name are strongly encouraged to complete the voting instruction forms received from their broker as soon as possible and to follow the instructions set out under “Advice to Beneficial

Shareholders” in the accompanying Management Information Circular. In accordance with the by-laws of the Corporation, all proxies, to be valid, must be deposited at the office of the Registrar and Transfer Agent of the Corporation, Odyssey Trust Company, 702, 67 Yonge Street, Toronto, ON M5E 1J8, Attention: Proxy Department, no later than 3:00 p.m. (Calgary time) on April 17, 2023, or not less than 48 hours (excluding Saturdays and holidays) preceding any adjournment of the Meeting. Registered shareholders may also use the internet site at <https://login.odysseytrust.com/pxlogin> to transmit their voting instructions.

KELT EXPLORATION LTD.
MANAGEMENT INFORMATION CIRCULAR
ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON
APRIL 19, 2023

This Management Information Circular is furnished in connection with the solicitation of proxies by the management of Kelt Exploration Ltd. (“**Kelt**” or the “**Corporation**”) for use at the annual and special meeting of the holders of common shares (the “**Common Shares**”) of the Corporation to be held virtually via live audio webcast, available online using the LUMI meeting platform at <https://web.lumiagm.com/295856036>, on Wednesday, April 19, 2023 at 3:00 p.m. (Calgary time) (the “**Meeting**”), or at any adjournment thereof, for the purposes set forth in the Notice of Meeting. The information contained herein is given as of the 9th day of March, 2023 except where otherwise indicated. There is enclosed herewith an Instrument of Proxy for use at the Meeting, together with a copy of the Corporation’s audited financial statements for the financial year ended December 31, 2022, to be presented at the Meeting.

Amid ongoing concerns about the Coronavirus (COVID-19) outbreak, the Corporation remains mindful of the well-being of our shareholders and their families, our industry partners and other stakeholders as well as the communities in which we operate. The Corporation intends on holding the Meeting as a virtual (by electronic means) shareholder meeting only. A summary of the information you need to participate in the Meeting online is provided under “Voting At the Meeting” below.

In order to ensure as many Common Shares as possible are represented at the Meeting, shareholders are strongly encouraged to complete the enclosed Instrument of Proxy and return it as soon as possible in the envelope provided for that purpose following the instructions set out under “Appointment and Revocation of Proxies” below. Shareholders who do not hold their Common Shares in their own name are strongly encouraged to complete the voting instruction forms received from their broker as soon as possible and to follow the instructions set out under “Advice to Beneficial Shareholders” below.

PERSONS MAKING THE SOLICITATION

This solicitation is made on behalf of the management of the Corporation. The cost incurred in the preparation and mailing of both the Instrument of Proxy and this Management Information Circular will be borne by the Corporation. In addition to the use of mail, proxies may be solicited by personal interviews, personal delivery, telephone or any form of electronic communication by directors, officers and employees of the Corporation who will not be directly compensated therefor. Any third party costs thereof will be borne by the Corporation.

In accordance with National Instrument 54-101 - *Communications with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 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 doing so.

VOTING AT THE MEETING

The Meeting will be held virtually via live audio webcast, available online using the LUMI meeting platform at <https://web.lumiagm.com/295856036>, on Wednesday, April 19, 2023 at 3:00 p.m. (Calgary time) for the purposes set forth in the accompanying Notice of Meeting. Given this new format, all shareholders are strongly advised to carefully read the voting instructions below that are applicable to them.

Voting by Registered Shareholders

Shareholders who hold Common Shares registered directly in their name may vote at the Meeting virtually by following the steps listed below:

- (a) Type <https://web.lumiagm.com/295856036> into the URL bar of your internet browser at least 15 minutes before the Meeting starts. Please do not do a Google search. Do not use Internet Explorer. The best browser to use the Lumi platform is Google Chrome.
- (b) Click on “I have a log in”.
- (c) Enter your 12-digit control number (found on your proxy form).
- (d) Enter the password: kelt2023 (case sensitive).
- (e) When the ballots have been opened, you will see them appear on your screen.

Each shareholder submitting a proxy has the right to appoint a person to represent him or it at the Meeting other than the persons designated in the instrument of proxy furnished by the Corporation. The shareholder may exercise this right by following the instructions under “Appointment of a Third Party as Proxy” below.

Appointment of a Third Party as Proxy

The following applies to shareholders who wish to appoint a person (a “**third party proxyholder**”) other than the management nominees set forth in the form of proxy or voting instruction form as proxyholder, including shareholders who do not hold their Common Shares in their own name (referred to herein as “**Beneficial Shareholders**”), who wish to appoint themselves as proxyholder to attend, participate or vote at the Meeting.

Shareholders who wish to appoint a third party proxyholder to attend, participate or vote at the Meeting as their proxy and vote their Common Shares **MUST** submit their proxy or voting instruction form (as applicable) appointing such third party proxyholder **AND** register the third party proxyholder, as described below. Registering your proxyholder is an additional step to be completed **AFTER** you have submitted your proxy or voting instruction form. Failure to register the proxyholder will result in the proxyholder not receiving a Username to attend, participate or vote at the Meeting.

Step 1: Submit your proxy or voting instruction form: To appoint a third party proxyholder, insert such person’s name in the blank space provided in the form of proxy or voting instruction form (if permitted) and follow the instructions for submitting such form of proxy or voting instruction form. This must be completed prior to registering such proxyholder, which is an additional step to be completed once you have submitted your form of proxy or voting instruction form. If you are a Beneficial Shareholder located in the United States, you must also provide Odyssey Trust Company with a duly completed legal proxy if you wish to attend, participate or vote at the Meeting or, if permitted, appoint a third party as your proxyholder. See below under this section for additional details.

Step 2: Register your proxyholder: To register a proxyholder, shareholders **MUST** send an email to appointee@odysseytrust.com by 3:00 p.m. (Calgary time) on April 17, 2023 and provide Odyssey Trust Company with the required proxyholder contact information, amount of Common Shares appointed, name in which the Common Shares are registered if they are a registered shareholder, or name of broker where the Common Shares are held if a Beneficial Shareholder, so that Odyssey Trust Company may provide the proxyholder with a Username via email. Without a Username, proxyholders will not be able to attend, participate or vote at the Meeting.

If you are a Beneficial Shareholder and wish to attend, participate or vote at the Meeting, you have to insert your own name in the space provided on the voting instruction form sent to you by your intermediary, follow all of the applicable instructions provided by your intermediary AND register yourself as your proxyholder, as described above. By doing so, you are instructing your intermediary to appoint you as proxyholder. It is important that you comply with the signature and return instructions provided by your intermediary. Please also see further instructions below under “Voting by Third Party Proxyholder” below.

Voting by Third Party Proxyholder

A third party proxyholder may vote at the Meeting virtually by following the steps listed below:

- (a) Appoint yourself as proxyholder by writing your name in the space provided on the form of proxy or voting information form. Do not fill out your voting instructions.
- (b) Sign and send it to your intermediary, adhering to the voting deadline and submission instructions on the voting instruction form.
- (c) Obtain a control number by contacting Odyssey Trust Company by emailing appointee@odysseytrust.com by 3:00 p.m. (Calgary time) on April 17, 2023 with the required proxyholder contact information, amount of Common Shares appointed, name in which the Common Shares are registered if they are a registered shareholder, or name of broker where the Common Shares are held if a Beneficial Shareholder.
- (d) Type <https://web.lumiagm.com/295856036> in your browser at least 15 minutes before the Meeting starts. Please do not do a Google search. Do not use Internet Explorer. The best browser to use the Lumi platform is Google Chrome.
- (e) Click on “I have a log in”.
- (f) Enter your 12-digit control number provided by Odyssey Trust Company through email.
- (g) Enter the password: kelt2023 (case sensitive)
- (h) When the ballots have been opened, you will see them appear on your screen.

APPOINTMENT AND REVOCATION OF PROXIES

Those shareholders desiring to be represented by proxy must deposit their respective forms of proxy with Odyssey Trust Company (the “**Transfer Agent**”) at 702, 67 Yonge Street, Toronto, ON M5E 1J8, Attention: Proxy Department in the enclosed self-addressed envelope, by no later than 3:00 p.m. (Calgary time) on April 17, 2023 or not less than 48 hours (excluding Saturdays and holidays) preceding any adjournment of the Meeting. A proxy must be executed by the shareholder or by his or her attorney authorized in writing, or if the shareholder is a corporation, under its seal or by an officer or attorney thereof duly authorized. Registered shareholders may also cast their vote by faxing their proxy to 1-800-517-4553 or by internet (<https://login.odysseytrust.com/pxlogin>) by following the instructions provided on the form. If you choose to vote by internet, your vote must also be cast no later than 48 hours, excluding Saturdays, Sundays and holidays prior to the time of the Meeting. A proxy is valid only at the Meeting in respect of which it is given or any adjournment of the Meeting.

Each shareholder submitting a proxy has the right to appoint a person to represent him, her or it at the Meeting other than the persons designated in the form of proxy furnished by the Corporation. The shareholder may exercise this right by following the instructions under “Voting At The Meeting - Appointment of a Third Party as Proxy” above.

An instrument of proxy may be revoked by the person giving it at any time prior to the exercise thereof. If a person who has given a proxy attends personally at the Meeting at which such proxy is to be voted, such person may revoke the proxy and vote in person by depositing an instrument in writing executed by the shareholder or its attorney authorized in writing with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the shareholder or its attorney authorized in writing, or if the shareholder is a corporation, under its seal or by an officer or attorney thereof duly authorized, and deposited with the Transfer Agent at the place specified above for the deposit of proxies and at any time up to and including the last business day preceding the Meeting, or any adjournment thereof.

NOTICE-AND-ACCESS

The Canadian Securities Administrators have adopted amendments to NI 54-101, which allow for the use of the “notice-and-access” regime for the delivery of meeting materials.

Under the notice-and-access regime, reporting issuers are permitted to deliver the meeting materials by posting them on SEDAR as well as a website other than SEDAR and sending a notice package to each shareholder receiving the meeting materials under this regime. The notice package must include: (i) the relevant form of proxy or voting instruction form; (ii) basic information about the meeting and the matters to be voted on; (iii) instructions on how to obtain a paper copy of the meeting materials; and (iv) a plain language explanation of how the notice-and-access system operates and how the meeting materials can be accessed online. Where prior consent has been obtained, a reporting issuer can send this notice package to shareholders electronically. This notice package must be mailed to shareholders from whom consent to electronic delivery has not been received.

The Corporation has elected to send its meeting materials to Beneficial Shareholders (as defined herein) using the notice-and-access regime. Accordingly, the Corporation will send the above-mentioned notice package to Beneficial Shareholders which includes instructions on how to access the Corporation’s meeting materials online and how to request a paper copy of these materials. Distribution of the Corporation’s meeting materials pursuant to the notice-and-access regime has the potential to substantially reduce printing and mailing costs.

Notwithstanding the notice-and-access regime, the *Business Corporations Act* (Alberta) (“ABCA”) requires the Corporation to deliver a paper copy of the meeting materials to a registered shareholder unless such shareholder provides written consent to electronic delivery. In order to ensure compliance with the ABCA, registered shareholders who have not previously consented to electronic delivery will be mailed a copy of the meeting materials this year, together with a mail card soliciting a registered shareholders consent to electronic delivery in future years.

EXERCISE OF DISCRETION

The Common Shares represented by the enclosed form of proxy will be voted or withheld from voting in accordance with the instructions of the shareholder. **The persons appointed under the enclosed form of proxy are conferred with discretionary authority with respect to amendments or variations of those matters specified in the proxy and Notice of Meeting and with respect to any other matters which may properly be brought before the Meeting or any adjournment thereof. If any such matters should come before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote such proxy in accordance with their best judgment unless the shareholder has specified to the contrary or that Common Shares are to be withheld from voting. At the time of printing this Management Information Circular, management of the Corporation is not aware of any such amendment, variation or other matter.**

Unless otherwise specified, proxies in the accompanying form will be voted or withheld from voting on any motion, by ballot or otherwise, in accordance with any indicated instructions. In the absence of such direction, such shares will be voted for the resolutions referred to in items 1, 2, 3, 4 and 5 of the proxy.

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 do not hold their Common Shares in their own name (referred to herein as “**Beneficial Shareholders**”) are advised that only proxies from shareholders of record can be recognized and voted upon at the Meeting. If Common Shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those Common Shares will not be registered in the shareholder’s name on the records of the Corporation. Such Common Shares will more likely be registered under the name of the shareholder’s broker or an agent of that broker. In Canada, the vast majority of such Common Shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms). 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 or her broker, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered shareholder and vote the Common Shares in that capacity.

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders’ 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 Financial Solutions, Inc. (“**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 Common 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 or her broker, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered shareholder and vote the Common Shares in that capacity. **Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxyholder for the registered shareholder, should follow the instructions set out under “Voting At The Meeting – Appointment of a Third Party as Proxy” above.**

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. All references to shareholders in this Management Information Circular and the accompanying instrument of proxy and Notice of Meeting are to shareholders of record, unless specifically stated otherwise.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

As at March 9, 2023, the Corporation had 192,034,365 Common Shares outstanding. Each Common Share confers upon the holder thereof the right to one vote. The close of business on March 3, 2023 is the record date for the determination of shareholders who are entitled to notice of, and to attend and vote at, the Meeting (the “**Record Date**”). Only those shareholders of record on the Record Date are entitled to notice of, and to attend and vote at the Meeting. Any transferee or person acquiring Common Shares after the Record Date may, on

proof of ownership of Common Shares, demand of the Transfer Agent not later than 10 days before the Meeting that his or her name be included in the list of persons entitled to attend and vote at the Meeting.

Two or more holders of 25% of the Common Shares present in person or represented by proxy constitutes a quorum for the Meeting.

To the knowledge of the directors and executive officers of the Corporation, as of the date hereof no person or company beneficially owns, or controls or directs, directly or indirectly voting securities of the Corporation carrying 10% or more of the voting rights attached to all voting securities of the Corporation, except as follows:

Name and Province or State and Country of Residence	Type of Ownership	Securities Held	% of Common Shares Beneficially owned, or Controlled or Directed, Directly or Indirectly
GMT Capital Corp.	Direct and Indirect	41,273,050 ⁽¹⁾	21.5%
David J. Wilson Alberta, Canada	Direct and Indirect	26,287,742 ⁽²⁾	13.7%

Notes:

- (1) As of February 10, 2023, based on the Form 62-103F2 *Required Disclosure by an Eligible Institutional Investor under Part 4* filed on SEDAR by GMT Capital Corp. on February 10, 2023. Includes 41,034,050 common shares in managed accounts of GMT Capital Corp. and 239,000 common shares held by GMT Exploration Company LLC.
- (2) Mr. Wilson controls 710719 Alberta Inc., which owns 4,133,135 Common Shares, is a trustee of the David and Penny Wilson Family Foundation, which owns 2,656,367 Common Shares and is a trustee of the David Wilson Family Trust, which owns 258,200 Common Shares.

ADVANCE NOTICE BYLAW

The bylaws of the Corporation include a provision regarding advance notice of nominations of directors of the Corporation (the “**Advance Notice By-law**”), which was filed on SEDAR, on March 9, 2023 and can also be found on the Corporation’s website. The Advance Notice By-law contains advance notice provisions, which provide shareholders, the board of directors of the Corporation (the “**Board**”) and management of the Corporation with a clear framework for nominating directors to help ensure orderly business at shareholder meetings by effectively preventing a shareholder from putting forth director nominations from the floor of a shareholder meeting without prior notice. Among other things, the Advance Notice By-law fixes a deadline by which shareholders must submit notice of director nominations to the Corporation prior to any annual or special meeting of shareholders. It also specifies the information that a nominating shareholder must include in the notice to the Corporation regarding each director nominee and the nominating shareholder for the notice to be in proper written form in order for any director nominee to be eligible for nomination and election at any annual or special meeting of shareholders. These requirements are intended to provide all shareholders with the opportunity to evaluate and review the proposed candidates and vote on an informed and timely manner regarding such nominees. The Advance Notice By-law does not affect nominations made pursuant to a “proposal” made in accordance with the ABCA or a requisition of a meeting of shareholders made pursuant to the ABCA. As of the date of this Management Information Circular, the Corporation has not received any nominations pursuant to the advance notice provisions contained in the Advance Notice By-law.

MATTERS TO BE ACTED UPON AT THE MEETING

1. Financial Statements and Auditors’ Report

At the Meeting, shareholders will receive and consider the financial statements of the Corporation for the year ended December 31, 2022 and the auditors’ report thereon, but no vote by the shareholders with respect thereto is required or proposed to be taken.

2. Fixing Number of Directors to be Elected at the Meeting

At the Meeting, shareholders will be asked to consider and, if thought fit, approve an ordinary resolution fixing the number of directors to be elected at the Meeting at six (6).

Unless otherwise directed, it is the intention of the persons designated in the accompanying form of proxy to vote in favour of the ordinary resolution fixing the number of directors to be elected at the Meeting at six (6). In order to be effective, the ordinary resolution in respect of fixing the number of directors to be elected at the Meeting at six (6) must be passed by a majority of the votes cast by shareholders who vote in respect of this ordinary resolution.

3. Election of Directors

At the Meeting it is proposed that six (6) directors be elected to hold office until the next annual meeting or until their successors are elected or appointed. There are presently six (6) directors of the Corporation, the term of each of which expires at the Meeting.

Unless otherwise directed, it is the intention of the persons designated in the accompanying form of proxy to vote in favour of the election as directors of the six (6) nominees hereinafter set forth. Management has no reason to believe that any of the nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, the persons designated in the accompanying form of proxy reserve the right to vote for other nominees in their discretion unless the shareholder has specified in the accompanying form of proxy that such shareholder's Common Shares are to be withheld from voting on the election of directors.

Geraldine L. Greenall	Neil G. Sinclair
William C. Guinan	Janet E. Vellutini
Michael R. Shea	David J. Wilson

See “*Director Nominees*” in this Management Information Circular for additional information on the director nominees.

Majority Voting for Directors

The Board has adopted a policy which requires that any nominee for director who receives a greater number of votes “withheld” than votes “for” his or her election as a director shall submit his or her resignation to the Board for consideration promptly following the shareholders annual meeting. This policy applies only to uncontested elections, meaning elections where the number of nominees for director is equal to the number of directors to be elected. The Nominating Committee of the Board shall consider the resignation and shall recommend to the Board whether or not to accept the resignation. In the absence of exceptional circumstances, the Board expects the Nominating Committee will recommend accepting such recommendation. The Board shall act on the Nominating Committee's recommendation within ninety (90) days following the applicable meeting and, if applicable, a press release disclosing the resignation shall be issued at the time of the Board's determination. Any director who tenders his or her resignation will not participate in any meeting of the Board to consider whether or not his or her resignation shall be accepted.

4. Appointment of Auditors

PricewaterhouseCoopers LLP, Chartered Professional Accountants, of Calgary, Alberta are the auditors of the Corporation and were appointed as the auditors of the Corporation on October 11, 2012.

At the Meeting, shareholders will be asked to pass an ordinary resolution appointing PricewaterhouseCoopers LLP, Chartered Professional Accountants, to serve as auditors of the Corporation to hold office until the close of the next annual meeting of shareholders or until such firm is removed from office or resigns as provided by law, at a remuneration to be fixed by the Board.

Unless otherwise directed, it is the intention of the persons designated in the accompanying form of proxy to vote in favour of an ordinary resolution to appoint the firm of PricewaterhouseCoopers LLP, Chartered Professional Accountants, to serve as auditors of the Corporation to hold office until the close of the next annual meeting of shareholders or until such firm is removed from office or resigns as provided by law, at a remuneration to be fixed by the Board.

5. Amendment to Articles of the Corporation to Amend Preferred shares

The Articles of the Corporation allow the Corporation to issue an unlimited number of Preferred shares and empower the Board to issue Preferred shares at any time and from time to time in one or more series and, subject to the limitations set out in the Articles, to determine the designation, rights, privileges, restrictions and conditions to be attached to the Preferred shares of such series including, without limitation, any voting rights, the rate or amount of dividends or the method of calculating dividends, the dates of payment thereof, the terms and conditions of redemption, purchase and conversion if any, and any sinking fund or other provisions.

There are currently no Preferred shares issued or outstanding.

The discretion of the Board to determine the number of, and the designation, rights, privileges, restrictions and conditions attaching to the Preferred shares, including the voting rights (if any), may cause the Preferred shares to be considered “blank cheque” preferred shares. The Board, as a good corporate governance measure, has resolved that it will not, without prior shareholder approval, issue any series of Preferred shares for any defensive or anti-takeover purpose. Nevertheless, the Board believes that, given its discretion in determining the number of, and the designation, rights, privileges, restrictions and conditions attaching to the Preferred shares including the voting rights (if any), it would also be in the interests of good corporate governance and best practices to amend the Corporation’s Articles to: (i) allow for an unlimited number of Preferred shares provided that, if the authorized Preferred shares are to be assigned voting or conversion rights, the number of Preferred shares to be issued may not exceed twenty percent (20%) of the number of issued and outstanding Common Shares at the time of issuance of any such Preferred shares; and (ii) limit the voting rights so that notwithstanding the current voting rights contained in the Articles, other than in the case of a failure to declare or pay dividends specified in any series of the Preferred shares, the voting rights attached to the Preferred shares shall be limited to one vote per Preferred share at any meeting where the Preferred shares and Common Shares vote together as a single class.

A copy of the Corporation’s current Articles are available on SEDAR at www.sedar.com and on the Corporation’s website at www.keltexploration.com and the complete text of our proposed amended share terms is attached as Appendix D.

The text of the special resolution of shareholders which management intends to place before the Meeting for the approval, adoption and ratification is as set out below.

BE IT RESOLVED as a special resolution of the shareholders of the Corporation that:

1. the Articles of Kelt Exploration Ltd. (the “**Corporation**”) are amended by changing the rights, privileges, restrictions and conditions of the Preferred shares of the Corporation pursuant to Section 173(1) of the *Business Corporations Act* (Alberta) to effect the Preferred share amendments described in the Corporation's Management Information Circular dated March 9, 2023;

2. any director or officer of the Corporation be and is hereby authorized for and on behalf of the Corporation, under the seal of the Corporation, or otherwise, to execute and deliver the Articles of Amendment and any and all other documents, certificates, declarations, notices and other instruments in writing respecting the amendment described herein and to do any and all other acts and things, as may in the opinion of such director or officer, be necessary, desirable or advisable in order to give effect to the amendment described herein or these resolutions, such execution and delivery by such director or officer to be conclusive approval of the same by the Corporation's shareholders; and
3. without further approval of the Corporation's shareholders, the board of directors of the Corporation is hereby authorized to determine the timing of implementation, or abandon or postpone, the amendments described herein, at their discretion.

Approval of the resolution to amend the Articles of the Corporation requires the approval of the shareholders of the Corporation by special resolution, being 66⅔% of the votes cast by our shareholders present in person (virtually) or represented by proxy at the meeting.

Unless otherwise directed it is the intention of the persons designated in the accompanying form of proxy to vote in favour of the special resolution approving the amendment to the Articles of the Corporation.

6. Amended and Restated By-laws of the Corporation

At the Meeting, shareholders will be asked to approve an ordinary resolution (being a resolution passed by a majority of the votes cast by those shareholders who, being entitled to do so, vote in person or by proxy at the Meeting) confirming the amendment and restatement of the Corporation's by-laws.

On March 2, 2023, the Board approved the amendment and restatement of the Corporation's by-laws to remove the non-gender-neutral language contained therein, to provide for new quorum requirements for shareholder meetings, and to update the by-laws for recent changes to the ABCA, as summarized below. A copy of the amended and restated by-laws (the "**Amended and Restated By-laws**") is attached as Appendix E. The Amended and Restated By-laws repeals and replaces the old by-laws of the Corporation.

The following is a summary of the principal changes brought into effect by the Amended and Restated By-laws from the old by-laws of the Corporation and is qualified in its entirety by reference to the full text of the Amended and Restated By-laws, a copy of which is attached as Appendix E and is also available on the Corporation's SEDAR profile at www.sedar.com. A blackline showing the changes between the Amended and Restated By-laws and the old by-laws of the Corporation is attached as Appendix F. Shareholders are urged to review the Amended and Restated By-laws.

Gender Neutral Language

The Amended and Restated By-laws have been updated to include gender neutral provisions throughout.

Increase in Quorum for Shareholder Meetings

Section 10.10 of the old by-laws of the Corporation set quorum for the transaction of business at a meeting of shareholders at two persons holding or representing by proxy not less than five (5%) percent of the outstanding shares of the Corporation entitled to vote at the meeting. The Corporation recognizes that the quorum requirement for meetings of shareholders should encourage wide-ranging participation from all shareholders and the Board believes that the increase to the quorum requirements for shareholder meetings is in the best interests of the Corporation as it reflects good corporate governance practice to have a larger number of shareholders represented at shareholder meetings. As such, the Amended and Restated By-laws sets quorum for the transaction of business at a meeting of shareholders at two persons holding or representing by proxy no less than twenty-five (25%) percent of the outstanding shares of the Corporation entitled to vote at the meeting.

Updates Due to Recent Changes to the ABCA

The ABCA and the regulations thereunder have been amended to make it easier for businesses to operate in Alberta by making financial reporting more flexible, clarifying roles for directors and shareholders, and reducing costs and time for businesses to navigate legal proceedings. The Amended and Restated By-laws reflect the recent amendments made to the ABCA, the Corporation's governing statute, which are summarized as follows:

- updated qualifications for directors to match the requirements under the ABCA;
- removal of residency requirements for directors, which reflects the reality that a director's place of residency is not an indicator of the director's level of knowledge about the business of the Corporation; and
- allows the Corporation's directors and officers to benefit from newly broadened indemnity provisions contained in the amendments to the ABCA.

In accordance with corporate law, the adoption of the Amended and Restated By-laws must be confirmed by the shareholders of the Corporation at the Meeting.

The text of the ordinary resolution of shareholders which management intends to place before the Meeting for the approval, adoption and ratification is as set out below.

BE IT HEREBY RESOLVED as an ordinary resolution of the shareholders of the Corporation that:

1. the amendment and restated of the Corporation's by-laws as approved by the board of directors of the Corporation on March 2, 2023, is hereby approved, confirmed and ratified without amendment;
2. any one director or officer of the Corporation is hereby authorized and directed for and in the name of and on behalf of the Corporation to execute or cause to be executed and to deliver or cause to be delivered all such documents, and to do or cause to be done all such acts and things, as in the opinion of such director or officer may be necessary or desirable in order to carry out the terms of this resolution, such determination to be conclusively evidenced by the execution and delivery of such documents or the doing of any such act or thing; and
3. notwithstanding the passing of this resolution by the shareholders of the Corporation, the board of directors of the Corporation may revoke this resolution before it is acted upon, without further approval of the shareholders of the Corporation, if the board of directors of the Corporation determines, acting in its sole and absolute discretion, that such revocation is in the best interests of the Corporation.

Unless otherwise directed it is the intention of the persons designated in the accompanying form of proxy to vote in favour of the ordinary resolution approving the Amended and Restated By-laws.

As the Board has approved the Amended and Restated By-laws already, the amendment will be effective for the Meeting, however, if the shareholders do not confirm the Amended and Restated By-laws at the Meeting, it will cease to be effective immediately following the Meeting.

DIRECTOR NOMINEES

The following table sets forth for each person proposed to be nominated for election as a director: (i) their name and province and country of residence; (ii) the voting results from the annual meeting of the shareholders of the Corporation held on April 20, 2022, as applicable; (iii) information regarding their committee memberships and their attendance at Board and committee meetings during 2022; (iv) their principal occupation within the past five years and a brief biography; (v) the period during which they have served as a director of the Corporation;

(vi) the number of Common Shares, RSUs and Options (as such terms are defined herein) that each proposed nominee beneficially owns, or exercises control or direction over, directly or indirectly, as of the date of this Management Information Circular; and (vii) whether the director has met the Ownership Guidelines (as such term is defined herein). None of the proposed nominees are directors of any other public company. The information as to Common Shares, Options and RSUs owned beneficially, not being within the knowledge of the Corporation, has been provided by each nominee.

GERALDINE L. GREENALL, CFA, ICD.D



Independent Director

Alberta, Canada

Age: 49

Director Since: December 2017

Common Shares: 38,500

RSUs: 5,000

Options: 161,000

Ms. Greenall is a director of the Corporation and is also the Chair of the Reserves Committee and Lead Director. Ms. Greenall is the Chief Financial Officer of Spartan Delta Corp., a publicly listed exploration and production corporation. Prior thereto, Ms. Greenall co-founded and was the Chief Financial Officer at Camber Capital Corp., a fund manager offering private client & institutional fund management services. Prior thereto, Ms. Greenall was the Chief Compliance Officer and an energy portfolio manager with Canoe Financial. Ms. Greenall has over 22 years of experience in the energy and financial sectors including over a decade of experience as a Portfolio Manager and Chief Compliance Officer for investment fund managers. In addition to her fund management work, Ms. Greenall has a strong background in both public equity analysis and commodity trading. Ms. Greenall received a Bachelor of Commerce in Finance from the University of Calgary as well as the Chartered Financial Analyst and Institute of Corporate Directors designations. Ms. Greenall also holds the FSA Level 1 Credential from the Sustainable Accounting Standards Board. Ms. Greenall has also completed and holds the following certifications, 4 Seasons of Reconciliation from First Nations University of Canada and Indigenous Canada from the University of Alberta.

Other Public Company Board Membership: None

Board and Committee Membership

Board and Board Committees	2022 Meeting Attendance
Board (Lead Director)	6 of 6 ⁽⁶⁾
Audit Committee	4 of 4
Nominating Committee	2 of 2
Reserves Committee (Chair)	1 of 1

Voting Results of 2022 Annual Meeting

	Number of Votes	% of Votes
Votes For	111,566,001	98.68
Votes Withheld	1,492,249	1.32

Common Share and Share Equivalent Ownership

Number of Common Shares	38,500
Number of RSUs	5,000
Total Number of Common Share and Share Equivalents	43,500
Total Value of Common Shares and Share Equivalents ⁽³⁾	\$217,935

Shareholding Requirements

Multiple of Annual Compensation ⁽⁴⁾	1.7
Target Date to Meet Requirements ⁽⁷⁾	Met

WILLIAM C. GUINAN

Independent Director

Alberta, Canada

Age: 67

Director Since: October 2012

Common Shares: 1,154,459

RSUs: 5,000

Options: 106,000

Mr. Guinan is a director of the Corporation and is also the Chairman of the Board. Mr. Guinan retired as a Partner with Borden Ladner Gervais LLP, a law firm, in 2020, where he focused his practice on securities and corporate finance, mergers and acquisitions, corporate governance, continuous disclosure matters and stock exchange requirements, representing public oil and gas and other industrial issuers as well as private equity issuers. Mr. Guinan has over 27 years of experience as a director of public companies. Mr. Guinan received a Bachelor of Business Administration from Acadia University and both a Bachelor of Laws and a Master of Business Administration degree from Dalhousie University.

Other Public Company Board Membership: None**Board and Committee Membership**

Board and Board Committees	2022 Meeting Attendance
Board (Chairman)	6 of 6 ⁽⁶⁾
Health, Safety and Environment Committee	1 of 1

Voting Results of 2022 Annual Meeting

	Number of Votes	% of Votes
Votes For	112,633,703	99.62
Votes Withheld	424,547	0.38

Common Share and Share Equivalent Ownership

Number of Common Shares	1,154,459
Number of RSUs	5,000
Total Number of Common Share and Share Equivalents	1,159,459
Total Value of Common Shares and Share Equivalents ⁽³⁾	\$5,808,890

Shareholding Requirements

Multiple of Annual Compensation ⁽⁴⁾	45
Target Date to Meet Requirements	Met

MICHAEL R. SHEA

Independent Director

Alberta, Canada

Age: 65

Director Since: April 2018

Common Shares: 544,320

RSUs: 5,000

Options: 173,000

Mr. Shea is a director of the Corporation and the Chair of the Nominating Committee. Mr. Shea is a retired oil and gas executive with over 33 years experience in the oil and gas industry. Mr. Shea has 14 years of public issuer experience as an officer with Celtic Exploration Ltd., and approximately 5 years of experience as a director with the Corporation. Previously, Mr. Shea was a founder, Board member and President and Chief Executive Officer of Canadian Mustang Energy Inc., a private oil and gas company. Mr. Shea held numerous positions in Land and Asset Management with junior and senior oil and gas companies throughout his career. Mr. Shea holds a Bachelor of Science (with distinction) from the University of Alberta.

Other Public Company Board Membership: None**Board and Committee Membership**

Board and Board Committees	2022 Meeting Attendance
Board	6 of 6 ⁽⁶⁾
Compensation Committee	1 of 1
Reserves Committee	1 of 1
Nominating Committee (Chair)	2 of 2

Voting Results of 2022 Annual Meeting

	Number of Votes	% of Votes
Votes For	107,294,846	94.90
Votes Withheld	5,763,404	5.10

Common Share and Share Equivalent Ownership

Number of Common Shares	544,320
Number of RSUs	5,000
Total Number of Common Share and Share Equivalents	549,320
Total Value of Common Shares and Share Equivalents ⁽³⁾	\$2,752,093

Shareholding Requirements

Multiple of Annual Compensation ⁽⁴⁾	21
Target Date to Meet Requirements	Met

NEIL G. SINCLAIR



Mr. Sinclair is a director of the Corporation and the Chair of the Audit Committee. Mr. Sinclair has been the President of Sinson Investments Ltd., a private British Columbia corporation engaged in property development, since 1973 and is also the president of two other private companies. Mr. Sinclair has extensive public company experience as an officer and as a director and has international business experience in both Spain and Japan. Mr. Sinclair received a Bachelor of Arts (Economics) from the University of Victoria and a Master of Business Administration degree from University of Western Ontario.

Other Public Company Board Membership: None

Independent Director

British Columbia, Canada

Age: 75

Director Since: October 2012

Common Shares: 2,601,141⁽¹⁾

RSUs: 5,000

Options: 161,000

Board and Committee Membership

Board and Board Committees	2022 Meeting Attendance
Board	6 of 6 ⁽⁶⁾
Audit Committee (Chair)	4 of 4
Compensation Committee	1 of 1
Health, Safety and Environment Committee	1 of 1
Nominating Committee	2 of 2

Voting Results of 2022 Annual Meeting

	Number of Votes	% of Votes
Votes For	111,861,729	98.94
Votes Withheld	1,196,521	1.06

Common Share and Share Equivalent Ownership

Number of Common Shares	2,601,141
Number of RSUs	5,000
Total Number of Common Share and Share Equivalents	2,606,141
Total Value of Common Shares and Share Equivalents ⁽³⁾	\$13,056,766

Shareholding Requirements

Multiple of Annual Compensation ⁽⁴⁾	101
Target Date to Meet Requirements	Met

JANET E. VELLUTINI

Independent Director

Alberta, Canada

Age: 61

Director Since: July 2021

Common Shares: 27,500

RSUs: 5,000

Options: 66,000

Ms. Vellutini is a director of the Corporation and the Chair of the Compensation Committee. Ms. Vellutini is a professional engineer and has extensive experience in gas marketing. Ms. Vellutini is retired and was most recently a Marketing Consultant with Black Swan Energy, a Calgary-based private energy company until June 2021. She has over 30 years of experience in gas marketing and a total of 36 years in the oil and gas industry. Ms. Vellutini received a Bachelor of Applied Science (Chemical Engineering) from the University of British Columbia.

Other Public Company Board Membership: None

Board and Committee Membership	
Board and Board Committees	2022 Meeting Attendance
Board	6 of 6 ⁽⁶⁾
Audit	4 of 4
Compensation Committee (Chair)	1 of 1
Reserve Committee	1 of 1

Board and Committee Membership	
Board and Board Committees	2022 Meeting Attendance
Board	6 of 6 ⁽⁶⁾
Audit	4 of 4
Compensation Committee (Chair)	1 of 1
Reserve Committee	1 of 1

Voting Results of 2022 Annual Meeting		
	Number of Votes	% of Votes
Votes For	111,035,217	99.10
Votes Withheld	1,023,033	0.90

Voting Results of 2022 Annual Meeting		
	Number of Votes	% of Votes
Votes For	111,035,217	99.10
Votes Withheld	1,023,033	0.90

Common Share and Share Equivalent Ownership	
Number of Common Shares	27,500
Number of RSUs	5,000
Total Number of Common Share and Share Equivalents	32,500
Total Value of Common Shares and Share Equivalents ⁽⁴⁾	\$162,825

Common Share and Share Equivalent Ownership	
Number of Common Shares	27,500
Number of RSUs	5,000
Total Number of Common Share and Share Equivalents	32,500
Total Value of Common Shares and Share Equivalents ⁽⁴⁾	\$162,825

Shareholding Requirements	
Multiple of Annual Compensation ⁽⁴⁾	N/A
Target Date to Meet Requirements ⁽⁸⁾	July 1, 2024

Shareholding Requirements	
Multiple of Annual Compensation ⁽⁴⁾	N/A
Target Date to Meet Requirements ⁽⁸⁾	July 1, 2024

DAVID J. WILSON

Non-Independent Director and
President, Chief Executive Officer

Alberta, Canada

Age: 62

Director Since: October 2012

Common Shares: 26,287,742⁽²⁾

RSUs: 242,500

Options: 1,061,500

Mr. Wilson has been the President and Chief Executive Officer and a director of the Corporation and Chair of the Health, Safety and Environment Committee since the inception of the Corporation. In 1986, Mr. Wilson established Pronghorn Resources Ltd., a private oil and gas company. During its eight years of operation, he was actively engaged in all aspects of exploration, development, acquisitions of oil and gas properties, and the day to day business of running a small oil and gas company. In 1992, Mr. Wilson co-founded Genesis Exploration Ltd., and was responsible for corporate direction, daily operation of the corporation, management strategy, finance and acquisitions. Genesis Exploration Ltd. was sold in April 2001 to Vintage Petroleum, Inc. from Tulsa, Oklahoma. In September 2002, he became President and CEO of Desco Exploration Ltd., a junior capital pool company and the name was changed to Celtic Exploration Ltd. Celtic was acquired by ExxonMobil Canada Ltd. in February 2013, and Kelt Exploration Ltd. commenced operations the same day as a junior oil and gas exploration and development company.

Other Public Company Board Membership: None

Board and Committee Membership		
Board and Board Committees	2022 Meeting Attendance	
Board	6 of 6 ⁽⁶⁾	
Health, Safety and Environment Committee (Chair)	1 of 1	
Voting Results of 2022 Annual Meeting		
	Number of Votes	% of Votes
Votes For	104,977,811	99.62
Votes Withheld	396,847	0.38
Common Share and Share Equivalent Ownership		
Number of Common Shares	26,287,742	
Number of RSUs	242,500	
Total Number of Common Share and Share Equivalents	26,530,242	
Total Value of Common Shares and Share Equivalents ⁽³⁾	\$132,916,512	
Shareholding Requirements		
Multiple of Annual Compensation ⁽⁵⁾	76	
Target Date to Meet Requirements	Met	

Notes:

- (1) Mr. Sinclair controls Sinson Investments Ltd. which owns 28,334 Common Shares.
- (2) Mr. Wilson controls 710719 Alberta Inc., which owns 4,133,135 Common Shares, is a trustee of the David and Penny Wilson Family Foundation, which owns 2,656,367 Common Shares and is a trustee of the David Wilson Family Trust, which owns 258,200 Common Shares.
- (3) The value of the Common Shares and RSUs is the closing price of the Common Shares on the TSX (as hereinafter defined) on December 30, 2022, being \$5.01.
- (4) See “Executive Compensation – Director Compensation – Summary Compensation Table” for the compensation for each non-employee director and “Non-Executive Director Share Ownership Guidelines” for a description of Ownership Guidelines.
- (5) Mr. Wilson is subject to the share ownership guideline applicable to the Corporation’s CEO which requires that the CEO is required to own that number of Common Shares that is not less than the greater of: (i) the minimum number required to be owned by each non-employee director of the Corporation three years after this appointment or election as director as prescribed under the Ownership Guidelines; and (ii) having a value equal to or greater than three times the base salary then being paid to the CEO.
- (6) Six regular board meetings were held in 2022.
- (7) Ms. Greenall met the shareholding requirements previously and has two years to restore compliance.
- (8) Ms. Vellutini was appointed as a director of the Corporation effective July 1, 2021.

Skills Matrix

The Compensation Committee and the Nominating Committee have established the following “skills matrix” outlining the skills and experience which they believe are required by the members of the Board. This skills matrix is reviewed annually by the Compensation Committee and by the Nominating Committee and updated as necessary. The Compensation Committee and the Nominating Committee also annually review the skills and experience of the directors. The Compensation Committee and the Nominating Committee also assess the knowledge and character of all nominees to the Board to ensure general compliance with the skills matrix.

SKILLS MATRIX	
<i>Executive Leadership</i>	Experience as a CEO or equivalent.
<i>Enterprise Risk Assessment</i>	Board or executive experience in evaluating and managing risks in the oil and natural gas business.
<i>Value Creation</i>	Board or executive experience in evaluating, and executing on, value creation opportunities through acquisitions, divestitures, mergers or developmental opportunities.
<i>Health, Safety & Environment</i>	Board or management experience with environmental compliance and workplace health and safety in the oil and gas industry.
<i>Operations</i>	Management experience with oil and natural gas operations.
<i>Reserves Evaluation</i>	Board experience with, or management responsibility for, oil and natural gas reserve evaluation and reporting.
<i>Compensation and Human Resources</i>	Management experience in human resources and executive compensation.
<i>Accounting & Finance</i>	Financial literacy in reading financial statements, financial accounting and operational accounting experience as well as corporate finance knowledge and experience usually from senior accounting and financial management, audit firm background or banking experience.
<i>Business Development</i>	Experience identifying and evaluating value creation opportunities.
<i>Legal, Regulatory and Governmental</i>	Broad understanding of corporate, securities, land tenure, and oil and natural gas law, regulatory regimes in Western Canada and governmental royalty, and incentive and taxation policies usually through management experience or a legal background.
<i>Corporate Governance</i>	Broad understanding of good corporate governance usually through experience as a board member or as a senior executive officer.
<i>Information Technology</i>	Experience in managing information technology commonly used in the oil and gas industry or responsibility for the information technology role.

The following outlines the experience and background of, but not necessarily the technical expertise of the Corporation's directors who are seeking re-election, or election, at the Meeting, based on information provided by such individuals:

Name	Executive Leadership	Enterprise Risk Assessment	Value Creation	Health, Safety & Environment	Operations	Reserves Evaluation	Compensation and Human Resources	Accounting & Finance	Business Development	Legal, Regulatory and Governmental	Corporate Governance	Information Technology
Geraldine L. Greenall	√	√	√	√	-	√	√	√	√	√	√	√
William C. Guinan	√	√	√	√	-	-	√	√	√	√	√	-
Michael R. Shea	√	√	√	√	√	√	√	√	√	√	√	-
Neil G. Sinclair	-	√	√	√	-	-	√	√	√	√	√	-
Janet E. Vellutini	√	√	√	-	√	√	√	√	√	√	√	√
David J. Wilson	√	√	√	√	√	√	√	√	√	√	√	-
Total	5/6	6/6	6/6	5/6	3/6	4/6	6/6	6/6	6/6	6/6	6/6	2/6

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

None of those persons who are proposed directors of the Corporation is, or has been within the past 10 years, a director, chief executive officer or chief financial officer of any company, including the Corporation, that while such person was acting in that capacity, was the subject of a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, or after such persons ceased to be a director, chief executive officer or chief financial officer of the company, was the subject of 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, which resulted from an event that occurred while acting in such capacity. In addition, none of those persons who are proposed directors of the Corporation is, or has been within the past 10 years, a director or executive officer of any company, including the Corporation, that, while such 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. None of the persons who are proposed directors of the Corporation have, within the past 10 years, 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 his or her assets. None of those persons who are proposed directors of the Corporation have been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement with a securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable shareholder in deciding whether to vote for a proposed director.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Overview

The Compensation Committee of the Board makes recommendations to the Board regarding compensation to be provided to the executive officers and directors of the Corporation and, in doing so, receives input from the

President and the Chief Executive Officer of the Corporation (the “CEO”) in respect of all executive officers other than the CEO. Compensation of all executive officers is based on the underlying philosophy that such compensation should consider the overall performance of the Corporation, shareholder return, economic conditions and be reflective of the experience, performance and contribution of the individuals involved.

The Corporation’s executive compensation program is available to the “Named Executive Officers” or “NEOs” of the Corporation which is defined by applicable securities legislation to mean each of the following individuals, namely: (i) the CEO; (ii) the Chief Financial Officer (the “CFO”); (iii) each of the Corporation’s three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and the CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000 for that financial year; and (iv) each individual who would be a “Named Executive Officer” under (iii) above but for the fact that the individual was neither an executive officer of the Corporation, nor acting in a similar capacity, at the end of the most recently completed financial year. In this Management Information Circular, executive compensation information is provided for the Named Executive Officers and the directors of the Corporation for the financial year ended December 31, 2022. The NEOs based on 2022 compensation levels are as follows: David J. Wilson, President and CEO; Sadiq H. Lalani, Vice President and CFO; Douglas J. Errico, Senior Vice President, Land & Corporate Development; Douglas O. MacArthur, Vice President, Operations; and Patrick W. G. Miles, Vice President, Exploration.

Objectives of the Executive Compensation Program

The objectives of the Corporation’s executive compensation program are twofold, namely: (i) to enable the Corporation to attract and retain highly qualified and experienced individuals to serve as executive officers; and (ii) to align the compensation levels available to the Named Executive Officers to the successful implementation of the Corporation’s strategic plans. The Corporation’s executive compensation program is designed to reward the Named Executive Officers where they have contributed to the prosperity and growth of the Corporation and to align the interests of the Named Executive Officers with the shareholders of the Corporation. As a result, the awarding of Options and the awarding of RSUs are components of the Corporation’s executive long-term at-risk compensation. This approach is based on the assumption that the Common Share price performance is the primary indicator of long-term performance.

Peer Group

For the purpose of compensation comparisons, the Compensation Committee reviews peer oil and gas companies from the Toronto Stock Exchange with business operations of a size and scope which, to the best of the knowledge of the Corporation, are comparable to those of the Corporation. The Compensation committee considers peer group data to ensure that compensation levels are competitive over the long term after taking into account operational and financial performance, general industry factors and the employment environment. In 2022, the Compensation Committee considered data from nine publicly traded companies including:

Advantage Energy Ltd.	Crew Energy Inc.
Headwater Exploration Inc.	Kiwetinohk Energy Corp.
Pipestone Energy Corp.	Spartan Delta Corp.
Surge Energy Inc.	Tamarack Valley Energy Ltd.
Yangarra Resources Ltd.	

The table below sets forth the median revenue and enterprise value for the Corporation’s selected peer oil and gas companies, aggregate median executive compensation for their respective CEO, CFO and next most highly compensated executive officer and aggregate median executive compensation as a percentage of their respective revenue. The Corporation used information as of December 2021 for comparison as information for December 2022 for all peer group members was not available at time of filing.

Company	2021 Revenue (\$ millions)⁽¹⁾⁽²⁾	December 2021 Enterprise Value (\$ billions)⁽³⁾	2021 Executive Compensation (\$ millions)⁽²⁾⁽⁴⁾	2021 Executive Compensation as % of 2021 Revenue⁽¹⁾⁽²⁾⁽³⁾
Peer Group Median⁽⁵⁾	363.4	944.6	4.7	1.3%
Kelt Exploration Ltd. (2021)	316.8	940.0	1.8	0.6%
Kelt's Ranking (out of 10)	7	6	9	10

Notes:

- (1) Revenue as of December 31, 2021.
- (2) Information obtained from documents filed publicly by the selected peer group company on their respective issuer profiles on SEDAR at www.sedar.com.
- (3) Enterprise Value as of December 31, 2021.
- (4) Reflects the aggregate 2021 compensation for each of the CEO, CFO and the next most highly compensated executive officer. If compensation for the CEO or CFO was not relevant due to an employment change in the 2021 fiscal year, the next most highly compensated NEO was used.
- (5) Calculated including the Corporation within the dataset.

Elements of the Executive Compensation Program

The Corporation's executive compensation program consists of a combination of the following significant elements: (i) base salary; (ii) the payment of bonuses where appropriate under the Bonus Plan (as hereinafter defined); (iii) the Stock Option Plan (as hereinafter defined); (iv) the RSU Plan (as hereinafter defined); and (v) the Employee Stock Savings Plan (as hereinafter defined). These elements contain both short-term incentives, comprised of cash payments, provided under the Bonus Plan and long-term incentives, comprised of equity-based incentives under the Stock Option Plan and the RSU Plan. In addition, the Corporation has an Employee Stock Savings Plan to encourage savings and ownership in Common Shares. Extended health care, dental and insurance benefits and the right to participate in the Stock Option Plan, the RSU Plan and the Employee Stock Savings Plan are provided to all employees, including the Named Executive Officers. The process for determining perquisites and approval of benefits for the Named Executive Officers is, firstly, to implement perquisites and benefits which are comparable to those usually offered by other corporations of a similar size to the Corporation and secondly, to make those perquisites and benefits available to each Named Executive Officer. The amount for each element of the Corporation's executive compensation program is determined at the discretion of the Board, where applicable, as described below.

Each element of the Corporation's executive compensation program is intended to contribute to an overall total compensation package which is designed to provide both short-term and long-term financial incentives to the Named Executive Officers and to thereby assist the Corporation to successfully implement its strategic plans. The Compensation Committee annually assesses how each element fits into the overall total compensation package and will make recommendations to the Board relating thereto from time to time. In making all compensation recommendations, the Compensation Committee takes into consideration:

- (a) the duties of each individual, his or her past service and continuing performance and responsibilities;
- (b) the Corporation's G&A cost structure;
- (c) shareholder returns; and
- (d) the form and amount of compensation awarded by comparable companies and competitors.

Base Salaries

Base salaries are paid in cash and represent a portion of total compensation that is not at-risk compensation. Additionally, base salaries are determined by evaluating the role of the Named Executive Officer, general economic conditions and market compensation. The Corporation targets base salaries to be at market, based on commercially available salary data and publicly disclosed information by some of the Corporation's competitors.

and peers, which include the ten (10) publicly traded companies listed under the heading “Objectives of the Executive Compensation Plan – Peer Group” above. Base salaries increased between 11-14% during 2022 when compared to prior year base salaries.

Other than as set out immediately below and under the heading “*Elements of the Executive Compensation Program*” above, the base salaries of the Named Executive Officers are not determined based on benchmarks, performance goals or a specific formula.

	Base Salary 2022 (\$)	Increase from 2021 (%)	Base Salary 2021 (\$)
David J. Wilson	Nil	N/A	Nil
Sadiq H. Lalani	254,150	14	223,750
Douglas J. Errico	242,135	12	216,250
Douglas O. MacArthur	232,050	11	208,750
Patrick W. G. Miles	232,050	11	208,750

No salary has been paid to the CEO since incorporation. **The CEO has requested and the Compensation Committee has concurred, that the CEO should be remunerated primarily on the basis of performance. Therefore, his compensation is limited to Options, RSUs and participation in the Bonus Plan. Although it is acknowledged that this might lead to concerns that all of the CEO’s equity compensation is inherently at risk and may incentivize the CEO towards excessive risk taking, the CEO and the Corporation are of the view that the foregoing is entirely mitigated by the CEO’s share ownership in the Corporation, which further helps to align his interests with those of the shareholders of the Corporation. The CEO and the Compensation Committee are also of the view that a base salary paid to the CEO would be immaterial in view of his current shareholdings in the Corporation and therefore unlikely to influence excessive risk taking by the CEO.**

The table below sets forth the number and value of Common Shares beneficially owned, controlled or directed, directly or indirectly by the CEO and the number and value of RSUs and Options held by the CEO all as at December 31, 2022.

	Number	Value (\$)
Common Shares ⁽¹⁾	26,287,742	131,701,587
RSUs ⁽¹⁾⁽³⁾	242,500	1,214,925
Options ⁽²⁾⁽³⁾	1,061,500	1,886,280
Total Common Shares, RSUs and Options	27,591,742	134,802,792

Notes:

- (1) The value of the ownership of Common Shares and the value of RSUs are calculated based on the closing price of the Common Shares on the TSX on December 30, 2022, being \$5.01.
- (2) Value is calculated based on the difference between the exercise price of the Options and the closing price of the Common Shares on the TSX on December 30, 2022, being \$5.01. Options with an exercise price in excess of \$5.01 have been valued at nil.
- (3) See the section herein entitled “*Executive Compensation—Share-Based Awards and Option-Based Awards.*”

CEO Share Ownership Guidelines

The Corporation has implemented share ownership guidelines applicable to the Corporation’s CEO. The CEO is required to own that number of Common Shares that is not less than the greater of: (i) the minimum number required to be owned by each non-employee director of the Corporation three years after this appointment or election as director as prescribed under the Ownership Guidelines; and (ii) having a value equal to or greater than three times the base salary then being paid to the CEO.

Bonus Plan

All regular full-time employees of the Corporation, including the Named Executive Officers, are eligible participants in the bonus plan of the Corporation (the “**Bonus Plan**”). The Bonus Plan is designed to reward contributions towards the achievement of the Corporation’s goals. The Bonus Plan consists of a discretionary component and a non-discretionary component.

The discretionary component is based upon employee merit and the amount to be paid out thereunder, if any, is determined by the Board, taking into consideration the recommendations of the Compensation Committee. In making its recommendations to the Board, the Compensation Committee recognizes various key performance indicators including reserve additions; finding, development, acquisition and disposition cost; recycle ratio; production replacement ratio; financial position; debt management; net asset value; production expenses; general and administrative expenses; execution of capital program; environmental, social and governance matters such as greenhouse gas emissions, site restoration, reclamations, accident prevention, safety record, health and wellness, community involvement and First Nations involvement; individual employee performance in their respective positions; and any extraordinary success that has been achieved in implementing the Corporation’s business plans.

Bonus plan payments for 2021, consisted of a discretionary component of 15% and a non-discretionary component of 15% for a total of 30% of the NEO’s salary.

The non-discretionary component of the Bonus Plan is based upon the Corporation’s performance, on a year over year basis, as determined by a combination of two benchmarks: (i) adjusted funds from operations per Common Share; and (ii) daily production per million Common Shares outstanding. Each benchmark is weighted at 50%. Named Executive Officers are eligible to receive a bonus, equal to a maximum of 30% of the applicable employee’s base salary. The bonus of the CEO, who is not paid a salary, is determined by the Board upon recommendation by the Compensation Committee after giving due weight to the benchmarks noted above and assuming the same base salary as the CFO.

The following table outlines the Company’s performance for the non-discretionary 2021 Bonus Plan targets. Payments under the 2021 Bonus Plan were made in 2022.

2021 Non-Discretionary Bonus Targets	Target	Result	Weighting	Bonus
Annual increase in adjusted funds from operations per Common Share ⁽¹⁾	15%	174%	50%	15%
Annual increase in daily production per million Common Shares outstanding ⁽²⁾	15%	-16%	50%	0%
Total NEO non-discretionary bonus				15%

Notes:

- (1) “Adjusted funds from operations per Common Share” is a non-GAAP measure and is calculated from the Corporation’s annual audited financial statements by dividing the diluted weighted average number of Common Shares outstanding as at December 31 of each year by its “adjusted funds from operations” which is calculated as cash provided by operating activities before changes in non-cash operating working capital, and adding back: transaction costs associated with acquisitions and dispositions, and settlement of decommissioning obligations.
- (2) “Production per million Common Shares” is calculated by dividing the Corporation’s combined daily average oil, natural gas liquids and natural gas production per day on a barrel of oil equivalent basis for each year, by the basic weighted average number of Common Shares outstanding as at December 31 on each year.

The Bonus Plan also includes a clawback provision in respect of bonus payments to the executive officers, including the Named Executive Officers, in situations where: (i) the amount of the bonus compensation received by an executive officer or former executive officer, including former Named Executive Officers, to whom the provision applies was calculated based on or contingent upon the achievement of certain financial results that were subsequently the subject of or affected by a material restatement of all or a portion of the Corporation’s financial statements; and (ii) the executive officers or former executive officers engaged in gross negligence, intentional misconduct or fraud that caused, or partially caused, the need for the restatement, as admitted by the

executive officers or in the absence of such admission, as determined by a court of competent jurisdiction in a final judgment that cannot be appealed; and (iii) the bonus compensation payment received would have been lower had the financial results been properly reported, then the Board may, to the extent permitted by applicable laws and to the extent it determines that it is in the Corporation's best interest to do so, require reimbursement of the amount by which the after-tax incentive compensation received by such executive officers under the Bonus Plan exceeded that which the executive officers would have received had the financial statements not been materially misleading.

Stock Options and RSUs

The amended and restated stock option plan of the Corporation dated March 12, 2019 (the “**Stock Option Plan**”), a copy of which is attached hereto as Appendix B, permits the granting of stock options (“**Options**”) to the directors, officers, employees and other eligible service providers of Kelt and its subsidiaries for the purpose of providing directors, officers, employees and other eligible service providers with an incentive to achieve the longer-term objectives of Kelt; to give suitable recognition to the ability and industry of such persons who contribute materially to the success of Kelt; and to attract and retain employees by providing them with the opportunity to acquire an increased shareholder interest in Kelt.

The amended and restated restricted share unit plan of the Corporation dated March 12, 2020 (the “**RSU Plan**”), a copy of which is attached hereto as Appendix C, is an incentive compensation plan established to retain and motivate directors, officers, employees and other eligible service providers of Kelt and its subsidiaries and to promote greater alignment of interest between service providers and holders of Common Shares. The RSU Plan provides directors, officers, employees and other eligible service providers with the opportunity to acquire Common Shares through an award of restricted share units (“**RSUs**”). Each RSU represents a right to receive one Common Share.

Stock Option and RSU Burn Rate	2022	2021	2020
Stock Options granted in the year	3,527,500	2,641,500	2,724,800
Weighted average common shares outstanding	191,100,802	188,800,387	188,093,197
Annual Stock Option Burn Rate	1.8%	1.4%	1.4%
RSUs granted in the year	200,000	708,500	10,000
Weighted average common shares outstanding	191,100,802	188,800,387	188,093,197
Annual RSU Burn Rate	0.1%	0.4%	0.0%

The Corporation's annual burn rate, as calculated in accordance with Section 613(p) of the TSX Company Manual. The burn rate is subject to change based on the number of Options granted and the weighted average number of Common Shares issued and outstanding for the applicable financial year.

For a description of the process used by the Corporation to grant Options and RSUs, see the section herein entitled “*Executive Compensation – Share-Based and Option-Based Awards*”. Other than as set out therein, the number of Options granted are not based on benchmarks, performance goals or a specific formula.

For a description of the Stock Option Plan and the RSU Plan see “*Securities Authorized for Issuance Under Equity Compensation Plans – Stock Option Plan*” and “*– RSU Plan*” below.

Employee Stock Savings Plan

The Corporation has an Employee Stock Savings Plan (the “**Employee Stock Savings Plan**”) in which all employees of the Corporation, including the Named Executive Officers, are eligible to participate. The purpose of the Employee Stock Savings Plan is to encourage savings and ownership in Common Shares through regular payroll deductions and the Corporation's matching contributions. Participants contribute up to 10% of their regular salary to the Employee Stock Savings Plan and the Corporation matches 100% of the participating employee's contribution. All contributions to the Employee Stock Savings Plan are deposited with a trustee to

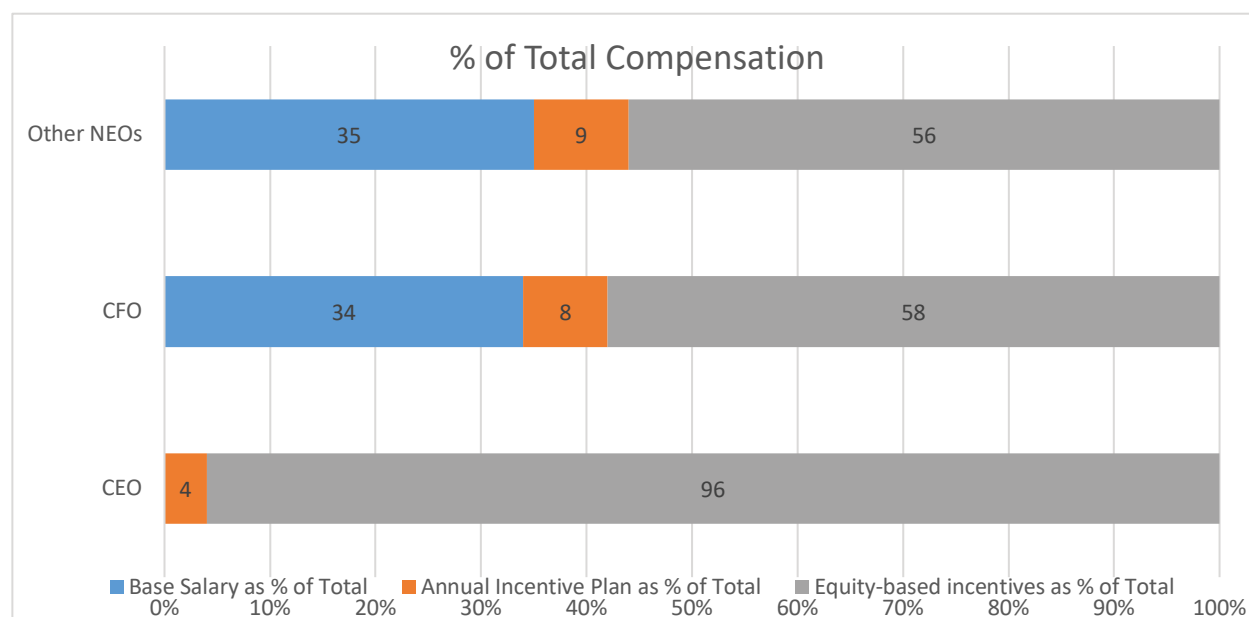
purchase Common Shares in the market for participating employees. The Corporation's portion of the contributions vests immediately at the time of payment by the Corporation.

At-Risk Compensation

The Corporation provides long-term, at-risk incentives to reinforce alignment with shareholders over the long-term. Consistent with past practice, in 2021 all of the CEO's compensation was performance based at-risk in the form of short-term incentive bonus, RSUs and stock options.

The Corporation provides long-term, at-risk incentives to its NEO's other than the CEO in the form of Options and, on occasion, RSUs. Total at-risk compensation for the NEOs other than the CEO, was approximately 65% of total compensation for the year ended 2022. In granting Options, the Corporation considers the Black-Scholes value of the Options granted as well as the number of Options granted and held by the NEO. The Corporation's objective is to provide the majority of the NEO's compensation in the form of at-risk incentives over a long-term horizon.

The following chart depicts 2022 at-risk target total direct compensation among the Corporation's NEOs:



Risks Associated with the Corporation's Compensation Policies and Practices

The Board has considered the implications of the risks associated with the Corporation's compensation policies and practices, including:

- (a) the risk of executives taking inappropriate or excessive risks;
- (b) the risk of inappropriate focus on achieving short term goals at the expense of long term return to shareholders;
- (c) the risk of encouraging aggressive accounting practises; and
- (d) the risk of excessive focus on financial returns and operational goals at the expense of regulatory, environmental and health and safety goals.

The Board does not believe that the Corporation's executive compensation program encourages the Named Executive Officers to take inappropriate or excessive risks. This assessment is based on a number of considerations including, without limitation, the following:

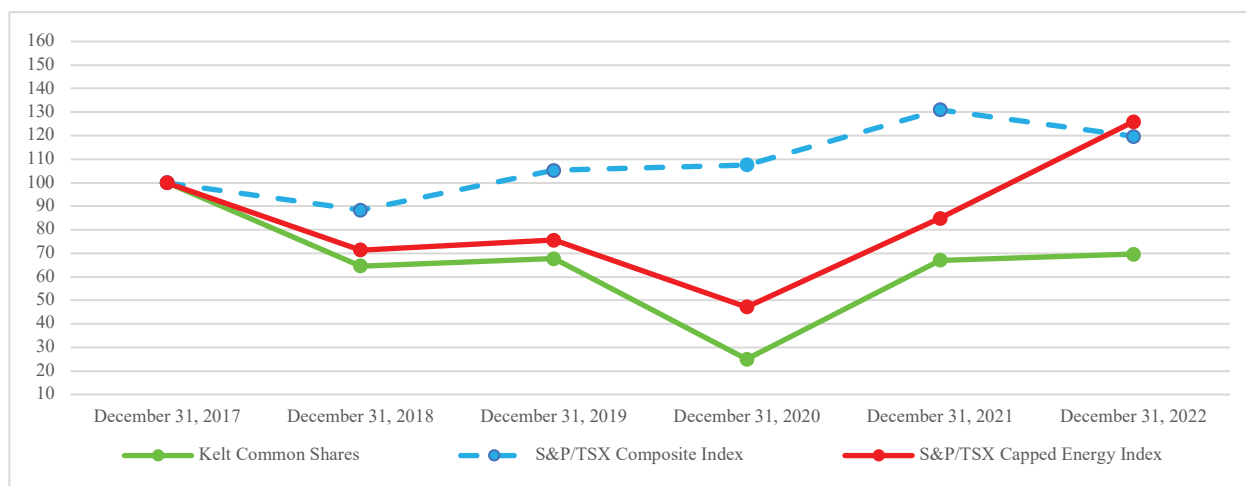
- (a) the Corporation's compensation policies and practices are uniform throughout and there are no significant differences in the compensation structure amongst the Named Executive Officers, other than the fact that the CEO does not receive a base salary;
- (b) the overall compensation program is aligned with the Corporation's business plan and long-term strategies;
- (c) the Bonus Plan includes a clawback provision in respect of bonus payments to the executive officers of the Corporation in certain situations (see "*Bonus Plan*" above);
- (d) the Stock Option Plan includes a clawback provision in respect of Options granted to officers of the Corporation in certain circumstances (see "*Securities Authorized for Issuance Under Equity Compensation Plans – Stock Option Plan*" below);
- (e) the RSU Plan includes a clawback provision in respect of RSUs awarded to officers of the Corporation in certain circumstances (see "*Securities Authorized for Issuance Under Equity Compensation Plans – RSU Plan*" below);
- (f) establishing share ownership guidelines for the CEO and imposing short selling restrictions;
- (g) the compensation package for the Named Executive Officers consists of fixed (base salary) and variable elements (bonus payments, Options and RSUs) which are designed to balance short-term goals and the long-term interests of the Corporation and are aimed at creating sustainable value for the Corporation's shareholders; and
- (h) in exercising its discretion in granting bonus payments, Options and RSUs, the Board considers the long-term interests of the Corporation.

Financial Instruments (Anti-Hedging Policy)

The Corporation has implemented a policy which restricts its directors, officers and employees from knowingly selling, directly or indirectly, a security of the Corporation if such person selling such security does not own or has not fully paid for the security to be sold. Directors, officers and employees of the Corporation may not, directly or indirectly, sell a call or buy a put in respect of a security of the Corporation or any of its affiliates. Notwithstanding these prohibitions, directors, officers and employees of the Corporation may sell a security which such person does not own if such person owns another security convertible into the security sold or an option or right to acquire the security sold and, within 10 days after the sale, such person: (i) exercises the conversion privilege, option or right and delivers the security so acquired to the purchaser; or (ii) transfers the convertible security, option or right, if transferable to the purchaser. As a matter of corporate policy, hedging transactions involving directors, officers and employees are prohibited. Directors, officers and employees may not, for the purpose of hedging to protect against a decrease in the market price or value of an equity-based award or securities of the Corporation, buy, sell or enter into any derivative instruments, agreements or securities, the market price, value or payment obligations of which are derived from, referenced to or based on the value of the applicable securities, or any other derivative instruments, agreements, arrangements, or understandings (commonly known as equity monetization transactions) the effect of which is to alter, directly or indirectly, the director's, officer's and employee's economic interest in securities of, or economic exposure to, the Corporation.

Performance Graph

The following graph compares on a yearly basis the cumulative total shareholder return from December 31, 2017 as measured by the closing price of the Common Shares at the end of each period indicated, assuming an initial investment of \$100 on December 31, 2017, compared to the S&P/TSX Composite Index and the S&P TSX Capped Energy Index.



	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021	December 31, 2022	Average Annual Return
Kelt Common Shares	100	65	68	25	67	70	-6%
S&P/TSX Composite Index	100	88	105	108	131	120	4%
S&P/TSX Capped Energy Index	100	71	76	47	85	126	5%

The trend shown by the foregoing performance graph reflects both operational and financial performance that are within the Corporation's control as well as volatile commodity prices and economic and market conditions that are beyond its control, including the state of the global economy and fluctuations in crude oil and natural gas prices over the relevant period. Beginning in the fourth quarter of 2018, commodity prices followed a declining trend which culminated in historical low prices experienced at the onset of the COVID-19 pandemic in 2020. During this time, energy investment in the Canadian market declined from historic levels which further contributed to a downward trend in share prices for both Kelt and the S&P Capped Energy Index, both of which underperformed the S&P/TSX Composite Index. Beginning in the second half of 2020, commodity prices stabilized then increased significantly for 2021 and 2022. During this period Kelt's share performance exceeded the S&P/TSX Composite Index and underperformed the S&P Capped Energy Index.

During the five-year period ended December 31, 2022, the Corporation's annual total executive compensation has both increased and decreased based on operational and financial performance and the recommendations of the Compensation Committee. On a year over year basis, total executive compensation decreased in both 2019 and 2020, consistent with the challenging economic environment and share price decline. For 2021 and 2022, as oil and gas prices improved, total executive compensation increased primarily based on the increased value of at-risk long-term compensation.

Share-Based and Option-Based Awards

Granting Process for Share-Based and Option-Based Awards

The process that the Corporation uses to grant share-based awards to the Named Executive Officers, and the factors that are taken into account when considering new grants under the Option Plan and RSU Plan, are based on a number of criteria, including the base salary of the Named Executive Officers, the number of Options and RSUs available for grant, the number of Options and RSUs anticipated to be required to meet the future needs of the Corporation, as well as the number of Options and RSUs previously granted to each of the Named Executive Officers. It is the full Board, as opposed to the Compensation Committee, which determines the need for amendments to the Option Plan or RSU Plan and it is the full Board which determines the grants to be made under either Plan. The CEO frequently provides input and recommendations to the Compensation Committee which provides recommendations to the Board regarding the granting of Options and RSUs. The CEO, in turn,

and where appropriate, also obtains input from other executive officers of the Corporation when providing his input and recommendations. Other than as set out immediately above and under the heading “*Elements of the Executive Compensation Program*” above, the grant of share-based awards is not determined based on benchmarks, performance goals or a specific formula.

Compensation Governance

The members of the Compensation Committee are Janet E. Vellutini (Chair), Michael R. Shea and Neil G. Sinclair, each of whom is independent as required by the mandate of the Compensation Committee. The Compensation Committee annually reviews and recommends the compensation to be received by the Corporation’s directors and the Named Executive Officers. Compensation of all executive officers is based on the underlying philosophy that such compensation should consider the overall performance of the Corporation, shareholder return, economic conditions and be reflective of the experience, performance and contribution of the individuals involved. The Corporation is of the view that base salaries, in conjunction with the long-term incentive component of the Corporation’s executive compensation program, are in line with the foregoing underlying philosophy and will allow the Corporation to achieve its dual objectives. With respect to directors’ compensation, the Compensation Committee reviews the level and form of compensation received by the directors, members of each committee, the Board Chair, the Lead Director and the Chair of each committee, considering the duties and responsibilities of each director, his or her past service and continuing duties in service to the Corporation. The compensation of directors, and the chief executive officer and other executive officers of competitors are considered, to the extent publicly available, in determining compensation and the Compensation Committee has the power to engage a compensation consultant or advisor to assist in determining appropriate compensation.

Each member of the Compensation Committee has direct experience that is relevant to his responsibilities as a member of the Compensation Committee. Ms. Vellutini is a professional engineer and has over 30 years of experience in gas marketing and a total of 36 years in the oil and gas industry. Mr. Shea holds a B.Sc. and during a 33 year career in the oil and gas industry prior to his retirement in 2013, included 14 years of public issuer experience as an officer, and also has 3 years of public issuer experience as a director. Mr. Sinclair holds a BA and an MBA and has been President of an active private corporation, with significant real estate operations, for over 48 years, and he also has extensive public company experience as an officer and as a director. The skills and experience possessed by the members of the Compensation Committee, acquired as a result of their lengthy and extensive business careers, enable them to make decisions on the suitability of Kelt’s compensation policies and practices.

The duties and responsibilities of the Compensation Committee are as follows:

- (a) annually recommend objectives and performance criteria applicable to the Board, each director, the Board Chair, the Lead Director, the Chair of each committee and the CEO;
- (b) annually arrange for an evaluation of the performance, contribution and effectiveness of the Board and committees, individual directors, the Board Chair, the Lead Director, the Chair of each committee and the CEO in the context of the mandates, position descriptions, competencies and skills that each director is expected to bring to the Board;
- (c) prepare and distribute a report to the Board regarding annual evaluations to initiate discussion regarding how to improve the performance, contribution and effectiveness of the Board, each committee, each director and the CEO;
- (d) make recommendations to the Board regarding the amount and form of compensation to award to directors, the Board Chair, the Lead Director and the Chair of each committee;
- (e) make recommendations to the independent members of the Board regarding the amount and form of compensation to award the CEO;
- (f) review and make recommendations to the Board regarding proposals for the compensation of executive officers and management, including salary, bonus, Options, perquisites, retirement allowances and all other forms of proposed compensation;

- (g) review and make recommendations regarding all incentive and equity-based compensation plans and all proposed grants of securities under such plans; and
- (h) review and make recommendations regarding employee benefit and retirement plans.

Summary Compensation Table

The following table provides compensation information for the financial year ended December 31, 2022 and for the financial years ended December 31, 2021 and December 31, 2020 in respect of the Named Executive Officers.

Name and principal position	Year	Salary (\$)	Share-based awards ⁽¹⁾⁽²⁾		Option-based awards ⁽⁴⁾⁽⁵⁾		Non-equity incentive plan compensation (\$)		All other compensation (\$) ⁽⁶⁾⁽⁷⁾	Total compensation (\$)
			#	(\$)	#	(\$)	Annual incentive plan ⁽³⁾	Long-term incentive plans		
David J. Wilson, ⁽⁸⁾ President and Chief Executive Officer	2022	Nil	127,500	680,850	337,500	1,009,395	67,126	Nil	Nil	1,757,371
	2021	Nil	115,000	312,800	250,000	374,590	30,000	Nil	Nil	717,390
	2020	Nil	-	-	264,000	127,699	10,391	Nil	Nil	138,090
Sadiq H. Lalani, Vice President and Chief Financial Officer	2022	254,150	-	-	162,000	484,510	67,126	Nil	25,415	831,201
	2021	223,750	35,000	95,200	120,000	179,803	30,000	Nil	22,375	551,128
	2020	195,775	-	-	114,000	55,143	10,391	Nil	19,577	280,886
Douglas J. Errico, Senior Vice President, Land & Corporate Development	2022	242,135	-	-	162,000	484,510	64,876	Nil	24,310	815,831
	2021	216,250	35,000	95,200	120,000	179,803	20,000	Nil	21,625	532,878
	2020	205,000	-	-	93,000	44,985	30,391	Nil	10,250	290,626
Douglas O. MacArthur, Vice President, Operations	2022	232,050	-	-	135,000	403,758	62,626	Nil	23,205	721,639
	2021	208,750	30,000	81,600	100,000	149,836	20,000	Nil	20,875	481,061
	2020	205,000	-	-	93,000	44,985	10,391	Nil	10,250	270,626
Patrick W.G. Miles, Vice President, Exploration	2022	232,050	-	-	135,000	403,758	62,626	Nil	23,205	721,639
	2021	208,750	30,000	81,600	100,000	149,836	20,000	Nil	20,875	481,061
	2020	205,000	-	-	93,000	44,985	10,391	Nil	10,250	270,626

Notes:

- (1) Share-based awards are RSUs granted under the RSU Plan.
- (2) The Corporation has calculated the grant date fair value of RSUs using the volume weighted average trading price of the Common Shares on the TSX over three trading days immediately preceding the date of grant of \$2.72 for 2021 and \$5.34 for 2022.
- (3) Amounts shown are payments under the Bonus Plan.
- (4) Option-based awards are Options granted under the Stock Option Plan.
- (5) The Corporation has calculated the grant date fair value of the Options granted to Named Executive Officers using the Black-Scholes-Merton valuation option pricing model and does not reflect what was actually paid to the NEO in the calendar year. The Corporation chose this methodology because it is recognized as the most common methodology used for valuing options and value comparisons. The Black-Scholes-Merton option pricing model assumptions used by the Corporation were:

	2022	2021	2020
Risk free interest rate	2.0%	0.7%	0.5%
Expected life (years)	4.0	4.0	4.0
Expected volatility	75%	76%	65%
Expected dividend rate	0.0%	0.0%	0.0%
Expected forfeiture rate	4.8%	5.25%	4.4%
Fair Value of Options granted during year (\$/share)	\$2.99	\$1.50	\$0.46

The aggregate number of Options held by each of the Named Executive Officers, including the number of Options granted to each Named Executive Officer during the financial year ended December 31, 2022, is set out in the table under the heading entitled “Executive Compensation – Outstanding Share-Based Awards and Option-Based Awards”.

- (6) Amounts paid by the Corporation as matching contributions under the Employee Stock Savings Plan.
- (7) None of the Named Executive Officers received perquisites, including property or personal benefits not generally available to all employees that in aggregate were worth \$50,000 or more, or were worth 10% or more of the Named Executive Officer’s total salary for the financial year ended December 31, 2022.
- (8) Mr. Wilson also serves as a director of the Corporation. All of the compensation paid to Mr. Wilson relates to his position as a Named Executive Officer and none of the compensation paid to Mr. Wilson relates to his role as a director.

Share-Based Awards and Option-Based Awards

The following table sets forth information in respect of incentive plan awards outstanding at the end of the financial year ended December 31, 2022 held by the Named Executive Officers.

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options ⁽¹⁾ (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options ⁽²⁾ (\$)	Number of shares or units of shares that have not vested ⁽³⁾ (#)	Market or payout value of share-based awards that have not vested ⁽⁶⁾ (\$)	Market or payout value of share-based awards not paid out or distributed (\$)
David J. Wilson	110,000	4.76	Nov 19/23	27,500	242,500 ⁽⁴⁾	1,214,925	N/A
	100,000	2.76	Aug 19/24	225,000			
	264,000	0.99	Apr 2/25	1,061,280			
	250,000	2.72	Mar 24/26	572,500			
	337,500	5.34	Mar 17/27	-			
Sadiq H. Lalani	110,000	4.76	Nov 19/23	27,500	35,000 ⁽⁵⁾	175,350	N/A
	100,000	2.76	Aug 19/24	225,000			
	114,000	0.99	Apr 2/25	458,280			
	120,000	2.72	Mar 24/26	274,800			
	162,000	5.34	Mar 17/27	-			
Douglas J. Errico	90,000	4.76	Nov 19/23	22,500	35,000 ⁽⁵⁾	175,350	N/A
	80,000	2.76	Aug 19/24	180,000			
	62,000	0.99	Apr 2/25	249,240			
	120,000	2.72	Mar 24/26	274,800			
	162,000	5.34	Mar 17/27	-			
Douglas O. MacArthur	90,000	4.76	Nov 19/23	22,500	30,000 ⁽⁵⁾	150,300	N/A
	80,000	2.76	Aug 19/24	180,000			
	93,000	0.99	Apr 2/25	373,860			
	100,000	2.72	Mar 24/26	229,000			
	135,000	5.34	Mar 17/27	-			
Patrick W. G. Miles	90,000	4.76	Nov 19/23	22,500	30,000 ⁽⁵⁾	150,300	N/A
	80,000	2.76	Aug 19/24	180,000			
	93,000	0.99	Apr 2/25	373,860			
	100,000	2.72	Mar 24/26	229,000			
	135,000	5.34	Mar 17/27	-			

Notes:

- (1) Options vest as to one-third on each anniversary of the date of grant.
- (2) Value is calculated based on the difference between the exercise price of the Options and the closing price of the Common Shares on the TSX on December 30, 2022, being \$5.01.
- (3) Represents RSUs all of which vest as to one-half on the second anniversary of the date of grant and as to one-half on the third anniversary of the date of grant.
- (4) Includes 115,00 RSUs granted on March 24, 2021 and 127,500 RSUs granted on March 17, 2022.
- (5) Represents RSUs granted March 17, 2022.
- (6) Value is calculated based on the closing price of the Common Shares on the TSX on December 31, 2022, being \$5.01.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth the value of incentive plan awards which vested during the financial year ended December 31, 2022 for each Named Executive Officer.

Name	Share-based awards - Value vested during the year ⁽¹⁾ (\$)	Option-based awards - Value vested during the year ⁽²⁾ (\$)	Non-equity incentive plan compensation – Value earned during the year ⁽³⁾ (\$)
David J. Wilson	158,000	973,281	67,126
Sadiq H. Lalani	-	505,982	67,126
Douglas J. Errico	-	440,911	64,876
Douglas O. MacArthur	-	413,709	62,626
Patrick W. G. Miles	-	413,709	62,626

Notes:

- (1) Value based on the closing market price of the Common Shares for 25,000 RSUs vested August 19, 2022.
- (2) Represents the aggregate dollar value that would have been realized if the Options under the option-based awards had been exercised on the vesting date based on the difference from the closing market price of the Common Shares on the date immediately preceding the vesting date.
- (3) Amounts shown are payments made under the Bonus Plan in 2022.

Termination and Change of Control Benefits

Stock Option Plan

The Stock Option Plan provides that in the event of a change of control, all unexercised and unvested outstanding Options shall immediately vest and be exercisable but may only be purchased for tender to the subject transaction. If the subject transaction is not completed, any Common Shares issued and tendered to the transaction shall be deemed to be cancelled and returned to treasury.

RSU Plan

The RSU Plan provides that in the event of a change of control of the Corporation, subject to the terms of any employment agreement between the Corporation and a participant, all outstanding RSUs shall vest upon or immediately prior to the completion of the transaction resulting in the change of control.

Executive Employment Agreements

As of February 28, 2019, the Corporation entered into written executive employment agreements with all executive officers of the Corporation including each of the Named Executive Officers of the Corporation. Each of these written agreements provides that in the event of a change of control of the Corporation and in the further event that the NEO's employment with the Corporation is contemporaneously terminated by the Corporation, or, the NEO elects to leave the Corporation on thirty day's notice to the Corporation within ninety days following a change of control, or a termination without just cause, each of the Named Executive Officers is entitled to the following payments, namely: (i) the amount of fifteen months of the then applicable base salary, less required withholdings; and (ii) an amount equal to 25% of the Named Executive Officer's then applicable base salary, representing the Corporation's cost of providing benefits to the Named Executive Officer during the fifteen months immediately prior to the effective date of the change of control or the termination without just cause, provided that the Named Executive Officer has provided a written resignation of all offices and director positions held in the Corporation and has delivered to the Corporation a duly executed full and final release in favour of the Corporation, in a form reasonably satisfactory to the Corporation. In the case of the executive employment agreement entered into between the CEO (who is not paid a base salary) and the Corporation, the foregoing amounts are equivalent to the amounts payable under the executive employment agreement to which the CFO is a party. The basis for selecting the foregoing events which trigger such payments is the Board's determination of comparable terms prevailing in the marketplace in which the Corporation competes. The written agreements provide that the Named Executive Officers shall provide the Corporation with thirty days notice of the termination of his or her employment. The written agreements also provide that the Corporation shall reimburse

the Named Executive Officers for all reasonable business expenses incurred in the performance of his or her duties on behalf of the Corporation.

Estimated Incremental Payments and Benefits as of December 31, 2022

The following table sets forth the estimated incremental payments and benefits that would be received by the Named Executive Officers following a change of control, in each case had such events occurred on December 31, 2022.

Name	Stock Option Plan⁽¹⁾ (\$)	RSU Plan⁽²⁾ (\$)	Executive Employment Agreements (\$)	Total (\$)
David J. Wilson	735,427	1,214,925	381,225	2,331,577
Sadiq H. Lalani	335,960	175,350	381,225	892,535
Douglas J. Errico	307,820	175,350	363,203	846,373
Douglas O. MacArthur	277,287	150,300	348,075	775,662
Patrick W. G. Miles	277,287	150,300	348,075	775,662

Notes:

- (1) As provided for in the Stock Option Plan, assuming a change of control on December 31, 2022, all unvested Options held by the Named Executive Officers would vest and be immediately exercisable. Value is calculated based on the difference between the exercise price of the unvested Options and the closing price of the Common Shares on the TSX on December 30, 2022, being \$5.01.
- (2) As provided for in the RSU Plan, assuming a change of control on December 31, 2022, all unvested RSUs held by the Named Executive Officers would vest. Value is calculated based on the closing price of the Common Shares on the TSX on December 30, 2022, being \$5.01.

Compensation of Directors

In designing a compensation program for non-executive directors, the Board's objective is to ensure that the Corporation attracts and retains highly qualified, committed and talented members of the Board with an extensive and relevant breadth of experience, as well as to align the interests of directors with those of its shareholders.

The Board sets the compensation of non-executive directors based on the Compensation Committee's recommendations. The Compensation Committee annually reviews the compensation of non-executive directors and recommends to the Board such adjustments as it considers appropriate and necessary to recognize the workload, time commitment and responsibility of the Board and committee members and to remain competitive with director compensation trends in Canada.

The non-executive directors of the Corporation receive a retainer fee in the amount of \$12,000 per year, payable on a quarterly basis. Other than the foregoing retainer fees, non-executive director compensation has included Options and RSUs. The non-executive directors are also subject to the share Ownership Guidelines, as described below. The Compensation Committee is also of the view that any Options issued to the non-executive directors would be immaterial in view of a majority of their current shareholdings and therefore unlikely to influence excessive risk taking by such non-executive directors.

The Stock Option Plan provides that the maximum number of Common Shares issuable pursuant to Options granted under the Stock Option Plan to any non-executive director, within any calendar year, shall not exceed \$100,000, as calculated on the date of grant using the Black-Scholes-Merton valuation model and each of the Stock Option Plan and the RSU Plan provides that the maximum number of Common Shares reserved for issuance under all security based compensation arrangements of Kelt issued to any non-executive director, within any calendar year, shall not exceed \$150,000, as calculated on the date of grant.

Non-Executive Director Share Ownership Guidelines

Non-executive directors are encouraged to own shares to align the long-term financial interests of the Board with those of the Corporation's shareholders. The Corporation has implemented share ownership guidelines applicable to the Corporation's non-executive directors ("**Ownership Guidelines**"). Non-executive directors are

required to hold a number of Common Shares having a value (being the greater of: (a) the original amount paid by the director to acquire the Common Shares; and (b) the current market value of those shares) equal to three times their total annual compensation from the Corporation. New non-executive directors will have three years to achieve the required level of ownership. The Ownership Guidelines also provide a two year period within which a non-executive may restore compliance, as well as Compensation Committee discretion to provide hardship relief. Each member of the Board met this requirement for the financial year ended December 31, 2022, other than Janet E. Vellutini who was appointed to the Board on July 1, 2021. See “*Director Nominees*” in this Management Information Circular for the number and current market value of Common Shares held by each non-employee director as at December 31, 2022.

Director Compensation

Summary Compensation Table

The following table sets forth information in respect of all amounts of compensation provided to the directors of the Corporation for the Corporation’s financial year ended December 31, 2022.

Name ⁽²⁾	Fees earned (\$)	Option-based awards ⁽¹⁾ (\$)	Share Based Awards (\$)	Total (\$)
Geraldine L. Greenall	11,500	90,948	26,700	129,148
William C. Guinan	11,500	90,948	26,700	129,148
Neil G. Sinclair	11,500	90,948	26,700	129,148
Michael R. Shea	11,500	90,948	26,700	129,148
Janet E. Vellutini	11,500	90,948	26,700	129,148

Notes:

- (1) The Corporation has calculated the grant date fair value of the Options granted to directors using the Black-Scholes-Merton option pricing model. The Corporation chose this methodology because it is recognized as the most common methodology used for valuing options and value comparisons. The weighted average of the Black-Scholes option pricing model assumptions used by the Corporation during 2022 was \$3.03 using the following assumptions: risk-free interest rate 2.0%; expected life of 5 years; expected volatility of 67%; expected forfeiture rate of 4.8% and no expected dividends. The aggregate number of Options held by each of the directors of the Corporation, including the number of Options granted to each director of the Corporation during the financial year ended December 31, 2022, is set out in the table under the heading entitled “*Executive Compensation – Director Compensation – Outstanding Option-Based Awards*”.
- (2) Compensation information for David J. Wilson, President, CEO and a director of the Corporation has been previously provided herein under the section entitled “*Executive Compensation - Summary Compensation Table*”.

Outstanding Option-Based Awards

The following table sets forth information in respect of all option-based awards outstanding at the end of the Corporation’s financial year ended December 31, 2022 provided to the directors of the Corporation.

Name ⁽³⁾	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾ (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested ⁽²⁾ (\$)	Market or payout value of share-based awards not paid out or distributed (\$)
Geraldine L. Greenall	35,000	4.76	November 19, 2023	8,750	5,000	25,050	N/A
	30,000	2.76	August 19, 2024	67,500			
	36,000	0.99	April 2, 2025	144,720			
	30,000	2.72	March 24, 2026	68,700			
	30,000	5.34	March 17, 2027	-			
William C. Guinan	10,000	2.76	August 19, 2024	22,500	5,000	25,050	N/A
	36,000	0.99	April 2, 2025	144,720			
	30,000	2.72	March 24, 2026	68,700			
	30,000	5.34	March 17, 2027	-			

Name ⁽³⁾	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾ (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested ⁽²⁾ (\$)	Market or payout value of share-based awards not paid out or distributed (\$)
Neil G. Sinclair	35,000	4.76	November 19, 2023	8,750	5,000	25,050	N/A
	30,000	2.76	August 19, 2024	67,500			
	36,000	0.99	April 2, 2025	144,720			
	30,000	2.72	March 24, 2026	68,700			
	30,000	5.34	March 17, 2027	-			
Michael R. Shea	27,000	7.94	April 19, 2023	-	5,000	25,050	N/A
	35,000	4.95	January 10, 2024	2,100			
	15,000	2.76	August 19, 2024	33,750			
	36,000	0.99	April 2, 2025	144,720			
	30,000	2.72	March 24, 2026	68,700			
Janet E. Vellutini	30,000	5.34	March 17, 2027	-	5,000	25,050	N/A
	36,000	3.45	July 1, 2026	56,160			
	30,000	5.34	March 17, 2027	-			

Notes:

- (1) Value is calculated based on the difference between the exercise price of the Options and the closing price of the Common Shares on the TSX on December 30, 2022, being \$5.01.
- (2) Value is calculated based on the closing price of the Common Shares on December 30, 2022, being \$5.01. The RSUs were granted on March 17, 2022 half of which will vest March 17, 2024 and half will vest March 17, 2025.
- (3) Compensation information for David J. Wilson, President, CEO and a director of the Corporation has been previously provided herein under the section entitled “Executive Compensation – Outstanding Share-Based Awards and Option-Based Awards”.

The 175,000 Options and RSUs granted in 2022 to the non-executive directors of the Corporation totaled approximately 0.09% of Common Shares outstanding at the end of 2022.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth the value of incentive plan awards which vested during the financial year ended December 31, 2022. The directors of the Corporation do not receive share-based awards or non-equity incentive plan compensation.

Name	Option-based awards value vested during year (\$) ⁽¹⁾
Geraldine L. Greenall	147,120
William C. Guinan	147,120
Neil G. Sinclair	147,120
Michael R. Shea	131,270
Janet E. Vellutini	32,040

Notes:

- (1) Represents the aggregate dollar value that would have been realized if the Options under the option-based awards had been exercised on the vesting date based on the difference from the closing market price of the Common Shares on the date immediately preceding the vesting date.

Securities Authorized for Issuance Under Equity Compensation Plans

The following table sets forth information as at December 31, 2022 with respect to the Corporation's compensation plans under which equity securities of the Corporation are authorized for issuance.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in first column)
Equity compensation plans approved by securityholders ⁽¹⁾	Options: 10,532,121 RSUs: 873,000	Options: \$3.71 RSUs: NA	5,876,172 ⁽²⁾
Equity compensation plans not approved by securityholders	Nil	N/A	N/A
Total	11,405,121	Options: \$3.71 RSUs: NA	5,876,172 ⁽²⁾

Notes:

- (1) The unallocated Options under the Stock Option Plan and the unallocated RSUs under the RSU Plan were most recently approved by the shareholders of the Corporation at the annual and special meeting of the shareholders of Kelt held on April 20, 2022.
- (2) The Stock Option Plan and the RSU Plan provide that the aggregate number of Common Shares reserved for issuance pursuant to the Stock Option Plan and the RSU Plan shall not exceed 9% of the aggregate number of issued and outstanding Common Shares.

Stock Option Plan

The unallocated Options under the Stock Option Plan were approved most recently at the annual and special meeting of the shareholders of the Corporation held on April 20, 2022.

The Stock Option Plan provides that the aggregate number of Common Shares issuable pursuant to Options granted under the Stock Option Plan and the RSU Plan, in aggregate, shall not exceed 9% of the issued and outstanding Common Shares at the time of the grant of any Option. In addition, the Stock Option Plan provides that the aggregate number of Common Shares issuable pursuant to Options granted under the Stock Option Plan and any other security based compensation arrangement, if any, and: (i) issued to insiders, within any one year period, shall not exceed 9% of the issued and outstanding Common Shares; and (ii) issuable to insiders at any time, shall not exceed 9% of the issued and outstanding Common Shares. The Stock Option Plan also provides that: (i) the maximum number of Common Shares issuable pursuant to Options granted under the Stock Option Plan to any non-executive director, within any calendar year, shall not exceed \$100,000, as calculated on the date of grant using the Black-Scholes-Merton valuation model; and (ii) the maximum number of Common Shares reserved for issuance under all security based compensation arrangements of Kelt issued to any non-executive director, within any calendar year, shall not exceed \$150,000, as calculated on the date of grant using the Black-Scholes-Merton valuation model. The Stock Option Plan provides for the exercise price to be determined by the Board provided that the exercise price of the Options may not be less than the three day volume weighted average trading price per Common Share on the principal stock exchange on which the Common Shares are traded immediately preceding the date of grant.

Participation in the Stock Option Plan is voluntary. In order to constitute a valid Option under the Stock Option Plan, the participant and Kelt must enter into a valid option agreement in a form acceptable to the Board. Options granted under the Stock Option Plan will be for a term of no longer than 10 years after the date of grant. The Board has the sole discretion to determine the time during which stock options will vest and the method of vesting. The interest of any optionee under the Stock Option Plan is not transferable or alienable by the optionee either by assignment or in any manner, during the optionee's lifetime. If any optionee ceases to be an eligible participant under the Stock Option Plan as a result of permanent physical or mental disability or death, then, the total number of Options not previously purchased by such optionee, whether or not the rights to purchase some or all of the Common Shares pursuant to those Options have previously vested, may be exercised for a period ending on the earlier of the expiry date of such Options and one year to the date the optionee ceases to be a participant due to such permanent physical or mental disability or death. If an optionee ceases to be a participant for reasons other than permanent physical or mental disability or death and is terminated without notice or

entitlement to notice or compensation in lieu thereof, the optionee may exercise the Option, to the extent they have vested as of the date of ceasing to be a participant. If the optionee ceases to be a participant for any reasons other than as described above, the optionee may exercise the Option, to the extent they have vested, when reasonable notice has been given, on the date the optionee ceases to be a participant and when compensation is paid in lieu of notice, for 21 days after the date the optionee ceases to be a participant. In the event of any change in the Common Shares through subdivision, consolidation, reclassification, amalgamation, merger or otherwise or of any issuance, dividend or distribution to all or substantially all the holders of Common Shares of any shares, securities, property or assets of the Corporation other than in the ordinary course of business, or in the event any other rights are granted to holders of Common Shares to purchase Common Shares at prices materially below fair market value then, the Board will, subject to any required approval of any regulatory authority or the Toronto Stock Exchange (the “TSX”), proportionately adjust the number of Options available under the Stock Option Plan and the number of Common Shares that may be issued under existing option agreements. In the event of a change of control, all unexercised and unvested outstanding Options shall immediately vest and be exercisable, but may only be purchased for tender to the subject transaction. If the subject transaction is not completed, any Common Shares issued and tendered to the transaction shall be deemed to be cancelled and returned to treasury.

An optionee may exercise the right (the “**Put Right**”), from time to time, to require Kelt to purchase all or any of its vested Options by delivery to Kelt of a written notice of exercise (“**Put Notice**”), specifying the number of Options with respect to which the Put Right is being exercised. Kelt will purchase from the optionee all of the Options specified in the Put Notice at a price (the “**Put Price**”) equal to the excess of the closing price of the Common Shares on the principal stock exchange on which they are traded on the date of receipt of the Put Notice by Kelt (the “**Notice Date**”) over the exercise price for each Option being purchased under the Put Right provided that the Put Notice is received by Kelt before 4:30 p.m. (Calgary time) on the Notice Date, or if the Put Notice is received by Kelt after 4:30 p.m. (Calgary time) on the Notice Date, the Put Price shall be the next date upon which the Common Shares trade on the principal stock exchange on which they are traded, or for such other amounts as may be agreed to by the optionee and Kelt. Upon the exercise of the Put Right, Kelt will cause to be delivered to the optionee a cheque representing the Put Price multiplied by the number of Options specified in the Put Notice (less any applicable withholding tax) within three business days of the Notice Date. Upon exercise of the Put Right and its acceptance by Kelt, the Options are deemed to be terminated and cancelled and shall cease to grant the optionee any further rights thereunder. Notwithstanding the foregoing, Kelt may, at its sole discretion, decline to accept and, accordingly, have no obligations with respect to the exercise of a Put Right at any time and from time to time.

The Stock Option Plan provides for the extension of the expiry date of any Option which would otherwise expire during a “black-out period” imposed by Kelt upon certain designated persons during which those persons may not trade in any securities of Kelt, for 10 business days from the date that any “black-out period” ends. The Stock Option Plan also provides that the Board may, in its sole discretion and without further approval of the shareholders, suspend, terminate or discontinue the Stock Option Plan and may amend the terms and conditions of Options granted under the Stock Option Plan, subject to any required approval of any regulatory authority or the TSX. The approval of the shareholders of the Corporation will be required for any amendments to the Stock Option Plan which reduces the exercise price of an Option or results in cancellation and reissuance of an Option; extends the term of an Option beyond its normal expiry date; changes the definition of the “participants” to permit the introduction or reintroduction of non-executive directors on a discretionary basis or that increase limits previously imposed on non-executive director participation; results in an increase in the number of Common Shares that may be subject to Options granted to participants under the Stock Option Plan; would permit Options granted under the Stock Option Plan to be transferable or assignable other than for normal estate settlement purposes; changes the amendment and termination provisions of the Stock Option Plan; and which require approval by shareholders of the Corporation under applicable law (including, without limitation, the rules, regulations and policies required by the TSX).

The Stock Option Plan also provides that the Board may seek reimbursement of Options awarded to an officer of the Corporation pursuant to the Stock Option Plan and any Common Shares issued upon the exercise thereof, where: (a) the payment of such compensation was predicated on achieving certain financial results that were subsequently the subject of or affected by a material restatement of all or a portion of the Corporation’s financial

statements filed with any securities regulatory authority; (b) the Board, in its discretion, determines that the officer engaged in gross negligence, intentional misconduct or fraud that caused or partially caused, the need for the restatement; and (c) the value of the Options awarded would have been lower had the financial results been properly reported (collectively, the “**Option Clawback**”).

RSU Plan

The unallocated RSUs under the RSU Plan were approved most recently at the annual and special meeting of the shareholders of the Corporation held on April 20, 2022.

In accordance with the terms of the RSU Plan, the Board approves which service providers are awarded RSUs under the RSU Plan and the terms of each award, including the number of RSUs to be awarded to each participant, the vesting provisions and term. No award will vest later than December 15 of the third calendar year from the date of grant.

RSUs awarded to participants are credited to an account that is established on their behalf and maintained in accordance with the RSU Plan. Each RSU awarded conditionally entitles the participant to the delivery of one Common Share upon the RSU vesting provisions being satisfied. RSUs awarded to participants vest in accordance with terms determined by the Board from time to time, which terms may include timing criteria in which the RSUs vest over specified time intervals and/or performance criteria in which the number of Common Shares to be delivered to a participant in respect of each RSU awarded is dependent upon Kelt’s performance and/or the market price of the Common Shares, as determined by the Board. In addition, RSUs in a participant’s account will be credited with dividend equivalents in the form of additional RSUs as of each dividend payment date, if any, in respect of which dividends are paid on Common Shares (which shall vest on the same terms as the underlying RSU). RSUs are non-transferable. The Board may delegate its administrative authority under the RSU Plan to a committee of the Board.

The Common Shares to be delivered to participants upon the vesting of RSUs will be issued from treasury. The RSU Plan provides that the maximum number of Common Shares reserved for issuance at any time pursuant to the RSU Plan shall not exceed 4.5% of the aggregate of the number of issued and outstanding Common Shares and that the maximum number of Common Shares reserved for issuance at any time pursuant to the RSU Plan and the Stock Option Plan, in aggregate, shall not exceed a number of Common Shares equal to 9% of the aggregate of the number of issued and outstanding Common Shares. To the extent that RSUs are terminated or cancelled prior to the issuance of any Common Shares, such Common Shares underlying such award shall be added back to the number of shares reserved for issuance under the RSU Plan and will become available for grant again under the RSU Plan.

The RSU Plan provides that the number of Common Shares available for issuance under the RSU Plan at any time shall not exceed a number of Common Shares equal to 4.5% of the aggregate number of Common Shares issued and outstanding from time to time. The RSU Plan also provides that the number of Common Shares reserved for issuance and which may be issued pursuant to the RSU Plan and other security based compensation arrangements established by Kelt (including the Stock Option Plan) shall be limited as follows: (i) the number of Common Shares reserved for issuance to any one individual shall not exceed 5% of the issued and outstanding Common Shares; (ii) the number of Common Shares reserved for issuance under all security based compensation arrangements of Kelt granted to insiders of Kelt at any time shall not exceed 9% of the issued and outstanding Common Shares; and (iii) the number of Common Shares that may be issued to insiders of Kelt within any one-year period under all security based compensation arrangements of Kelt shall not exceed 9% of the issued and outstanding Common Shares. The RSU Plan also provides that the maximum number of Common Shares reserved for issuance under all security based compensation arrangements of Kelt issued to any non-executive director, within any calendar year, shall not exceed \$150,000, as calculated on the date of grant using the Black-Scholes-Merton valuation model.

Unless otherwise determined by the Board or unless otherwise provided in any RSU award or any written agreement governing a participant’s role as a service provider, if a participant’s service with Kelt terminates for

cause, then all unvested RSUs will automatically terminate. Upon a participant's voluntary resignation, all unvested RSUs will automatically terminate, provided however, that the Board has discretion to accelerate vesting or permit continued vesting of the RSUs. If a participant's services terminate as a result of the participant's disability, then the participant's awards will generally continue to vest in accordance with the vesting schedule set forth in the participant's award agreement. Upon a participant's death, all outstanding RSUs held by the participant shall immediately vest and Common Shares shall become deliverable.

In the event there is any change in the Common Shares through the declaration of stock dividends or subdivisions, consolidations or exchanges of Common Shares, or otherwise, the number of Common Shares available for issuance and to be issued upon the vesting of RSUs granted under the RSU Plan shall be adjusted appropriately by the Board, subject to TSX approval. In the event that a divestiture of a business unit of Kelt results in the termination of a participant's term as a director, officer, employee or other eligible service provider of Kelt and such participant becomes a director, officer or employee of the person acquiring or operating such business unit, the Board may accelerate the vesting of all or any portion of a participant's RSUs or determine that such participant shall continue to be a participant in the RSU Plan, subject to such terms and conditions (including vesting), if any, established by the Board in its sole discretion. In the event of a change of control of Kelt, subject to the terms of any employment agreement between Kelt and a participant, all outstanding RSUs shall vest upon or immediately prior to the completion of the transaction resulting in the change of control. Under no circumstances will RSUs be considered Common Shares nor shall they entitle the participant to exercise voting rights or any other rights attaching to the ownership of Common Shares, nor shall any participant be considered the owner of the Common Shares by virtue of the award of RSUs.

Pursuant to the RSU Plan, a participant may make an offer (the "**Surrender Offer**") to Kelt, at any time, for the disposition and surrender by the participant (and the termination thereof) of any of the RSUs granted under the RSU Plan for an amount (not to exceed the "**Fair Market Value**" of the RSUs) (as such term is defined in the RSU Plan) specified in the Surrender Offer by the participant and Kelt may, but is not obligated to, accept the Surrender Offer, subject to any regulatory approval required. If the Surrender Offer, either as made or as renegotiated, is accepted, the RSUs in respect of which the Surrender Offer relates shall be surrendered and deemed to be terminated and cancelled and shall cease to grant the participant any further rights thereunder upon payment of the amount of the agreed Surrender Offer by Kelt to the participant.

The Board may amend the terms of the RSU Plan or suspend the RSU Plan in whole or in part and may at any time terminate the RSU Plan without prior notice. In addition, the Board may, in its sole discretion, suspend, terminate or discontinue the RSU Plan and may amend the RSU Plan and any RSU granted pursuant to the RSU Plan, subject to any required approval of any regulatory authority or the TSX. The approval of the shareholders of the Corporation will be required for amendments to the RSU Plan which extends the term of a RSU beyond its normal expiry date; changes the definition of "participants" to permit the introduction or reintroduction of non-executive directors on a discretionary basis or that increase limits previously imposed on non-executive director participation; results in an increase in the number of Common Shares that may be subject to RSUs granted to participants under the RSU Plan; would permit RSUs granted under the RSU Plan to be transferable or assignable other than for normal estate settlement purposes; changes the amendment and termination provisions of the RSU Plan; and require the approval by shareholders of the Corporation under applicable law (including, without limitation, the rules, regulations and policies required by the TSX).

The RSU Plan also provides that the Board may seek reimbursement of RSUs awarded to an officer of the Corporation pursuant to the RSU Plan and any Common Shares issued upon the exercise thereof, where: (a) the payment of such compensation was predicated on achieving certain financial results that were subsequently the subject of or affected by a material restatement of all or a portion of the Corporation's financial statements filed with any securities regulatory authority; (b) the Board, in its discretion, determines that the officer engaged in gross negligence, intentional misconduct or fraud that caused or partially caused, the need for the restatement; and (c) the value of the RSUs awarded would have been lower had the financial results been properly reported (collectively, the "**RSU Clawback**").

As at the date hereof: (i) the maximum number of Common Shares issuable under the Stock Option Plan and the RSU Plan is 17,283,093 Common Shares, representing 9% of the issued and outstanding Common Shares; (ii) the Corporation has issued and there are currently outstanding Options to purchase 10,662,121 Common Shares under the Stock Option Plan which represents approximately 5.6% of the currently outstanding Common Shares; (iii) the Corporation has issued and there are currently outstanding 875,500 RSUs under the RSU Plan which represents approximately 0.5% of the currently outstanding Common Shares; and (iv) there remains for issuance under the Stock Option Plan and the RSU Plan, 5,745,472 Options or RSUs to purchase Common Shares representing approximately 3% of the currently outstanding Common Shares. During the year ended December 31, 2022, there were 2,802,083 Common Shares issued pursuant to the exercise of outstanding Options and 48,000 Common Shares were issued pursuant to the vesting of outstanding RSUs.

Historical Information Respecting Options and RSUs Outstanding

The following table sets forth historical information for the aggregate number of Options granted and RSUs granted by the Corporation as at year end for the periods indicated.

Year ended December 31	Options Outstanding		RSUs Outstanding		Total Options and RSUs Outstanding		Options and RSUs Outstanding Held by Insiders		Common Shares Outstanding
		% of		% of		% of		% of	
	Number	Common Shares	Number	Common Shares	Number	Common Shares	Number	Common Shares	Number
2018	9,802,501	5.3%	1,096,980	0.6%	10,899,481	5.9%	4,767,605	2.6%	184,003,327
2019	10,014,901	5.3%	865,350	0.5%	10,880,251	5.8%	4,778,000	2.5%	187,785,857
2020	9,967,467	5.3%	346,200	0.2%	10,313,667	5.5%	5,202,000	2.8%	188,579,507
2021	10,523,074	5.6%	759,000	0.4%	11,282,074	6.0%	5,739,000	3.0%	189,164,282
2022	10,532,121	5.5%	873,000	0.5%	11,405,121	5.9%	6,275,167	3.3%	192,014,365

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director, proposed nominee for election as a director of the Corporation, executive officer, employee or former executive officer, director or employee of the Corporation, or any associate of any such director, officer or employee is, or has been at any time since the beginning of the most recently completed financial year of the Corporation, indebted to the Corporation, nor, at any time since the beginning of the most recently completed financial year of the Corporation has, any indebtedness of any such person been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation.

AUDIT COMMITTEE

Information in respect of the composition of the Corporation's Audit Committee, the education and experience of each of the members of the Audit Committee, the Terms of Reference for the Audit Committee, the Audit Committee's pre-approval policies and procedures for the engagement of non-audit services and the fees paid by the Corporation for external auditor services in 2021 and 2022 is set out under the heading "*Audit Committee*" in the Corporation's Annual Information Form dated March 3, 2023.

CORPORATE GOVERNANCE

National Policy 58-201 – *Corporate Governance Guidelines* (the "**Policy**") and National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("**NI 58-101**") and Form 58-101F1 *Corporate Governance Disclosure* ("**Form 58-101F1**") require the Corporation to disclose in its management information circular, among other things, the constitution and independence of corporate boards, the functions to be performed by boards and their committees and the effectiveness and continuing education of board members. Attached to this Management Information Circular as Appendix A, is the Corporation's corporate governance disclosure prescribed by Form 58-101F1 with respect to the matters set out under the Policy. This disclosure includes the amendments to NI 58-101 (the "**NI 58-101 Amendments**") which were adopted for implementation effective

December 31, 2014 by the securities regulatory authorities in the provinces and territories, other than British Columbia and Prince Edward Island.

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

None of the Corporation's directors or executive officers or companies or persons that beneficially own or control or direct, directly or indirectly, or a combination of both, more than 10% of the Common Shares, is a director or executive officer of such 10% holder, or any of their respective associates and affiliates, or any proposed nominee for election as a director of the Corporation, has any material interest in any transaction with the Corporation since the commencement of the Corporation's last financial year or in any proposed transaction which has materially affected or would materially affect the Corporation which has not been previously disclosed.

There are potential conflicts of interest to which the directors and officers of the Corporation may be subject in connection with the operations of the Corporation. Some of the directors and officers of the Corporation are engaged and will continue to be engaged in other business opportunities on their own behalf and on behalf of other corporations, and situations may arise where such directors and officers will be in competition with the Corporation. Individuals concerned shall be governed in any conflicts or potential conflicts by applicable law and internal policies of the Corporation.

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

No director or executive officer of the Corporation, nor any proposed nominee for election as a director of the Corporation, or any associate or affiliate of any one of them, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting, except as described in this Management Information Circular under the heading "*Matters to be Acted Upon at the Meeting – Election of Directors*".

OTHER MATTERS TO BE ACTED UPON

Management knows of no matters to come before the Meeting other than the matters referred to in the Notice of Meeting. However, if any other matters properly come before the Meeting, the accompanying proxy will be voted on such matters in the best judgment of the person or persons voting the proxy.

ADDITIONAL INFORMATION

Additional financial information is provided in the Corporation's audited financial statements and management's discussion and analysis for the financial year ended December 31, 2022.

Any request for these documents can be made by contacting the Vice President and Chief Financial Officer of Kelt Exploration Ltd. at Suite 300, 311 – 6th Avenue S.W., Calgary, Alberta, T2P 3H2 and/or fax (403) 291-0155. Information relating to the Corporation can also be obtained on SEDAR under the Corporation's profile at www.sedar.com.

APPENDIX A

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

National Instrument 58-101 - *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) requires that if management of an issuer solicits proxies from its securityholders for the purpose of electing directors that certain prescribed disclosure respecting corporate governance matters be included in its management information circular. The TSX also requires listed companies to provide, on an annual basis, the corporate governance disclosure which is prescribed by NI 58-101.

The prescribed corporate governance disclosure for the Corporation is that contained in Form 58-101F1, including the NI 58-101 Amendments, which is attached to NI 58-101 (“**Form 58-101F1 Disclosure**”).

Set out below is a description of the Corporation’s current corporate governance practices, relative to the Form 58-101F1 Disclosure.

1. Board of Directors

(a) Disclose the identity of directors who are independent.

The following directors of the Corporation, all of whom are nominated for re-election, are all independent (for purposes of NI 58-101):

Geraldine L. Greenall
William C. Guinan⁽¹⁾
Michael R. Shea
Neil G. Sinclair
Janet E. Vellutini

Note:

(1) Mr. Guinan was (until December 31, 2020) a partner of Borden Ladner Gervais LLP who provides legal services to the Corporation. The Board has concluded that Mr. Guinan is independent for purposes of NI 58-101.

(b) Disclose the identity of directors who are not independent and describe the basis for that determination.

David J. Wilson is not independent as he also occupies the positions of President and Chief Executive Officer of the Corporation.

(c) Disclose whether or not a majority of directors are independent. If a majority of directors are not independent, describe what the board of directors (the board) does to facilitate its exercise of independent judgement in carrying out its responsibilities.

A majority of the directors of the Corporation (five of the six) are independent (for purposes of NI 58-101) and one director is related to the Corporation. See also paragraph 1(f) below.

(d) If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.

The following director is presently a director of another issuer that is a reporting issuers (or the equivalent):

Name of Director	Name of Other Issuer	Exchange
William C. Guinan	Tuktu Resources Ltd.	TSX Venture

- (e) **Disclose whether or not the independent directors hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. If the independent directors hold such meetings, disclose the number of meetings held since the beginning of the issuer's most recently completed financial year. If the independent directors do not hold such meetings, describe what the board does to facilitate open and candid discussion among its independent directors.**

At the end of or during each quarterly meeting of the Board, the independent directors meet without management to consider any matters arising from the meeting or otherwise that require consideration or discussion among the independent directors. Six such meetings were held during 2022. In addition, other meetings of the independent directors may be held from time to time if required. The independent directors each take leadership roles on various issues as the need arises. Further, as with all directors, the independent directors may engage external advisors at the expense of the Corporation in appropriate circumstances, subject to the approval of the Board and have complete access to appropriate personnel of the Corporation in order to secure all information necessary to fulfill their duties.

- (f) **Disclose whether or not the chair of the board is an independent director. If the board has a chair or lead director who is an independent director, disclose the identity of the independent chair or lead director, and describe his or her role and responsibilities. If the board has neither a chair that is independent nor a lead director that is independent, describe what the board does to provide leadership for its independent directors.**

The Board has appointed William C. Guinan, an independent member of the Board, as the Chair of the Board. The primary responsibilities of the Chair of the Board are to serve as the Board's role model for responsible, ethical and effective decision making, provide leadership to the independent directors, to manage the affairs of the Board to ensure the Board is organized properly and functions effectively and to take reasonable steps to ensure that the members of the Board execute their duties pursuant to the Board Mandate.

The Board has appointed Geraldine L. Greenall, an independent member of the Board, as the Lead Director of the Board. The primary focus of the Lead Director is to act as liaison between management and the independent directors to ensure the Board is organized properly, functions effectively and can operate independently of management when necessary.

- (g) **Disclose the attendance record of each director for all board and committee meetings held since the beginning of the issuer's most recently completed financial year.**

For 2022, Board and Committee meetings were attended by the respective members as described in the following table:

	No. of Meetings held	Geraldine L. Greenall ⁽¹⁾	William C. Guinan	Michael R. Shea ⁽²⁾	Neil G. Sinclair ⁽³⁾	Janet E. Vellutini ⁽³⁾	David J. Wilson ⁽⁵⁾
Board	6	6	6	6	6	6	6
Audit Committee	4	4	N/A	N/A	4	4	N/A
Compensation Committee	1	N/A	N/A	1	1	1	N/A

	No. of Meetings held	Geraldine L. Greenall ⁽¹⁾	William C. Guinan	Michael R. Shea ⁽²⁾	Neil G. Sinclair ⁽³⁾	Janet E. Vellutini ⁽³⁾	David J. Wilson ⁽⁵⁾
Health, Safety and Environment Committee	1	N/A	1	N/A	1	N/A	1
Nominating Committee	2	2	N/A	2	2	N/A	N/A
Reserves Committee	1	1	N/A	1	N/A	1	N/A
Total Meetings/Meetings Attended	15	13/13	7/7	10/10	14/14	12/12	7/7
Attendance Rating		100%	100%	100%	100%	100%	100%

Notes:

- (1) Ms. Greenall is the Chair of the Reserves Committee.
- (2) Mr. Shea is the Chair of the Nominating Committee
- (3) Mr. Sinclair is the Chair of the Audit Committee.
- (4) Ms. Vellutini is the Chair of the Compensation Committee.
- (5) Mr. Wilson is the Chair of the Health, Safety and Environment Committee.

2. **Board Mandate - Disclose the text of the board's written mandate. If the board does not have a written mandate, describe how the board delineates its role and responsibilities.**

The mandate of the Board is attached to this Appendix A as Schedule A.

3. **Position Descriptions**

- (a) **Disclose whether or not the board has developed written position descriptions for the chair and the chair of each board committee. If the board has not developed written position descriptions for the chair and/or the chair of each board committee, briefly describe how the board delineates the role and responsibilities of each such position.**

The Board has developed written position descriptions for the Board Chair as well as the Chair of each of the Committees of the Board.

In addition, the Board has developed a written position description for the Lead Director.

- (b) **Disclose whether or not the board and CEO have developed a written position description for the CEO. If the board and CEO have not developed such a position description, briefly describe how the board delineates the role and responsibilities of the CEO.**

The Board, with the input of the CEO of the Corporation, has developed a written position description for the CEO.

In addition, the Board, with the input of the CFO of the Corporation, has developed a written position description for the CFO.

4. **Orientation and Continuing Education**

- (a) **Briefly describe what measures the board takes to orient new directors regarding (i) the role of the board, its committees and its directors, and (ii) the nature and operation of the issuer's business.**

The Nominating Committee is responsible for procedures relating to the orientation and education of new members of the Board. The Nominating Committee will co-ordinate an orientation program for new directors to include: (i) a director manual regarding the duties of the Board, individual directors, each Committee, the Board Chair, the Lead Director, the Chair

of each Committee, the Chief Executive Officer, the Chief Financial Officer and other executive officers of the Corporation; (ii) information regarding the nature and operation of the Corporation's business and organization structure; and (iii) copies of the Board and Committee mandates, position descriptions, the Code (as defined below), the Board Diversity Policy and other governance policies.

- (b) **Briefly describe what measures, if any, the board takes to provide continuing education for its directors. If the board does not provide continuing education, describe how the board ensures that its directors maintain the skill and knowledge necessary to meet their obligations as directors.**

The Board recognizes the importance of ongoing continuing education for its directors. The Nominating Committee is responsible by its terms of reference to arrange for the directors to receive: (i) distributions of updated information regarding the Corporation's business, market and competitors; (ii) presentations as appropriate to advise of corporate developments, changes in industry conditions and changes in legal and regulatory requirements affecting the Corporation; and (iii) tours of the Corporation's facilities to interact with executive officers, management and employees in order to stay abreast of industry developments and the evolving nature of the Corporation.

In connection with the foregoing, the Corporation regularly provides the directors (at least on a quarterly basis) briefings and an update on the business, operations and affairs of the Corporation, including new and ongoing prospects of the Corporation, the Corporation's performance relative to its peers and competitors and other developments related thereto that could have a significant impact on the Corporation's operations and results. Such updates are conducted by senior levels of management with responsibility in the various areas under discussion. The Corporation also encourages directors to attend, enrol or participate in courses and/or seminars dealing with financial literacy, corporate governance and related matters and will pay the cost of certain courses. The Corporation also encourages directors to attend tours of the Corporation's facilities, which are conducted from time to time.

5. **Ethical Business Conduct**

- (a) **Disclose whether or not the board has adopted a written code for the directors, officers and employees.**

The Corporation has adopted a Code of Business Conduct and Ethics for directors, officers and employees (the "**Code**"). The Code reflects the Corporation's commitment to a culture of honesty, integrity and accountability and outlines the basic principles and policies with which all employees are expected to comply. The Corporation recognizes that each employee's cooperation and commitment is necessary for continued success and the cultivation and maintenance of its reputation as a good corporate citizen.

The Code also addresses a number of important topics, including compliance with laws, rules and regulations, gifts and entertainment, conflicts of interest, corporate opportunities, insider trading, confidentiality, protection and proper use of the Corporation's assets, fair dealing, discrimination and harassment, health and safety, accuracy of the Corporation's records and reporting, accurate and timely periodic reporting, political activities, and compliance procedures.

If the board has adopted a written code:

(i) disclose how a person or company may obtain a copy of the code;

A copy of the Code may be obtained from the Chief Financial Officer of the Corporation at (403) 215-5310 or slalani@keltexploration.com and is also available on the Corporation's website at www.keltexploration.com and on SEDAR at www.sedar.com.

(ii) describe how the board monitors compliance with its code, or if the board does not monitor compliance, explain whether and how the board satisfies itself regarding compliance with its code; and

All employees are provided with a copy of the Code on commencement of employment and are made aware of the consequences of violation thereof. An annual reminder that compliance with the Code is required is also provided. In addition, all employees of the Corporation are required to affirm in writing on an annual basis his or her agreement to abide by the Code.

(iii) provide a cross-reference to any material change report filed since the beginning of the issuer's most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the code.

There have been no material change reports filed since the beginning of the Corporation's most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the Code.

(b) Describe any steps the board takes to ensure directors exercise independent judgement in considering transactions and agreements in respect of which a director or executive officer has a material interest.

In accordance with the *Business Corporations Act* (Alberta), directors who are a party to, or are a director or an officer of a person which is a party to, a material contract or material transaction or a proposed material contract or proposed material transaction are required to disclose the nature and extent of their interest and not to vote on any resolution to approve the contract or transaction. In addition, in certain cases, an independent committee of the Board may be formed to deliberate on such matters in the absence of the interested party. As a standing item at each meeting of the Board, directors are required to advise of any conflicts of interest or duty regarding agenda items that will appear on Board meeting agendas at the beginning of each meeting and before discussion of any substantial agenda item.

(c) Describe any other steps the board takes to encourage and promote a culture of ethical business conduct.

In addition to the Code, the Board has also adopted a "Whistleblower Policy" wherein employees of the Corporation are provided with the mechanics by which they may raise concerns with respect to a possible violation of the Corporation's disclosure standards in a confidential, anonymous process.

6. **Nomination of Directors**

(a) **Describe the process by which the board identifies new candidates for board nomination.**

The Nominating Committee is responsible for identifying suitable candidates for nominees for election or appointment as director and recommending the criteria governing the overall composition of the Board and governing the desirable characteristics for directors. In making such recommendations, the Nominating Committee is to consider: (i) the competencies and skills that the Board considers to be necessary for the Board, as a whole, to possess; (ii) the competencies and skills that the Board considers each existing director to possess; (iii) the competencies and skills that each new nominee will bring to the boardroom; and (iv) whether or not each new nominee can devote sufficient time and resources to his or her duties as a member of the Board. In addition, in accordance with the provisions of the Board Diversity Policy of the Corporation, the Nominating Committee will also consider the balance of skills, background, experience and knowledge on the Board and Board diversity when identifying suitable candidates for the Board and when making recommendations to the Board regarding nominating candidates for election or appointment to the Board. Candidates will be recommended for appointment or election as directors based on merit considered against objective criteria, having due regard for the benefits of diversity on the Board, including gender, and the Nominating Committee will strive to include women among those candidates being considered for appointment or election as directors.

(b) **Disclose whether or not the board has a nominating committee composed entirely of independent directors. If the board does not have a nominating committee composed entirely of independent directors, describe what steps the board takes to encourage an objective nomination process.**

The Corporation has a Nominating Committee, which is responsible for nominating directors, and which is comprised of only independent directors.

(c) **If the board has nominating committee, describe the responsibilities, powers and operation of the nominating committee.**

The responsibilities, powers and operations of the Nominating Committee are to annually review the composition, skills, size and tenure of directors in advance of annual general meetings and whenever individual directors indicate that their status as members may change; identify qualified candidates, taking into account candidates' independence, financial acumen, skills and time available to devote to the duties of the Board; assess the competencies and skills each director possesses, the Board as a whole possesses, the nominees will bring the Board if elected and the Board as a whole should possess; assess the appropriate size of the Board with a view to facilitating effective decision making; advise directors of the time and resources directors are expected to contribute to the Board; recommend nominees for election as directors and appointment as members and the Chair of Committees together with the reasons for their recommendations; co-ordinate an orientation program for new directors to include: (i) a director manual regarding the duties of the Board, individual directors, each Committee, the Board Chair, the Lead Director, the Chair of each Committee, the CEO, the Chief Financial Officer and other executive officers of the Corporation; (ii) information regarding the nature and operation of the Corporation's business and organizational structure; (iii) copies of the Board and Committee Mandates, position descriptions, the Code and other governance policies; (iv) arrange for the directors to receive: (a) distributions of updated information regarding the Corporation's business, market and competitors; (b) presentations as appropriate to advise of corporate developments, changes in industry conditions and changes in legal and regulatory requirements affecting the Corporation; and (c) tours of the Corporation's facilities to interact

with executive officers, management and employees in order to stay abreast of industry developments and the evolving business of the Corporation; and (v) recommend the removal of directors from Committees and the Board in the event of conflicts of interest, breach of the Code or otherwise.

7. Compensation

- (a) **Describe the process by which the board determines the compensation for the issuer's directors and officers.**

See "Executive Compensation - Compensation Discussion and Analysis" and "Executive Compensation - Elements of Executive Compensation Program" in the body of this Management Information Circular.

- (b) **Disclose whether or not the board has a compensation committee composed entirely of independent directors. If the board does not have a compensation committee composed entirely of independent directors, describe what steps the board takes to ensure an objective process for determining such compensation.**

The Compensation Committee is comprised entirely of independent directors.

- (c) **If the board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.**

See "Executive Compensation - Compensation Discussion and Analysis" in the body of this Management Information Circular.

- (d) **If a compensation consultant or advisor has, at any time since the beginning of the issuer's most recently completed financial year, been retained to assist in determining compensation for any of the issuer's directors and officers, disclose the identity of the consultant or advisor and briefly summarize the mandate for which they have been retained. If the consultant or advisor has been retained to perform any other work for the issuer, state that fact and briefly describe the nature of the work.**

N/A

8. Other Board Committees - If the board has standing committees other than the audit, compensation and nominating committees identify the committees and describe their function.

Other than the Audit Committee, Compensation Committee and the Nominating Committee, the Corporation has established a Health, Safety and Environment Committee, and a Reserves Committee.

The purpose of the Health, Safety and Environment Committee is to assist the Board in fulfilling its responsibilities in relation to environmental, health and safety matters, including: (i) the provision of a safe environment for employees and others to perform their duties; (ii) reviewing and monitoring the policies and procedures of the Corporation relating to health, safety and environmental matters; and (iii) overseeing management's actions relating to compliance by the Corporation with environmental regulatory requirements and the Corporation's health, safety and environmental goals. Its duties are to: (a) in conjunction with management, review, annually, the Corporation's health, safety and environmental policies, practices and procedures and monitor whether those policies, practices and procedures: (i) comply with applicable legislation, regulatory requirements, and industry standards, (ii) meet the Corporation's goals, and (iii) adequately prevent or mitigate losses; (b) review and assess the Corporation's approach to climate and sustainability reporting, including the assessment of materiality and the manner in which stakeholder concerns with respect to the environmental, social and

governance issues are addressed and communicated; (c) provide oversight of the integration and consideration of climate related risks and other appropriate environmental objectives into the Corporation's strategy, policies, procedures and decision-making processes; (d) receive reports from management regarding the Corporation's initiatives and opportunities to improve its environmental, social and governance ("ESG") performance including efforts to reduce emissions and waste, water usage, minimize land disturbances and improve health and safety practices; (e) assess, from time to time, whether the Corporation's health, safety and environmental policies, practices and procedures are being effectively implemented; (f) receive reports from management on the Corporation's health, safety and environmental performance and review the responses of management to changes in the Corporation's performance; (g) review the effectiveness of the response by the Corporation, to health, safety and environmental issues, including compliance with applicable legislation, regulatory requirements and industry standards; (h) review and consider, as appropriate, reports and recommendations issued by the Corporation or by an external party relating to health, safety and environmental issues, together with management's response thereto; (i) report, as appropriate, to the Board on issues related to the Corporation's health, safety and ESG-related risks and opportunities, including the Corporation's management of those issues, and make recommendations to the Board thereon; (j) review with management their assessment of significant operational risks and exposures and review and assess the steps taken by the Corporation's management to mitigate those risks; and (k) at least annually, review the processes used by the Corporation's management to determine the Corporation's asset retirement obligations.

The Reserves Committee is responsible for various matters relating to reserves of the Corporation that may be delegated to the Reserves Committee pursuant to National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* ("NI 51-101"), including arranging for the preparation and public filing with securities authorities of a Statement of Reserves Data and Other Information pursuant to Form 51-101F3 (the "**Management Report**") confirming the role of the Board in connection with reserves and executed by two senior officers and two directors of the Corporation. In addition, the Reserves Committee's duties are to: (a) recommend to the Board the engagement of a qualified reserves evaluator or auditor pursuant to the requirements of NI 51-101; (b) ensure the independence of the reserve evaluator or auditor; (c) ensure the reserves auditor or auditor has all of the information reasonably necessary to provide a Reserves Report that satisfies the requirements of NI 51-101; (d) review the appointment or change in appointment of the reserves evaluator or auditor and in the case of a proposed change in appointment, determine whether there have been any disputes between the reserves evaluator or auditor and management of the Corporation; (e) determine whether any restrictions affect the ability of the reserves evaluator or auditor in reporting on the Corporation's reserves data; (f) review, with reasonable frequency, the Corporation's procedures relating to the disclosure of oil and gas activities and reserves information; (g) review the scope of the annual review of reserves; (h) meet independently of management with the reserves evaluator or auditor; (i) before approving the filing of the Reserves Report, meet with management and the reserves evaluator or auditor to: (i) determine whether any restrictions affect the ability of the reserves evaluator or auditor to report on reserves data without reservation; (ii) review the reserves data and the report of the reserves evaluator or auditor; and (iii) review and approve the content and filing of the Reserves Report, the Evaluator's Report and the Management Report; (j) discuss reserves findings and disagreements between management and the reserves evaluator or auditor and resolve disputes; (k) annually assess the work of the reserves evaluator or auditor; (l) ensure that the filing of the Reserves Report, Evaluator's Report and the Management Report are the subject of a press release (or other required public disclosure) at the time of filing; and (m) ensure the qualifications of the members of the Reserves Committee pursuant to section 3.5 of NI 51-101.

9. **Assessments - Disclose whether or not the board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe the process used for the assessments. If assessments are not**

regularly conducted, describe how the board satisfies itself that the board, its committees, and its individual directors are performing effectively.

The Compensation Committee is responsible by its terms of reference to annually arrange for an evaluation of the performance, contribution and effectiveness of the Board, Committees, individual directors, the Board Chair, the Lead Director, the Chair of each committee and the Chief Executive Officer in the context of the mandates, position descriptions, competencies and skills that each director is expected to bring to the Board. In connection with the annual evaluation, members of the Board are circulated: (i) a Board questionnaire which asks directors to identify their own skills, their contributions to the Board and Committees, and rate their effectiveness; (ii) a peer review questionnaire which asks directors to rate the contributions and effectiveness of their fellow Board members; and (iii) a governance questionnaire which asks the directors to provide feedback on the Board and Committee mandates, position descriptions, the Code and other policies. The Compensation Committee is then responsible for preparing and distributing a report to the Board regarding the annual evaluations to initiate discussions regarding how to improve the performance, contribution and effectiveness of the Board, each Committee, each director and the Chief Executive Officer. In addition, the Nominating Committee is responsible by its terms of reference to annual review the composition, skills, size and tenure of directors in advance of annual general meetings and whenever individual directors indicate that their status as members may change.

10. **Director Term Limits and Other Mechanisms of Board Renewal – Disclose whether or not the issuer has adopted term limits for the directors on its board or other mechanisms of board renewal and, if so, include a description of those director term limits or other mechanisms of board renewal. If the issuer has not adopted director term limits or other mechanisms of board renewal, disclose why it has not done so.**

The Board has not adopted term limits for the directors on the Board or other mechanisms of Board renewal. Instead, the Compensation Committee has the mandate and responsibility to ensure that a process is in place for the annual review of the performance of individual Directors, the Board as a whole and the Board Committees. Through this annual review process, the Compensation Committee determines whether an individual Director is able to continue to make an effective contribution. The Board is of the view that such annual review process is more effective than term limits or other mechanisms of Board renewal such as a mandatory retirement age. In addition, the Nominating Committee has the mandate and responsibility for annually reviewing the composition, skills, size and tenure of directors in advance of annual general meetings and whenever individual directors indicate that their status as members may change.

The Board is concerned that imposing arbitrary and inflexible director term limits may result in Kelt losing valued directors at a time when Kelt most needs their skills, qualities and contributions, as well as their knowledge of the history and culture of the organization. Mandatory retirement ages pose the same risk and the Board does not want to risk the loss of key directors to retirement policies that seem unnecessarily arbitrary and inflexible when they force a high performing director off the Board. As a result, the Board does not feel that it would be appropriate to set term limits for its directors but rather relies on the experience of its members to determine when Board renewals, Board removals and Board additions are appropriate.

However, in light of increasing discussion around Board term/renewal matters, the Board is committed to reviewing the effectiveness of term limits or other mechanisms of Board renewal to ensure the Board continues to remain an effective Board.

11. **Policies Regarding the Representation of Women on the Board**

- (a) **Disclose whether the issuer has adopted a written policy relating to the identification and nomination of women directors. If the issuer has not adopted such a policy, disclose why it has not done so.**

The Corporation has adopted a written Board Diversity Policy relating to, *inter alia*, the identification and nomination of women directors for the Corporation. The Board Diversity Policy sets out a framework to achieve and maintain diversity on the Board, with a specific emphasis on gender diversity. The Board evaluates potential nominees to the Board by reviewing individual qualifications of prospective members and determining if the candidates' qualifications will meaningfully contribute to the effective functioning of the Board, taking into consideration the then current Board composition and the anticipated skills required to round out the capabilities of the Board, including knowledge and diversity of membership under the Board Diversity Policy. Candidates will also be recommended for appointment or election as directors based on merit considered against objective criteria, having due regard for the benefits of diversity on the Board, including gender, and the Nominating Committee will strive to include women among those candidates being considered for appointment or election as directors.

Although the Board continually reviews its governance policies, the Board is committed to reviewing the Board Diversity Policy during this upcoming year to consider in particular, whether any amendments are appropriate in connection with the identification and nomination of women directors.

- (b) **If an issuer has adopted a policy referred to in(a), disclose the following in respect of the policy: (i) a short summary of its objectives and key provisions; (ii) the measures taken to ensure that the policy has been effectively implemented; (iii) annual and cumulative progress by the issuer in achieving the objectives of the policy; and (iv) whether and, if so, how the board or its nominating committee measures the effectiveness of the policy.**

(i) The objectives and key provisions of the Board Diversity Policy are to embody the Corporation's view that Board member appointments should be based on merit, and the Corporation remains committed to selecting the best people to serve on the Board, while at the same time recognizing and embracing the benefits of having a diverse Board thereby drawing on a variety of perspectives, skills, experience and expertise to facilitate effective decision making. The Corporation also views diversity at the Board level as an important element in strong corporate governance. The Corporation recognizes that gender diversity is a significant aspect of diversity, and acknowledges the important role that women with appropriate and relevant skills and experience can play in contributing to the diversity of perspective on the Board. In selecting qualified candidates to serve as directors of the Corporation, a wide-range of diversity criteria will be considered, including skills, experience, education, gender, age, ethnicity, and geographical and cultural background, in order to ensure that the Board, as a whole, reflects a range of viewpoints, backgrounds, skills, experience and expertise;

(ii) The measures taken to ensure that the Board Diversity Policy has been effectively implemented include the annual review by the Nominating Committee of the composition, skills, size and tenure of directors and identifies candidates for appointment or election as directors, and assesses the competencies and skills each director possesses and of the Board as a whole. In reviewing Board composition, the Nominating Committee will consider the benefits of all aspects of diversity in order to maintain an appropriate balance of skills, background, experience and knowledge on

the Board. The Nominating Committee will also consider the balance of skills, background, experience and knowledge on the Board and Board diversity when identifying suitable candidates for the Board and when making recommendations to the Board regarding nominating candidates for election or appointment to the Board. Candidates will be recommended for appointment or election as directors based on merit considered against objective criteria, having due regard for the benefits of diversity on the Board, including gender, and the Nominating Committee will strive to include women among those candidates being considered for appointment or election as directors;

- (iii) The annual and cumulated progress by the Corporation in achieving the objectives of the Board Diversity Policy will be determined by the Nominating Committee which is required to conduct a review of the Board Diversity Policy from time to time as necessary; and
- (iv) The Nominating Committee will measure the effectiveness of the Board Diversity Policy by periodically, but at least once every three years, implementing a renewal program intended to achieve what the Board believes to be a desirable balance of skills, experience, gender, age and other diversity criteria.

12. **Consideration of the Representation of Women in the Director Identification and Selection Process – Disclose whether and, if so, how the board or nominating committee considers the level of representation of women on the board in identifying and nominating candidates for election or re-election to the board. If the issuer does not consider the level of representation of women on the board in identifying and nominating candidates for election or re-election to the board, disclose the issuer’s reasons for not doing so.**

The Nominating Committee, in accordance with the Board Diversity Policy, will consider the level of representation of women on the Board in identifying and nominating board members. The number of women directors on the Board is a factor that the Nominating Committee considers when selecting new nominees for the Board having regard to current Board composition, and the anticipated skills required to round out the capabilities of the Board, including knowledge and diversity of membership. The Board has established a goal of not less than 30% representation by women on the Board.

13. **Consideration given to the Representation of Women in Executive Officer Appointments – Disclose whether and, if so, how the issuer considers the level of representation of women in executive officer positions when making executive officer appointments. If the issuer does not consider the level of representation of women in executive officer positions when making executive officer appointments, disclose the issuer’s reasons for not doing so.**

Although the Board does not specifically consider the level of representation of women in executive officer positions when making executive officer appointments, Kelt is committed to the fundamental principles of equal employment opportunities which is prescribed in its employment policies which further provide for Kelt’s commitment to treating people, fairly, with respect and dignity, and to offering equal employment opportunities based upon an individual’s qualifications and performance – free from discrimination or harassment because of race, colour, ancestry, place of origin, religion, gender, sexual orientation, age, marital status, family status, physical or mental disability. Furthermore, Kelt’s employment policies and procedures provide that candidates are selected based on primary consideration such as experience, skill and ability, while giving consideration to the importance of gender equality and diversification when recruiting for and appointing executive officer positions.

14. **Issuer’s Targets Regarding the Representation of Women on the Board and in Executive Officer Positions. For purposes of this Item, a “target” means a number or percentage, or a range of**

numbers or percentages, adopted by the issuer of women on the issuer's board or in executive officer positions of the issuer by a specific date.

- (a) **Disclose whether the issuer has adopted a target regarding women on the issuer's board. If the issuer has not adopted a target, disclose why it has not done so.**

The Board has established a goal of not less than 30% representation by women on the Board. The Board is made up of a diverse set of individuals with a broad range of skill sets and at this time the Board has two (2) female members (33.33% of members of the Board). The Board recognizes the potential benefits from different perspectives which could be realized through gender diversity within its ranks. The Board acknowledges the importance of diversity, including gender diversity, in the review and consideration of potential director nominees. As a result, the Nominating Committee will consider the balance of skills, background, experience and knowledge on the Board and Board diversity when identifying suitable candidates for the Board and when making recommendations to the Board regarding nominating candidates for election or appointment to the Board. Candidates will be recommended for appointment or election as directors based on merit considered against objective criteria, having due regard for the benefits of diversity on the Board, including gender, and the Nominating Committee will strive to include women among those candidates being considered for appointment or election as directors.

- (b) **Disclose whether the issuer has adopted a target regarding women in executive officer positions of the issuer. If the issuer has not adopted a target, disclose why it has not done so.**

Kelt has not adopted a target regarding women in executive officer positions. At this time Kelt has one female executive officer, namely, its Corporate Secretary. When appointing new officers, the Corporation is committed to being an equal employment opportunity employer whereby candidates are selected based on primary considerations such as experience, skill and ability, while giving consideration to the importance of gender equality and diversification when recruiting for and appointing executive officer positions.

- (c) **If the issuer has adopted a target referred to in either (a) or (b), disclose: (i) the target; and (ii) the annual and cumulative progress of the issuer in achieving the target.**

The Board has established a goal of not less than 30% representation by women on the Board. At this time, the Board has two (2) female members (33.33% of members of the Board). Kelt has not adopted a target regarding women in executive officer positions.

15. Number of Women on the Board and in Executive Officer Positions

- (a) **Disclose the number and proportion (in percentage terms) of directors on the issuer's board who are women.**

As at the date hereof, Kelt has two (2) directors on its Board who are women (33.33%), one of whom, acts as the Lead Director of the Board.

- (b) **Disclose the number and proportion (in percentage terms) of executive officers of the issuer, including all major subsidiaries of the issuer, who are women.**

As at the date hereof, Kelt has one (1) executive officer who is a woman (11.11%).

SCHEDULE A
KELT EXPLORATION LTD.
(the “Corporation”)

BOARD MANDATE

1. The Board of Directors of the Corporation (“**Board**”) is responsible for:
 - (a) stewardship of the Corporation;
 - (b) supervising the management of the business and affairs of the Corporation; and
 - (c) providing leadership to the Corporation by practicing responsible, sustainable and ethical decision making.
2. The Board has the responsibility to:
 - (a) act honestly and in good faith with a view to the best interests of the Corporation;
 - (b) exercise the care, diligence and skill that a reasonably prudent Board would exercise in comparable circumstances; and
 - (c) direct management to ensure legal, regulatory and exchange requirements applicable to the Corporation have been met.
3. A majority of the Board will, at all times, be independent directors as defined in then current laws applicable to the Corporation.
4. To be considered for nomination and election to the Board, directors must demonstrate integrity and high ethical standards in their business dealings, their personal affairs and in the discharge of their duties to and on behalf of the Corporation.
5. The Board is responsible to:
 - (a) meet in person, or in exceptional circumstances by telephone conference call, at least once each quarter and as often thereafter as required to discharge the duties of the Board;
 - (b) hold meetings of the independent directors without management and non-independent directors present; and
 - (c) comply with the position description applicable to individual directors.
6. The Board is responsible to annually select a member of the Board, who is independent as defined in then current laws applicable to the Corporation: (a) to serve as Board Chair; and (b) where the Board Chair is an affiliated outside director, to serve as lead director of the Board;
7. The Board chair (jointly with the lead director if a lead director has been appointed) shall:
 - (a) provide leadership to the directors;
 - (b) manage the affairs of the Board; and
 - (c) ensure that the Board functions effectively in fulfillment of its duties to the Corporation.

8. The Board is responsible to:
- (a) establish such committees of the Board as are required by applicable law and as are necessary to effectively discharge the duties of the Board;
 - (b) appoint directors to serve as members of each committee;
 - (c) appoint a chair of each committee to:
 - (i) provide leadership to the committee;
 - (ii) manage the affairs of the committee; and
 - (iii) ensure that the committee functions effectively in fulfilling its duties to the Board and the Corporation; and
 - (d) regularly receive and consider reports and recommendations of each committee, in particular:
 - (i) Audit Committee reports and recommendations, particularly with respect to the Corporation's annual audit; and
 - (ii) Compensation Committee recommendations regarding corporate goals and objectives, Board assessments and compensation.
9. The Board is responsible to:
- (a) select and appoint the Chief Executive Officer (the "CEO") and with the assistance of the Compensation Committee, establish CEO goals and objectives and evaluate CEO performance;
 - (b) assist the CEO to select and appoint executive officers, establish executive officers' goals and objectives and monitor their performance;
 - (c) maintain a succession plan for the replacement of the CEO and other executive officers; and
 - (d) to the extent feasible, to satisfy itself as to the integrity of the CEO and other executive officers and that the CEO and other executive officers create a culture of integrity throughout the Corporation.
10. The Board is responsible to:
- (a) annually review and either approve or require revisions to the mandates of the Board and each Board committee, position descriptions, the code of business conduct and ethics (the "Code") and all other policies of the Corporation (collectively the "Governance Documents");
 - (b) take reasonable steps to satisfy itself that each director, the CEO and the executive officers are:
 - (i) performing their duties ethically;
 - (ii) conducting business on behalf of the Corporation in accordance with the requirements and the spirit of the Governance Documents;
 - (iii) fostering a culture of integrity throughout the Corporation; and

- (c) arrange, on the advice of the Audit Committee, for the Governance Documents to be publicly disclosed.
11. The Board is responsible, with the assistance of the Audit Committee, to:
- (a) approve and implement a disclosure policy which provides for disclosure and communications practices governing the Corporation; and
 - (b) approve and maintain a process for the Corporation's stakeholders to contact the independent directors directly with concerns and questions regarding the Corporation.
12. The Board is responsible for:
- (a) reviewing departures from the Code;
 - (b) providing or denying waivers from the Code; and
 - (c) disclosing departures from the Code including by filing required material change reports for material departures from the Code containing:
 - (i) the date of the departure;
 - (ii) the parties involved;
 - (iii) the reason why the Board has or has not sanctioned the departure; and
 - (iv) any measures taken to address or remedy the departure.
13. The Board has the duty to:
- (a) adopt a strategic planning process for increasing shareholder value, annually approve a strategic plan, and regularly monitor the Corporation's performance against its strategic plan;
 - (b) approve capital and operating budgets to implement the strategic plan;
 - (c) conduct periodic reviews of the Corporation's resources, risks, and regulatory constraints and opportunities to facilitate the strategic plan; and
 - (d) evaluate management's analysis of the strategies of existing and potential competitors and their impact, if any, on the Corporation's strategic plan.
14. The Board has the duty to:
- (a) adopt a process to identify business risks and ensure appropriate systems to manage risks; and
 - (b) together with the Audit Committee, ensure policies and procedures are in place and are effective to maintain the integrity of the Corporation's:
 - (i) disclosure controls and procedures;
 - (ii) internal controls over financial reporting; and
 - (iii) management information systems.

15. The Board has the duty to:
- (a) review and on the advice of the Audit Committee, approve, prior to their public dissemination:
 - (i) interim and annual financial statements and notes thereto;
 - (ii) managements' discussion and analysis of financial condition and results of operations;
 - (iii) relevant sections of the annual report, annual information form and management information circular containing financial information;
 - (iv) forecasted financial information and forward looking statements; and
 - (v) all press releases and other documents in which financial statements, earnings forecasts, results of operations or other financial information is disclosed; and
 - (b) approve dividends and distributions, material financings, transactions affecting authorized capital or the issue and repurchase of shares and debt securities, and all material divestitures and acquisitions.
16. The Board has access to all books, records, facilities and personnel of the Corporation necessary for the discharge of its duties.
17. The Board has the power, at the expense of the Corporation, to retain, instruct, compensate and terminate independent advisors to assist the Board in the discharge of its duties.

Revision No. 1 adopted and approved by the Board: February 26, 2016.

APPENDIX B

KELT EXPLORATION LTD.

INCENTIVE STOCK OPTION PLAN (Amended and Restated)

1. INTERPRETATION

In this Plan (including this clause), unless there is something in the subject or context inconsistent therewith, words importing the singular number includes the plural and vice versa, words importing the masculine gender includes the feminine and neuter genders and the expressions following have the following meanings, respectively:

- (a) **“Associate”** has the meaning ascribed thereto in the Securities Act;
- (b) **“Black-Out Expiry Date”** means ten (10) business days from the date that any Black-Out Period ends;
- (c) **“Black-Out Period”** means a period of time imposed by the Corporation upon certain designated persons during which those persons may not trade in any securities of the Corporation;
- (d) **“Board”** means the Board of Directors of the Corporation as constituted from time to time;
- (e) **“Change of Control”** means the purchase or acquisition of Common Shares and/or securities convertible into or exchangeable or exercisable for Common Shares as a result of which a person, group of persons or persons acting jointly or in concert, or persons who are Associates of or affiliated with, within the meaning of the Securities Act, any such person, group or persons or any of such persons acting jointly or in concert, beneficially owns or exercises control or direction over Common Shares and/or securities convertible into or exchangeable or exercisable for Common Shares such that, assuming the conversion, exercise or exchange of all such securities, would entitle such person, group of persons or person acting jointly or in concert to cast 50% plus one of the votes attaching to all Common Shares of the Corporation (on a non-diluted basis), excluding, however, a purchase or acquisition of Common Shares in connection with a Reverse Take-Over, and provided that the beneficial ownership by or exercise or control or direction over securities by shareholders of the Corporation as at the date hereof shall not constitute or be counted towards a Change of Control;
- (f) **“Committee”** means a committee of Directors appointed by the Board as contemplated by Clause 3 hereof;
- (g) **“Common Share”** means a common share in the capital stock of the Corporation and, after any adjustments pursuant to Clause 7 hereof, means the shares or other securities or property which, as a result of such adjustments and all prior adjustments pursuant to Clause 7, the holders of Options are then entitled to receive on the exercise thereof;
- (h) **“Consultant”** means any person or company, other than an employee, officer or director of the Corporation or of a subsidiary of the Corporation that:
 - (i) is engaged to provide services to the Corporation or a subsidiary of the Corporation, other than services provided in relation to a distribution of securities of the Corporation;

- (ii) provides the services under a written contract with the Corporation or a subsidiary of the Corporation; and
 - (iii) spends or will spend a significant amount of time and attention on the affairs and business of the Corporation, or a subsidiary of the Corporation;
- (i) **“Corporation”** means Kelt Exploration Ltd. and any successor or continuing corporation resulting from any form of corporate reorganization;
- (j) **“Early Termination Date”** means, in respect of any Option, 5:00 p.m. (Calgary time) on the date that an Option terminates prior to the Normal Expiry Date;
- (k) **“Exchange”** means the Toronto Stock Exchange or, if the Common Shares are not then listed and posted for trading on the Toronto Stock Exchange, on such stock exchange in Canada on which such shares are listed and posted for trading as may be selected for such purpose by the Board.
- (l) **“Exercise Price”** means the purchase price of Option Shares under an Option Agreement determined as provided in subclause 6(b) of this Plan;
- (m) **“Expiry Date”** means the Normal Expiry Date or the Early Termination Date, as the case may be;
- (n) **“Insider”** has the meaning ascribed thereto in the Toronto Stock Exchange Company Manual;
- (o) **“Market Price”** at any date and in respect of an Option, means:
 - (i) where the Common Shares are not listed and posted for trading on a stock exchange, the value conclusively determined by the Board or Committee, as the case may be, on the Option Date; or
 - (ii) where the Common Shares are listed and posted for trading on a stock exchange, the volume weighted average trading price per Common Share on the principal stock exchange on which they are traded for the three (3) trading days on which the Common Shares traded on the said exchange immediately preceding such date.
- (p) **“Non-Executive Director”** means a director of the Corporation who is not an officer or employee of the Corporation or one of its subsidiaries;
- (q) **“Notice Date”** has the meaning ascribed thereto under Clause 10;
- (r) **“Normal Expiry Date”** means, in respect of any Option, 5:00 p.m. (Calgary time) on the date determined by the Corporation and specified in the particular Option Agreement on which the Option would normally terminate, which date may not be later than ten (10) years after the Option Date;
- (s) **“Offer”** means an offer made generally to the holders of the Common Shares in one or more jurisdictions to acquire, directly or indirectly, Common Shares and which is in the nature of a “takeover bid” as defined in the Securities Act and where the Common Shares are listed and posted for trading on a stock exchange, not exempt from the formal bid requirements of the Securities Act;

- (t) **“Option”** means a right to purchase Common Shares pursuant to this Plan and an Option Agreement;
- (u) **“Option Agreement”** means an agreement entered into between the Corporation and a Participant pursuant to which an Option is granted to a Participant and which contains such provisions not inconsistent with this Plan as the Board or the Committee may determine;
- (v) **“Option Date”** means the date on which an Option is granted by the Corporation to a Participant which for greater certainty is:
 - (i) where prior notice is required under the policies of the principal stock exchange on which the Common Shares are listed and posted for trading in connection with regulatory approval for the grant of the Option, the date of notice to such stock exchange of such proposed grant; or
 - (ii) in all other cases, the date on which the grant of the Option is approved by the Board or the Committee, as the case may be;
- (w) **“Option Shares”** means the Common Shares which a Participant is entitled to purchase under an Option whether or not the rights to purchase all such Common Shares have vested in and to the Optionee;
- (x) **“Optionee”** means a Participant who has entered into an Option Agreement with the Corporation;
- (y) **“Participant”** means, on any date, a person who is at least one of the following:
 - (i) regularly employed by the Corporation or one of its subsidiaries on that date;
 - (ii) an officer of the Corporation or one of its subsidiaries on that date;
 - (iii) a director of the Corporation or one of its subsidiaries on that date;
 - (iv) a Consultant to the Corporation or one of its subsidiaries on that date; or
 - (v) a corporation, the shares of which are wholly owned by a person described in subclause (i), (ii), (iii) or (iv);
- (z) **“Plan”** means the Corporation’s “Incentive Stock Option Plan” embodied herein, as from time to time amended;
- (aa) **“Put Notice”** has the meaning ascribed thereto under Clause 10;
- (bb) **“Put Price”** has the meaning ascribed thereto under Clause 10;
- (cc) **“Put Right”** has the meaning ascribed thereto under Clause 10;
- (dd) **“Reverse Take-Over”** means a transaction in the nature of a “reverse take-over” as defined in the policies of any stock exchanges upon which the Common Shares are listed and posted for trading;
- (ee) **“Securities Act”** means the *Securities Act* (Alberta), as amended; and

- (ff) “**Security Based Compensation Arrangements**” has the meaning ascribed thereto in Part VI of the Company Manual of the Toronto Stock Exchange, as amended from time to time.

2. **PURPOSE OF THE PLAN**

The purpose of the Plan is to provide Optionees with an incentive 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 and retain in the employ of the Corporation or any of its subsidiaries, persons of experience and ability by providing them with the opportunity to acquire an increased proprietary interest in the Corporation.

3. **ADMINISTRATION, PARTICIPANTS AND ALLOTMENTS**

- (a) The Board will administer the Plan. The Board may at any time or from time to time delegate to a Committee the responsibility for administering the Plan or elements thereof. The Board, or the Committee if so empowered, will determine from time to time those Participants to whom Options should be granted, the Normal Expiry Date, the number of Common Shares which should be optioned from time to time to any Participant, the Exercise Price and such other terms and conditions of the Option Agreement, not inconsistent with the Plan, as the Board or the Committee in its discretion may determine. The Board or the Committee may prescribe rules and regulations relating to the Plan and any Options granted hereunder and may approve the form and content and prescribe the use of such forms of applications, directions, powers of attorney, and other documents or instruments, either generally or in specific cases, as may be deemed necessary or advisable, for the grant or issuance of Options under the Plan and for the proper administration and operation of the Plan. The Board or the Committee will review the Plan from time to time with a view to making revisions to it, granting additional Options and, in the case of the Committee, making appropriate recommendations to the Board. Nothing contained in the Plan or in any resolution adopted or to be adopted by the Board or by the Committee constitutes an Option hereunder. An Option granted by the Board or the Committee to a Participant pursuant to the Plan is subject to, and is of no force and effect until, the execution and delivery of, an Option Agreement by both the Corporation and such Participant.
- (b) The Corporation is responsible for all costs of administration of the Plan.
- (c) The implementation of the Plan, the grant or exercise of any Options pursuant to the Plan and, from time to time, the operation and administration of the Plan is subject to receipt by the Corporation of all necessary approvals, advance rulings, exemptions or registrations required or deemed advisable under applicable law or regulatory policy including without limiting the generality of the foregoing, all necessary approvals or registrations required by any and all stock exchanges upon which the Common Shares are listed and posted for trading.
- (d) The Board or the Committee, as the case may be, may at any time and subject to regulatory approvals:
 - (i) discontinue or terminate the Plan; or
 - (ii) subject to Clause 15, amend or revise the terms and conditions of the Plan; amend or revise the terms and conditions of the Plan and any outstanding Options granted under the Plan,

provided that no such action adversely affects any Options previously granted under the Plan or the rights of Optionees in respect of those Options without the prior written consent or agreement of those Optionees.

4. COMMON SHARES SUBJECT TO PLAN

- (a) The maximum number of Common Shares issuable pursuant to Options issued and outstanding under the Plan and the Corporation's Restricted Share Unit Plan shall not exceed nine (9%) percent of the aggregate number of issued and outstanding Common Shares at the time of grant of any Option.
- (b) The aggregate number of Common Shares issuable pursuant to Options granted under the Plan and under any other security based compensation arrangement, if any, and:
 - (i) issued to Insiders, within any one year period, shall not exceed nine (9%) percent of the issued and outstanding Common Shares; and
 - (ii) issuable to Insiders, shall not exceed nine (9%) percent of the issued and outstanding Common Shares.
- (c) The maximum number of Common Shares issuable pursuant to Options granted under the Plan to any one Non-Executive Director, within any calendar year, shall not exceed \$100,000, as calculated on the date of grant using the Black-Scholes-Merton valuation model.
- (d) The maximum number of Common Shares reserved for issuance under all Security Based Compensation Arrangements granted to any one Non-Executive Director, within any calendar year, shall not exceed \$150,000, as calculated on the date of grant using the Black-Scholes-Merton valuation model.

For the purposes hereof, the number of issued and outstanding Common Shares is determined as the number of Common Shares that are issued and outstanding immediately prior to a proposed grant of Options.

5. PARTICIPATION VOLUNTARY

Participation in the Plan by a Participant is entirely voluntary and does not affect the Participant's employment or continued retainer by, or other engagement with, the Corporation or its subsidiaries. None of the Plan or any Options granted under the Plan of itself gives any Participant the right to continue to be an employee, officer, director or consultant of the Corporation or any subsidiary thereof. None of the terms and conditions governing the Option are affected by any change in the Optionee's employment by or engagement with the Corporation so long as the Optionee continues to be a Participant.

6. CERTAIN TERMS OF OPTION AGREEMENTS

In order to constitute a valid Option granted under this Plan, the Optionee and the Corporation must enter into an Option Agreement in the form acceptable to the Board or the Committee, as the case may be.

An Option Agreement may, in respect of any Option, specify a number or percentage of Option Shares that the Participant may exercise in any specified period, year or number of years. In addition, Option Agreements are deemed to contain the following provisions with respect to the exercise of Options under the Plan:

- (a) An Option under the Plan is only exercisable for a minimum of 100 Common Shares at any one time.
- (b) The Exercise Price must not be less than the Market Price and upon exercise of the Option must be paid in full in respect of those Option Shares being acquired in Canadian funds by certified cheque or bank draft payable to or to the order of the Corporation at the time of exercise.

- (c) Each Option terminates on its Normal Expiry Date but subject always to the provisions of subclause 6(d) of this Plan.
- (d) If, after the Option Date and on or before the exercise in full of the Option or the Normal Expiry Date, the Optionee ceases to be a Participant:
 - (i) by reason of the Optionee's permanent physical or mental disability, or death, then such Optionee's Options may be exercised to purchase the total number of Option Shares not previously purchased by the Optionee whether or not the rights to purchase some or all of those Option Shares have previously vested in and are exercisable by the Optionee as at the date of ceasing to be a Participant, provided such exercise occurs at any time on or before the earlier of the Normal Expiry Date and the date that is 12 months after the date the Optionee ceases to be a Participant, due to such permanent physical or mental disability, or death. Thereafter, the Option and all unexercised rights to acquire Option Shares thereunder cease and expire and are of no further force and effect. For greater certainty but without limiting the generality of the foregoing, if the Optionee is deemed to be an employee of the Corporation pursuant to a medical or disability plan of the Corporation or a subsidiary thereof, the Optionee is deemed to be an employee for the purpose of the Plan and the Option; or
 - (ii) for any reason other than the Optionee's permanent physical or mental disability, or death, and the Optionee's termination occurs without notice or entitlement to a period of notice of such termination or compensation in lieu thereof, the Optionee may exercise the Option to purchase Option Shares not previously purchased by the Optionee but only to the extent that rights to purchase Option Shares have vested in and are exercisable by the Optionee as at the date of such ceasing to be a Participant, provided that such exercise occurs at any time on or before the earlier of the Normal Expiry Date and the date that the Optionee ceases to be a Participant. Thereafter, the Option and all unexercised rights to acquire Option Shares thereunder, whether or not such rights have vested to and in favour of the Optionee, cease and expire and are of no further force and effect; or
 - (iii) for any reason other than the Optionee's permanent physical or mental disability, death, or termination without notice or compensation in lieu thereof, and the Optionee is entitled to reasonable notice of termination or compensation in lieu thereof, then:
 - (A) the Optionee may exercise the Option to purchase Option Shares not previously purchased by the Optionee but only to the extent that rights to purchase Option Shares have vested in and are exercisable by the Optionee on or before the date of such ceasing to be a Participant, provided that such exercise occurs at any time on or before the earlier of the Normal Expiry Date and:
 - (1) where the Optionee is given a reasonable period of notice prior to termination, the date the Optionee ceases to be a Participant; or
 - (2) where the Optionee is paid compensation in lieu of reasonable notice of termination, the date that is 21 days after the Optionee ceases to be a Participant; and

(B) the Optionee is not entitled:

- (1) to further time to exercise the Option during such reasonable notice period or during such specific notice period; or
- (2) compensation in lieu thereof by way of general damages, or special damages, whether in contract, tort or otherwise.

Thereafter, the Option and all unexercised rights to acquire Option Shares thereunder, whether or not such rights have vested to and in favour of the Optionee, cease and expire and are of no further force and effect.

- (e) With respect to subclause 6(d)(i), the rights under the Option exercisable after the death or disability of the Optionee, as therein specified, may be exercised by the person or persons to whom the Optionee's rights under the applicable Option Agreement pass by will or applicable law or, if no such person has such right, by the deceased or disabled Optionee's legal representatives, within one year from the date of death or disability.
- (f) An Optionee has no rights whatsoever as a shareholder in respect of any of the Option Shares (including any right to receive dividends or other distributions therefrom or thereon) other than in respect of Common Shares in respect of which the Optionee has exercised his Option to purchase thereunder, which the Optionee has actually taken up and paid for, and which have been duly issued to the Optionee and are outstanding as fully paid and non-assessable Common Shares.
- (g) If the Expiry Date of an Option is on a date during a Black-Out Period applicable to a Participant holding such Option, the Expiry Date shall be extended to the Black-Out Expiry Date.

7. CHANGES IN STOCK

In the event:

- (a) of any change or proposed change in the Common Shares through subdivision, consolidation, reclassification, amalgamation, merger or otherwise;
- (b) of any issuance, dividend or distribution to all or substantially all the holders of Common Shares of any shares, securities, property or assets of the Corporation other than in the ordinary course;
- (c) that any rights are granted to holders of Common Shares to purchase Common Shares at prices materially below fair market value; or
- (d) that as a result of any recapitalization, merger, consolidation or otherwise the Common Shares are converted into or exchangeable for any other shares or securities;

then in any such case:

- (e) the Board will, subject to any required approval of any regulatory authority or the Exchange, proportionately adjust the number of Option Shares available for Options, the number of Option Shares covered by outstanding Options, the securities or other property that may be acquired upon the exercise of an Option and the price per Option Share in such Option, or one or more of the foregoing, to prevent substantial dilution or enlargement of the rights granted to, or available for, Optionees/Participants; and

- (f) the Board, in its discretion, may determine that:
 - (i) all or any part of the unexercised and unvested outstanding Options granted under the Plan vest and are exercisable on a date specified by the Board and the unexercised and unvested portion of such Options are thereupon deemed to have been vested and are exercisable on and after the date so specified in respect of any and all Option Shares for which the Optionee has not exercised the Option (notwithstanding that an Option Agreement states that those Options are exercisable only during a later period or year); or
 - (ii) such Options may be exercisable for a limited period of time only and, if so, the Board will determine such period of time,

and such determination or limitation, once made or set, is deemed to be incorporated into the applicable Option Agreement(s).

8. TAKEOVER BID

If an Offer is made which, if successful, would result in a Change of Control, then all unexercised and unvested outstanding Options shall immediately vest and become exercisable by the Participants, notwithstanding any other vesting provisions in the Plan or in an Option Agreement, as to all or any of the Common Shares in respect of which such Options have not previously been exercised, but such shares may only be purchased for tender pursuant to such Offer. If for any reason such shares are not taken up and paid for by the offeror pursuant to the Offer, any such shares so purchased by a Participant shall be deemed to be cancelled and returned to the treasury of the Corporation, shall be added back to the number of Common Shares remaining available under the Plan and, upon presentation to the Corporation of share certificates representing such shares properly endorsed for transfer back to the Corporation, the Corporation shall refund to the Participant all consideration paid for such shares and, in such event, the Participant shall thereafter continue to hold the same number of unexercised and unvested outstanding Options on the same terms and conditions, including the Exercise Price thereof, as were applicable thereto immediately prior to time the subject Offer was made.

9. ARRANGEMENT, AMALGAMATION OR SALE

If the Corporation enters in an agreement providing for an arrangement, merger, amalgamation or other business combination which provides that the Common Shares are transferred in exchange for securities of another corporation, the units of a royalty trust or income trust, the units of a limited partnership or any other security, or are merged into or amalgamated with any other corporation, or sells all or substantially all of its assets, the Corporation will make provision that, upon the exercise of any outstanding Options after the effective date of such transaction, the Participants shall receive such number of securities of the other, continuing or successor corporation, trust or limited partnership, as the case may be, in such arrangement, merger, amalgamation or other business combination or of the shares or units of the purchasing corporation, trust or limited partnership, as the case may be, in such sale as the Participants would have received as a result of such transaction if the Participants had exercised the Options immediately prior thereto, for the same consideration paid on the exercise of such Options, and had held Common Shares on the effective date of such transaction. Upon such provision being made, the obligations of the Corporation to the Participants pursuant to the Option Agreements and under this Plan shall terminate and be at an end. If such arrangement, merger, amalgamation or other business combination results in a Change of Control, the provisions of Clause 8 shall apply and the context thereof and all references therein to "Offer" are to be read as being applicable to an "arrangement, merger, amalgamation or other business combination" and the reference in the first sentence of Clause 8, to 'tender pursuant to such Offer,' shall be read as meaning voting in favour of the arrangement, merger, amalgamation or other business combination at the shareholders' meeting held in connection therewith and the reference in the second sentence of Clause 8 to, 'shares not being taken up and paid for by the offeror pursuant to the Offer', shall be read as meaning that the arrangement, merger, amalgamation or other business is not completed.

10. PUT RIGHT

An Optionee (or in the event of the death of the Optionee, the Optionee's executors or personal representatives) may exercise the right (the "**Put Right**") from time to time to require the Corporation to purchase all or any of the then vested Options of the Optionee by delivery to the Corporation, at its head office, of a written notice of exercise ("Put Notice"), substantially in the form attached as Schedule "A" hereto, specifying the number of Options with respect to which the Put Right is being exercised. The Corporation will purchase from the Optionee all of the Options specified in the Put Notice at a price (the "Put Price") equal to the excess of the closing price of the Common Shares on the principal stock exchange on which they are traded on the date of receipt of the Put Notice by the Corporation (or if the Common Shares do not trade on the principal stock exchange on which they are traded, the next date on which the Common Shares trade on the principal stock exchange on which they are traded) (the "**Notice Date**") over the Exercise Price for each Option being purchased under the Put Right provided that the Put Notice is received by the Chief Financial Officer of the Corporation on or before 4:30 p.m. (Calgary time) on the Notice Date, or if the Put Notice is received by the Chief Financial Officer of the Corporation after 4:30 p.m. (Calgary time) on the Notice Date, the Put Price shall be the next date upon which the Common Shares trade on the principal stock exchange on which they are traded, or for such other amount as may be agreed to by the Optionee and the Corporation. Upon the exercise of the Put Right, the Corporation will cause to be delivered to the Optionee a cheque representing the Put Price multiplied by the number of Options specified in the Put Notice within three business days of the Notice Date. Unless the Optionee delivers a certified cheque for the amount of the withholding tax and other statutory deductions as determined by the Corporation in connection with the exercise of the Put Right, the Corporation will deduct this amount from the payment to the Optionee. Upon exercise of the Put Right and its acceptance by the Corporation, the Options are deemed to be terminated and cancelled and shall cease to grant the Optionee any further rights thereunder. Notwithstanding the foregoing, the Corporation may, at its sole discretion, decline to accept and, accordingly, have no obligations with respect to the exercise of a Put Right at any time and from time to time.

11. WITHHOLDINGS AND TAX ELECTION

- (a) To the extent required under applicable law or regulation, the Corporation shall be entitled to take all reasonable and necessary steps, including the sale of any Option Shares issued upon the exercise of any Option granted under the Plan (other than a redemption or purchase for cancellation), or obtain all reasonable or necessary indemnities, assurances, payments or undertakings, to the sole satisfaction of the Corporation, to satisfy any tax remittance obligations of the Corporation to any taxing authorities arising in respect of any exercise of any Options or Put Rights granted under the Plan by the Corporation and the President of the Corporation shall be and is hereby appointed as the irrevocable attorney-in-fact for any person granted an Option under this Plan to take all such reasonable and necessary steps or sales of Option Shares including, without limitation, Option Share sales resulting from the exercise of Put Rights. The Corporation does not accept responsibility for the price obtained on the sale of such Option Shares;
- (b) Optionees (or their beneficiaries) shall be responsible for all taxes with respect to any Options or Put Rights under the Plan or under any Option Agreement, whether arising as a result of the grant or exercise of Options, Put Rights or otherwise. The Corporation makes no guarantee or representation to any person regarding the tax treatment of Options or Put Rights or payments made under the Plan or any Option Agreement and none of the Corporation, or any of its officers, directors, employees or other representatives shall have any liability to a Participant with respect thereto; and
- (c) With respect to all Options and Put Rights, the Corporation agrees to elect under subsection 110(1.1) of the *Income Tax Act* (Canada) so as to permit the Optionee to claim a deduction under paragraph 110(1)(d) of the said Act with respect to the exercise price, or the Put Price, as the case may be.

12. COMMON SHARES FULLY PAID AND NON-ASSESSABLE

All Common Shares issued upon the exercise of any Option are to be issued as fully paid and non-assessable Common Shares.

13. CONDITIONS OF ISSUANCE OF COMMON SHARES

- (a) If at any time the Board or Committee (as the case may be) determines, in its discretion that:
 - (i) the registration or qualification of the Common Shares which are the subject of any Option Agreement, or the consent or approval of, any securities commission or any stock exchange upon which the Common Shares are listed;
 - (ii) the registration or qualification under any laws of Canada or any Province thereof or of the United States or any state thereof or the consent or approval of any regulatory authority thereof;
 - (iii) evidence (in form and content satisfactory to the Board) of the investment intent of the Optionee; and/or
 - (iv) an undertaking of the Optionee as to the sale or disposition of such Option Shares that may purchased pursuant to an Option Agreement to the effect that such Option Shares once purchased are not to be traded by the Optionee for a specified period of time,

is necessary or desirable as a condition of the issuance of any Option Shares pursuant to any Option Agreement, then the issuance of any Common Shares is not to be made unless and until such registration, qualification, consent, approval, evidence or undertaking has been effected or obtained free of any condition not acceptable to the Board or Committee.

- (b) Any trade by the Optionee in any Common Shares issued to the Optionee pursuant to the Plan including, without limiting the generality of the foregoing, any sale or disposition for valuable consideration, and any transfer, pledge or encumbrance of any Common Shares issued to an Optionee pursuant to the Plan, is subject to such regulatory approvals and other restrictions under applicable securities laws and regulatory policies as may be required at the time of such trade. Accordingly, the Corporation makes no representation as to the ability of any Optionee to trade in such Common Shares.
- (c) The Corporation cannot assure a profit or protect the Optionee against a loss on the Common Shares purchased under the Plan. The Corporation assumes no responsibility relating to any tax liability of the Optionee by reason of the exercise of any Option or any subsequent trade.

14. ACCOUNTS AND STATEMENTS

The Corporation will maintain records indicating the number of Options granted to each Optionee and the number of Options exercised under the Plan. Upon written request from an Optionee, the Corporation will furnish to that Optionee a statement indicating the number of Options held on his behalf.

15. AMENDMENT AND TERMINATION

- (a) Subject to the exceptions set out below, the Board may at any time or from time to time, in its sole and absolute discretion, suspend, terminate or discontinue the Plan and may amend the terms and conditions of Options granted pursuant to the Plan, subject to any required approval of any regulatory authority or the Exchange.

- (b) Without limiting the generality of the foregoing, some of the examples of the types of changes to this Plan or Options granted under it that the Board could make without shareholder approval include:
 - (i) housekeeping changes (such as a change to correct an immaterial inconsistency or clerical omission or a change to update a routine administrative provision such as contact information);
 - (ii) a change to the termination provisions for this Plan or for an Option as long as the change does not permit the Board to grant an Option with an Expiry Date of more than ten (10) years or extend an outstanding Option's Expiry Date;
 - (iii) a change deemed necessary or desirable to comply with applicable law or regulatory requirements; and
 - (iv) a change to alter, extend or accelerate the terms and conditions of vesting applicable to any Option.
- (c) The approval of the shareholders of the Corporation will be required for amendments to this Plan which:
 - (i) reduces the Exercise Price of an Option or results in any cancellation and reissuance of an Option;
 - (ii) extends the term of an Option beyond its Normal Expiry Date;
 - (iii) changes the definition of "Participants" herein to permit the introduction or reintroduction of Non-Executive Directors on a discretionary basis or that increase limits previously imposed on Non-Executive Director participation;
 - (iv) results in an increase in the number of Common Shares issuable under this Plan or the number of unissued Common Shares that may be subject to Options granted to Optionees under this Plan;
 - (v) would permit Options granted under this Plan to be transferable or assignable other than for normal estate settlement purposes;
 - (vi) change this Clause 15; and
 - (vii) require approval by shareholders of the Corporation under applicable law (including, without limitation, the rules, regulations and policies required by the Exchange).
- (d) In the event of any conflict between subclause 15(b) and subclause 15(c), the latter shall prevail.

16. **CLAWBACK**

Notwithstanding anything to the contrary in this Plan, the Board may seek reimbursement of Options awarded to an officer of the Corporation pursuant to this Plan and any Common Shares issued upon exercise thereof, where: (a) the payment of such compensation was predicated on achieving certain financial results that were subsequently the subject of or affected by a material restatement of all or a portion of the Corporation's financial statements filed with any securities regulatory authority; (b) the Board, in its discretion, determines that the officer engaged in gross negligence, intentional misconduct or fraud that caused or partially caused, the need for

the restatement; and (c) the value of the Options awarded would have been lower had the financial results been properly reported.

17. WAIVER

No waiver by the Corporation of any term of this Plan or any breach thereof by an Optionee is effective or binding on the Corporation unless the same is expressed in writing and any waiver so expressed does not limit or affect its rights with respect to any other or future breach.

18. NOTICES

The manner of giving notices to the Corporation or to an Optionee is to be specified in the Option Agreement with such Optionee.

19. GENERAL

- (a) This Plan and each Option granted under this Plan are to be governed by and construed in accordance with the laws of the Province of Alberta and any Option Agreement entered into pursuant to this Plan is to be treated in all respects as an Alberta contract.
- (b) Nothing contained herein restricts or limits or is deemed to restrict or limit the rights or powers of the Board in connection with any allotment and issuance of shares in the capital stock of the Corporation which are not reserved for issuance hereunder.
- (c) Options granted under this Plan, and any interest therein, will not be transferrable or assignable by any Optionee, and may not be made subject to execution, attachment or similar process, otherwise than for normal estate settlement purposes or by operation of law. During the lifetime of the Optionee, an Option will be exercisable only by the Optionee and any elections with respect to an Option may be made only by the Optionee. The terms of the Option shall be binding upon the executors, administrators and heirs of the Optionee.
- (d) Upon granting options to employees or Consultants the Corporation will represent that the Optionee is a bona fide employee or Consultant as the case may be.
- (e) In the event of any conflict between the provisions of this Plan and an Option Agreement, the provisions of this Plan shall govern.

20. EFFECTIVE DATE

This Plan is effective as of this 16th day of November, 2012, as amended by Amendment No. 1 approved by the Board on February 19, 2016, as amended and restated by the Board on March 12, 2019.

SCHEDULE "A"

KELT EXPLORATION LTD.

INCENTIVE STOCK OPTION PLAN

(Amended and Restated)

PUT NOTICE

Kelt Exploration Ltd.
Suite 300, 311 – 6th Avenue S.W.
Calgary, Alberta T2P 3H2

Dear Sirs:

I wish to exercise my Put Right and surrender for cancellation certain of my Options to acquire Common Shares of Kelt Exploration Ltd. ("**Kelt**") in exchange for payment per Option of the Put Price. Details are as follows:

Date of Option Agreement: _____

No. of Options surrendered for cancellation: _____

Exercise Price: \$ _____

Closing price per Common Share: \$ _____

All capitalized terms used herein but not otherwise defined shall have the meanings ascribed thereto in the Incentive Stock Option Plan of Kelt dated effective November 16, 2012, as amended by Amendment No. 1 approved by the Board on February 19, 2016, as amended and restated by the Board on March 12, 2019.

I understand that Kelt will issue a cheque to the name indicated below for the Put Price, less any income tax withholding requirements within three business days of receipt of this letter.

Signature of Optionee

Name: _____

Address: _____

APPENDIX C

KELT EXPLORATION LTD.

RESTRICTED SHARE UNIT PLAN (Amended and Restated)

ARTICLE 1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

For purposes of this Plan, the following words and phrases have the meanings indicated:

- (a) **“Account”** means an account maintained by the Plan Administrator for each Participant and which will be credited with RSUs in accordance with the terms of the Plan;
- (b) **“Award Date”** means the date or dates on which an award of RSUs is made to a Participant in accordance with section 4.2;
- (c) **“Board”** means the board of directors of the Corporation as constituted from time to time;
- (d) **“Change of Control”** means the purchase or acquisition of Shares and/or securities convertible into or exchangeable or exercisable for Shares as a result of which a person, group of persons or persons acting jointly or in concert, or persons who are associates of or affiliated with, within the meaning of the Securities Act, any such person, group or persons or any of such persons acting jointly or in concert, beneficially owns or exercises control or direction over Shares and/or securities convertible into or exchangeable or exercisable for Shares such that, assuming the conversion, exercise or exchange of all such securities, would entitle such person, group of persons or person acting jointly or in concert to cast 50% plus one of the votes attaching to all Shares of the Corporation (on a non-diluted basis), excluding, however, a purchase or acquisition of Shares in connection with a Reverse Take-Over, and provided that the beneficial ownership by or exercise or control or direction over securities by shareholders of the Corporation as at the date hereof shall not constitute or be counted towards a Change of Control;
- (e) **“Committee”** has the meaning ascribed thereto in section 2.4;
- (f) **“Corporation”** means Kelt Exploration Ltd., and includes any successor entity thereto;
- (g) **“Dividend Equivalent”** means a bookkeeping entry whereby each RSU is credited with the equivalent amount of the dividend paid on a Share in accordance with section 4.3, as applicable;
- (h) **“Dividend Market Value”** means the Fair Market Value per Share on the dividend record date;
- (i) **“Employee”** means an employee of the Corporation, other than seasonal and contract employees and independent contractors, and who is not a director of the Corporation;
- (j) **“Exchange”** means the TSX or any other stock exchange on which Shares are listed and posted for trading, as applicable;
- (k) **“Fair Market Value”** with respect to a Share, as at any date, means the volume weighted average of the prices at which the Shares traded on the TSX (or, if the Shares are not then listed and posted for trading on the TSX or are then listed and posted for trading on more than one stock exchange, on such stock exchange on which the majority of the trading volume and value of the Shares occurs) for the

three (3) trading days on which the Shares traded on the said exchange immediately preceding such date. In the event that the Shares are not listed and posted for trading on any stock exchange, the Fair Market Value shall be the fair market value of the Shares as determined by the Board in its sole discretion, acting reasonably and in good faith;

- (l) **“Forfeited RSU”** means a RSU that relates to an award of RSUs that does not vest and is forfeited by a Participant pursuant to section 5.4 or 5.5, as applicable;
- (m) **“Forfeiture Date”** means the date, as determined by the Board, on which a Participant is terminated as contemplated in section 5.6, regardless of whether any or any adequate or proper advance notice of termination or resignation is provided;
- (n) **“Insider”, “associate” and “affiliate”** each have the meaning ascribed thereto in Part VI of the Company Manual of the TSX, as amended from time to time;
- (o) **“Non-Executive Director”** means a director of the Corporation who is not an officer or employee of the Corporation or one of its subsidiaries;
- (p) **“Options”** means options to purchase Shares granted under the Corporation’s Stock Option Plan, as amended from time to time;
- (q) **“Participant”** means a Service Provider determined to be eligible to participate in the Plan in accordance with section 3.1 and, where applicable, a former Service Provider deemed eligible to continue to participate in the Plan in accordance with section 5.4 or 5.5;
- (r) **“Plan”** means the Restricted Share Unit Plan established herein;
- (s) **“Plan Administrator”** means the Corporation acting in its capacity as administrator of the Plan or any third party service provider, if any, retained from time to time by the Corporation to perform certain of the administrative functions of the Plan as delegated by the Board in accordance with section 2.4;
- (t) **“Reverse Take-Over”** means a transaction in the nature of a “reverse take-over” as defined in the policies of any stock exchanges upon which the Shares are listed and posted for trading;
- (u) **“RSU”** means a unit equivalent in value to a Share credited by means of a bookkeeping entry in the Participants’ Accounts;
- (v) **“RSU Agreement”** has the meaning set forth in section 3.2;
- (w) **“Securities Act”** means the *Securities Act* (Alberta), as amended;
- (x) **“Security Based Compensation Arrangements”** has the meaning ascribed thereto in Part VI of the Company Manual of the TSX, as amended from time to time;
- (y) **“Service Provider”** means a director, officer, employee (including an Employee) or consultant of the Corporation or its subsidiaries and a person or company engaged by the Corporation or a subsidiary to provide services for an initial, renewable or extended period of twelve months or more;
- (z) **“Share”** means a common share of the Corporation; and
- (aa) **“TSX”** means the Toronto Stock Exchange.

1.2 Interpretation

Words in the singular include the plural and words in the plural include the singular. Words importing male persons include female persons, corporations or other entities, as applicable. The headings in this document are for convenience and reference only and shall not be deemed to alter or affect any provision hereof. The words “hereto”, “herein”, “hereby”, “hereunder”, “hereof” and similar expressions mean or refer to this document as a whole and not to any particular article, section, paragraph or other part hereof.

ARTICLE 2 PURPOSE AND ADMINISTRATION OF THE PLAN

2.1 Purpose

The Plan has been established to retain and motivate eligible Service Providers and to promote a greater alignment of interests between Service Providers and the shareholders of the Corporation.

2.2 Administration of the Plan

The Plan shall be administered by the Board or by a committee of the Board in accordance with section 2.4.

2.3 Authority of the Board

The Board shall have the full power to administer the Plan, including, but not limited to, the authority to:

- (a) interpret and construe any provision hereof and decide all questions of fact arising in their interpretation;
- (b) adopt, amend, suspend and rescind such rules and regulations for administration of the Plan as the Board may deem necessary in order to comply with the requirements of the Plan, or in order to conform to any law or regulation or to any change in any laws or regulations applicable thereto;
- (c) determine the individuals to whom RSUs may be awarded;
- (d) award such RSUs on such terms and conditions as it determines including, without limitation: the time or times at which RSUs may be awarded; the time or times when each RSU becomes exercisable and the term of the RSU; whether restrictions or limitations are to be imposed on the Shares issued pursuant to an RSU and the nature of such restrictions or limitations, if any; any acceleration or waiver of termination or forfeiture regarding any RSU, based on such factors as the Board may determine;
- (e) take any and all actions permitted by the Plan; and
- (f) make any other determinations and take such other action in connection with the administration of the Plan that it deems necessary or advisable.

2.4 Delegation of Authority

To the extent permitted by applicable law, the Board may, from time to time, delegate to a committee (the “Committee”) of the Board all or any of the powers conferred on the Board under the Plan. In such event, the Committee will exercise the powers delegated to it by the Board in the manner and on the terms authorized by the Board. Any decision made or action taken by the Committee arising out of or in connection with the administration or interpretation of the Plan in this context is final and conclusive. The Board or the Committee may delegate or sub-delegate to a Plan Administrator or any director or officer of the Corporation the whole or any part of the administration of the Plan and shall determine the scope of such delegation or sub-delegation in its sole discretion.

2.5 Discretionary Relief

Subject to section 2.6, notwithstanding any other provision hereof, the Board may, in its sole discretion, waive any condition set out herein if it determines that specific individual circumstances warrant such waiver.

2.6 Amendment, Suspension, or Termination of Plan

- (a) Subject to the exceptions set out below, the Board may at any time or from time to time, in its sole and absolute discretion, suspend, terminate or discontinue the Plan and may amend the terms and conditions of any RSU granted pursuant to the Plan, subject to any required approval of any regulatory authority or the Exchange.
- (b) Without limiting the generality of the foregoing, some of the examples of the types of changes to this Plan or RSUs granted under it that the Board could make without shareholder approval include:
 - (i) housekeeping changes (such as a change to correct an immaterial inconsistency or clerical omission or a change to update a routine administrative provision such as contact information);
 - (ii) a change to the termination provisions for this Plan or for a RSU as long as the change does not permit the Board to grant a RSU for a term of more than ten (10) years or extend the term of an outstanding RSU; and
 - (iii) a change deemed necessary or desirable to comply with applicable law or regulatory requirements.
- (c) The approval of the shareholders of the Corporation will be required for amendments to this Plan which:
 - (i) extends the term of a RSU beyond its initial term;
 - (ii) changes the definition of “Participant” herein to permit the introduction or reintroduction of Non-Executive Directors on a discretionary basis or that increase limits previously imposed on Non-Executive Director participation;
 - (iii) results in an increase in the number of Common Shares issuable under this Plan or the number of unissued Common Shares that may be subject to RSUs granted to Participants under this Plan;
 - (iv) would permit RSUs granted under this Plan to be transferable or assignable other than for normal estate settlement purposes;
 - (v) change this section 2.6; and
 - (vi) require approval by shareholders of the Corporation under applicable law (including, without limitation, the rules, regulations and policies required by the Exchange).
- (d) On termination of the Plan, any outstanding awards of RSUs under the Plan shall immediately vest and the number of Shares corresponding to the RSUs that have been awarded shall be delivered to the Participant in accordance with section 4.7. The Plan will finally cease to operate for all purposes when the last remaining Participant receives delivery of all Shares corresponding to RSUs credited to the Participant’s Account.
- (e) In the event of any conflict between subsection 2.6(b) and subsection 2.6(c), the latter shall prevail.

2.7 Final Determination

Any determination or decision by, or opinion of, the Board, the Committee or a director or officer of the Corporation made or held pursuant to the terms set out herein shall be made or held reasonably and shall be final, conclusive and binding on all parties concerned, including, but not limited to, the Corporation, the Participants and their beneficiaries and legal representatives.

Subject to section 2.5, all rights, entitlements and obligations of Participants under the Plan are set forth in the terms hereof and cannot be modified by any other documents, statements or communications, except by amendment to the terms set out herein referred to in section 2.6.

2.8 Taxes

On the Award Date or upon vesting of an award of RSUs, the Corporation shall have the right to require the Participant to remit to the Corporation an amount sufficient to satisfy any federal, provincial or other law requiring the withholding of tax or other required deductions relating to the delivery of Shares or cash to be paid. Such withholding obligations may also be accomplished, in whole or in part, by the Corporation withholding from the Shares to be delivered or cash to be paid such number of Shares or such amount as is necessary to satisfy the amount of the total withholding obligation, and the Corporation shall be entitled to sell, on behalf of a Participant, such number of Shares as is sufficient to satisfy such withholdings obligations.

2.9 Expenses

The Corporation is responsible for all costs of administration of the Plan.

2.10 Account Information

Information pertaining to the RSUs in Participants' Accounts will be made available to the Participants at least annually in such manner as the Plan Administrator may determine and shall include such matters as the Board may determine from time to time or as otherwise may be required by law.

2.11 Indemnification

Each member of the Board or Committee is indemnified and held harmless by the Corporation against any cost or expense (including any sum paid in settlement of a claim with the approval of the Corporation) arising out of any act or omission to act in connection with the terms hereof to the extent permitted by applicable law. This indemnification is in addition to any rights of indemnification a Board or Committee member may have as director or otherwise under the by-laws of the Corporation, any agreement, any vote of shareholders, or disinterested directors, or otherwise.

ARTICLE 3 ELIGIBILITY AND PARTICIPATION IN THE PLAN

3.1 Participation

The Board, in its sole discretion, shall determine, or shall delegate to the Committee the determination of which Service Providers will participate in the Plan.

3.2 RSU Agreement

A Participant shall confirm acknowledgement of an award of RSUs made to such Participant in such form as determined by the Board from time to time (the "**RSU Agreement**"), within such time period and in such manner as specified by the Board or the Plan Administrator. If acknowledgement of an award of RSUs is not confirmed

by a Participant within the time specified, the Corporation reserves the right to revoke the crediting of RSUs to the Participant's Account.

3.3 Participant's Agreement to be Bound

Participation in the Plan by any Participant shall be construed as irrevocable acceptance by the Participant of the terms and conditions set out herein and all rules and procedures adopted hereunder and as amended from time to time.

ARTICLE 4 ESTABLISHMENT OF THE PLAN

4.1 The Plan

The Plan is hereby established for Participants.

4.2 Grant of RSUs

Subject to section 3.2, an award of RSUs pursuant to the Plan will be made and the number of such RSUs awarded will be credited to each Participant's Account, effective as of the Award Date. The number of RSUs to be credited to each Participant's Account shall be determined by the Board, or the Committee delegated by the Board to do so, each in its sole discretion.

4.3 Credits for Dividends

A Participant's Account shall be credited with a Dividend Equivalent in the form of additional RSUs as of each dividend payment date, if any, in respect of which dividends are paid on Shares. Such Dividend Equivalent shall be computed by dividing: (a) the amount obtained by multiplying the amount of the dividend declared and paid per Share by the number of RSUs recorded in the Participant's Account on the record date for the payment of such dividend, by (b) the Dividend Market Value, with fractions computed to three decimal places.

4.4 Vesting

- (a) Subject to Article 5, an award of RSUs under the Plan shall vest in accordance with the terms specified in the Participant's RSU Agreement. The vesting provisions in any RSU Agreement will be determined either by the Board, or the Committee if delegated by the Board to do so, each in its sole discretion; provided that unless forfeited prior to such date, all awards of RSUs under the Plan shall vest no later than December 15 of the third calendar year following the Award Date of the corresponding RSU, or such later date as may be permitted by applicable income tax laws.
- (b) For greater certainty, the vesting of RSUs may be determined from time to time by the Board or the Committee if so delegated by the Board, to include criteria such as, but not limited to:
 - (i) time vesting, in which a Share is not delivered to a Participant until the Participant has held the corresponding RSU for a specified period of time; and
 - (ii) performance vesting, in which the number of Shares to be delivered to a Participant for each RSU that vests may fluctuate based upon the Corporation's performance and/or the market price of the Shares, in such manner as determined by the Board or, if so delegated, the Committee, in their sole discretion.

4.5 Allotment of Shares for Issuance by the Corporation

The Corporation shall allot for issuance from treasury such number of Shares corresponding to the maximum number of Shares that may be deliverable to Participants upon the vesting of RSUs awarded to Participants under the Plan.

4.6 Limits on Issuances

Subject to adjustments in accordance with section 4.3, the maximum number of Shares available for issuance under the Plan at any time shall not exceed a number of Shares equal to 4.5% of the aggregate number of Shares issued and outstanding from time to time. In the event there is any change in the Shares through the declaration of stock dividends or subdivisions, consolidations or exchanges of Shares, or otherwise, the number of Shares available for issuance and to be issued upon the vesting of RSUs granted under the Plan shall be adjusted appropriately by the Board, subject to Exchange approval, and such adjustment shall be effective and binding for all purposes of the Plan.

In addition, and subject always to the foregoing maximum number of Shares available for issuance under the Plan not exceeding a number of Shares equal to 4.5% of the aggregate number of Shares issued and outstanding from time to time, the number of Shares reserved for issuance and which may be issued pursuant to the Plan and other Security Based Compensation Arrangements established by the Corporation shall be limited as follows:

- (a) the number of Shares reserved for issuance to any one individual shall not exceed 5% of the issued and outstanding Shares;
- (b) the number of Shares reserved for issuance under all Security Based Compensation Arrangements granted to Insiders shall not exceed 9.0% of the issued and outstanding Shares;
- (c) the number of Shares that may be issued to Insiders within any one-year period under all Security Based Compensation Arrangements shall not exceed 9.0% of the issued and outstanding Shares; and
- (d) the maximum number of Shares reserved for issuance under all Security Based Compensation Arrangements granted to any one Non-Executive Director, within any calendar year, shall not exceed \$150,000, as calculated on the date of grant, using the Black-Scholes-Merton valuation model.

For the purposes of this section 4.6, any increase in the issued and outstanding Shares (whether as a result of the issue of Shares pursuant to RSUs or Options or otherwise) will result in an increase in the number of Shares that may be issued pursuant to RSUs at any time and any increase in the number of RSUs granted will, upon issue of Shares pursuant to such RSUs, make new RSUs available under the Plan. RSUs that are forfeited or otherwise cancelled, terminated or expire shall result in the Shares that were reserved for issuance thereunder being available for a subsequent grant of RSUs pursuant to this Plan to the extent of any Shares issuable thereunder that are not issued under such forfeited or otherwise cancelled, terminated or expired RSUs.

4.7 Delivery of Shares by the Corporation on Vesting

The Corporation shall, as soon as practicable after the relevant vesting date of any award of RSUs under the Plan, issue from treasury to each Participant the number of Shares required to be delivered to a Participant upon the vesting of such Participant's RSUs in the Participant's Account. The Corporation shall register and deliver certificates for such Shares to the Participant by first class insured mail, unless the Corporation shall have received alternative instructions from the Participant (through the Plan Administrator) for the registration and/or delivery of the certificates.

4.8 Surrender Offer

A Participant may make an offer (the “**Surrender Offer**”) to the Corporation, at any time, for the disposition and surrender by the Participant to the Corporation (and the termination thereof) of any of the RSU’s granted hereunder for an amount (not to exceed the Fair Market Value of the RSU’s) specified in the Surrender Offer by the Participant and the Corporation may, but is not obligated to, accept the Surrender Offer, subject to any regulatory approval required. If the Surrender Offer, either as made or as renegotiated, is accepted, the RSU’s in respect of which the Surrender Offer relates shall be surrendered and deemed to be terminated and cancelled and shall cease to grant the Participant any further rights thereunder upon payment of the amount of the agreed Surrender Offer by the Corporation to the Participant.

ARTICLE 5 ACCELERATED VESTING AND FORFEITURE

5.1 Accelerated Vesting

The Board in its sole discretion may, by resolution, permit all unvested awards of RSUs to vest immediately and the Shares corresponding to the RSUs in the Participants’ Accounts to be delivered in accordance with section 4.7.

5.2 Delivery on Forfeiture

Unless otherwise determined by the Board or unless otherwise provided in an RSU Agreement pertaining to a particular RSU or any written employment, consulting or other agreement governing a Participant’s role as a Service Provider, where a Participant ceases to be a Participant pursuant to sections 5.4 or 5.6, any Shares corresponding to any remaining vested award of RSUs shall be delivered to the former Participant in accordance with section 4.7, as soon as practicable after the Forfeiture Date and the former Participant shall not be entitled to any further distribution of Shares or any payment from the Plan.

5.3 Resignation

Unless otherwise determined by the Board or unless otherwise provided in an RSU Agreement pertaining to a particular RSU or any written employment, consulting or other agreement governing a Participant’s role as a Service Provider, if a Participant resigns from employment with the Corporation, as determined by the Board in its sole discretion, before all of the awards respecting RSUs credited to the Participant’s Account have vested or are forfeited pursuant to any other provision hereof, such Participant shall cease to be a Participant as of the Forfeiture Date, and the former Participant shall forfeit all unvested awards respecting RSUs in the Participant’s Account effective as at the Forfeiture Date.

5.4 Disability and Leaves of Absence

If a Participant becomes eligible for long-term disability benefits under the terms of a long-term disability plan of the Corporation or is eligible for short term disability or is on approved leave, as determined by the Board in its sole discretion, before all of the awards respecting RSUs credited to the Participant’s Account have vested or are forfeited pursuant to any other provision hereof, such Participant shall be deemed to continue to be a Participant for purposes of the Plan. For greater certainty, so long as a Participant continues to be deemed a Participant for purposes of this paragraph, the vesting of such Participant’s RSUs pursuant to section 4.4, the delivery of certificates for Shares pursuant to section 4.7, and this Article 5 shall continue to apply to such Participant.

5.5 Termination of Employment

Unless otherwise determined by the Board or unless otherwise provided in an RSU Agreement pertaining to a particular RSU or any written employment, consulting or other agreement governing a Participant's role as a Service Provider, if a Participant is terminated from the Corporation for any reason (including involuntary termination without cause), as determined by the Board in its sole discretion, before all of the awards respecting RSUs credited to the Participant's Account have vested or are forfeited pursuant to any other provision hereof, such Participant shall cease to be a Participant as of the Forfeiture Date, and the former Participant shall forfeit all awards respecting unvested RSUs in his Account effective as at the Forfeiture Date. Notwithstanding the previous sentence, in the event of an involuntary termination without cause, the Board may, in its sole discretion, permit a Participant to continue to participate in the Plan during any statutory or common law severance period or any period of reasonable notice that the Corporation may be required at law or pursuant to any written employment, consulting or other agreement governing a Participant's role as a Service Provider to provide to the Participant. In such circumstances, the Participant shall cease to be a Participant following the expiry of the severance period.

5.6 Death

If a Participant dies before all of the awards respecting RSUs credited to the Participant's Account have vested or are forfeited pursuant to any other provision hereof, all unvested awards respecting RSUs will vest effective on the date of death. Upon receipt of satisfactory evidence of the Participant's death from the authorized legal representative of the deceased Participant, the Shares corresponding to the number of RSUs in such Participant's Account shall be paid out to the legal representative of the deceased former Participant's estate in accordance with section 4.7.

5.7 Termination on Divestiture

- (a) In the event that a divestiture of a business unit (including a divestiture by sale, closure or outsourcing) of the Corporation results in the termination of a Participant's term as an officer, director or employee of the Corporation and such Participant becomes a director, officer or employee of the person acquiring or operating such business unit, the Board may:
 - (i) accelerate the vesting of all or any portion of a Participant's RSUs; or
 - (ii) determine that such Participant shall continue to be a Participant for the purposes of the Plan, but subject to such terms and conditions (including vesting), if any, established by the Board in its sole discretion.
- (b) In the event that a divestiture of a business unit (including a divestiture by sale, closure or outsourcing) of the Corporation results in the termination of employment of a Participant and such Participant is not offered another directorship, office or employment with the Corporation or a subsidiary of the Corporation, or with the entity to whom the divestiture is made (or any affiliate thereof), then the provisions of section 5.5 shall apply.

5.8 Change of Control

- (c) Upon the Corporation entering into an agreement relating to, or otherwise becoming aware of, a transaction which, if completed, would result in a Change of Control, the Corporation shall give written notice of the proposed transaction to the Participants not less than ten days prior to the closing of the transaction resulting in the Change of Control.
- (d) Subject to the terms of any employment agreement between the Corporation and a Participant, upon the occurrence of a Change of Control, all outstanding RSUs shall vest upon (or immediately prior to) the

completion of the transaction resulting in the Change of Control. If, for any reason, the transaction, which would result in the Change of Control, is not completed, the acceleration of the vesting of the RSUs shall be retracted and vesting shall instead revert to the manner provided in the Plan and the RSU Agreement.

ARTICLE 6 GENERAL

6.1 Compliance with Laws

The administration of the Plan, including without limitation all issuance of Shares under the Plan, shall be subject to and made in conformity with all applicable laws and any applicable regulations of a duly constituted authority. Should the Corporation, in its sole discretion, determine that it is not feasible or desirable to deliver Shares pursuant to an award of RSUs due to such laws or regulations, its obligation shall be satisfied by means of an equivalent cash payment (equivalence being determined on a before-tax basis) less any applicable withholding taxes.

6.2 Reorganization of the Corporation

The existence of any RSUs or Shares corresponding to such RSUs shall not affect in any way the right or power of the Corporation or its shareholders to make or authorize any adjustment, recapitalization, reorganization or other change in the Corporation's capital structure or its business, or any amalgamation, combination, merger or consolidation involving the Corporation or to create or issue any bonds, debentures, shares or other securities of the Company or the rights and conditions attaching thereto or to effect the dissolution or liquidation of the Company or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar nature or otherwise.

6.3 General Restrictions and Assignment

RSUs granted under this Plan, and any interest therein, will not be transferrable or assignable by any Participant, and may not be made subject to execution, attachment or similar process, otherwise than for normal estate settlement purposes or by operation of law. During the lifetime of the Participant, a RSU will be exercisable only by the Participant and any elections with respect to a RSU may be made only by the Participant. The terms of the RSU shall be binding upon the executors, administrators and heirs of the Participant.

The rights and obligations hereunder may be assigned by the Corporation to a successor in the business of the Corporation.

6.4 Market Fluctuations

No amount will be paid to, or in respect of, a Participant under the Plan to compensate for a downward fluctuation in the price of Shares, nor will any other form of benefit be conferred upon, or in respect of, a Participant for such purpose.

The Corporation makes no representations or warranties to Participants with respect to the Plan or the RSUs whatsoever. Participants are expressly advised that the value of any RSUs and Shares under the Plan will fluctuate as the trading price of Shares fluctuates. If the Board or Committee has attached performance vesting criteria to any RSUs under section 4.4, the number of Shares delivered to a Participant upon the vesting of such RSU may fluctuate based upon the terms of such vesting criteria.

In seeking the benefits of participation in the Plan, a Participant agrees to exclusively accept all risks associated with a decline in the market price of Shares and all other risks associated with the holding of RSUs.

6.5 No Rights to Employment

- (a) Nothing in this document or in the opportunity to participate in the Plan shall confer upon any Participant any right to continued employment with the Corporation nor shall interfere in any way with the right of the Corporation to terminate the Participant's employment at any time.
- (b) Nothing in this document or in the opportunity to participate in the Plan shall be construed to provide the Participant with any rights whatsoever to participate or to continue participation in the Plan, or to compensation or damages in lieu of participation or the right to participate in the Plan upon the termination of the Participant's employment for any reason whatsoever.
- (c) A Participant shall not be entitled to any right to participate or to continue to participate in the Plan or to compensation or damages in lieu of participation or the right to participate in the Plan in consequence of the termination of his employment with the Corporation for any reason (including, without limitation, any breach of contract by the Corporation or in consequence of any other circumstances whatsoever).

6.6 No Shareholder Rights

Under no circumstances shall RSUs be considered an interest in any Shares or other securities of the Corporation nor shall any Participant be considered to be the owner of any Shares by virtue of an award of RSUs until such RSUs have vested and Shares are delivered to the Participant in accordance with the terms of the Plan. RSUs shall not entitle any Participant to exercise voting rights with respect to Shares nor any other rights attaching to the ownership of Shares or other securities of the Corporation.

6.7 Clawback

Notwithstanding anything to the contrary in this Plan, the Board may seek reimbursement of RSUs awarded to an officer of the Corporation pursuant to this Plan and any Common Shares issued upon exercise thereof, where: (a) the payment of such compensation was predicated on achieving certain financial results that were subsequently the subject of or affected by a material restatement of all or a portion of the Corporation's financial statements filed with any securities regulatory authority; (b) the Board, in its discretion, determines that the officer engaged in gross negligence, intentional misconduct or fraud that caused or partially caused the need for the restatement; and (c) the value of the RSUs awarded would have been lower had the financial results been properly reported.

6.8 Governing Law

The validity, construction and effect of the Plan and any actions taken or relating to the Plan shall be governed by the laws of the Province of Alberta and the federal laws of Canada applicable therein.

6.9 Currency

All amounts paid or values to be determined under the Plan shall be in Canadian dollars.

6.10 Severability

The invalidity or unenforceability of any provision of this document shall not affect the validity or enforceability of any other provision and any invalid or unenforceable provision shall be severed from this document.

6.11 Effective Date

This Plan is effective as of this 16th day of November, 2012, as amended by Amendment No. 1 approved by the Board on February 19, 2016, as amended and restated by the Board on March 12, 2019.

APPENDIX D

ARTICLES OF AMENDMENT

Articles of Amendment

Business Corporations Act
Section 29 or 177

1. Name of Corporation	2. Corporate Access Number
KELT EXPLORATION LTD.	2017059722

3. Item number 2 of the Articles of the above named corporation are amended in accordance with Section 173(1)(c)(e) of the Business Corporations Act.

- 1) Pursuant to Section 173(1)(c) of the *Business Corporations Act*, the Articles of the Corporation are amended by changing the maximum number of Preferred shares that the Corporation is authorized to issue from an unlimited number to a limited number of shares pursuant to the attached Schedule: Amended Share Structure.
- 2) Pursuant to Section 173(1)(e) of the *Business Corporations Act*, the Articles of the Corporation are amended by changing the rights, privileges, restrictions and conditions attached to the Preferred Shares in accordance with the attached Schedule: Amended Share Structure.

_____ Authorized Signature (applicable for societies only)	_____ Name of Person Authorizing (please print)	_____ Date
_____ N/A Identification (not applicable for societies)	_____ Title (please print)	

This information is being collected for the purposes of corporate registry records in accordance with the Business Corporations Act. Questions about the collection of this information can be directed to the Freedom of Information and Protection of Privacy Coordinator for Alberta Registries, Box 3140, Edmonton, Alberta T5J 2G7, (780) 427-7013.

REG 3654 (2083/06)

SCHEDULE: AMENDED SHARE STRUCTURE

Attached to and forming part of the Articles of KELT EXPLORATION LTD. (the “Corporation”)

THE CLASSES OF SHARES AND ANY MAXIMUM NUMBER OF SHARES THAT THE CORPORATION IS AUTHORIZED TO ISSUE ARE:

1. **An unlimited number of Common shares**, the holders of which are entitled:
 - (a) to receive notice of and to attend and vote at all meetings of shareholders, except meetings at which only holders of a specified class of shares are entitled to vote;
 - (b) to receive any dividend declared by the Corporation on this class of shares; provided that the Corporation shall be entitled to declare dividends on the Preferred shares, or on any other classes of shares without being obliged to declare any dividends on the Common shares of the Corporation; and
 - (c) subject to the rights, privileges, restrictions and conditions attaching to any other class of shares of the Corporation, to receive the remaining property of the Corporation upon dissolution in equal rank with the holders of all other Common shares of the Corporation.
2. **An unlimited number of Preferred shares** provided that, if the authorized Preferred shares are to be assigned voting or conversion rights, the number of Preferred shares to be issued may not exceed twenty percent (20%) of the number of issued and outstanding Common shares at the time of issuance of any such Preferred shares. The Preferred shares, which as a class, shall have attached thereto the following rights, privileges, restrictions and conditions:
 - (a) the Preferred shares may from time to time be issued in one or more series, and the Directors may fix from time to time before such issue, subject to the limitations set out in the Articles, the number of Preferred shares which is to comprise each series and the designation, rights, privileges, restrictions and conditions attaching to each series of Preferred shares including, without limiting the generality of the foregoing, any voting rights, the rate or amount of dividends or the method of calculating dividends, the dates of payment thereof, the terms and conditions of redemption, purchase and conversion if any, and any sinking fund or other provisions;
 - (b) the Preferred shares of each series shall, with respect to the payment of dividends and the distribution of assets or return of capital in the event of liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other return of capital or distribution of the assets of the Corporation amongst its shareholders for the purpose of winding up its affairs, be entitled to preference over the Common shares and over any other shares of the Corporation ranking by their terms junior to the Preferred shares of that series. The Preferred shares of any series may also be given such other preferences, not inconsistent with these Articles, over the Common shares and any other such Preferred shares as may be fixed in accordance with clause (2)(a);
 - (c) if any cumulative dividends or amounts payable on the return of capital in respect of a series of Preferred shares are not paid in full, all series of Preferred shares shall participate rateably in respect of accumulated dividends and return of capital; and
 - (d) except as referred to herein or as otherwise required by law or in accordance with any voting rights which may from time to time be attached to any series of Preferred shares, the holders of the Preferred shares as a class shall not be entitled as such to receive notice of, to attend or to vote at any meeting of the shareholders of the Corporation. Notwithstanding the foregoing, other

than in the case of a failure to declare or pay dividends specified in any series of the Preferred shares, the voting rights attached to the Preferred shares shall be limited to one vote per Preferred share at any meeting where the Preferred shares and Common shares vote together as a single class.

APPENDIX E
AMENDED AND RESTATED BY-LAW NO. 1

A by-law relating generally to the transaction of the business and affairs
of
KELT EXPLORATION LTD.

CONTENTS

Section 1	- Interpretation
Section 2	- Business of the Corporation
Section 3	- Borrowing and Securities
Section 4	- Directors
Section 5	- Committees
Section 6	- Officers
Section 7	- Protection of Directors, Officers and Others
Section 8	- Shares
Section 9	- Dividends and Rights
Section 10	- Meetings of Shareholders
Section 11	- Divisions and Departments
Section 12	- Notices
Section 13	- Effective Date

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

SECTION 1
INTERPRETATION

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

“**Act**” means the *Business Corporations Act*, R.S.A. 2000, c. B-9, and any statute that may be substituted therefor, as from time to time amended;

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

“**articles**” means the original or restated articles of incorporation, articles of amendment, articles of amalgamation, articles of continuance, articles of reorganization, articles of arrangement, articles of dissolution or articles of revival and includes an amendment to any of them;

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

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

“**Corporation**” means the corporation incorporated by a Certificate of Incorporation under the Act and named:

KELT EXPLORATION LTD.

“meeting of shareholders” means an annual meeting of shareholders and a special meeting of shareholders;

“non-business day” means Saturday, Sunday and any other day that is a holiday as defined in the *Interpretation Act*, R.S.A. 2000, c. I-8 and any statute that may be substituted therefor, as from time to time amended;

“recorded address” means in the case of a shareholder their address as recorded in the securities register of the Corporation; and in the case of joint shareholders the address appearing in the securities register in respect of such joint holding or the first address so appearing if there are more than one; and in the case of a director, officer, auditor or member of a committee of the Board, their latest address as recorded in the records of the Corporation;

“signing officer” means, in relation to any instrument, any person authorized to sign the same on behalf of the Corporation by section 2.02 or by a resolution passed pursuant thereto;

“special meeting of shareholders” means a special meeting of all shareholders entitled to vote at an annual meeting of shareholders; and

“unanimous shareholder agreement” means (i) a written agreement to which all the shareholders of a corporation are or are deemed to be parties, whether or not any other person is also a party, or (ii) a written declaration by a person who is the beneficial owner of all of the issued shares of a corporation that provides for any matters enumerated in the Act, as amended from time to time;

save as aforesaid, words and expressions defined in the Act have the same meanings when used herein; and words importing the singular number include the plural and vice versa; words importing gender include the masculine, feminine and neuter genders; and words importing persons include individuals, bodies corporate, partnerships, trusts and unincorporated organizations.

SECTION 2 **BUSINESS OF THE CORPORATION**

2.01 **Registered Office** - Until changed in accordance with the Act, the registered office of the Corporation shall be at the City of Calgary in the Province of Alberta and at such location therein as the Board may from time to time determine.

2.02 **Execution of Instruments** - Contracts, documents or instruments in writing requiring execution by the Corporation may be signed by any one director or officer and all contracts, documents or instruments in writing so signed shall be binding upon the Corporation without any further authorization or formality. The Board is authorized from time to time by resolution to appoint any officer or officers or any other person or persons on behalf of the Corporation to sign and deliver either contracts, documents or instruments in writing generally or to sign either manually or by facsimile signature and/or counterpart signature and deliver specific contracts, documents or instruments in writing. The term “contracts, documents or instruments in writing” as used in this by-law shall include deeds, mortgages, charges, conveyances, powers of attorney, transfers and assignments of property of all kinds (including specifically, but without limitation, transfers and assignments of shares, warrants, bonds, debentures or other securities), share certificates, warrants, bonds, debentures and other securities or security instruments of the Corporation and all paper writings.

2.03 **Banking Arrangements** - The banking business of the Corporation including, without limitation, the borrowing of money and the giving of security therefor, shall be transacted with such banks, trust companies or other bodies corporate or organizations as may from time to time be designated by or under the authority of the

Board. Such banking business or any part thereof shall be transacted under such agreements, instructions and delegations of powers as the Board may from time to time prescribe or authorize.

2.04 **Voting Rights in Other Bodies Corporate** - The signing officers of the Corporation may execute and deliver proxies and arrange for the issuance of voting certificates or other evidence of the right to exercise the voting rights attaching to any securities held by the Corporation. Such instruments, certificates or other evidence shall be in favour of such person or persons as may be determined by the officers executing such proxies or arranging for the issuance of voting certificates or such other evidence of the right to exercise such voting rights. In addition, the Board may from time to time direct the manner in which and the person or persons by whom any particular voting rights or class of voting rights may or shall be exercised.

2.05 **Withholding Information from Shareholders** - Subject to the provisions of the Act, no shareholder shall be entitled to discovery of any information respecting any details or conduct of the Corporation's business which, in the opinion of the Board, would be inexpedient in the interests of the shareholders or the Corporation to communicate to the public. The Board may from time to time determine whether and to what extent and at what time and place and under what conditions or regulations the accounts, records and documents of the Corporation or any of them shall be open to the inspection of shareholders and no shareholder shall have any right of inspecting any account, record or document of the Corporation except as conferred by the Act or authorized by the Board or by resolution passed at a general meeting of shareholders.

SECTION 3 **BORROWING AND SECURITIES**

3.01 **Borrowing Power** - Without limiting the borrowing powers of the Corporation as set forth in the Act, the articles, the by-laws or any unanimous shareholder agreement, the Board may from time to time:

- (a) borrow money upon the credit of the Corporation;
- (b) issue, reissue, sell or pledge debt obligations of the Corporation;
- (c) subject to the provisions of the Act give a guarantee on behalf of the Corporation to secure performance of an obligation of any person; and
- (d) mortgage, hypothecate, pledge or otherwise create an interest in or charge upon all or any property of the Corporation, owned or subsequently acquired, to secure any obligation of the Corporation.

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

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

SECTION 4 **DIRECTORS**

4.01 **Number of Directors and Quorum** - Until changed in accordance with the Act, the Board shall consist of not fewer than one (1) and not more than eleven (11) directors. The quorum for the transaction of business at

any meeting of the Board shall consist of a majority of the number of directors then elected or appointed, or such greater or lesser number of directors as the Board may from time to time determine.

4.02 **Qualification** - No person shall be qualified for election as a director if they (i) are less than 18 years of age; (ii) are a represented adult as defined in the *Adult Guardianship and Trusteeship Act* or the subject of a certificate of incapacity that is in effect under the *Public Trustee Act* and any statute that may be substituted therefor, as from time to time amended; (iii) are a formal patient as defined in the *Mental Health Act* (Alberta) and any statute that may be substituted therefor, as from time to time amended; (iv) have been found to be a person of unsound mind by a court elsewhere than in Alberta; (v) are not an individual; or (vi) have the status of a bankrupt. Subject to the articles, a director need not be a shareholder.

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

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

4.05 **Vacation of Office** - A director ceases to hold office when they die; are removed from office by the shareholders; cease to be qualified for election as a director; or their written resignation is sent or delivered to the Corporation, or if a time is specified in such resignation, at the time so specified, whichever is later.

4.06 **Vacancies** - Subject to the Act, the articles and any unanimous shareholders agreement, a quorum of the Board may fill a vacancy in the Board, except a vacancy resulting from an increase in the number or minimum number of directors or from a failure of the shareholders to elect the minimum number of directors. In the absence of a quorum of the Board, or if the vacancy has arisen from a failure of the shareholders to elect the minimum number of directors, the Board shall forthwith call a special meeting of shareholders to fill the vacancy. If the Board fails to call such meeting or if there are no such directors then in office, any shareholder may call the meeting.

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

4.08 **Meetings by Telephone** - If all the directors consent, a director may participate in a meeting of the Board or of a committee of the Board by electronic means, telephone or other communication facilities as permit all persons participating in the meeting to hear each other, and a director participating in such a meeting by such means is deemed to be present at the meeting. Any such consent shall be effective whether given before or after the meeting to which it relates and may be given with respect to all meetings of the Board and of committees of the Board held while a director holds office.

4.09 **Place of Meetings** - Meetings of the Board may be held at any place in or outside Canada.

4.10 **Calling of Meetings** - Meetings of the Board shall be held from time to time and at such place as the Board, the chair of the Board, the managing director, the president or any two directors may determine.

4.11 **Notice of Meeting** - Notice of the time and place of each meeting of the Board shall be given in the manner provided in section 12.01 to each director not less than 48 hours before the time when the meeting is to be held. A notice of a meeting of directors need not specify the purpose of or the business to be transacted at the meeting except where the Act requires such purpose or business to be specified, including any proposal to:

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

A director may in any manner waive notice of or otherwise consent to a meeting of the Board, and attendance of a director at a meeting constitutes a waiver of notice, unless the director is attending for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

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

4.13 **Adjourned Meeting** - Notice of an adjourned meeting of the Board is not required if the time and place of the adjourned meeting is announced at the original meeting.

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

4.15 **Chair** - The chair of any meeting of the Board shall be the first mentioned of such of the following officers as have been appointed and who is a director and is present at the meeting: chair of the Board, managing director, president, or a vice-president. If no such officer is present, the directors present shall choose one of their number to be chair.

4.16 **Votes to Govern** - At all meetings of the Board every question shall be decided by a majority of the votes cast on the question of those directors entitled to vote. In case of an equality of votes the chair of the meeting shall not be entitled to a second or casting vote.

4.17 **Conflict of Interest** - A director or officer who is a party to, or who is a director or officer of or has a material interest in any person who is a party to, a material contract or material transaction or proposed material contract or proposed material transaction with the Corporation shall disclose the nature and extent of their interest at the time and in the manner provided by the Act. Any such contract or transaction or proposed contract or transaction shall be referred to the Board or shareholders for approval in accordance with the Act, even if such contract or transaction is one that in the ordinary course of the Corporation's business would not require approval by the Board or shareholders, and a director interested in a contract or transaction so referred to the Board shall not vote on any resolution to approve the same except as provided by the Act.

4.18 **Remuneration and Expenses** - Subject to the articles and any unanimous shareholder agreement, the directors shall be paid such remuneration for their services as the Board may from time to time determine. The directors shall also be entitled to be reimbursed for travelling and other expenses properly incurred by them in attending meetings of the Board or any committee thereof. Nothing herein contained shall preclude any director from serving the Corporation in any other capacity and receiving remuneration in that capacity.

SECTION 5 **COMMITTEES**

5.01 **Committee of Directors** - Unless otherwise permitted by the Act, the Board may appoint a managing director, or a committee of directors, however designated, and delegate to such committee any of the powers of the Board except those which, under the Act, a managing director or a committee of directors has no authority to exercise.

5.02 **Transaction of Business** - Subject to the provisions of section 4.08, the powers of a committee of directors may be exercised by a meeting at which a quorum is present or by resolution in writing signed by all the members of such committee who would have been entitled to vote on that resolution at a meeting of the committee. Meetings of such committee may be held at any place in or outside Canada.

5.03 **Advisory Committees** - The Board may from time to time appoint such other committees as it may deem advisable, but the functions of any such other committees shall be advisory only.

5.04 **Procedure** - Unless otherwise determined by the Board, each committee shall have the power to fix its quorum at not less than a majority of its members, to elect its chair and to regulate its procedure.

5.05 **Audit Committee** - When required by the Act the Board shall, and at any other time the Board may, appoint annually from among its number an Audit Committee to be composed of not fewer than three (3) directors of whom a majority shall not be officers or employees of the Corporation or its affiliates. The Audit Committee shall have the powers and duties provided in the Act and any other powers delegated by the Board.

SECTION 6 **OFFICERS**

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

6.02 **Chair of the Board** - The Board may from time to time also appoint a chair of the Board who shall be a director. If appointed, the Board may assign to the chair any of the powers and duties that are by any provisions of this by-law assigned to the managing director or to the president; and the chair shall, subject to the provisions

of the Act, have such other powers and duties as the Board may specify. During the absence or disability of the chair of the Board, the chair's duties shall be performed and the chair's powers exercised by the managing director, if any, or by the president.

6.03 **Managing Director** - The Board may from time to time appoint a managing director who shall be a director. If appointed, the managing director shall have such powers and duties as the Board may specify.

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

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

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

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

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

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

6.10 **Term of Office** - The Board, in its discretion, may remove any officer of the Corporation, without prejudice to such officer's rights under any employment contract. Otherwise each officer appointed by the Board shall hold office until their successor is appointed.

6.11 **Terms of Employment and Remuneration** - The terms of employment and the remuneration of officers appointed by the Board shall be settled by the Board from time to time.

6.12 **Conflict of Interest** - An officer shall disclose their interest in any material contract or material transaction or proposed material contract or proposed material transaction with the Corporation in accordance with section 4.17.

6.13 **Agents and Attorneys** - The Board shall have power from time to time to appoint agents or attorneys for the Corporation in or outside Canada with such powers of management or otherwise (including the power to sub-delegate) as may be thought fit.

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

SECTION 7

PROTECTION OF DIRECTORS, OFFICERS AND OTHERS

7.01 **Limitation of Liability** - No director or officer shall be liable for the acts, receipts, neglects or defaults of any other director or officer or employee, or for joining in any receipt or other act for conformity, or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired for or on behalf of the Corporation, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Corporation shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious acts of any person with whom any of the moneys, securities or effects of the Corporation shall be deposited, or for any loss occasioned by any error of judgment or oversight on their part, or for any other loss, damage or misfortune whatever which shall happen in the execution of the duties of their office or in relation thereto, unless the same are occasioned by their own wilful neglect or default; provided that nothing herein shall relieve any director or officer from the duty to act in accordance with the Act and the regulations thereunder or from liability for any breach thereof.

7.02 **Indemnity** - Subject to the limitations contained in the Act, the Corporation shall indemnify a director or officer, a former director or officer, or an individual who acts or acted at the Corporation's request as a director or officer of a body corporate of which the Corporation is or was a shareholder or creditor (or a person who undertakes or has undertaken any liability on behalf of the Corporation or any such body corporate) and their heirs and legal representatives, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by such individual in respect of any civil, criminal, administrative, investigative or other action or proceeding to which they are made a party by reason of being or having been a director or officer of the Corporation or such body corporate, if

- (a) the individual acted honestly and in good faith with a view to the best interests of the Corporation; and
- (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the individual had reasonable grounds for believing that their conduct was lawful.

7.03 **Insurance** - Subject to the limitations contained in the Act, the Corporation may purchase and maintain such insurance for the benefit of its directors and officers as such, as the Board may from time to time determine.

SECTION 8

SHARES

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

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

8.03 **Registration of Transfer** - Subject to the provisions of the Act, no transfer of shares shall be registered in a securities register except upon presentation of the certificate representing such shares with a transfer endorsed thereon or delivered therewith duly executed by the registered holder or by their attorney or successor duly appointed, together with such reasonable assurance or evidence of signature, identification and authority to

transfer as the Board may from time to time prescribe, upon payment of all applicable taxes and any fees prescribed by the Board, upon compliance with such restrictions on transfer as are authorized by the articles and upon satisfaction of any lien referred to in section 8.05.

8.04 **Transfer Agents and Registrars** - The Board may from time to time appoint a registrar to maintain the securities register and a transfer agent to maintain the register of transfers and may also appoint one or more branch registrars to maintain branch securities registers and one or more branch transfer agents to maintain branch registers of transfers, but one person may be appointed both registrar and transfer agent. The Board may at any time terminate any such appointment.

8.05 **Lien for Indebtedness** - If the articles provide that the Corporation shall have a lien on shares registered in the name of a shareholder indebted to the Corporation, such lien may be enforced, subject to any other provision of the articles and to any unanimous shareholder agreement, by the sale of the shares thereby affected or by any other action, suit, remedy or proceeding authorized or permitted by law or by equity and, pending such enforcement, may refuse to register a transfer of the whole or any part of such shares.

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

8.07 **Security Certificates** - Every holder of one or more securities of the Corporation shall be entitled, at their option, to a security certificate, or to a non-transferable written acknowledgement of their right to obtain a security certificate, stating the number and class or series of securities held by them as shown on the securities register. Security certificates and acknowledgements of a shareholder's right to a security certificate, respectively, shall be in such form as the Board shall from time to time approve. Any security certificate shall be signed in accordance with section 2.02 and need not be under the corporate seal; provided that, unless the Board otherwise determines, certificates representing securities in respect of which a transfer agent and/or registrar has been appointed shall not be valid unless countersigned by or on behalf of such transfer agent and/or registrar. The signature of one of the signing officers or, in the case of security certificates which are not valid unless countersigned by or on behalf of the transfer agent and/or registrar, the signatures of both signing officers, may be printed or mechanically reproduced in facsimile upon security certificates and every such facsimile signature shall for all purposes be deemed to be the signature of the officer whose signature it reproduces and shall be binding upon the Corporation. A security certificate executed as aforesaid shall be valid notwithstanding that one or both of the officers whose facsimile signature appears thereon no longer holds office at the date of issue of the certificate.

8.08 **Replacement of Security Certificates** - The Board or any officer or agent designated by the Board may in its or their discretion direct the issue of a new security certificate in lieu of and upon cancellation of a security certificate that has been mutilated or in substitution for a security certificate claimed to have been lost, destroyed or wrongfully taken on payment of such fee, not exceeding \$3.00 and on such terms as to indemnity, reimbursement of expenses and evidence of loss and of title as the Board may from time to time prescribe, whether generally or in any particular case.

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

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

SECTION 9

DIVIDENDS AND RIGHTS

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

9.02 **Dividend Cheques** - A dividend payable in cash shall be paid by cheque drawn on the Corporation's bankers or one of them to the order of each registered holder of shares of the class or series in respect of which it has been declared and mailed by prepaid ordinary mail to such registered holder at their recorded address, unless such holder otherwise directs. In the case of joint holders the cheque shall, unless such joint holders otherwise direct, be made payable to the order of all of such joint holders and mailed to them at their recorded address. The mailing of such cheque as aforesaid, unless the same is not paid on due presentation, shall satisfy and discharge the liability for the dividend to the extent of the sum represented thereby plus the amount of any tax which the Corporation is required to and does withhold.

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

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

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

SECTION 10

MEETINGS OF SHAREHOLDERS

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

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

10.03 **Place of Meetings** - Meetings of shareholders shall be held at the registered office of the Corporation or elsewhere in the municipality in which the registered office is situate or, if the Board shall so determine, at some other place in Alberta or, if all the shareholders entitled to vote at the meeting so agree, at some place outside Alberta.

10.04 **Notice of Meetings** - Notice of the time and place of each meeting of shareholders shall be given in the manner provided in section 12.01 not less than 21 nor more than 50 days before the date of the meeting to each

director, to the auditor and to each shareholder who at the close of business on the record date for notice, if any, is entered in the securities register as the holder of one or more shares carrying the right to vote at the meeting. Notice of a meeting of shareholders called for any purpose other than consideration of the financial statements and auditors report, election of directors and appointment of auditors shall state the nature of such business in sufficient detail to permit the shareholder to form a reasoned judgment thereon and shall state the text of any special resolution to be submitted to the meeting. A shareholder may in any manner waive notice of or otherwise consent to a meeting of shareholders.

10.05 List of Shareholders Entitled to Notice - The Corporation shall prepare a list of shareholders entitled to receive notice of the meeting, arranged in alphabetical order and showing the number of shares entitled to vote at the meeting held by each shareholder. If a record date for the meeting is fixed pursuant to section 10.06, the shareholders listed shall be those registered at the close of business on a day not later than 10 days after such record date and the list shall be prepared no later than 10 days after the record date. If no record date is fixed, the shareholders listed shall be those registered at the close of business on the day immediately preceding the day on which notice of the meeting is given, or where no such notice is given, the day on which the meeting is held. The list shall be available for examination by any shareholder during usual business hours at the registered office of the Corporation or at the place where the securities register is kept and at the place where the meeting is held.

10.06 Record Date for Notice - The Board may fix in advance a record date, preceding the date of any meeting of shareholders by not more than 50 days and not less than 21 days, for the determination of the shareholders entitled to notice of or to vote at the meeting, provided that notice of any such record date is given, not less than 7 days before such record date, by newspaper advertisement in the manner provided in the Act. If no record date is so fixed, the record date for the determination of the shareholders entitled to notice of or to vote at the meeting shall be the close of business on the last business day immediately preceding the day on which the notice is sent or if no notice is sent, the day on which the meeting is held.

10.07 Meetings Without Notice - A meeting of shareholders may be held without notice at any time and place permitted by the Act (a) if all the shareholders entitled to vote thereat are present in person or represented by proxy or if those not present or represented by proxy waive notice of or otherwise consent to such meeting being held, and (b) if the auditors and the directors are present or the directors waive notice of or otherwise consent to such meeting being held, At such a meeting any business may be transacted which the Corporation at a meeting of shareholders may transact. If the meeting is held at a place outside Alberta, shareholders not present or represented by proxy, but who have waived notice of or otherwise consented to such meeting, shall also be deemed to have consented to the meeting being held at such place.

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

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

10.10 Quorum - A quorum for the transaction of business at any meeting of the shareholders shall consist of at least two persons holding or representing by proxy not less than twenty-five (25%) percent of the outstanding shares of the Corporation entitled to vote at the meeting.

If a quorum is not present at the opening of any meeting of shareholders, the shareholders present may adjourn the meeting to a fixed time and place, but may not transact any other business. If a meeting of shareholders is adjourned by one or more adjournments for an aggregate of less than 30 days it is not necessary to give notice of the adjourned meeting other than by announcement at the time of an adjournment. If a meeting of shareholders is adjourned by one or more adjournments for an aggregate of more than 29 days and not more than 90 days, notice of the adjourned meeting shall be given as for an original meeting but the management of the Corporation shall not be required to send a form of proxy in the form prescribed by the Act to each shareholder who is entitled to receive notice of the meeting. Those shareholders present at any duly adjourned meeting shall constitute a quorum.

10.11 **Right to Vote** - Subject to the provisions of the Act as to authorized representatives of any other body corporate, at any meeting of shareholders in respect of which the Corporation has prepared the list referred to in section 10.05, every person who is named in such list shall be entitled to vote the shares shown thereon opposite their name except, where the Corporation has fixed a record date in respect of such meeting pursuant to section 10.06, to the extent that such person has transferred any of their shares after such record date and the transferee, upon producing properly endorsed certificates evidencing such shares or otherwise establishing that such person owns such shares, demands not later than 10 days before the meeting that their name be included to vote the transferred shares at the meeting. In the absence of a list prepared as aforesaid in respect of a meeting of shareholders, every person shall be entitled to vote at the meeting who at that time is entered in the securities register as the holder of one or more shares carrying the right to vote at such meeting.

10.12 **Proxies** - Every shareholder entitled to vote at a meeting of shareholders may appoint a proxyholder, or one or more alternate proxyholders, who need not be shareholders, to attend and act at the meeting in the manner and to the extent authorized and with the authority conferred by the proxy. A proxy shall be in writing executed by the shareholder or their attorney and shall conform with the requirements of the Act.

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

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

10.15 **Votes to Govern** - At any meeting of shareholders every question shall, unless otherwise required by the Act, be determined by the majority of the votes cast on the question. In case of an equality of votes either upon a show of hands or upon a poll, the chair of the meeting shall not be entitled to a second or casting vote.

10.16 **Show of Hands** - Subject to the provisions of the Act, any question at a meeting of shareholders shall be decided by a show of hands or any other manner permitted by the Act unless a ballot thereon is required or demanded as hereinafter provided. Upon a show of hands every person who is present and entitled to vote shall have one vote. Whenever a vote by show of hands shall have been taken upon a question, unless a ballot thereon is so required or demanded, a declaration by the chair of the meeting that the vote upon the question has been carried or carried by a particular majority or not carried and an entry to that effect in the minutes of the meeting shall be prima facie evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against any resolution or other proceeding in respect of the said question, and the result of the vote so taken shall be the decision of the shareholders upon the said question.

10.17 **Ballots** - On any question proposed for consideration at a meeting of shareholders, and whether or not a show of hands or other form of voting has been taken thereon, any shareholder or proxyholder entitled to vote at the meeting may require or demand a ballot. A ballot so required or demanded shall be taken in such manner as

the chair shall direct. A requirement or demand for a ballot may be withdrawn at any time prior to the taking of the ballot. If a ballot is taken each person present shall be entitled, in respect of the shares which such person is entitled to vote at the meeting upon the question, to that number of votes provided by the Act or the articles, and the result of the ballot so taken shall be the decision of the shareholders upon the said question.

10.18 **Adjournment** - If a meeting of shareholders is adjourned for less than 30 days, it shall not be necessary to give notice of the adjourned meeting, other than by announcement at the earliest meeting that it is adjourned. If a meeting of shareholders is adjourned by one or more adjournments for an aggregate of 30 days or more, notice of the adjourned meeting shall be given as for an original meeting.

10.19 **Resolution in Writing** - A resolution in writing signed in counterpart or in one instrument by all the shareholders entitled to vote on that resolution at a meeting of shareholders is as valid as if it had been passed at a meeting of the shareholders.

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

10.21 **Meetings by Telephone** - Subject to any limitations or requirements set out in the regulations to the Act, if any, a shareholder or any other person entitled to attend a meeting of shareholders may participate in the meeting by electronic means, telephone or other communication facilities that permit all persons participating in the meeting to hear or otherwise communicate with each other.

10.22 Nomination of Directors

1. Subject only to the Act and the articles of the Corporation, only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Corporation. Nominations of persons for election to the Board may be made at any annual meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called was the election of directors:

- (a) by or at the direction of the Board or an authorized officer of the Corporation, including pursuant to a notice of meeting;
- (b) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the Act or a requisition of the shareholders made in accordance with the provisions of the Act; or
- (c) by any person (a “**Nominating Shareholder**”): (i) who, at the close of business on the date of the giving by the Nominating Shareholder of the notice provided for below in this Section 10.22 and at the close of business on the record date for notice of such meeting, is entered in the securities register as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting; and (ii) who complies with the notice procedures set forth below in this Section 10.22.

2. In addition to any other applicable requirements, for a nomination to be made only by a Nominating Shareholder, the Nominating Shareholder must have given timely notice thereof in proper written form to the secretary of the Corporation at the principal executive offices of the Corporation in accordance with this Section 10.22.

3. To be timely, a Nominating Shareholder’s notice to the secretary of the Corporation must be made:

- (a) in the case of an annual meeting of shareholders, not less than thirty (30) nor more than sixty-five (65) days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is called for a date that is less than fifty (50) days after the date (the “**Notice Date**”) on which the first public announcement of the date of the

annual meeting was made, notice by the Nominating Shareholder may be made not later than the close of business on the tenth (10th) day following the Notice Date; and

- (b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of shareholders was made.

Notwithstanding the foregoing, the Board may, in its sole discretion, waive any requirement in this paragraph. In no event shall any adjournment or postponement of a meeting of shareholders or the announcement thereof commence a new time period for the giving of a Nominating Shareholder's notice as described above.

4. To be in proper written form, a Nominating Shareholder's notice to the secretary of the Corporation must set forth:

- (a) as to each person whom the Nominating Shareholder proposes to nominate for election as a director: (i) the name, age, business address and residence address of the person; (ii) the principal occupation or employment of the person; (iii) the citizenship of such person; (iv) the class or series and number of shares in the capital of the Corporation which are controlled or which are owned beneficially or of record by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; and (v) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws (as defined below); and
- (b) as to the Nominating Shareholder giving the notice, full particulars of any proxy, contract, arrangement, agreement, understanding or relationship pursuant to which such Nominating Shareholder has a right to vote or direct the voting of any shares of the Corporation and any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws (as defined below).

The Corporation may require any proposed nominee to furnish such other information, including a written consent to act, as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as an independent director of the Corporation or that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such proposed nominee.

5. No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the provisions of this Section 10.22; provided, however, that nothing in this Section 10.22 shall be deemed to preclude discussion by a shareholder (as distinct from nominating directors) at a meeting of shareholders of any matter in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the Act. The chairperson of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.

6. For the purposes of this Section 10.22:

- (a) **"public announcement"** shall mean disclosure in a release reported by a national news service in Canada, or in a document publicly filed by the Corporation under its profile on the System of Electronic Document Analysis and Retrieval at www.sedar.com; and
- (b) **"Applicable Securities Laws"** means the applicable securities legislation of each relevant province and territory of Canada, as amended from time to time, the rules, regulations and forms

made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notice of the securities commission and similar regulatory authority of each province and territory of Canada.

7. Notwithstanding any other provision of the by-laws, notice given to the secretary of the Corporation pursuant to this Section 10.22 may only be given by personal delivery, facsimile transmission or by email (at such email address as stipulated from time to time by the secretary of the Corporation for purposes of this notice), and shall be deemed to have been given and made only at the time it is served by personal delivery, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) to the secretary at the address of the principal executive offices of the Corporation; provided that if such delivery or electronic communication is made on a day which is not a business day or later than 5 p.m. (Calgary time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day.

SECTION 11

DIVISIONS AND DEPARTMENTS

11.01 **Creation and Consolidation of Divisions** - The Board may cause the business and operations of the Corporation or any part thereof to be divided or to be segregated into one or more divisions upon such basis, including without limitation, character or type of operation, geographical territory, product manufactured or service rendered, as the Board may consider appropriate in each case. The Board may also cause the business and operations of any such division to be further divided into sub-units and the business and operations of any such divisions or sub-units to be consolidated upon such basis as the Board may consider appropriate in each case.

11.02 **Name of Division** - Any division or its sub-units may be designated by such name as the Board may from time to time determine and may transact business, enter into contracts, sign cheques and other documents of any kind and do all acts and things under such name. Any such contracts, cheque or document shall be binding upon the Corporation as if it had been entered into or signed in the name of the Corporation.

11.03 **Officers of Divisions** - From time to time the Board or, if authorized by the Board, the chief executive officer, may appoint one or more officers for any division, prescribe their powers and duties and settle their terms of employment and remuneration. The Board or, if authorized by the Board, the chief executive officer, may remove at its or their pleasure any officer so appointed, without prejudice to such officer's rights under any employment contract. Officers of divisions or their sub-units shall not, as such, be officers of the Corporation.

SECTION 12

NOTICES

12.01 **Method of Giving Notices** - Any notice (which term includes any communication or document) to be given (which term includes sent, delivered or served) pursuant to the Act, the regulations thereunder, the articles, the by-laws or otherwise to a shareholder, director, officer, auditor or member of a committee of the Board shall be sufficiently given if delivered personally to the person to whom it is to be given or if delivered to their recorded address or if mailed to them at their recorded address by prepaid ordinary or air mail or if sent to them at their recorded address by any means of prepaid transmitted or recorded communication or by electronic means in accordance with the provisions of the *Electronic Transactions Act* (Alberta). A notice so delivered shall be deemed to have been given when it is delivered personally or to the recorded address as aforesaid; a notice so mailed shall be deemed to have been given when deposited in a post office or public letter box; and a notice so sent by any means of transmitted or recorded communication shall be deemed to have been given when dispatched or delivered to the appropriate communication company or agency or its representative for dispatch. The secretary may change or cause to be changed the recorded address of any shareholder, director, officer, auditor or member of a committee of the Board in accordance with any information believed by the secretary to be reliable.

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

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

12.04 **Undelivered Notices** - If any notice given to a shareholder pursuant to section 12.01 is returned on two consecutive occasions because they cannot be found, the Corporation shall not be required to give any further notices to such shareholder until they inform the Corporation in writing of their new address.

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

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

12.07 **Waiver of Notice** - Any shareholder (or their duly appointed proxyholder), director, officer, auditor or member of a committee of the Board may at any time waive any notice, or waive or abridge the time for any notice, required to be given to them under any provision of the Act, the regulations thereunder, the articles, the by-laws or otherwise and such waiver or abridgement shall cure any default in the giving or in the time of such notice, as the case may be. Any such waiver or abridgement shall be in writing except a waiver of notice of a meeting of shareholders or of the Board which may be given in any manner.

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SECTION 13
EFFECTIVE DATE

13.01 **Effective Date** - This by-law shall come into force upon the passing of same by the Board, subject to confirmation of the by-law by the shareholders of the Corporation as required by the Act. All previous by-laws of the Corporation are repealed as of the coming into force of this by-law. Such repeal shall not affect the previous operation of any by-law so repealed or affect the validity of any act done or right, privilege, obligation or liability acquired or incurred under or the validity of any contract or agreement made pursuant to any such by-law prior to its repeal. All directors, officers and persons acting under any by-law so repealed shall continue to act as if appointed under the provisions of this by-law and all resolutions of the shareholders or the board of directors with continuing effect passed under any repealed by-law shall continue to be valid except to the extent inconsistent with this by-law and until amended or repealed.

ENACTED by resolution of the directors passed on the 2nd day of March, 2023.

(signed) "David Wilson"

DAVID J. WILSON

President and Chief Executive Officer

APPENDIX F

BLACKLINE OF AMENDED AND RESTATED BY-LAWS

(attached)

AMENDED AND RESTATED BY-LAW NO. 1

A by-law relating generally to the transaction of the business and affairs
of
KELT EXPLORATION LTD.

CONTENTS

Section 1	- Interpretation
Section 2	- Business of the Corporation
Section 3	- Borrowing and Securities
Section 4	- Directors
Section 5	- Committees
Section 6	- Officers
Section 7	- Protection of Directors, Officers and Others
Section 8	- Shares
Section 9	- Dividends and Rights
Section 10	- Meetings of Shareholders
Section 11	- Divisions and Departments
Section 12	- Notices
Section 13	- Effective Date

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

SECTION 1
INTERPRETATION

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

“Act” means the *Business Corporations Act*, R.S.A. 2000, c. B-9, and any statute that may be substituted therefor, as from time to time amended;

“appoint” includes “elect” and vice versa;

“articles” means the original or restated articles of incorporation, articles of amendment, articles of amalgamation, articles of continuance, articles of reorganization, articles of arrangement, articles of dissolution or articles of revival and includes an amendment to any of them;

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

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

“Corporation” means the corporation incorporated by a Certificate of Incorporation under the Act and named:

KELT EXPLORATION LTD.

“meeting of shareholders” means an annual meeting of shareholders and a special meeting of shareholders;

“non-business day” means Saturday, Sunday and any other day that is a holiday as defined in the *Interpretation Act*, R.S.A. 2000, c. I-8 and any statute that may be substituted therefor, as from time to time amended;

“recorded address” means in the case of a shareholder ~~his~~their address as recorded in the securities register of the Corporation; and in the case of joint shareholders the address appearing in the securities register in respect of such joint holding or the first address so appearing if there are more than one; and in the case of a director, officer, auditor or member of a committee of the Board, ~~his~~their latest address as recorded in the records of the Corporation;

“signing officer” means, in relation to any instrument, any person authorized to sign the same on behalf of the Corporation by section 2.02 or by a resolution passed pursuant thereto;

“special meeting of shareholders” means a special meeting of all shareholders entitled to vote at an annual meeting of shareholders; and

“unanimous shareholder agreement” means (i) a written agreement to which all the shareholders of a corporation are or are deemed to be parties, whether or not any other person is also a party, or (ii) a written declaration by a person who is the beneficial owner of all of the issued shares of a corporation that provides for any matters enumerated in the Act, as amended from time to time;

save as aforesaid, words and expressions defined in the Act have the same meanings when used herein; and words importing the singular number include the plural and vice versa; words importing gender include the masculine, feminine and neuter genders; and words importing persons include individuals, bodies corporate, partnerships, trusts and unincorporated organizations.

SECTION 2

BUSINESS OF THE CORPORATION

2.01 **Registered Office** - Until changed in accordance with the Act, the registered office of the Corporation shall be at the City of Calgary in the Province of Alberta and at such location therein as the Board may from time to time determine.

2.02 **Execution of Instruments** - Contracts, documents or instruments in writing requiring execution by the Corporation may be signed by any one director or officer and all contracts, documents or instruments in writing so signed shall be binding upon the Corporation without any further authorization or formality. The Board is authorized from time to time by resolution to appoint any officer or officers or any other person or persons on behalf of the Corporation to sign and deliver either contracts, documents or instruments in writing generally or to sign either manually or by facsimile signature and/or counterpart signature and deliver specific contracts, documents or instruments in writing. The term “contracts, documents or instruments in writing” as used in this by-law shall include deeds, mortgages, charges, conveyances, powers of attorney, transfers and assignments of property of all kinds (including specifically, but without limitation, transfers and assignments of shares, warrants, bonds, debentures or other securities), share certificates, warrants, bonds, debentures and other securities or security instruments of the Corporation and all paper writings.

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

2.04 **Voting Rights in Other Bodies Corporate** - The signing officers of the Corporation may execute and deliver proxies and arrange for the issuance of voting certificates or other evidence of the right to exercise the voting rights attaching to any securities held by the Corporation. Such instruments, certificates or other evidence shall be in favour of such person or persons as may be determined by the officers executing such proxies or arranging for the issuance of voting certificates or such other evidence of the right to exercise such voting rights. In addition, the Board may from time to time direct the manner in which and the person or persons by whom any particular voting rights or class of voting rights may or shall be exercised.

2.05 **Withholding Information from Shareholders** - Subject to the provisions of the Act, no shareholder shall be entitled to discovery of any information respecting any details or conduct of the Corporation's business which, in the opinion of the Board, would be inexpedient in the interests of the shareholders or the Corporation to communicate to the public. The Board may from time to time determine whether and to what extent and at what time and place and under what conditions or regulations the accounts, records and documents of the Corporation or any of them shall be open to the inspection of shareholders and no shareholder shall have any right of inspecting any account, record or document of the Corporation except as conferred by the Act or authorized by the Board or by resolution passed at a general meeting of shareholders.

SECTION 3 **BORROWING AND SECURITIES**

3.01 **Borrowing Power** - Without limiting the borrowing powers of the Corporation as set forth in the Act, the articles, the by-laws or any unanimous shareholder agreement, the Board may from time to time:

- (a) borrow money upon the credit of the Corporation;
- (b) issue, reissue, sell or pledge debt obligations of the Corporation;
- (c) subject to the provisions of the Act give a guarantee on behalf of the Corporation to secure performance of an obligation of any person; and
- (d) mortgage, hypothecate, pledge or otherwise create an interest in or charge upon all or any property of the Corporation, owned or subsequently acquired, to secure any obligation of the Corporation.

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

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

SECTION 4

DIRECTORS

4.01 **Number of Directors and Quorum** - ~~that changed~~ in accordance with the Act, the Board shall consist of not fewer than one (1) and not more than eleven (11) directors. ~~Subject to section 4.08, the~~ The quorum for the transaction of business at any meeting of the Board shall consist of a majority of the number of directors then elected or appointed, or such greater or lesser number of directors as the Board may from time to time determine.

4.02 **Qualification** - No person shall be qualified for election as a director if ~~he~~ they (i) ~~is~~ are less than 18 years of age; (ii) ~~is~~ are a ~~dependent~~ represented adult as defined in the *Adult Guardianship and Trusteeship Act* or ~~is~~ the subject of a certificate of incapacity that is in effect under the *Public Trustee Act* and any statute that may be substituted therefor, as from time to time amended; (iii) ~~is~~ are a formal ~~mental~~ patient as defined in the *Mental Health Act* (Alberta) and any statute that may be substituted therefor, as from time to time amended; (iv) ~~is the subject of an order under the Mentally Incapacitated Persons Act (Alberta) and any statute that may be substituted therefor, as from time to time amended, appointing a committee of his person or estate or both;~~ (v) ~~has~~ have been found to be a person of unsound mind by a court elsewhere than in Alberta; ~~(vi)~~ (v) ~~is~~ are not an individual; ~~(vii) has~~ or (vi) ~~have~~ the status of a bankrupt. Subject to the articles, a director need not be a shareholder. ~~At least one quarter of the directors must be resident Canadians.~~

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

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

4.05 **Vacation of Office** - A director ceases to hold office when ~~he dies~~ they die; ~~he is~~ are removed from office by the shareholders; ~~he ceases~~ cease to be qualified for election as a director; or ~~his~~ their written resignation is sent or delivered to the Corporation, or if a time is specified in such resignation, at the time so specified, whichever is later.

4.06 **Vacancies** - Subject to the Act, the articles and any unanimous shareholders agreement, a quorum of the Board may fill a vacancy in the Board, except a vacancy resulting from an increase in the number or minimum number of directors or from a failure of the shareholders to elect the minimum number of directors. In the absence of a quorum of the Board, or if the vacancy has arisen from a failure of the shareholders to elect the minimum number of directors, the Board shall forthwith call a special meeting of shareholders to fill the vacancy. If the Board fails to call such meeting or if there are no such directors then in office, any shareholder may call the meeting.

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

4.08 ~~Residence~~ ~~Unless otherwise permitted by the Act, the Board shall not transact business at a meeting, other than filling a vacancy in the Board, unless at least one quarter of the directors present are resident Canadians, except where:~~ Intentionally Deleted

~~(a) a resident Canadian director who is unable to be present approves in writing or by telephone or other communications facilities the business transacted at the meeting; and~~

~~(b) the number of resident Canadian directors present at the meeting together with any resident Canadian director who gives his approval under clause (a), totals at least one quarter of the directors present at the meeting.~~

4.09 **Meetings by Telephone** - If all the directors consent, a director may participate in a meeting of the Board or of a committee of the Board by electronic means, telephone or other communication facilities as permit all persons participating in the meeting to hear each other, and a director participating in such a meeting by such means is deemed to be present at the meeting. Any such consent shall be effective whether given before or after the meeting to which it relates and may be given with respect to all meetings of the Board and of committees of the Board held while a director holds office.

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

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

4.12 **Notice of Meeting** - Notice of the time and place of each meeting of the Board shall be given in the manner provided in section 12.01 to each director not less than 48 hours before the time when the meeting is to be held. A notice of a meeting of directors need not specify the purpose of or the business to be transacted at the meeting except where the Act requires such purpose or business to be specified, including any proposal to:

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

A director may in any manner waive notice of or otherwise consent to a meeting of the Board, and attendance of a director at a meeting constitutes a waiver of notice, unless the director is attending for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

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

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

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

4.16 **Chairman/Chair** - The ~~chairman~~chair of any meeting of the Board shall be the first mentioned of such of the following officers as have been appointed and who is a director and is present at the meeting: ~~chairman~~chair of the Board, managing director, president, or a vice-president. If no such officer is present, the directors present shall choose one of their number to be ~~chairman~~chair.

4.17 **Votes to Govern** - At all meetings of the Board every question shall be decided by a majority of the votes cast on the question of those directors entitled to vote. In case of an equality of votes the ~~chairman~~chair of the meeting shall not be entitled to a second or casting vote.

4.18 **Conflict of Interest** - A director or officer who is a party to, or who is a director or officer of or has a material interest in any person who is a party to, a material contract or material transaction or proposed material contract or proposed material transaction with the Corporation shall disclose the nature and extent of ~~his~~their interest at the time and in the manner provided by the Act. Any such contract or transaction or proposed contract or transaction shall be referred to the Board or shareholders for approval in accordance with the Act, even if such contract or transaction is one that in the ordinary course of the Corporation's business would not require approval by the Board or shareholders, and a director interested in a contract or transaction so referred to the Board shall not vote on any resolution to approve the same except as provided by the Act.

4.19 **Remuneration and Expenses** - Subject to the articles and any unanimous shareholder agreement, the directors shall be paid such remuneration for their services as the Board may from time to time determine. The directors shall also be entitled to be reimbursed for travelling and other expenses properly incurred by them in attending meetings of the Board or any committee thereof. Nothing herein contained shall preclude any director from serving the Corporation in any other capacity and receiving remuneration in that capacity.

SECTION 5 COMMITTEES

5.01 **Committee of Directors** - Unless otherwise permitted by the Act, the Board may appoint a managing director ~~who must be a resident Canadian~~, or a committee of directors, however designated, and delegate to such committee any of the powers of the Board except those which, under the Act, a managing director or a committee of directors has no authority to exercise. ~~At least one quarter of the members of such committee shall be resident Canadians.~~

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

5.03 **Advisory Committees** - The Board may from time to time appoint such other committees as it may deem advisable, but the functions of any such other committees shall be advisory only.

5.04 **Procedure** - Unless otherwise determined by the Board, each committee shall have the power to fix its quorum at not less than a majority of its members, to elect its ~~chairman~~chair and to regulate its procedure.

5.05 ~~5.05~~ **Audit Committee** - When required by the Act the Board shall, and at any other time the Board may, appoint annually from among its number an Audit Committee to be composed of not fewer than three (3) directors of whom a majority shall not be officers or employees of the Corporation or its affiliates. The Audit Committee shall have the powers and duties provided in the Act and any other powers delegated by the Board.

SECTION 6

OFFICERS

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

6.02 **Chairman**~~Chair~~ **of the Board** - The Board may from time to time also appoint a ~~chairman~~chair of the Board who shall be a director. If appointed, the Board may assign to ~~him~~the chair any of the powers and duties that are by any provisions of this by-law assigned to the managing director or to the president; and ~~he~~the chair shall, subject to the provisions of the Act, have such other powers and duties as the Board may specify. During the absence or disability of the ~~chairman~~chair of the Board, ~~his~~the chair's duties shall be performed and ~~his~~the chair's powers exercised by the managing director, if any, or by the president.

6.03 **Managing Director** - The Board may from time to time appoint a managing director who shall be a director. If appointed, ~~he~~the managing director shall have such powers and duties as the Board may specify.

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

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

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

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

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

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

6.10 **Term of Office** - The Board, in its discretion, may remove any officer of the Corporation, without prejudice to such officer's rights under any employment contract. Otherwise each officer appointed by the Board shall hold office until ~~his~~their successor is appointed.

6.11 **Terms of Employment and Remuneration** - The terms of employment and the remuneration of officers appointed by the Board shall be settled by the Board from time to time.

6.12 **Conflict of Interest** - An officer shall disclose ~~his~~their interest in any material contract or material transaction or proposed material contract or proposed material transaction with the Corporation in accordance with section 4.18.

6.13 **Agents and Attorneys** - The Board shall have power from time to time to appoint agents or attorneys for the Corporation in or outside Canada with such powers of management or otherwise (including the power to sub-delegate) as may be thought fit.

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

SECTION 7 PROTECTION OF DIRECTORS, OFFICERS AND OTHERS

7.01 **Limitation of Liability** - No director or officer shall be liable for the acts, receipts, neglects or defaults of any other director or officer or employee, or for joining in any receipt or other act for conformity, or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired for or on behalf of the Corporation, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Corporation shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious acts of any person with whom any

of the moneys, securities or effects of the Corporation shall be deposited, or for any loss occasioned by any error of judgment or oversight on ~~his~~their part, or for any other loss, damage or misfortune whatever which shall happen in the execution of the duties of ~~his~~their office or in relation thereto, unless the same are occasioned by ~~his~~their own wilful neglect or default; provided that nothing herein shall relieve any director or officer from the duty to act in accordance with the Act and the regulations thereunder or from liability for any breach thereof.

7.02 **Indemnity** - Subject to the limitations contained in the Act, the Corporation shall indemnify a director or officer, a former director or officer, or ~~a person~~an individual who acts or acted at the Corporation's request as a director or officer of a body corporate of which the Corporation is or was a shareholder or creditor (or a person who undertakes or has undertaken any liability on behalf of the Corporation or any such body corporate) and ~~his~~their heirs and legal representatives, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by ~~him~~such individual in respect of any civil, criminal-~~or~~, administrative, investigative or other action or proceeding to which ~~he is~~they are made a party by reason of being or having been a director or officer of the Corporation or such body corporate, if

- (a) ~~he~~the individual acted honestly and in good faith with a view to the best interests of the Corporation; and
- (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, ~~he~~the individual had reasonable grounds for believing that ~~his~~their conduct was lawful.

7.03 **Insurance** - Subject to the limitations contained in the Act, the Corporation may purchase and maintain such insurance for the benefit of its directors and officers as such, as the Board may from time to time determine.

SECTION 8

SHARES

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

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

8.03 **Registration of Transfer** - Subject to the provisions of the Act, no transfer of shares shall be registered in a securities register except upon presentation of the certificate representing such shares with a transfer endorsed thereon or delivered therewith duly executed by the registered holder or by ~~his~~their attorney or successor duly appointed, together with such reasonable assurance or evidence of signature, identification and authority to transfer as the Board may from time to time prescribe, upon payment of all applicable taxes and any fees prescribed by the Board, upon compliance with such restrictions on transfer as are authorized by the articles and upon satisfaction of any lien referred to in section 8.05.

8.04 **Transfer Agents and Registrars** - The Board may from time to time appoint a registrar to maintain the securities register and a transfer agent to maintain the register of transfers and may also appoint one or more branch registrars to maintain branch securities registers and one or more branch

transfer agents to maintain branch registers of transfers, but one person may be appointed both registrar and transfer agent. The Board may at any time terminate any such appointment.

8.05 Lien for Indebtedness - If the articles provide that the Corporation shall have a lien on shares registered in the name of a shareholder indebted to the Corporation, such lien may be enforced, subject to any other provision of the articles and to any unanimous shareholder agreement, by the sale of the shares thereby affected or by any other action, suit, remedy or proceeding authorized or permitted by law or by equity and, pending such enforcement, may refuse to register a transfer of the whole or any part of such shares.

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

8.07 Security Certificates - Every holder of one or more securities of the Corporation shall be entitled, at ~~his~~their option, to a security certificate, or to a non-transferable written acknowledgement of ~~his~~their right to obtain a security certificate, stating the number and class or series of securities held by ~~him~~them as shown on the securities register. Security certificates and acknowledgements of a shareholder's right to a security certificate, respectively, shall be in such form as the Board shall from time to time approve. Any security certificate shall be signed in accordance with section 2.02 and need not be under the corporate seal; provided that, unless the Board otherwise determines, certificates representing securities in respect of which a transfer agent and/or registrar has been appointed shall not be valid unless countersigned by or on behalf of such transfer agent and/or registrar. The signature of one of the signing officers or, in the case of security certificates which are not valid unless countersigned by or on behalf of the transfer agent and/or registrar, the signatures of both signing officers, may be printed or mechanically reproduced in facsimile upon security certificates and every such facsimile signature shall for all purposes be deemed to be the signature of the officer whose signature it reproduces and shall be binding upon the Corporation. A security certificate executed as aforesaid shall be valid notwithstanding that one or both of the officers whose facsimile signature appears thereon no longer holds office at the date of issue of the certificate.

8.08 Replacement of Security Certificates - The Board or any officer or agent designated by the Board may in its or ~~his~~their discretion direct the issue of a new security certificate in lieu of and upon cancellation of a security certificate that has been mutilated or in substitution for a security certificate claimed to have been lost, destroyed or wrongfully taken on payment of such fee, not exceeding \$3.00 and on such terms as to indemnity, reimbursement of expenses and evidence of loss and of title as the Board may from time to time prescribe, whether generally or in any particular case.

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

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

SECTION 9

9.01 **Dividends** - Subject to the ~~DIVIDENDS AND RIGHTS~~ Board may from time to time declare dividends payable to the shareholders according to their respective rights and interests in the Corporation. Dividends may be paid in money or property or by issuing fully paid shares of the Corporation.

9.02 **Dividend Cheques** - A dividend payable in cash shall be paid by cheque drawn on the Corporation's bankers or one of them to the order of each registered holder of shares of the class or series in respect of which it has been declared and mailed by prepaid ordinary mail to such registered holder at ~~his~~ their recorded address, unless such holder otherwise directs. In the case of joint holders the cheque shall, unless such joint holders otherwise direct, be made payable to the order of all of such joint holders and mailed to them at their recorded address. The mailing of such cheque as aforesaid, unless the same is not paid on due presentation, shall satisfy and discharge the liability for the dividend to the extent of the sum represented thereby plus the amount of any tax which the Corporation is required to and does withhold.

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

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

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

SECTION 10

MEETINGS OF SHAREHOLDERS

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

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

10.03 **Place of Meetings** - Meetings of shareholders shall be held at the registered office of the Corporation or elsewhere in the municipality in which the registered office is situate or, if the Board shall so determine, at some other place in Alberta or, if all the shareholders entitled to vote at the meeting so agree, at some place outside Alberta.

10.04 **Notice of Meetings** - Notice of the time and place of each meeting of shareholders shall be given in the manner provided in section 12.01 not less than 21 nor more than 50 days before the date of the meeting to each director, to the auditor and to each shareholder who at the close of business on the record date for notice, if any, is entered in the securities register as the holder of one or more shares carrying the right to vote at the meeting. Notice of a meeting of shareholders called for any purpose other than consideration of the financial statements and auditors report, election of directors and appointment of auditors shall state the nature of such business in sufficient detail to permit the shareholder to form a reasoned judgment thereon and shall state the text of any special resolution to be submitted to the meeting. A shareholder may in any manner waive notice of or otherwise consent to a meeting of shareholders.

10.05 **List of Shareholders Entitled to Notice** - The Corporation shall prepare a list of shareholders entitled to receive notice of the meeting, arranged in alphabetical order and showing the number of shares entitled to vote at the meeting held by each shareholder. If a record date for the meeting is fixed pursuant to section 10.06, the shareholders listed shall be those registered at the close of business on a day not later than 10 days after such record date and the list shall be prepared no later than 10 days after the record date. If no record date is fixed, the shareholders listed shall be those registered at the close of business on the day immediately preceding the day on which notice of the meeting is given, or where no such notice is given, the day on which the meeting is held. The list shall be available for examination by any shareholder during usual business hours at the registered office of the Corporation or at the place where the securities register is kept and at the place where the meeting is held.

10.06 **Record Date for Notice** - The Board may fix in advance a record date, preceding the date of any meeting of shareholders by not more than 50 days and not less than 21 days, for the determination of the shareholders entitled to notice of or to vote at the meeting, provided that notice of any such record date is given, not less than 7 days before such record date, by newspaper advertisement in the manner provided in the Act. If no record date is so fixed, the record date for the determination of the shareholders entitled to notice of or to vote at the meeting shall be the close of business on the last business day immediately preceding the day on which the notice is sent or if no notice is sent, the day on which the meeting is held.

10.07 **Meetings Without Notice** - A meeting of shareholders may be held without notice at any time and place permitted by the Act (a) if all the shareholders entitled to vote thereat are present in person or represented by proxy or if those not present or represented by proxy waive notice of or otherwise consent to such meeting being held, and (b) if the auditors and the directors are present or the directors waive notice of or otherwise consent to such meeting being held. ~~At such a meeting any business may be transacted which the Corporation at a meeting of shareholders may transact.~~ If the meeting is held at a place outside Alberta, shareholders not present or represented by proxy, but who have waived notice of or otherwise consented to such meeting, shall also be deemed to have consented to the meeting being held at such place.

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

10.09 **Persons Entitled to be Present** - The only persons entitled to be present at a meeting of shareholders shall be those entitled to vote thereat, the directors and auditors of the Corporation and others who, although not entitled to vote, are entitled or required under any provision of the Act or the articles or

by-laws to be present at the meeting. Any other person may be admitted only on the invitation of the ~~chairman~~chair of the meeting or with the consent of the meeting.

10.10 **Quorum** - A quorum for the transaction of business at any meeting of the shareholders shall consist of at least two persons holding or representing by proxy not less than twenty-five (~~52~~5%) percent of the outstanding shares of the Corporation entitled to vote at the meeting.

If a quorum is not present at the opening of any meeting of shareholders, the shareholders present may adjourn the meeting to a fixed time and place, but may not transact any other business. If a meeting of shareholders is adjourned by one or more adjournments for an aggregate of less than 30 days it is not necessary to give notice of the adjourned meeting other than by announcement at the time of an adjournment. If a meeting of shareholders is adjourned by one or more adjournments for an aggregate of more than 29 days and not more than 90 days, notice of the adjourned meeting shall be given as for an original meeting but the management of the Corporation shall not be required to send a form of proxy in the form prescribed by the Act to each shareholder who is entitled to receive notice of the meeting. Those shareholders present at any duly adjourned meeting shall constitute a quorum.

10.11 **Right to Vote** - Subject to the provisions of the Act as to authorized representatives of any other body corporate, at any meeting of shareholders in respect of which the Corporation has prepared the list referred to in section 10.05, every person who is named in such list shall be entitled to vote the shares shown thereon opposite ~~his~~their name except, where the Corporation has fixed a record date in respect of such meeting pursuant to section 10.06, to the extent that such person has transferred any of ~~his~~their shares after such record date and the transferee, upon producing properly endorsed certificates evidencing such shares or otherwise establishing that ~~he~~such person owns such shares, demands not later than 10 days before the meeting that ~~his~~their name be included to vote the transferred shares at the meeting. In the absence of a list prepared as aforesaid in respect of a meeting of shareholders, every person shall be entitled to vote at the meeting who at that time is entered in the securities register as the holder of one or more shares carrying the right to vote at such meeting.

10.12 **Proxies** - Every shareholder entitled to vote at a meeting of shareholders may appoint a proxyholder, or one or more alternate proxyholders, who need not be shareholders, to attend and act at the meeting in the manner and to the extent authorized and with the authority conferred by the proxy. A proxy shall be in writing executed by the shareholder or ~~his~~their attorney and shall conform with the requirements of the Act.

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

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

10.15 **Votes to Govern** - At any meeting of shareholders every question shall, unless otherwise required by the Act, be determined by the majority of the votes cast on the question. In case of an equality of votes either upon a show of hands or upon a poll, the ~~chairman~~chair of the meeting shall not be entitled to a second or casting vote.

10.16 **Show of Hands** - Subject to the provisions of the Act, any question at a meeting of shareholders shall be decided by a show of hands or any other manner permitted by the Act unless a ballot thereon is required or demanded as hereinafter provided. Upon a show of hands every person who is present and entitled to vote shall have one vote. Whenever a vote by show of hands shall have been taken upon a question, unless a ballot thereon is so required or demanded, a declaration by the ~~chairman~~chair of the meeting that the vote upon the question has been carried or carried by a particular majority or not carried and an entry to that effect in the minutes of the meeting shall be prima facie evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against any resolution or other proceeding in respect of the said question, and the result of the vote so taken shall be the decision of the shareholders upon the said question.

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

10.18 **Adjournment** - If a meeting of shareholders is adjourned for less than 30 days, it shall not be necessary to give notice of the adjourned meeting, other than by announcement at the earliest meeting that it is adjourned. If a meeting of shareholders is adjourned by one or more adjournments for an aggregate of 30 days or more, notice of the adjourned meeting shall be given as for an original meeting.

10.19 **Resolution in Writing** - A resolution in writing signed in counterpart or in one instrument by all the shareholders entitled to vote on that resolution at a meeting of shareholders is as valid as if it had been passed at a meeting of the shareholders.

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

10.21 **Meetings by Telephone** - Subject to any limitations or requirements set out in the regulations to the Act, if any, a shareholder or any other person entitled to attend a meeting of shareholders may participate in the meeting by electronic means, telephone or other communication facilities that permit all persons participating in the meeting to hear or otherwise communicate with each other.

10.22 **Nomination of Directors**

1. Subject only to the Act and the articles of the Corporation, only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Corporation. Nominations of persons for election to the Board may be made at any annual meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called was the election of directors:

- (a) by or at the direction of the Board or an authorized officer of the Corporation, including pursuant to a notice of meeting;
- (b) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the Act or a requisition of the shareholders made in accordance with the provisions of the Act; or

- (c) by any person (a “Nominating Shareholder”): (i) who, at the close of business on the date of the giving by the Nominating Shareholder of the notice provided for below in this Section 10.22 and at the close of business on the record date for notice of such meeting, is entered in the securities register as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting; and (ii) who complies with the notice procedures set forth below in this Section 10.22.
2. In addition to any other applicable requirements, for a nomination to be made only by a Nominating Shareholder, the Nominating Shareholder must have given timely notice thereof in proper written form to the secretary of the Corporation at the principal executive offices of the Corporation in accordance with this Section 10.22.
 3. To be timely, a Nominating Shareholder’s notice to the secretary of the Corporation must be made:
 - (a) in the case of an annual meeting of shareholders, not less than thirty (30) nor more than sixty-five (65) days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is called for a date that is less than fifty (50) days after the date (the “Notice Date”) on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Shareholder may be made not later than the close of business on the tenth (10th) day following the Notice Date; and
 - (b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of shareholders was made.

Notwithstanding the foregoing, the Board may, in its sole discretion, waive any requirement in this paragraph. In no event shall any adjournment or postponement of a meeting of shareholders or the announcement thereof commence a new time period for the giving of a Nominating Shareholder’s notice as described above.

4. To be in proper written form, a Nominating Shareholder’s notice to the secretary of the Corporation must set forth:
 - (a) as to each person whom the Nominating Shareholder proposes to nominate for election as a director: (i) the name, age, business address and residence address of the person; (ii) the principal occupation or employment of the person; (iii) the citizenship of such person; (iv) the class or series and number of shares in the capital of the Corporation which are controlled or which are owned beneficially or of record by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; and (v) any other information relating to the person that would be required to be disclosed in a dissident’s proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws (as defined below); and
 - (b) as to the Nominating Shareholder giving the notice, full particulars of any proxy, contract, arrangement, agreement, understanding or relationship pursuant to which such Nominating Shareholder has a right to vote or direct the voting of any shares of the Corporation and any other information relating to such Nominating Shareholder that

would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws (as defined below).

The Corporation may require any proposed nominee to furnish such other information, including a written consent to act, as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as an independent director of the Corporation or that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such proposed nominee.

5. No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the provisions of this Section 10.22; provided, however, that nothing in this Section 10.22 shall be deemed to preclude discussion by a shareholder (as distinct from nominating directors) at a meeting of shareholders of any matter in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the Act. The chairperson of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.

6. For the purposes of this Section 10.22:

- (a) "public announcement" shall mean disclosure in a release reported by a national news service in Canada, or in a document publicly filed by the Corporation under its profile on the System of Electronic Document Analysis and Retrieval at www.sedar.com; and
- (b) "Applicable Securities Laws" means the applicable securities legislation of each relevant province and territory of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notice of the securities commission and similar regulatory authority of each province and territory of Canada.

7. Notwithstanding any other provision of the by-laws, notice given to the secretary of the Corporation pursuant to this Section 10.22 may only be given by personal delivery, facsimile transmission or by email (at such email address as stipulated from time to time by the secretary of the Corporation for purposes of this notice), and shall be deemed to have been given and made only at the time it is served by personal delivery, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) to the secretary at the address of the principal executive offices of the Corporation; provided that if such delivery or electronic communication is made on a day which is not a business day or later than 5 p.m. (Calgary time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day.

SECTION 11

DIVISIONS AND DEPARTMENTS

11.01 **Creation and Consolidation of Divisions** - The Board may cause the business and operations of the Corporation or any part thereof to be divided or to be segregated into one or more divisions upon such basis, including without limitation, character or type of operation, geographical territory, product manufactured or service rendered, as the Board may consider appropriate in each case. The Board may also cause the business and operations of any such division to be further divided into sub-units and the business and operations of any such divisions or sub-units to be consolidated upon such basis as the Board may consider appropriate in each case.

11.02 **Name of Division** - Any division or its sub-units may be designated by such name as the Board may from time to time determine and may transact business, enter into contracts, sign cheques and other documents of any kind and do all acts and things under such name. Any such contracts, cheque or document shall be binding upon the Corporation as if it had been entered into or signed in the name of the Corporation.

11.03 **Officers of Divisions** - From time to time the Board or, if authorized by the Board, the chief executive officer, may appoint one or more officers for any division, prescribe their powers and duties and settle their terms of employment and remuneration. The Board or, if authorized by the Board, the chief executive officer, may remove at its or ~~his~~their pleasure any officer so appointed, without prejudice to such officer's rights under any employment contract. Officers of divisions or their sub-units shall not, as such, be officers of the Corporation.

SECTION 12

NOTICES

12.01 **Method of Giving Notices** - Any notice (which term includes any communication or document) to be given (which term includes sent, delivered or served) pursuant to the Act, the regulations thereunder, the articles, the by-laws or otherwise to a shareholder, director, officer, auditor or member of a committee of the Board shall be sufficiently given if delivered personally to the person to whom it is to be given or if delivered to ~~his~~their recorded address or if mailed to ~~him~~them at ~~his~~their recorded address by prepaid ordinary or air mail or if sent to ~~him~~them at ~~his~~their recorded address by any means of prepaid transmitted or recorded communication or by electronic means in accordance with the provisions of the *Electronic Transactions Act* (Alberta). A notice so delivered shall be deemed to have been given when it is delivered personally or to the recorded address as aforesaid; a notice so mailed shall be deemed to have been given when deposited in a post office or public letter box; and a notice so sent by any means of transmitted or recorded communication shall be deemed to have been given when dispatched or delivered to the appropriate communication company or agency or its representative for dispatch. The secretary may change or cause to be changed the recorded address of any shareholder, director, officer, auditor or member of a committee of the Board in accordance with any information believed by ~~him~~the secretary to be reliable.

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

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

12.04 **Undelivered Notices** - If any notice given to a shareholder pursuant to section 12.01 is returned on two consecutive occasions because ~~he~~they cannot be found, the Corporation shall not be required to give any further notices to such shareholder until ~~he informs~~they inform the Corporation in writing of ~~his~~their new address.

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

12.06 **Persons Entitled by Death or Operation of Law** - Every person who, by operation of law, transfer, death of a shareholder or any other means whatsoever, shall become entitled to any share, shall be

bound by every notice in respect of such share which shall have been duly given to the shareholder from whom ~~he derives his~~they derive their title to such share prior to ~~his~~their name and address being entered on the securities register (whether such notice was given before or after the happening of the event upon which ~~he~~they became so entitled) and prior to ~~his~~the person furnishing to the Corporation the proof of authority or evidence of ~~his~~the person's entitlement prescribed by the Act.

12.07 **Waiver of Notice** - Any shareholder (or ~~his~~their duly appointed proxyholder), director, officer, auditor or member of a committee of the Board may at any time waive any notice, or waive or abridge the time for any notice, required to be given to ~~him~~them under any provision of the Act, the regulations thereunder, the articles, the by-laws or otherwise and such waiver or abridgement shall cure any default in the giving or in the time of such notice, as the case may be. Any such waiver or abridgement shall be in writing except a waiver of notice of a meeting of shareholders or of the Board which may be given in any manner.

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SECTION 13 EFFECTIVE DATE

13.01 **Effective Date** - This by-law shall come into force upon the passing of same by the Board, subject to confirmation of the by-law by the shareholders of the Corporation as required by the Act. All previous by-laws of the Corporation are repealed as of the coming into force of this by-law. Such repeal shall not affect the previous operation of any by-law so repealed or affect the validity of any act done or right, privilege, obligation or liability acquired or incurred under or the validity of any contract or agreement made pursuant to any such by-law prior to its repeal. All directors, officers and persons acting under any by-law so repealed shall continue to act as if appointed under the provisions of this by-law and all resolutions of the shareholders or the board of directors with continuing effect passed under any repealed by-law shall continue to be valid except to the extent inconsistent with this by-law and until amended or repealed.

ENACTED by resolution of the directors passed on the 22nd  day of January , 2013~~2013~~2023.

DAVID WILSON

President and Chief Executive Officer

~~CONFIRMED by resolution of the sole shareholder passed on the 22nd day of January, 2013.~~

~~DAVID WILSON~~

~~President and Chief Executive Officer~~

~~DATED this 22nd day of January, 2013.~~

DAVID J. WILSON

President and Chief Executive Officer



SUITE 300, EAST TOWER
311 SIXTH AVENUE SOUTH WEST
CALGARY, ALBERTA T2P 3H2