

2025

Management Information

Circular & Notice of Annual Meeting of Shareholders

S O U R C E 

ENERGY SERVICES

TO BE HELD ON MONTH MAY 9, 2025

TSX: SHLE

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LETTER TO SHAREHOLDERS

February 26, 2025

Dear Fellow Shareholders:

On behalf of the Board of Directors, I am pleased to invite you to Source Energy Services Ltd.'s ("**Source**" or the "**Company**") 2025 Annual Meeting of Shareholders (the "**Meeting**") to be held on Friday, May 9, 2025, at 10:00 a.m. (MST) in a virtual, audio-only webcast format.

The attached Management Information Circular ("**Circular**") sets out the business to be addressed at this year's Meeting and provides important information about voting, the directors who are standing for election this year, director and executive compensation, corporate governance, and environmental and social practices. Please take some time to read this document and submit your proxy or voting instruction form. Your vote is very important to Source.

2024 In Review

2024 was another exceptional year for Source as we delivered record revenue, Adjusted EBITDA and free cash flow. We enhanced our logistics capabilities with the Chetwynd and Taylor terminals; strengthened our last mile logistics with the trucking acquisitions and expanded our Sahara operations to the North Slope of Alaska. We used the operational momentum to refinance our balance sheet pushing out our long-term maturities by three and five years and improved our liquidity in the business. This performance positions Source to further deleverage, and to begin investing in additional logistics and domestic infrastructure to support LNG driven growth in Montney.

Looking forward to 2025, despite some noise being caused by tariff implications between Canada and the US, we believe the macroeconomic backdrop will continue to provide stability in the WCSB which will result in increased demand for Source's industry leading services. While our E&P customers continue to be disciplined in their capital spending, the small increases in spending have and will continue to lead to robust demand for our services. We also view some of the discussion of long-term diversification of the energy export market in Canada as a positive for the Canadian Energy industry.

Changes to the Board

In 2024, Mrs. Lonardelli chose to not stand for re-election as a director of Source at the 2025 AGM. Mrs. Lonardelli has been an invaluable member of the Source Board since she joined in 2019 and we thank her for her years of dedicated service.

Demonstrating Sustainability Leadership

We are committed to being environmentally responsible in our operations, supporting employees in their social responsibility efforts, and fostering vibrant and resilient communities for all our stakeholders. Source strives to help employees feel engaged, inspired, and passionate about making a difference.

Please Vote

Your vote is important! Please use the proxy or voting instruction form provided to you to submit your vote prior to the deadline indicated on your proxy or voting instruction form.

Yours truly,

/s/ "Scott Melbourn"

Scott Melbourn

Chief Executive Officer and Director

On behalf of the Board of Directors

NOTICE OF 2025 ANNUAL MEETING OF SHAREHOLDER

To Our Shareholders,

We are pleased to invite you to the 2025 annual meeting of the shareholders (the “**Meeting**”) of Source Energy Services Ltd. (“**Source**” or the “**Company**”). The Company is holding the Meeting as a completely virtual meeting, which will be conducted via live audio webcast. This format will provide all shareholders, regardless of geographic location, an equal opportunity to participate at the Meeting and engage with directors of the Company and Management as well as other shareholders. **Shareholders will not be able to attend the Meeting physically in person.**

MEETING DATE: Friday, May 9, 2025

MEETING TIME: 10:00 a.m. (MST)

MEETING DETAILS:

VIRTUAL MEETING:

<https://web.lumiagm.com/221536615>

PASSWORD:

source2025

RECORD DATE:

You are entitled to vote at the Meeting, and any adjourned or postponed meeting, if you were a shareholder as of 5:00 p.m. (MST) on March 25, 2025.

BUSINESS OF THE MEETING:

1. Receive and consider the financial statements of the Company for the year ended December 31, 2024, and the auditor’s report thereon;
2. Fix the number of directors of the Company to be elected at the Meeting at four (4);
3. Elect the directors of the Company for the ensuing year;
4. Appoint the auditor of the Company for the ensuing year and authorize the board to fix the remuneration of the auditor; and
5. Transact such other business as may properly be brought before the Meeting or any adjournment or postponement thereof as ordinary business.

These matters are discussed in more detail in the accompanying management information circular, which forms an integral part of this notice of 2025 annual meeting of shareholders.

Voting:

Your vote is important. If you’re unable to attend the virtual Meeting, you can vote by proxy. A proxy is a document that authorizes someone else to attend the Meeting and cast votes for you. The proxy form contains instructions on how to complete and send your voting instructions. **We encourage our shareholders to vote their Shares prior to the proxy deposit deadline of 10:00 a.m. (MST) on Wednesday, May 7, 2025, as indicated below.** If you hold your Shares through a broker or other intermediary, you should follow the procedures provided by your broker or intermediary.

If you are a Registered Holder, our transfer agent, Odyssey Trust Company (“Transfer Agent or Odyssey”), must receive your proxy or voting instructions no later than 10:00 a.m. (MST) on Wednesday,

May 7, 2025, or if the Meeting is adjourned or postponed, no later than 48 hours (excluding Saturday, Sundays, and holidays) before any adjourned or postponed Meeting. **If you are a Registered Holder** and have any questions or need assistance voting your Shares, please call Odyssey Trust Company, toll-free inside North America, at 1-888-290-1175 and outside North America, at 1-587-885-0960.

If you are a Beneficial Holder and receive these materials through your broker or through another intermediary, please complete and return the form of proxy or applicable voting instruction form in accordance with the instructions provided to you by your broker or other intermediary with respect to the procedures to be followed for voting at the Meeting. **Beneficial Holders will be subject to earlier voting deadlines as specified in their proxy or voting instructions.**

Source's Board of Directors considers all of the items of business described in the enclosed materials to be in the best interests of the Company. Accordingly, the Board unanimously recommends that you cast your vote FOR all of these items of business.

By Order Of The Board of Directors

/s/ "Scott Melbourne"

Scott Melbourne

Chief Executive Officer and Director

February 26, 2025

ABOUT THIS CIRCULAR AND RELATED PROXY MATERIALS

We are providing this Circular and proxy materials to you in connection with our 2025 Annual Meeting of Shareholders to be held on Friday, May 9, 2025, at 10:00 a.m. (MST). We encourage shareholders to vote well in advance of the deposit deadline indicated on your proxy or voting instruction form.

This Management Information Circular describes the items to be voted on at the Meeting and the voting process and contains additional information about the directors who are standing for election this year, director and executive compensation, corporate governance, and environmental and social practices.

Please see the "Voting Information" section of this Circular for an explanation of how you can vote on the matters to be considered at the Meeting.

Information contained on our website, or any other websites identified in this Circular does not form part of this Circular. All websites listed in this Circular are intended to be inactive, textual references only. Source's logo, trademarks, trade names and services names mentioned in this Circular are the property of Source Energy Services Ltd.

Throughout this Circular, the terms "we", "us", "our", "Source" or the "Company" refer to Source Energy Services Ltd. either alone or together with its subsidiaries, as applicable in the context. All references to "dollars" or "\$" in this Circular are to Canadian dollars, unless otherwise noted. Words importing the singular number include the plural and vice versa, and words importing any gender include all genders.

Except as otherwise specified herein, the financial information in this Circular has been presented in accordance with IFRS. Please see the "Additional Information" section of this Circular for definitions of certain non-IFRS measures.

Capitalized terms represent frequently used concepts that have been specifically defined herein for ease of use in reading this Circular. Non-capitalized terms used throughout the document represent commonly used industry terms and measurements.

ANNUAL AND QUARTERLY FINANCIAL STATEMENTS AND RELATED MD&A

Our annual and quarterly reports and earnings releases are available on the Company's SEDAR profile at [SEDAR+ - Landing Page \(sedarplus.ca\)](https://sedarplus.ca) and in the "Investors" section of our website, [Homepage - Source Energy Services](#). Please also see the "Electronic Delivery of Shareholder Communications" section of this Circular for information about electronic delivery of these reports and other shareholder communications.

PRINCIPAL VOTING SHAREHOLDERS

As at the date hereof, Source's directors and executive officers, as a group, directly or indirectly beneficially owned, or exercised control or direction over 84,892 Shares, representing approximately 0.62% of the issued and outstanding common shares ("**Shares**").

To the knowledge of Source's directors and executive officers, no person, firm, or corporation directly or indirectly beneficially owns, or exercises control or direction over, more than 10% of the Shares except as set out below:

NAME	NUMBER OF COMMON SHARES ⁽¹⁾	PERCENTAGE OF COMMON SHARES
Mackenzie Financial Corporation ⁽²⁾	1,614,003	11.92
TriWest IV	1,389,776	10.26

Notes:

- (1) Source has solely relied upon reports filed on the System for Electronic Disclosure by Insiders ("**Sedi**") at www.sedi.ca, in order to ascertain whether any person other than TriWest IV beneficially owns, or controls or directs, directly or indirectly, Shares carrying more than 10% of the voting rights attached to the voting securities of Source.
- (2) The Company understands that Mackenzie Financial Corporation ("**Mackenzie**") owns or controls such Shares on behalf of client accounts over which Mackenzie has discretionary trading authority.

BUSINESS OF THE MEETING

1) Source's Financial Statements

Receipt of our 2024 audited financial statements together with the auditor's report on such statements, but no vote of the shareholders with respect thereto is required or proposed to be taken.

2) Fix Number of Directors to be Elected

Pursuant to the Company's articles, the maximum number of directors that the Company may elect is nine (9). There are presently four (4) directors nominated for election. It is proposed that the number of directors to be elected to the Board of Directors at the Meeting be fixed at four (4).

The Board recommends a vote FOR fixing the number of directors to be elected at four (4).

If Scott Melbourn or Derren Newell is your proxyholder and you have not given instructions on how to vote your Shares, he will vote "FOR" fixing the number of directors to be elected at four (4).

3) Elect Directors

At the Meeting, four (4) individuals are proposed to be elected to our Board of Directors:

1. Mr. Jeff Belford;
2. Mr. Chris Johnson;
3. Mr. Scott Melbourne; and
4. Mr. Steven Sharpe.

All are currently directors of Source.

The Board recommends a vote FOR each of the four (4) nominees to the Source Board of Directors.

If Scott Melbourne or Derren Newell is your proxyholder and you have not given instructions on how to vote your Shares, he will vote “FOR” the election of each of the four (4) nominees named in this Circular. If a proposed nominee is unable to serve as a director or withdraws his or her name, the individuals named in your form of proxy or voting instruction form reserve the right to nominate and vote for another individual in their discretion.

4) Appoint the Auditor

We are proposing to appoint Ernst & Young LLP (“E&Y”) as our independent auditor until the 2026 annual meeting of shareholders. Our Audit Committee is directly responsible for overseeing the independent auditor during the year.

The Board recommends a vote FOR the appointment of E&Y as Source’s auditor.

If Scott Melbourne or Derren Newell is your proxyholder and you have not given instructions on how to vote your Shares, he will vote “FOR” the appointment of E&Y as Source’s auditor.

5) Other Business

If any other items of business are properly brought before the Meeting (or any adjourned or postponed Meeting), shareholders and proxyholders will be asked to vote on that item of business. We are not aware of any other items of business at this time.

MEETING INFORMATION

Attending the Meeting

MEETING DATE: Friday, May 9, 2025

MEETING TIME: 10:00 A.M. (MST)

VIRTUAL MEETING:

<https://web.lumiagm.com/221536615>

PASSWORD:

source2025

Quorum for the Meeting

A quorum of shareholders will be present for the transaction of business at the Meeting if two persons are present in person, each being a shareholder entitled to vote thereat or a duly appointed proxyholder for an absent shareholder so entitled, and together holding or representing by proxy more than 25% of the outstanding Shares. If a quorum of shareholders is not present at the beginning of the Meeting, the shareholders present virtually or represented by proxy may adjourn or postpone the Meeting to a fixed time and place but may not transact any other business.

Who can vote at the Meeting?

As of February 26, 2025, there were 13,545,055 Shares issued and outstanding. Registered Holders as of March 25, 2025, the (“**Record Date**”), are entitled to attend and to vote at the Meeting. Shareholders will be entitled to one vote for each Share held as at the Record Date. If you receive more than one proxy form because you own Shares registered in different names or addresses, then each proxy form will need to be completed and returned.

How many votes are required for approval?

A simple majority (more than 50%) of votes cast, virtually or by proxy at the Meeting, is required to approve each item of business.

Proxy Solicitation and Meeting Materials

How we solicit proxies

Management and directors of Source are soliciting your proxy for use at the Meeting and any adjourned or postponed Meeting. Our Management and directors may solicit proxies by mail and in person. The costs incurred in connection with the preparation and mailing of this Circular and of soliciting proxies will be borne by Source.

How Meeting materials are delivered to shareholders

The proxy materials are sent to our Registered Holders through our transfer agent, Odyssey Trust Company. We are paying for intermediaries to send proxy-related materials to both non-objecting Beneficial Holders and objecting Beneficial Holders.

VOTING INFORMATION

VOTING PROCEDURES

How do I vote?

Please follow the voting instructions based on whether you are a Registered Holder or a Beneficial Holder:

Registered Holders

You are a **Registered Holder** (“**Registered Holder**”) if your name appears directly on your share certificate(s), or if you hold your Shares in book-entry form through the direct registration system (DRS) on the records of our transfer agent, Odyssey Trust Company.

Beneficial Holders

You are a **Beneficial Holder** (“**Beneficial Holder**”) if you own Shares indirectly and the Shares are registered in the name of an intermediary. For example, you are a Beneficial Holder if your Shares are held in the name of a bank, trust company, securities broker, trustee, or custodian. In Canada, the majority of shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc.), which acts as nominee for many Canadian brokerage firms.

HOW CAN I VOTE IF I AM A REGISTERED HOLDER?

Registered Holders: Option 1 – By Proxy

Internet:

You will need your 12-digit control number, which can be found on your proxy form:

<https://vote.odysseytrust.com>

Facsimile:

Complete, sign and date your proxy form and submit via facsimile to:

1-800-517-4553 (toll-free in Canada and the United States).

Mail:

Complete, sign and date your proxy form, and return it in the envelope provided or one addressed to:

Odyssey Trust Company, Proxy Department
Trader's Bank Building
702, 67 Yonge Street
Toronto, ON M5E 1J8

Hand Delivery:

Complete, sign and date your proxy form and deliver it to:

Odyssey Trust Company, Proxy Department
Trader's Bank Building
702, 67 Yonge Street
Toronto, ON M5E 1J8

Registered Holders have the right to appoint another person or company to attend the Meeting and vote their Shares for them:

Registered Holders who wish to appoint a third-party proxyholder to attend, participate and vote at the Meeting as their proxyholder and vote their Shares must follow the 2-step process below. Failure to do so will result in such proxyholder not receiving a control number which is required to vote at the Meeting, and only being able to attend as a guest.

1. **Submit your form of proxy or voting instruction form:** To appoint a third-party proxyholder, insert that person's name in the blank space provided in the form of proxy or voting instruction form and follow the instructions for submitting such form to the Transfer Agent prior to the voting deadline. This must be completed before registering such proxyholder, which is an additional step to be completed by the third-party proxyholder once you have submitted your form of proxy or voting instruction form.
2. **Registration of proxyholder and obtaining control number:** You must also register the third-party proxyholder by emailing appointee@odysseytrust.com by no later than the voting deadline, and provide Odyssey with your appointee's name, email, and number of shares appointed and name of the Registered Holder, so that Odyssey may email the appointee their control number.

For more information, please see *"How will my Shares be voted if I appoint a proxyholder?"*, below.

Registered Holders: Option 2 – At the Meeting

You do not need to do anything except attend the Meeting:

You will need your 12-digit control number, which can be found on your proxy form.

MEETING LINK: <https://web.lumiagm.com/221536615>

PASSWORD: source2025

For more information, please see “*How to Attend the Virtual-Only Meeting*”, below.

If you wish to vote Shares registered in the name of a legal entity, that entity must submit a properly executed proxy form to Odyssey Trust Company, which appoints you to vote the Shares on its behalf, by the proxy cut-off time.

HOW CAN I VOTE IF I AM A BENEFICIAL HOLDER?

If you are a Beneficial Holder who receives a proxy form, you should follow your intermediary’s instructions for completing the form.

Without specific instructions, brokers, and other intermediaries (and their agents and nominees) are prohibited from voting Shares for their clients. Source does not know for whose benefit Shares registered in the name of CDS & Co. are held. **Beneficial Holders can only be recognized at the Meeting for the purposes of voting Shares electronically on the day of the Meeting or by way of proxy by following the 2-step process as set forth below.**

Often the form of proxy supplied to a Beneficial Holder by their broker/intermediary (or the agent of the broker) is very similar to the form of proxy provided to Registered Holders; however, its purpose is limited to instructing the broker/intermediary (or the agent of the broker) how to vote on behalf of the Beneficial Holder. The majority of brokers/intermediaries now delegate responsibility for obtaining instructions from its clients to Broadridge Investor Communication Solutions, Canada (“**Broadridge**”). Broadridge typically mails a form of proxy return form to Beneficial Holders and requests the Beneficial Holders to return the proxy forms to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Shares to be represented at the Meeting. **A Beneficial Holder receiving a proxy from Broadridge cannot use that proxy to vote Shares directly at the Meeting - the proxy must be returned to Broadridge well in advance of the Meeting in order for the Shares to be voted. Please carefully follow the voting instructions received in order to have your Shares voted at the Meeting.**

Beneficial Holders: Option 1 – By Proxy

Internet:

You will need your 16-digit control number, which can be found on your proxy form.

ProxyVote.com - Powered by Broadridge

Telephone:

You will need your 16-digit control number, which can be found on your proxy form.

English: 1-800-474-7493

French: 1-800-474-7501

Mail:

Complete, sign and date your proxy form, and return it in the envelope provided or one addressed to:

Data Processing Centre
PO Box 3700 STN Industrial Park
Markham ON L3R 0H9

Beneficial Holders have the right to appoint another person or company to attend the Meeting and vote their Shares for them.

Beneficial Holders who wish to appoint a third-party proxyholder to attend, participate and vote their Shares at the Meeting must follow the 2-step process below. Failure to do so will result in such proxyholder not receiving a control number which is required to vote at the Meeting, and only being able to attend as a guest.

1. **Submit your form of proxy or voting instruction form:** To appoint a third-party proxyholder, insert that person's name in the blank space provided in the form of proxy or voting instruction form and follow the instructions for submitting such form to your intermediary prior to the voting deadline. This must be completed before registering such proxyholder, which is an additional step to be completed by the third-party proxyholder once you have submitted your form of proxy or voting instruction form.
2. **Registration of proxyholder and obtaining control number:** You must also register the third-party proxyholder by emailing appointee@odysseytrust.com by no later than the voting deadline, and provide Odyssey with your appointee's name, email, and number of shares appointed and name of broker where shares are held, so that Odyssey may email the appointee their control number.

For more information, please see *"How will my Shares be voted if I appoint a proxyholder?"*, below.

Beneficial Holders: Option 2 – At the Meeting

Beneficial Holders who wish to attend, participate and vote their Shares at the Meeting must appoint themselves as proxyholder by following the 2-step process below. Failure to do so will result in the Beneficial Holder not receiving a control number which is required to vote at the Meeting, and only being able to attend as a guest.

The persons named in the enclosed proxy will have discretionary authority with respect to any amendments or variations of the matters of business to be acted on at the meeting or any other matters properly brought before the meeting or any adjournment or postponement thereof, in each instance, to the extent permitted by law, whether or not the amendment, variation or other matter that comes before the meeting is routine and whether or not the amendment, variation or other matter that comes before the meeting is contested.

1. **Submit your form of proxy or voting instruction form:** To appoint yourself proxyholder, insert your name in the blank space provided in the form of proxy or voting instruction form and follow the instructions for submitting such form to your intermediary prior to the voting deadline. This must be completed before registering yourself as proxyholder, which is an additional step to be completed by you once you have submitted your form of proxy or voting instruction form.
2. **Registration of proxyholder and obtaining control number:** You must also register the third-party proxyholder by emailing appointee@odysseytrust.com by no later than the voting deadline, and provide Odyssey with your appointee's name, email, and number of shares appointed and

name of broker where shares are held, so that Odyssey may email the appointee their control number.

For more information, please see “*How to Attend the Virtual-Only Meeting*”, below.

HOW WILL MY SHARES BE VOTED IF I APPOINT A PROXYHOLDER?

Your proxyholder must vote your Shares on each matter according to your instructions if you have properly completed and returned a proxy form. If you have not specified how to vote on a particular matter, your proxyholder can vote your Shares as he or she sees fit. If you have appointed our Management named on the proxy form as your proxyholder, and you have not specified how you want your Shares to be voted, your Shares will be voted FOR each of the items of business described in this Circular.

WHAT IS THE DEADLINE FOR RECEIVING MY PROXY OR VOTING INSTRUCTIONS?

Registered Holders

If you are a Registered Holder, your proxy must be received by **10:00 a.m. (MST) on Wednesday, May 7, 2025**.

Beneficial Holders

Beneficial Holders may be subject to earlier deadlines as specified in their proxy voting instructions.

If the Meeting is adjourned or postponed, the proxy cut-off deadline will be no later than 48 hours before any adjourned or postponed meeting (excluding Saturdays, Sundays, and holidays). The Chair of the meeting may waive or extend the proxy cut-off without notice.

WHAT HAPPENS IF ANY AMENDMENTS ARE PROPERLY MADE TO THE ITEMS OF BUSINESS TO BE CONSIDERED OR IF OTHER MATTERS ARE PROPERLY BROUGHT BEFORE THE MEETING?

Your proxyholder will have discretionary authority to vote your Shares as he or she sees fit. As of the date of this Circular, Management is not aware of any such amendment, variation or other matter expected to come before the Meeting.

If I change my mind, how do I revoke my proxy or voting instructions if I am a Registered Holder?

Registered Holders have two options to revoke their proxy or voting instructions:

Registered Holders: Option 1 – Submit a new Proxy

By completing and signing a proxy form with a later date than the proxy form you previously returned, and delivering it to Odyssey Trust Company at any time before 10:00 a.m. (MST) on Wednesday, May 7, 2025 (or no later than 48 hours before any adjourned or postponed Meeting (excluding Saturdays, Sundays, and holidays)).

Registered Holders: Option 2 – Provide Written Notice

By completing a written statement revoking your instructions, which is signed by you, or your attorney authorized in writing, and delivering it:

1. to the offices of Odyssey Trust Company at any time before 10:00 a.m. (MST) on Wednesday, May 7, 2025 (or no later than 48 hours before any adjourned or postponed Meeting (excluding Saturdays, Sundays, and holidays)); or
2. in any other manner permitted by law.

IF I CHANGE MY MIND, HOW DO I REVOKE MY PROXY OR VOTING INSTRUCTIONS IF I AM A BENEFICIAL HOLDER?

Beneficial Holders have one option to revoke their proxy or voting instructions:

Beneficial Holders: Option 1 – Provide Written Notice

By sending written notice to your intermediary, so long as the intermediary receives your notice at least seven (7) days before the Meeting (or as otherwise instructed by your intermediary). This gives your intermediary time to submit the revocation to Odyssey Trust Company. **If your revocation is not received in time, your intermediary is not required to act on it.**

HOW TO ATTEND THE VIRTUAL-ONLY MEETING

Attending the Meeting online enables Registered Holders or their duly appointed proxyholders, and Beneficial Holders who have duly appointed themselves as proxyholder, or their duly appointed proxyholders, to participate at, submit questions in writing to, and vote at the Meeting, all in real time. You will be able to log in up to 30 minutes prior to the start of the Meeting. We recommend that you log in well before the Meeting is scheduled to begin, to address any technical or logistical issues you may encounter.

Attending the Virtual-Only Meeting

It is important that you are connected to the internet at all times during the Meeting in order to vote when balloting commences. It is your responsibility to ensure connectivity for the duration of the Meeting. You will need the latest version of Chrome, Safari, Edge or Firefox – please ensure your browser is compatible. You should allow ample time to check into the Meeting online and complete the related procedure.

You can participate online using your smartphone, tablet, or computer. You may log in as follows:

MEETING LINK: <https://web.lumiagm.com/221536615>
PASSWORD: source2025

Once the webpage has loaded into your web browser:

Click ‘Join Meeting Now’, then select ‘Shareholder’

For Registered Shareholders, **you will need to enter the 12-digit control number located on your form of proxy.**

If you are an appointed proxyholder, including Beneficial Holders who have appointed themselves as proxyholder, enter your **Control Number. Your Control Number can be found in the email sent to you from Odyssey**, provided the proxyholder appointment has been registered.

Guests, and Beneficial Holders who have not duly appointed themselves or a third-party as proxyholder, can log in as 'guests' to the Meeting as set out below. Guests can listen to the Meeting but are not able to vote at the Meeting:

Click 'Guest' on the login screen and then complete the online form

Participants can ask a question at any time during the Meeting by selecting the 'Q&A' tab, typing your question at the bottom of the screen, and then pressing the 'Send' button. Please note that all questions are moderated before going to the Chair in order to eliminate repeated questions and to ensure normal meeting protocol for appropriateness is applied. As your question may be similar in nature to that of another participant, please be aware that the question may be presented to the Meeting in a more generic format.

If you experience technical or logistical issues related to accessing the virtual meeting, technical support is available:

support-us@lumiglobal.com or helpdesk.us@lumiglobal.com

1-888-290-1175 (toll-free in Canada and the United States)

1-587-885-0960 (long distance charges may apply)

IS MY VOTE CONFIDENTIAL?

Yes.

Our registrar, Odyssey Trust Company, independently counts and tabulates the proxies to preserve the confidentiality of individual shareholder votes. Proxies are referred to Source only in cases where:

- a shareholder clearly intends to communicate with Management;
- there are questions as to the validity of a proxy; or
- it is necessary to do so to meet applicable legal requirements.

CAN I VOTE MY SHARES BY FILLING OUT AND RETURNING THE NOTICE?

No.

The notice sets forth the items to be voted on at the Meeting, but you cannot vote by marking the notice and returning it.

VOTING RESULTS

Following the Meeting, Source will post a report on voting results in the "Investors" section of our website, <https://www.sourceenergyservices.com/> and issue a news release announcing the voting results. We will also file a copy of the results with Canadian securities regulatory authorities at [SEDAR+ - Landing Page \(sedarplus.ca\)](#). For more information, see the "Additional Information" section of this Circular.

ELECTRONIC DELIVERY OF SHAREHOLDER COMMUNICATIONS

NOTICE-AND-ACCESS

The "notice-and-access" provisions under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (the "**Notice-and-Access Provisions**") are a set of rules developed by the Canadian Securities Administrators that allows issuers to provide meeting materials to securityholders via the internet. The Notice-and-Access Provisions allow issuers to mail a simpler set of materials to securityholders, rather than the traditional proxy package in paper form. Notice-and-access is

more environmentally friendly as it helps reduce paper use and our carbon footprint and it should also reduce our printing and postage costs.

Instead of receiving printed copies of the notice of the Meeting, the Circular, the audited consolidated financial statements of the Company for the year ended December 31, 2024 and management's discussion and analysis thereon ("**Financial Information**") (the Circular and Financial Information collectively, the "**Meeting Materials**"), both our Registered Holders and Beneficial Holders will receive a notice-and-access notification containing information on how to access the Meeting Materials electronically, and a proxy or voting instruction form, as applicable, enabling them to vote at the Meeting. We also provide paper copies of the Meeting Materials to Beneficial Holders who have standing instructions to receive, or for whom Source has otherwise received a request to provide, paper copies of materials.

This Circular together with related materials have been posted and are available for review at on the Company's SEDAR+ profile at [SEDAR+ \(sedarplus.ca\)](https://www.sedarplus.ca) and on our website at:

<https://www.sourceenergyservices.com/investors/reports#notice>.

Beginning April 1, 2025, shareholders may request a paper copy of the Circular for up to one year, at no charge. Requests for information about notice-and-access or for Meeting Materials may be made as follows:

Telephone:

1-403-262-1312

Email:

investorrelations@sourceenergyservices.com

If you request a paper copy of the Meeting Materials, you will not receive a new form of proxy so please retain the original form sent to you in order to vote.

Shareholders should submit their request by 5:00 p.m. (MST) on April 25, 2025, to allow reasonable time to receive and review the Circular in advance of the Meeting and to vote their Shares.

Does Source provide electronic delivery of shareholder communications?

Yes. Electronic delivery is a voluntary program for our shareholders. Under this program, an email notification (with links to the documents posted on our website) is sent to you.

Electronic delivery reduces the cost and environmental impact of producing and distributing paper copies of documents in very large quantities. It also provides shareholders with faster access to information about Source.

HOW DO I ENROLL FOR ELECTRONIC DELIVERY OF SHAREHOLDER COMMUNICATIONS?

Registered Holders

If you are a Registered Holder, please go to <https://odysseytrust.com/ca-en/help/>. You will need information from your proxy form to register.

Beneficial Holders

For most Beneficial Holders, please go to [ProxyVote.com - Powered by Broadridge](https://www.proxyvote.com) for more instructions and to register. You will need your Enrollment Number/Control Number. You can find this number on your voting instruction form/proxy form.

ABOUT OUR DIRECTORS

VOTING

1. Fix Number of Directors to be Elected

The Board and Management unanimously recommend that shareholders vote FOR fixing the number of directors to be elected at four (4).

Currently, the Board consists of five (5) members, each of whom has a term of office which expires at the Meeting. The Board proposes that the number of directors to be elected at the Meeting shall be fixed at four (4).

If Scott Melbourn or Derren Newell is your proxyholder and you have not given instructions on how to vote your Shares, he will vote “FOR” fixing the number of directors to be elected at four (4).

2. Elect Directors

The Board and Management unanimously recommend that shareholders vote FOR the election of each of the four (4) nominees to the Source Board of Directors.

The four (4) nominees to the Source Board of Directors are Jeff Belford, Chris Johnson, Scott Melbourn, and Steven Sharpe.

Each nominee is proposed to be elected for a term ending at the 2026 annual meeting of shareholders. Profiles for each of the four (4) nominees are provided on the following pages.

You will be asked to vote for each director on an individual basis. Each nominee has expressed their willingness to serve as a director of Source if elected. Source does not believe that any of the nominees will be unable to serve as a director but, if this should occur for any reason prior to the Meeting, the persons named in the enclosed proxy form may vote for another nominee at their discretion.

If Scott Melbourn or Derren Newell is your proxyholder and you have not given instructions on how to vote your Shares, he will vote “FOR” the election of each of the four (4) nominees named in this Circular. If a proposed nominee is unable to serve as a director or withdraws his or her name, the individuals named in your form of proxy or voting instruction form reserve the right to nominate and vote for another individual in their discretion.

Following the Meeting, Source will issue a press release that includes the number of votes cast for and withheld from each individual director.

MAJORITY VOTING POLICY

We have a majority voting policy that applies to the election of directors at the Meeting. This means that if a director receives more “withhold” votes than “for” votes at the Meeting, then the director will immediately tender his or her resignation to the Chairman. The resignation is effective if it is accepted by the Board. The Compensation and Corporate Governance Committee will consider a director’s offer to resign and make a recommendation to the Board whether or not to accept it. The Board will accept resignations, except in exceptional circumstances. The Board will have ninety (90) days from the Meeting to make and publicly disclose its decision by news release either to accept or reject the resignation (including reasons for rejecting the resignation, if applicable).

DIRECTOR QUALIFICATIONS

We believe that each of the director nominees possess character, integrity, judgment, business experience, a record of achievement and other skills and talents which enhance the Board and the overall

management of the business and affairs of Source. Each director nominee understands our Company's principal operational and financial objectives, plans and strategies, financial position and performance, and the performance of Source relative to our principal competitors. The Compensation and Corporate Governance Committee considered these qualifications in determining to recommend the director nominees for election. Additional information is provided in the individual director profiles below and in the "Corporate Governance Practices" section of this Circular, which contains a "skills matrix" highlighting individual director skills and experiences.

NOMINATION OF DIRECTORS

The Compensation and Corporate Governance Committee is responsible for selecting nominees for election to the Board. The Compensation and Corporate Governance Committee is responsible for recommending suitable candidates for nomination 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 Compensation and Corporate Governance Committee considers: (a) the competencies and skills that the Board considers to be necessary for the Board, as a whole, to possess; (b) the competencies and skills that the Board considers to be necessary for each existing director to possess; (c) the competencies and skills that each new nominee will bring to the Board; and (d) whether or not each new nominee can devote sufficient time and resources to his or her duties as a member of the Board.

The Compensation and Corporate Governance Committee also reviews on a periodic basis the composition of the Board and analyzes the needs of the Board and recommends nominees who meet such needs.

Notwithstanding the above, pursuant to a nomination agreement dated April 13, 2017 between the Company and TriWest IV, the Company undertook, subject to certain conditions, to: (a) in the event TriWest IV and its affiliates beneficially own or exercise control or direction over at least 15% of the aggregate issued and outstanding Common Shares and Class B Shares, put forward two nominees of TriWest IV as directors proposed by the Company for election at any meeting of the shareholders at which directors are to be elected, and (b) in the event TriWest IV and its affiliates beneficially own or exercise control or direction over less than 15% but more than 7.5% of the aggregate issued and outstanding Common Shares and Class B Shares, put forward one nominee of TriWest IV as a director proposed by the Company for election at any meeting of the shareholders at which directors are to be elected. In the event TriWest IV and its affiliates beneficially own or exercise control or direction over less than 7.5% of the aggregate issued and outstanding Common Shares, the Company will not be obligated to include any nominee of TriWest IV as a director proposed by the Company at any meeting of the shareholders at which directors are to be elected. As TriWest IV and its affiliates beneficially own or exercise control or direction over at least 7.5% of the aggregate issued and outstanding Common Shares and Class B Shares, the Company has put forward Jeff Belford as a director proposed for election at the Meeting.

NOMINEE INFORMATION

58

Average Age

4.8 years

Average Tenure

The following provides information regarding the four (4) director nominees who are proposed to be elected at the Meeting, including a brief biography, city and country of residence, independence status, Committee membership, attendance at regularly held Board and Committee meetings in 2024, ownership of Source securities and 3-year historical AGM voting results.

In the director nominee profiles on the following pages, “securities held” by a director nominee includes Common Shares, DSUs and securities convertible into Common Shares over which a director exercised control or direction, as of February 26, 2025. Information regarding Common Shares beneficially owned does not include those Common Shares that may be obtained through the exercise or vesting of convertible securities. Additional information about director share ownership guidelines is provided later in this section.



SCOTT MELBOURN
Chief Executive Officer
Not Independent Director

Calgary, Alberta, Canada ⁽¹⁾

AGE: 51

Director Since: March 2022

Mr. Scott Melbourn joined Source in 2011 and has over 20 years of operations, financial and business development experience, primarily in the oilfield services industry. Prior to joining Source, Mr. Melbourn held a number of positions with CCS, inc. (“CCS”), including Director of Business Development & Strategy (for the Concord Well Services division), and Manager of Corporate Business Development. During Mr. Melbourn’s time at CCS, he completed numerous strategic acquisitions and divestitures. Mr. Melbourn left CCS in October 2011 to join Source. Prior to working in oilfield services, Mr. Melbourn held financial and business development positions with Telus Communications and Verizon Information Services. Mr. Melbourn holds the Chartered Financial Analyst designation and has a Bachelor of Commerce in Finance from the University of Calgary. He is a member of the Calgary Society of Chartered Financial Analysts.

BOARD/COMMITTEE MEMBERSHIP:	2024 MEETING ATTENDANCE:	OVERALL ATTENDANCE:
Board	4 of 4	100%
SECURITIES HELD: ⁽²⁾		
Common Shares:	64,232	
PSUs:	136,000	
RSUs:	—	
Complies with Share Ownership:	Yes	
Other Public Company Directorships (5-year History) ⁽¹⁾	Present: None Past: None	
PAST ANNUAL MEETING VOTING RESULTS:	FOR:	WITHHELD:
2024:	99.99% (4,789,690)	0.01% (33)
2023:	99.99% (5,019,733)	0.004% (200)
2022:	99.98% (5,482,813)	0.02% (1,200)

Notes:

- (1) The information as to province or state, country of residence, principal occupation, and other directorships, not being within the knowledge of Source, has been furnished by the respective nominees individually.
- (2) The information as to the number of securities beneficially owned, or controlled or directed, directly or indirectly, not being solely within the knowledge of Source, has been based upon reports filed on SEDI at www.sedi.ca.



CHRIS JOHNSON
Chair of the Board
Independent Director

Toronto, Ontario, Canada ⁽¹⁾

AGE: 50

Director Since: December 2020

Mr. Chris Johnson is President and CEO at Crown Capital Partners Inc. (“**Crown Capital**”), a specialty finance company operating in alternative asset classes, which he co-founded in 2000. Prior to starting Crown Capital, Mr. Johnson was an investment manager for Crown Life Insurance Company, responsible for the investment management of Crown Life’s equity and fixed income investments, asset liability management, and derivative management. Mr. Johnson has a Bachelor of Commerce (Honours) from the University of Guelph and holds the CFA charterholder designation.

BOARD/COMMITTEE MEMBERSHIP:	2024 MEETING ATTENDANCE:	OVERALL ATTENDANCE:
Board	4 of 4	100%
Health, Safety and Environment Committee	4 of 4	100%
Compensation and Corporate Governance Committee	3 of 3	100%
SECURITIES HELD: ⁽²⁾		
Common Shares:	—	
DSUs:	100,329	
Complies with Share Ownership:	Yes	
Other Public Company Directorships (5-year History) ⁽¹⁾	Present: Crown Capital Partners Inc. Past: None	
PAST ANNUAL MEETING VOTING RESULTS:	FOR:	WITHHELD:
2024:	99.97% (4,788,263)	0.03% (1,460)
2023:	99.99% (5,019,626)	0.006% (307)
2022:	99.95% (5,481,149)	0.05% (2,866)

Notes:

- (1) The information as to province or state, country of residence, principal occupation, and other directorships, not being within the knowledge of Source, has been furnished by the respective nominees individually.
- (2) The information as to the number of securities beneficially owned, or controlled or directed, directly or indirectly, not being solely within the knowledge of Source, has been based upon reports filed on SEDI at www.sedi.ca.



JEFF BELFORD
Independent Director

Calgary, Alberta, Canada ⁽¹⁾

Age: 60

Director Since: February 2017

Mr. Jeff Belford is a Senior Managing Director of TriWest Capital Partners, a private equity firm that invests in companies in a broad range of industries, including the service, manufacturing and distribution sectors, joining at the inception of TriWest Capital Fund II in 2003 from Swiss Water Decaffeinated Coffee Company Inc., a former TriWest Fund portfolio company. Mr. Belford contributes both financial and operations experience to the TriWest team. Mr. Belford gained significant financial and operating experience before joining TriWest. He was Chief Financial Officer of Swiss Water from 2000 to 2003. Swiss Water was subsequently listed on the TSX as an income trust. From 1996 to 2000, Mr. Belford was Director of Finance and Operations for Descente North America, an international sportswear company. Prior to that, Mr. Belford held a variety of financial roles at Kraft Foods Canada. Mr. Belford holds a Bachelor of Commerce degree from the University of Toronto and is a member of the Canadian Institute of Chartered Professional Accountants.

BOARD/COMMITTEE MEMBERSHIP:	2024 MEETING ATTENDANCE:	OVERALL ATTENDANCE:
Board	4 of 4	100%
Audit Committee	4 of 4	100%
Compensation and Corporate Governance Committee	3 of 3	100%
SECURITIES HELD: ⁽²⁾		
Common Shares:	— ⁽³⁾	
DSUs:	— ⁽³⁾	
Complies with Share Ownership:	Yes	
Other Public Company Directorships (5-year History) ⁽¹⁾	Present: None Past: None	
PAST ANNUAL MEETING VOTING RESULTS:	FOR:	WITHHELD:
2024:	99.97% (4,788,263)	0.03% (1,460)
2023:	99.97% (5,018,601)	0.027% (1,332)
2022:	99.95% (5,481,149)	0.05% (2,866)

Notes:

- (1) The information as to province or state, country of residence, principal occupation, and other directorships, not being within the knowledge of Source, has been furnished by the respective nominees individually.
- (2) The information as to the number of securities beneficially owned, or controlled or directed, directly or indirectly, not being solely within the knowledge of Source, has been based upon reports filed on SEDI at www.sedi.ca.
- (3) Mr. Belford is a Senior Managing Director of TriWest, the general manager of a limited partnership comprising TriWest IV, which exercises control or direction over 1,389,776 shares and 54,493 DSUs.



STEVEN SHARPE
Independent Director

Toronto, Ontario, Canada ⁽¹⁾

Age: 71

Director Since:
December 2020

Mr. Steven Sharpe is the managing director of the EmBeSa Corporation, a private consultancy dealing with corporate restructuring, business strategy and crisis management and he is the Chair of The Privacy Co. LLC. Prior, Mr. Sharpe was with Madalena Energy Inc. (2014 to 2017) in roles including Board Chair and Interim CEO and was board chair of Corporate Risk Holdings, LLC (2015 to 2017), the parent company of Kroll Inc., Kroll Ontrack and HireRight Inc. Until June 2014, Mr. Sharpe was Chair and Interim CEO of Longview Oil Corp. (TSX). As well, he was Chair of Advantage Oil & Gas Ltd., (TSX, NYSE), and a director and Chair of the Special Committee of Renegade Petroleum Ltd. (TSX-V). Mr. Sharpe was CEO and a director of C.A. Bancorp Inc. (TSX) until March 2013. Mr. Sharpe was Senior Advisor to Blair Franklin Capital Partners Inc., the Toronto-based investment bank he co-founded in 2002. From 2002 to 2007 Mr. Sharpe was co-Managing Partner of Blair Franklin. As well, he was Chair and CEO of Prime Restaurants Royalty Income Fund (subsequently, Chair of Prime Restaurants Inc.). In 2001, Mr. Sharpe undertook the operational and financial restructuring and ultimate auction of Security Technologies Group and undertook a similar role as Chief Restructuring Officer of a private holding company in Toronto. In 1998, Mr. Sharpe joined the Kroll-O'Gara Company in New York as Executive Vice President. A lawyer by training, Mr. Sharpe graduated from Osgoode Hall Law School in 1977, and was called to the Ontario bar in 1979. He spent his legal career at the Torys firm from 1979 to 1986, and Davies, Ward & Beck from 1986 to 1998. Mr. Sharpe has been on a number of boards and currently sits on the Advisory Board of the Pine River Institute and is a Director of Crown Capital Partners Inc. (TSX).

BOARD/COMMITTEE MEMBERSHIP:	2024 MEETING ATTENDANCE:	OVERALL ATTENDANCE:
Board	4 of 4	100%
Audit Committee	4 of 4	100%
Compensation and Corporate Governance Committee	3 of 3	100%
SECURITIES HELD: ⁽²⁾		
Common Shares:	—	
DSUs:	114,352	
Complies with Share Ownership:	Yes	
Other Public Company Directorships (5-year History) ⁽¹⁾	Present: Crown Capital Partners Inc. Past: Dundee Corporation; Essential Energy Services Ltd.; Madalena Energy Inc.	
PAST ANNUAL MEETING VOTING RESULTS:	FOR:	WITHHELD:
2024:	97.93% (4,690,717)	2.07% (99,006)
2023:	59.08% (2,965,661)	40.92% (2,054,272)
2022:	93.09% (5,105,330)	6.91% (378,658)

Notes:

- (1) The information as to province or state, country of residence, principal occupation, and other directorships, not being within the knowledge of Source, has been furnished by the respective nominees individually.
- (2) The information as to the number of securities beneficially owned, or controlled or directed, directly or indirectly, not being solely within the knowledge of Source, has been based upon reports filed on SEDI at www.sedi.ca.

BOARD SKILLS MATRIX

The following table reflects the diverse skill set requirements of the Board and identifies the specific experience and expertise that is possessed by each director nominee. Directors self-assessed their level of skill and experience on a scale of one (one being low) to five .

DIRECTOR SKILLS AND EXPERIENCE	J. BELFORD	C. JOHNSON (CHAIR)	S. MELBOURN (CEO)	S. SHARPE
EXECUTIVE LEADERSHIP				
Experience leading an organization, or a functional area, or major business segment of an organization.				
CORPORATE GOVERNANCE				
Deep understanding of corporate governance gained through experience as a senior executive officer or board member of public and private organizations.				
FINANCIAL LITERACY				
Ability to critically assess and analyze financial statements and projections, executive or management experience in financial reporting and accounting, and corporate finance.				
STRATEGIC PLANNING				
Executive or management experience related to strategic planning and strategy execution for organizations.				
ENTERPRISE RISK EVALUATION				
Executive or management experience evaluating and managing the spectrum of risks faced by organizations.				
BUSINESS DEVELOPMENT AND VALUE CREATION				
Executive or management experience relating to business development, mergers and acquisitions, opportunity generation, and value creation.				
HUMAN RESOURCES				
Executive or management experience relating to human resources, talent management, succession planning, and compensation.				
HEALTH, SAFETY AND ENVIRONMENT				
Experience related to the regulation of workplace health and safety, the environment, stakeholder communications, and social responsibility for the oil and gas industry.				
CAPITAL MARKETS				
Experience involving extensive exposure to public capital markets and institutional investors.				
ENVIRONMENTAL, SOCIAL AND GOVERNANCE				
Experience with, or knowledge of, risks and opportunities related to a broad range of ESG issues, and evolving ESG trends.				
CHANGE MANAGEMENT				
Experience as a President, CEO, or functional head leading an organization or major business line through significant change.				
CYBER SECURITY				
Experience with, or knowledge of, cyber security measures and controls designed to mitigate risks.				
OPERATIONS				
Management or executive experience with oil and gas operations.				

DIRECTOR SKILLS AND EXPERIENCE	J. BELFORD	C. JOHNSON (CHAIR)	S. MELBOURN (CEO)	S. SHARPE
GLOBAL EXPERIENCE				
Management or executive experience in a multi-national organization, understanding of the challenges faced in different cultural, political, or regulatory environments.				
LEGAL AND REGULATORY				
Experience in legal and regulatory matters.				

CEASE TRADE ORDERS AND BANKRUPTCIES

Except as described below, to the knowledge of the Company: (i) no proposed nominee for director of the Company is, as of the date of this Circular, or was within ten years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Company), that: (a) was subject to a cease trade order (including a management 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, in each case that was in effect for a period of more than 30 consecutive days (collectively, an “**Order**”), that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or (b) was subject to an Order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; and (ii) no proposed nominee for director of the Company (nor any personal holding company of any of such persons), or shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company: (a) is, as of the date of this Circular, or has been within the ten years before the date of this Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (b) has, within the ten years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

- Mr. Jeff Belford was a director of Prostar Manufacturing Inc. from October 9, 2015, until an interim receiver in bankruptcy was appointed over its and certain of its affiliates’ assets on June 30, 2020, pursuant to the Bankruptcy and Insolvency Act. On June 30, 2020, Prostar Manufacturing Inc. was adjudged bankrupt and a trustee in bankruptcy was appointed.
- From 2014 to 2021, Mr. Jeff Belford was a director of International Fitness Holdings Inc. (“**IFH**”). IFH operated a number of fitness locations under the GYMVM and Her GYMVM brand. In April 2021, IFH executed an Asset Purchase Agreement with Ayrfit West Inc. (“**Ayrfit**”) in tandem with filing a Notice of Intent seeking approval to Make a Proposal under the Bankruptcy and Insolvency Act (“**NOI**”). This NOI enabled IFH to continue operating while ultimately transferring control to Ayrfit on closing in June 2021, at which time Jeff Belford resigned as director.
- Mr. Chris Johnson was appointed by Crown Capital as a director of MCS Energy 21 Inc. (“**MCS**”) from June 2018 to June 2019. On behalf of Crown Capital, an interim receiver was appointed over the undertakings, properties, and assets of MCS on June 7, 2019.
- Mr. Chris Johnson was a director of WireIE Holdings International Inc. (“**WireIEI**”) and WireIE Canada Inc. (“**WireIEC**”) from June 2019 until Fall of 2020. In mid-2020, under the *Bankruptcy and Insolvency Act* (“**BIA**”) WireIEC transferred all their assets and subsequently filed for

bankruptcy, concurrently a third-party creditor petitioned WireEI into bankruptcy, at which time Mr. Johnson resigned as director of both entities.

- Mr. Chris Johnson was a director of Rbee Aggregate Consulting Ltd. (“**Rbee**”) from September 2017 to March 2022. On behalf of Crown Capital, a receiver was appointed over the undertakings, properties, and assets of Rbee on March 11, 2022, at which time Mr. Johnson resigned as a director. Rbee filed for bankruptcy on May 18, 2022.

Independence

A majority of the Board is independent. Under NI 58-101 – *Disclosure of Corporate Governance Practices*, a director is considered to be independent if he or she is independent within the meaning of NI 52-110 – Audit Committees. Pursuant to NI 52-110, the independent director is a director who is free from any direct or indirect relationship which could, in the view of the Board, be reasonably expected to interfere with a director’s independent judgment. Based on information provided by each director nominee concerning his or her background, employment and affiliations, the Board has determined that: (a) Mr. Belford, Mr. Johnson, Mrs. Lonardelli, and Mr. Sharpe are independent within the meaning set out in NI 58-101; and (b) Mr. Melbourn is not independent within the meaning set out in NI 58-101 as he is the President and Chief Executive Officer of Source.

Mr. Belford is a senior managing director of TriWest Capital Partners (“**TriWest**”), the general partner of the limited partnerships comprising TriWest IV. TriWest IV is a significant shareholder of Source. See the “*Principal Voting Shareholders*” section of this Circular. Notwithstanding TriWest IV’s significant shareholdings in the Company, the Board has determined that Mr. Belford is independent within the meaning set out in NI 58-101.

In order for the Board to function independently from Management:

- The roles and responsibilities of the Chair of the Board (Chris Johnson) and the CEO (Scott Melbourn) are separate; and
- The Audit Committee is comprised entirely of independent directors (as required by applicable law). The Compensation and Corporate Governance Committee, and the Health, Safety and Environment Committee are also comprised entirely of independent directors.

DIRECTOR INDEPENDENCE				
Director Name	Management	Independent	Non-Independent	Reason for Non-Independence
Scott Melbourn	X		X	President and CEO
Jeff Belford		X		
Chris Johnson		X		
Carrie Lonardelli ⁽¹⁾		X		
Steven Sharpe		X		
Total	1	4	1	

Note:

- (1) Mrs. Lonardelli will not stand for re-election as a director at the Meeting.

BOARD COMMITTEES

The Board has three Committees: Audit Committee, Compensation and Corporate Governance Committee, and Health, Safety and Environment Committee.

The following table sets forth the current membership of the three Committees:

COMMITTEE MEMBERSHIP			
Director Name	Audit Committee	Compensation and Corporate Governance Committee	Health, Safety and Environment Committee
Jeff Belford ⁽¹⁾⁽³⁾	X	X	
Chris Johnson ⁽²⁾		X	Chair
Carrie Lonardelli ⁽⁴⁾	Chair		X
Steven Sharpe	X	Chair	
Total	3	3	2

Notes:

- (1) If elected at the Meeting Jeff Belford will become the Chair of the Audit Committee
- (2) If elected at the meeting Chris Johnson will become a member of the Audit Committee
- (3) If elected at the meeting Jeff Belford will become a member of the HSE Committee
- (4) Mrs. Lonardelli will not stand for re-election as a director at the meeting and will cease to be a Committee member following the Meeting.

Each of the Board's Committees has a mandate. The mandates are reviewed annually by the relevant Committee and the Compensation and Corporate Governance Committee. These mandates are publicly available at our website, [Homepage - Source Energy Services](#).

Audit Committee

The members of the Audit Committee are Mrs. Lonardelli (Chair), Mr. Belford, and Mr. Sharpe. Each of the members of the Audit Committee is considered "financially literate" and "independent" within the meaning of NI 52-110. As Mrs. Lonardelli will not stand for re-election as a director at the Meeting she will cease to be a member of the Audit Committee following the Meeting. If elected at the Meeting, Chris Johnson will become a member of the Audit Committee; he is considered financially literate and independent.

The Company believes that each of the members of the Audit Committee possesses:

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

In addition to any other duties and authorities delegated to it by the Board from time to time, the Audit Committee's mandate includes:

- annually reviewing and recommending to the Board changes to its mandate, as considered appropriate from time to time;
- reviewing any and all disclosure regarding the Audit Committee as contemplated by NI 52-110;
- overseeing by direct involvement or by delegation to the Company's disclosure committee, the administration of the Company's Disclosure, Trading and Confidentiality Policy (the "Disclosure Policy"), including with respect to disclosure of the Company's quarterly and annual financial statements and related filings and make recommendations to the Board regarding changes to the Disclosure Policy;

- summarizing in the Company's disclosure materials, the Committee's composition and activities as required;
- satisfying itself on behalf of the Board with respect to the Company's internal control systems, including ensuring compliance with legal and regulatory requirements;
- reviewing and recommending to the Board for approval the Company's annual financial statements, and reviewing and approving the Company's quarterly financial statements, including in each case any certification, report, opinion or review rendered by the external auditor, and related management's discussion and analysis. The process of reviewing annual and quarterly financial statements should include but not be limited to:
 - reviewing changes in accounting principles, or in their application, which may have a material impact on the current or future years' financial statements;
 - reviewing significant accruals, reserves or other estimates;
 - reviewing accounting treatment of unusual or non-recurring transactions;
 - ascertaining compliance with covenants under loan agreements;
 - reviewing financial reporting relating to asset retirement obligations;
 - reviewing disclosure requirements for commitments and contingencies;
 - reviewing adjustments raised by the external auditors, whether or not included in the financial statements;
 - reviewing unresolved differences between Management and the external auditors;
 - obtaining explanations of significant variances with comparative reporting periods; and
 - determining through inquiry if there are any related party transactions and ensure the nature and extent of such transactions are properly disclosed;
- reviewing financial statements, prospectuses, management's discussion and analysis, annual information forms and all public disclosure containing financial outlooks and future-oriented financial information (each as defined in National Instrument 51-102 – Continuous Disclosure Obligations) and financial information that is based upon the financial statements of the Company that has not been previously released, before release and prior to Board approval, if required;
- seeking to ensure that adequate procedures are in place for the review of the Company's disclosure of financial information extracted or derived from the Company's financial statements and periodically assess the adequacy of those procedures;
- recommending to the Board the nomination of the external auditor for shareholder approval, considering independence and effectiveness, and reviewing the fees and other compensation to be paid to the external auditor. Instructing the external auditor that its ultimate client is the shareholders of the Company as a group;
- advising the external auditor that it is required to report directly to the Audit Committee, and not to Management of the Company and, if it has any concerns regarding the conduct of the Committee or any member thereof, it should contact the Chairman of the Board or any other director;
- monitoring the relationship between Management and the external auditor including reviewing any management letters or other reports of the external auditor and discussing any material differences of opinion between Management and the external auditor;
- reviewing and discussing, on an annual basis, with the external auditor all significant relationships they have with the Company, its Management or employees to determine their independence;
- reviewing the performance of the external auditor and any proposed dismissal or non-renewal of the external auditor when circumstances warrant;
- reviewing and approving requests for any material management consulting or other engagement to be performed by the external auditor and be advised of any other material study undertaken by the external auditor at the request of Management that is beyond the scope of the audit engagement letter and related fees;
- periodically consulting with the external auditor out of the presence of Management about significant risks or exposures, internal controls and other steps that Management has or has not taken to control such risks, and the fullness and accuracy of the financial statements, including

the adequacy of internal controls to expose any payments, transactions or procedures that might be deemed illegal or otherwise improper;

- reviewing with the external auditors (and internal auditor if one is appointed by the Company) their assessment of the internal controls of the Company, their written reports containing recommendations for improvement, and Management's response and follow-up to any identified weaknesses;
- communicating directly with the external auditor, and arranging for the external auditor to report directly to the Audit Committee or to be available to the Audit Committee and the full Board as needed;
- reviewing the integrity of the financial reporting processes, both internal and external, in consultation with the external auditor as it sees fit;
- considering the external auditor's judgments about the quality, transparency and appropriateness, not just the acceptability, of the Company's accounting principles and financial disclosure practices, as applied in its financial reporting, including the degree of aggressiveness or conservatism of its accounting principles and underlying estimates, and whether those principles are common practices or are minority practices relative to the Company's peers;
- reviewing all material balance sheet issues, material contingent obligations (including those associated with material acquisitions or dispositions) and material related party transactions;
- considering proposed major changes to the Company's accounting principles and practices;
- if considered appropriate, establishing separate systems of reporting to the Audit Committee by each of Management and the external auditor;
- reviewing the scope and plans of the external auditor's audit and reviews and authorizing the external auditor to perform supplemental reviews or audits as the Audit Committee may deem desirable;
- reviewing annually with the external auditors their plan for their audit and, upon completion of the audit, their reports upon the financial statements of the Company and its subsidiaries;
- periodically considering the need for an internal audit function, if not present;
- following completion of the annual audit and quarterly reviews, reviewing separately with each of Management and the external auditor any significant changes to planned procedures, any difficulties encountered during the course of the audit and, if applicable, reviews, including any restrictions on the scope of work or access to required information and the cooperation that the external auditor received during the course of the audit and, if applicable, reviews;
- reviewing any significant disagreements among Management and the external auditor in connection with the preparation of the financial statements;
- where there are significant unsettled issues between Management and the external auditors that do not affect the audited financial statements, seeking to ensure that there is an agreed course of action leading to the resolution of such matters;
- reviewing with the external auditor and Management significant findings during the year and the extent to which changes or improvements in financial or accounting practices, as approved by the Audit Committee, have been implemented. This review should be conducted at an appropriate time subsequent to implementation of changes or improvements, as decided by the Audit Committee;
- reviewing the system in place to seek to ensure that the financial statements, related management's discussion and analysis and other financial information disseminated to governmental organizations and the public satisfy applicable requirements; and
- when there is to be a change in auditors, reviewing the issues related to the change and the information to be included in the required notice to securities regulators of such change.

Please see page 30 and Appendix "A" (page 58) of our Annual Information Form dated February 26, 2025, for the disclosure regarding the Audit Committee required by Form 52-110F1 *Audit Committee Information Required in an AIF*. The Annual Information Form is available on our website at [Homepage - Source Energy Services](#) and under Source's SEDAR+ profile at [SEDAR+ \(sedarplus.ca\)](#). Upon request,

Source will provide shareholders with a copy of the Annual Information Form. Please use the contact information set out on page 70 of this Circular.

Compensation and Corporate Governance Committee

The members of the Compensation and Corporate Governance Committee are Mr. Sharpe (Chair), Mr. Johnson, and Mr. Belford. Each member of the Compensation and Corporate Governance Committee have been senior leaders in various organizations. As a result, they have obtained direct experience relevant to executive compensation and possess the skills and knowledge that enable the Compensation and Corporate Governance Committee to develop and make recommendations on the suitability of Source's compensation policies and practices. Each of the members of the Compensation and Corporate Governance Committee is independent within the meaning of NI 58-101.

The Compensation and Corporate Governance Committee's mandate is to, among other things, assess and formulate and make recommendations to the Board in respect of corporate governance, compensation issues related to Source's officers and employees, compensation and other issues relating to the Company's directors. In addition to any other duties and authorities delegated to it by the Board from time to time, the Compensation and Corporate Governance Committee's mandate includes:

- annually reviewing and recommending to the Board, on a non-binding basis, changes to its mandate, as considered appropriate from time to time;
- reviewing and making recommendations to the Board on Source's general compensation philosophy and overseeing the development and administration of compensation programs;
- overseeing the preparation of and recommending to the Board any required disclosures of governance practices to be included in any disclosure document of Source, as required;
- reviewing the senior management and Board compensation policies and/or practices followed by Source and seeking to ensure such policies are designed to recognize and reward performance and establish a compensation framework, which results in the effective development and execution of a Board-approved strategy;
- seeking to ensure that base salaries are competitive relative to the industry and that bonuses, if any, reflect industry-competitive cash composition relative to corporate performance and considering individual performance in the context of the overall performance of Source;
- developing, for review and approval of the Board, a written position description for the CEO;
- annually evaluating Source's and the senior executives' performance by the degree that Source's strategy (as proposed and justified by Management and modified and approved by the Board) and value growth performance (as compared to its peers including other Canadian public companies of a similar size and other Canadian mining or oilfield services companies of a similar size in general and also the Canadian mining or oilfield services companies with the most similar scope of business) differentiate;
- annually reviewing and recommending to the Board an evaluation of the performance of senior executives and providing recommendations for annual compensation based on such evaluation and other appropriate factors;
- administering any equity-based compensation plan and such other compensation plans or structures for non-senior executive employees as are adopted by Source from time to time in accordance with the terms of the applicable plan or structure, including the recommendation to the Board of the grant of Options or other compensation in accordance with the terms of the applicable plan or structure;
- regularly reviewing all incentive compensation plans and equity-based plans and, in its discretion, making recommendations to the Board for consideration;
- reviewing employee benefit plans and reports and, in its discretion, making recommendations to the Board for consideration;
- providing risk oversight in respect of Source's compensation policies and practices;

- identifying any compensation plans or practices that could encourage senior executives or other individuals in a principal business unit or a division of Source to take inappropriate or excessive risks;
- identifying any other risks that may arise from Source's compensation policies and practices that are reasonably likely to have a material adverse effect on Source;
- overseeing and approving a report prepared by Management on senior executive compensation on an annual basis in connection with the preparation of the annual management information circular or as otherwise required pursuant to applicable laws and regulations, including the Business Corporations Act (Alberta), Canadian securities legislation and the standards, rules, policies and guidelines of the stock exchange(s) on which the Company's securities are listed;
- reviewing in advance all proposed executive compensation disclosure;
- reviewing and recommending to the Board the compensation of the Board members, including annual retainer, meeting fees, equity-based compensation and other benefits conferred upon the Board members;
- reviewing annually the effectiveness of the CEO and, in consultation with the CEO, other senior management and other executive officers, including their contributions, performance and qualifications;
- considering such other human resource matters as are delegated to the Compensation and Corporate Governance Committee by the Board, for review or recommendation, as considered appropriate from time to time;
- reviewing, on a periodic basis, the size and composition of the Board, making recommendations as to the size of the Board and the number of independent directors and advising the Board on filling vacancies;
- facilitating the independent functioning of the Board, including by assessing which directors are independent directors and which independent directors serve the Board as a matter of duty to a third-party and identifying areas of conflict of interest between Source and any such third parties, and seeking to maintain an effective relationship between the Board and senior management of the Company;
- reviewing, annually, the mandates of the Board and its Committees and the position descriptions for the Chair of the Board and the chair of each Committee and recommending to the Board such amendments to those mandates and position descriptions as it believes are necessary or desirable;
- assessing, annually, the effectiveness of the Chairman of the Board, the Board as a whole, all Committees of the Board and the contribution, competency, skill and qualification and, if applicable, position distributions, of individual directors, including making recommendations where appropriate that a sitting director be removed or not be re-appointed;
- reviewing and evaluating the Company's Majority Voting Policy and Whistleblower Policy and the Code, at least annually and recommending any necessary or appropriate changes to the Board for consideration;
- monitoring adherence to the Code and reviewing potential situations related thereto, in order to recommend or not, in certain circumstances, to the Board to grant or reject waivers from compliance with the Code and ensuring that violations of the Code and waivers granted in respect thereof are disclosed in accordance with Applicable Laws (or as otherwise deemed appropriate by the Board);
- establishing a process for direct communications with shareholders and other stakeholders, including through the Company's whistleblower policy;
- developing processes to address any conflict of interest and to periodically review such processes;
- reviewing, on a periodic basis, senior management succession plans;
- reviewing and submitting to the Board, as a whole, recommendations concerning executive and board compensation, compensation plan matters and corporate governance;

- reviewing with the Board the Compensation and Corporate Governance Committee's judgment as to the quality of the Company's governance and suggesting changes to the Company's operating governance guidelines and deemed appropriate;
- as necessary or appropriate, establishing qualifications for directors and procedures for identifying possible nominees who meet these criteria;
- considering, in recommending to the Board suitable candidates to be nominated for election as directors at the next annual meeting of shareholders: (a) the competencies and skills considered necessary for the Board, as a whole, to possess, (b) the competencies and skills of the existing members of the Board, (c) the needs of the Board and the competencies and skills each new nominee will bring to the boardroom, and (d) whether or not each new nominee can devote sufficient time and resources to his or her duties as a member of the Board; and
- periodically reviewing the policy on mandatory share ownership for directors and senior officers of the Company and, in its discretion, recommending any changes to the Board for consideration.

Consultants may be periodically retained to assist the Compensation and Corporate Governance Committee in fulfilling its responsibilities. The Compensation and Corporate Governance Committee is currently responsible for determining the compensation for Source's directors and officers. Further particulars of the process by which compensation for the Company's directors and officers is determined can be found under the headings "Executive Compensation" and "Director Compensation".

Health, Safety and Environment Committee

The members of the Health, Safety and Environment Committee are Mr. Johnson (Chair) and Mrs. Lonardelli. Each of the members of the Health, Safety and Environment Committee is independent within the meaning of NI 58-101. Mrs. Lonardelli will not stand for re-election at the Meeting, she will cease to be a member of the Health, Safety and Environment Committee at that time. Mr. Jeff Belford, if elected, will become a member of the Health, Safety and Environment Committee.

The Health, Safety and Environment Committee's mandate is to oversee Source's policies and management systems, which are designed to cause it to comply with applicable laws, regulations and rules, and evaluate the performance of Source with respect to: the protection of the health and safety of all persons associated with Source's operations, the protection of the biological and physical environments, and the relationship of Source with the communities nearest its operations (collectively, "**Applicable Laws**"). In addition to any other duties and authorities delegated to it by the Board from time to time, the Health, Safety and Environment's Committee's mandate includes:

- annually reviewing and recommending to the Board changes to its mandate, as considered appropriate from time to time;
- actively promoting amongst all directors, officers, employees, consultants, contractors and other personnel of the Company a workplace environment and culture that prioritizes regulatory compliance, the health and safety of the Company's stakeholders and sustainable environmental practices;
- monitoring, assessing and reporting to the Board on changes to Applicable Laws and industry standards in regard to health, safety and environmental matters;
- monitoring, assessing and reporting to the Board on the effectiveness existing health, safety and environmental practices, procedures and policies of Source as prepared by and updated from time to time by Management to ensure compliance with Applicable Laws, conformity to industry standards and prevention or mitigation of losses and, in its discretion, making recommendations to the Board regarding changes to such practices, procedures and policies;
- monitoring, assessing and reporting to the Board on the relationship of Source with the communities affected by its business and operations;
- considering and recommending to the Board policies for the improvement of the relationship of Source with the communities affected by its business and operations;

- directing the preparation of, and reviewing, considering and reporting to the Board on, reports and recommendations issued by Management or by external advisors relating to health and safety issues, compliance matters and the interaction of Source with the communities affected by its business and operations, together with Management's response to those reports and recommendations;
- from time to time, touring Source's operations, interviewing the senior officers of Source responsible for operations and a sampling of the operating personnel reporting to the Board on such meetings;
- periodically reviewing, assessing and reporting to the Board on Source's emergency response plan, if any, and state of readiness to respond to crisis situations;
- monitoring, assessing and reporting to the Board on any civil or criminal occupational health and safety or environmental proceedings, claims, orders, actions or government investigation contemplated or threatened against Source;
- reviewing, assessing and reporting to the Board on circumstances involving any emergency that forces the indefinite shut-down of operations, loss of safe operating control, serious injuries or fatalities among employees, contractors or the public, extensive damage to property or a serious harm to the environment;
- reviewing assessing and reporting to the Board on health, safety, and environmental programs implemented by Management for any of Source's employees; and
- submitting to the Board, as a whole, reports concerning health, safety and environmental matters.

Source's Board and Committee mandates are available on our website at [Homepage - Source Energy Services](#) or by request to Source Energy Services Ltd., 500, 438 – 11th Avenue SE, Calgary, Alberta T2G 0Y4, attention: Chief Financial Officer.

Interlocking Directorships and Service on Other Boards

A board interlock occurs when two of the Company's directors also serve together on the board of another reporting issuer. Source has adopted a formal policy on external positions and board interlocks which requires that no more than two directors sit on the same public company board and that directors: (1) are able to devote the necessary time and attention to their duties as members of the Board, (2) avoid structural or fundamental conflicts by virtue of their sitting on other public company boards, and (3) are able to exercise independent judgment in the performance of those duties. The policy also sets out the procedure to be followed before an executive officer of the Company can be appointed to serve as a director of another company.

The following directors were directors of the following other reporting issuers (or the equivalent) as at February 26, 2025:

OTHER DIRECTORSHIPS	
Name	Name of Other Reporting Issuer
Chris Johnson	Crown Capital Partners Inc.
Steven Sharpe	Crown Capital Partners Inc.

The following table sets out interlocking board memberships of Source's directors as at February 26, 2025:

OTHER COMMITTEESHIPS		
Company Name	Director	Committee Membership (at other public company)
Crown Capital Partners Inc.	Chris Johnson	None
Crown Capital Partners Inc.	Steven Sharpe	Audit and Risk Committee Corporate Governance and Compensation Committee

Tenure

The Board has not adopted director term limits or other mechanisms of board renewal because:

- Source has found that having long standing directors on its Board does not negatively impact board effectiveness and instead contributes to boardroom dynamics such that Source has a consistently high performing Board;
- the imposition of director term limits implicitly discounts the value of experience and continuity amongst Board members and runs the risk of excluding experienced and valuable Board members because of an arbitrary determination;
- it is important to retain directors who hold significant investments in the Company, such that their interests are aligned with the interests of our shareholders;
- it is important to ensure that directors with significant and unique business experience in Source's industry are retained;
- directors with the level of understanding of Source's business, history and culture acquired through long service on the Board provide additional value; and
- term limits have the disadvantage of losing the contribution of directors who have been able to develop, over a period of time, insight into Source and its operations and thereby provide an increasing contribution to the Board.

Conflicts of Interest

Certain directors of the Company are also officers and/or directors of other companies engaged in mining and oil and natural gas businesses generally. As a result, situations may arise where the interest of such directors' conflict with their interests as directors and officers of other companies. The resolution of such conflicts is governed by applicable corporate laws, which require that directors act honestly, in good faith and with a view to the best interests of the Company. Conflicts, if any, will be handled in a manner consistent with the procedures set forth in the ABCA. The ABCA provides that in the event that a director has an interest in a material contract or material transaction, whether made or proposed, the director shall disclose his or her interest in such contract or transaction to the Company and shall refrain from voting on any matter in respect of such contract or agreement unless otherwise provided by the ABCA.

Indemnity Agreements for Directors and Officers

Source has entered into indemnity agreements (in accordance with the indemnity provisions of the ABCA) with each of the directors and officers pursuant to which Source has agreed to indemnify such directors and officers from liability arising in connection with the performance of their duties.

DIRECTOR COMPENSATION

Approach to Director Compensation

Source's directors' compensation program has been designed to attract and retain the most qualified individuals to serve on its Board. The Compensation and Corporate Governance Committee is responsible for reviewing and approving any changes to director compensation arrangements. Unlike compensation for the Named Executive Officers, the directors' compensation program is not designed to pay for performance; rather, directors receive retainers for their services in order to help ensure unbiased decision-making.

Director Compensation Components

The Company's non-executive director compensation program consists primarily of the following elements:

DIRECTOR AND COMMITTEE MEMBER RETAINERS	
Form of Compensation	Cash
Purpose	Designed to help ensure unbiased decision making.
Determination	Each non-executive director receives an annual retainer fee paid quarterly, in arrears, pro-rated for partial service, if appropriate. The Chair of each Committee receives an annual retainer fee paid quarterly, in arrears, pro-rated for partial service, if appropriate.
DSU PLAN	
Form of Compensation	Cash
Purpose	Designed to motivate non-executive directors to achieve the longer-term objectives of the Company and serves to align the interest of non-executive directors with shareholders.
Determination	Each non-executive director may elect, once each calendar year, to receive all or a portion of their annual board retainer fee compensation in DSU's. DSU's vest on the date the non-executive director ceases to be a director and are paid out in cash only at such time. Dividend equivalents are earned at the same rate as cash dividends paid on the Common Shares.

Directors receive annual retainers, Committee Chair retainers, and travel fees when applicable. Management directors do not receive fees for their service on Source's Board. The directors are also reimbursed for their reasonable expenses in connection with all meetings and relevant continuing education costs. Pursuant to the DSU Plan, each eligible director receives an annual grant of DSUs. The timing and grant of DSUs granted to non-executive directors is determined by the Board, upon recommendation by the Compensation and Corporate Governance Committee. A summary of the DSU Plan is set out under the heading "*Compensation Plan Information – Deferred Share Unit Plan*". The table below shows director compensation in 2024.

DIRECTOR COMPENSATION	
Position	2024 Retainer
Annual retainer for the Chair of the Board	\$83,000
Annual retainer for each non-executive director (excluding the Chair of the Board)	\$51,000
Annual retainer for the Chair of the Audit Committee	\$15,000
Annual retainer for the Chair of the Compensation and Corporate Governance Committee	\$15,000
Annual retain for the Chair of the Health, Safety and Environment Committee	\$15,000

Share Ownership Guidelines

The Company has adopted the following share ownership guidelines pursuant to which the Company's non-executive directors are required to own, directly or indirectly, such number of Common Shares or DSUs, as the case may be, with an aggregate value as follows:

SHARE OWNERSHIP GUIDELINES	
Participant	Share Ownership Guidelines
Non-executive Directors	3x previous years base retainer

Common Shares or DSUs held for purposes of the non-executive director share ownership guidelines are valued at the higher of the value at the time of award or acquisition and the closing trading price of the

Common Shares on the TSX (or if applicable, any other recognized exchange) on the last trading day of the financial year of Source.

Each director has five years from the later of the introduction of the share ownership guidelines and the date of their initial election or appointment as a director to achieve this minimum share ownership requirement.

DIRECTOR SHARE OWNERSHIP		
Name	Ownership Multiple of Annual Base Retainer	Progress Towards Guidelines
Chris Johnson	>3x 2023 base retainer	100% Compliant
Jeff Belford ⁽¹⁾	>3x 2023 base retainer	100% Compliant
Steven Sharpe	>3x 2023 base retainer	100% Compliant

Notes:

(1) Includes Shares and DSU's over which TriWest IV exercises control or direction.

Details of 2024 Director Compensation

Director Compensation Table

The following table sets forth all amounts of compensation provided to the directors (other than Scott Melbourn, CEO of Source, who received no compensation in his capacity as a director) for the year ended December 31, 2024. Information regarding Mr. Melbourn's 2024 compensation is set forth in the "2024 Executive Compensation Details" section of this Circular:

2024 DIRECTOR COMPENSATION							
Name	Fees Earned (\$) ⁽¹⁾	Share-based Awards (\$) ⁽²⁾	Option-based Awards (\$)	Non-equity Incentive Compensation Plan (\$)	Pension Value (\$)	All Other Compensation (\$)	Total (\$)
Chris Johnson ⁽³⁾	—	183,801	—	—	—	—	183,801
Jeff Belford ⁽⁴⁾	51,000	85,800	—	—	—	—	136,800
Steven Sharpe ⁽⁵⁾	—	151,799	—	—	—	—	151,799
Carrie Lonardelli ⁽⁶⁾⁽⁷⁾	33,000	118,799	—	—	—	—	151,799

Notes:

- (1) Includes retainer fees and Committee Chair fees (if applicable)
- (2) The grant date fair value of the DSU awards is based on the five-day volume weighted average ending on March 6, 2024, which was \$8.58 per unit. They actual value on the vesting of such DSU awards may be greater or less than indicated value.
- (3) Mr. Johnson elected to receive his 2024 directors' fees in DSU's, based on the five-day volume weighted average ending on March 6, 2024, which was \$8.58 per unit.
- (4) Fees earned, and Share-based awards granted to Mr. Belford are held for the benefit of TriWest IV.
- (5) Mr. Sharpe elected to receive his 2024 directors' fees in DSU's, based on the five-day volume weighted average ending on March 6, 2024, which was \$8.58 per unit.
- (6) Mrs. Lonardelli elected to receive partial payment of her 2024 Board fees in DSU's, based on the five-day volume weighted average ending on March 6, 2024, which was \$8.58 per unit.
- (7) Mrs. Lonardelli will not stand for re-election at the Meeting.

Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards – Directors

The following table sets forth information concerning all awards issued to non-executive directors in 2024.

2024 DIRECTOR AWARDS							
Name	OPTION BASED AWARDS				SHARE-BASED AWARDS ⁽¹⁾		
	Number of Common Shares Underlying Unexercised Options (#)	Options Exercise Price (\$)	Option Expiration Date	Value of Unexercised in-the-money Options (\$)	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 Vested Share-Based Awards not Paid out or Distributed (\$)
Chris Johnson ⁽³⁾	—	—	—	—	21,422	328,613	—
Jeff Belford ⁽⁴⁾	—	—	—	—	10,000	153,400	—
Steven Sharpe ⁽⁵⁾	—	—	—	—	17,692	271,395	—
Carrie Lonardelli ⁽⁶⁾	—	—	—	—	13,846	212,398	—

Notes:

- (1) DSU's are issued to non-executive directors annually as a position of the directors' compensation arrangements and vest on the date a non-executive director ceases to be a director and are paid out only at such time.
- (2) Market or payout value of outstanding DSU's calculated based on the volume weighted average of the trading price of the common shares on the TSX of the five consecutive trading days preceding December 31, 2024, which was \$15.34.
- (3) Mr. Johnson elected to receive his Board fees in DSU's.
- (4) Share-based awards granted to Mr. Belford are held for the benefit of TriWest IV.
- (5) Mr. Sharpe elected to receive his Board fees in DSU's.
- (6) Mrs. Lonardelli elected to receive partial payment of her Board fees in DSU's.

Incentive Plan Awards – Value Vested or Earned During the Year – Directors

2024 INCENTIVE PLAN AWARDS			
Name	Option-based awards - value vested during the year (\$)	Share-based awards – value vested during the year (\$)	Non-equity incentive plan compensation – value vested during the year (\$)
Chris Johnson	—	—	—
Jeff Belford	—	—	—
Steven Sharpe	—	—	—
Carrie Lonardelli	—	—	—

Meeting Attendance

The table below shows the number of Board and Committee meetings each director attended in 2024.

2024 BOARD AND COMMITTEE MEETING ATTENDANCE					
Name	Board (regularly schedule meeting)	Audit Committee	Compensation and Corporate Governance Committee	Health, Safety and Environment Committee	Overall Attendance
Chris Johnson	4 of 4		3 of 3	4 of 4	100%
Jeff Belford	4 of 4	4 of 4	3 of 3		100%
Steven Sharpe	4 of 4	4 of 4	3 of 3		100%
Carrie Lonardelli	4 of 4	4 of 4		4 of 4	100%

Indebtedness of Directors and Officers

The Company is not aware of any individuals who are either current or former executive officers, directors or employees of the Company, or any of its subsidiaries and who have indebtedness outstanding as at the date hereof (whether entered into in connection with the purchase of securities of the Company or otherwise) that is owing to: (a) the Company or any of its subsidiaries, or (b) another entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries.

The Company is not aware of any individuals who are, or who at any time since inception were, a director or executive officer of the Company, a proposed nominee for election as a director or an associate of any of those directors, executive officers or proposed nominees who are, or have been since the beginning of the most recently completed financial year, indebted to the Company or any of its subsidiaries, or whose indebtedness to another entity is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company.

INDEPENDENT AUDITOR

VOTING

1. Appoint Auditors

At the Meeting, shareholders will be asked to appoint Ernst & Young LLP, Chartered Accountants, as independent auditors of Source until the 2026 annual shareholder meeting of Source, at a remuneration to be fixed by the directors of Source.

E&Y was appointed as auditor of Source at 2024 annual meeting of shareholders of the Company. The detailed voting results concerning the appointment of the auditor are set out below:

YEAR	VOTES FOR (#)	VOTES FOR (%)	VOTES WITHHELD (#)	VOTES WITHHELD (%)
2024	4,802,285	100	0	0

The Board recommends a vote FOR the appointment of E&Y as Source's auditor.

If Scott Melbourn or Derren Newell is your proxyholder and you have not given instructions on how to vote your Shares, he will vote "FOR" the appointment of E&Y as Source's auditor.

On the recommendation of the Audit Committee, the Board and Management of Source unanimously recommend that shareholders vote FOR the appointment of Ernst & Young LLP, Chartered Accountants, as auditors of Source, to hold office until the next annual meeting of Source at such remuneration as is to be fixed by the directors of Source.

External Audit Service Fees

The following table summarizes the fees billed to the Company by its external auditors, E&Y, for external audit and other services during the years ended December 31, 2024, and December 31, 2023. The amounts disclosed exclude administrative charges.

AUDIT SERVICE FEES		
	2024	2023
Audit Fees	\$453,000	\$330,000
Audit Related Fees	\$116,000	\$63,000
Tax Fees	\$163,950	\$122,300
All Other Fees	\$—	\$—
TOTAL	\$732,950	\$515,300

Audit Fees

Audit fees were for professional services related to the audit of annual financial statements.

Audit-Related Fees

Audit-related fees were for professional services provided in connection with completion of comfort letters for underwriters, attendance at due diligence meetings and review of quarterly (interim) financial statements, statutory audits, and services that generally only an independent auditor can provide, such as comfort letters and consents. Services included financial information included in our interim and annual filings.

Tax Fees

Tax fees were for professional services related to tax compliance, tax advice and tax planning. These services included preparation and review of corporate tax returns, assistance with transfer pricing matters, advisory services related to provincial, federal, and state tax compliance.

All Other Fees

No other fees were incurred in 2023 or 2024.

COMPENSATION DISCUSSION AND ANALYSIS

This Compensation Discussion and Analysis (“**CD&A**”) section describes Source’s compensation structure, policies, principles, and elements of our executive compensation program, as well as the processes related to compensation decisions. Information about the compensation awarded to our Named Executive Officers in 2024 can be found in the “*Summary Compensation*” and “*Incentive Plan Award*” tables below.

The purpose of this CD&A is to explain: (i) what the elements of compensation are; (ii) why the Compensation and Corporate Governance Committee selects these elements; and (iii) how the Compensation and Corporate Governance Committee determines the relative size of each element of compensation.

NAMED EXECUTIVE OFFICERS OF THE COMPANY

The following section of this Circular discusses Source’s approach to the compensation paid to our CEO, CFO and the three most highly compensated executive officers, other than the CEO and CFO, at the end of the year ended December 31, 2024, whose total compensation was more than \$150,000 (each a “**Named Executive Officer**” or “**NEO**” and collectively, the “**Named Executive Officers**” or “**NEOs**”). The Company’s Named Executive Officers for the year ended December 31, 2024, are as follows:

- Scott Melbourn, President & CEO;
- Derren Newell, Executive Vice-President & CFO;
- Shawn Furlong, President of Production;
- Jarett Finney, President of Distribution; and
- Kurtis Kisio, Vice-President of Sales.

SCOTT MELBOURN PRESIDENT AND CHIEF EXECUTIVE OFFICER

Mr. Scott Melbourn's key responsibilities include the establishment and execution of the purpose, the values and the long-term objectives and vision of Source as well as the development and implementation of the strategic plan and corporate objectives of the Company. In consultation with Management, he establishes appropriate annual and longer-term financial objectives and is responsible for meeting these objectives. Mr. Melbourn also works with the Compensation and Corporate Governance Committee to ensure the Company has a robust succession plan in place for the executive team. Mr. Melbourn ensures close communication with the Board of Directors and its Committees and keeps the directors informed of the important aspects of the status and development of the Company and facilitates the Board of Directors' governance, composition, and Committee structure. Mr. Melbourn joined Source in 2011 and has over 20 years of operations, financial and business development experience, primarily in the oilfield services industry.

DERREN NEWELL EXECUTIVE VICE-PRESIDENT AND CHIEF FINANCIAL OFFICER

Mr. Derren Newell's key areas of responsibility are the execution of all aspects of Source's Finance, Information Technology, and Human Resources operations. Mr. Newell provides financial and business leadership and perspective to senior management and the Board of Directors. He promotes strong governance and financial control and oversees the adoption of appropriate policies and procedures to ensure completeness and accuracy of financial statements, management discussion and analysis, and other financial disclosures. Mr. Newell evaluates and optimizes the Company's capital position and sources of funding within the Company's framework to maintain the Company's financial strength. Mr. Newell also actively participates in the development of guidelines and practices relating to the Human Resources of the Company, as well as the development and implementation of best practices with regard to cyber security measures and controls designed to mitigate risks such as cyber-attack, cyber-fraud, security breach and destruction or interruption of the Company's information technology systems by third parties. Mr. Newell has a Chartered Professional Accountant designation and has a Bachelor of Commerce Degree from the University of Alberta. Mr. Newell joined Source in 2013 and has over 20 years of finance and administration experience in Western Canadian energy and oilfield services businesses.

SHAWN FURLONG PRESIDENT OF PRODUCTION

Mr. Shawn Furlong was promoted to President of Production on April 18, 2023 and is responsible for all aspects of production in Wisconsin and Peace River. Mr. Furlong has over 20 years of international oil and gas experience, with more than 15 years of experience in directing quality, health, safety, and environment systems. During his tenure at the Company, he has developed a deep understanding of all aspect of the operations and has demonstrated an ability to develop and execute on a strategic vision. Prior to his time at Source, Mr. Furlong held senior positions at PennWest (a Canadian E&P company), Schlumberger, and various operational positions as a geologist in the oil and gas industry.

JARETT FINNEY PRESIDENT OF DISTRIBUTION

Mr. Jarett Finney's key areas of responsibility are the execution of Source's terminals last-mile logistics, and field solutions operations in Canada and the US. In his role, he oversees inventory management, HR, business development, and capital projects for each respective business line, in addition to promoting customer focused and industry leading operational efficiencies, all while ensuring safety is held to the highest regard. Mr. Finney has over 20 years of experience in the oil and gas industry across North America including both arctic and offshore operations.

KURTIS KISIO VICE-PRESIDENT OF SALES

Mr. Kurtis Kisio's key areas of responsibility are the execution of Source's sales operations, leading the efforts for sales of proppant, Sahara and trucking. Mr. Kisio provides market intelligence, customer information, and new business leadership to senior management. Mr. Kisio joined Source in 2016 and has over 11 years of sales experience.

COMPENSATION GOVERNANCE

Compensation and Corporate Governance Committee

Consistent with best governance practices, our Compensation and Corporate Governance Committee is comprised of three independent directors, Mr. Sharpe (Chair), Mr. Johnson, and Mr. Belford, all of whom were selected by the Board due to their knowledge about compensation, talent development, their focus on using good corporate governance to create shareholder value, and dedication to accountability, responsibility, and fairness.

The Compensation and Corporate Governance Committee has overall responsibility for the administration of our executive compensation program. The Compensation and Corporate Governance Committee's mandate has been reproduced in Appendix "B" of this Circular.

Risks of Compensation Policies and Practices

The Company's compensation program is designed to provide executive officers incentives for the achievement of near-term and long-term objectives, without motivating them to take unnecessary risk. The Board provides regular oversight of the Company's risk management practices and may delegate to the Compensation and Corporate Governance Committee the responsibility to provide risk oversight of Source's compensation policies and practices, and to identify and mitigate compensation policies and practices that could encourage inappropriate or excessive risk taking by members of Management. As part of its review and discussion of executive compensation, the Board noted the following factors that will discourage the Company's executives from taking unnecessary or excessive risk:

- the Company's approach to performance evaluation and compensation will provide greater rewards to an officer achieving both short-term and long-term agreed-upon objectives;
- executive officers and directors will be required to hold a minimum amount of Common Shares under the Company's share ownership guidelines;
- Board discretion with respect to incentive awards and payouts in the event incentives are understated or overstated due to extraordinary circumstances or conditions;
- a commitment to periodic evaluation and testing by the Compensation and Corporate Governance Committee of variable compensation plan metrics;
- a balanced mix of equity incentive awards in the form of RSUs and PSUs;
- a formal hedging prohibition that limits the ability for executive officers to reduce their exposure to increases or decreases in the Company's share price; and
- a formal clawback policy specifying the recoupment of incentive compensation applicable to the executive officers upon material financial restatements and misconduct.

Based on this review, the Board believes that the Company's total executive compensation program does not encourage executive officers to take unnecessary or excessive risk.

Share Ownership Guidelines

The Company has adopted the following share ownership guidelines pursuant to which Source's CEO, CFO, and any other employee specified by the Board, are required to hold, directly or indirectly, such number of Common Shares, PSUs, or RSUs, as the case may be, with an aggregate value as follows:

EXECUTIVE OFFICER SHARE OWNERSHIP GUIDELINES	
Participant	Share Ownership Guidelines
CEO	3x base salary
CFO	1.5x base salary

Common Shares, PSUs, and RSUs are valued at the higher of: (a) value at the time of award or acquisition; and (b) the current Market Price of the Common Shares. Each officer has five years from the

later of the introduction of the executive share ownership guidelines and the date of their appointment as an officer to achieve this minimum share ownership requirement.

Executive Officer Share Ownership Table

EXECUTIVE OFFICER SHARE OWNERSHIP		
Name	Ownership Multiple of Salary	Progress Towards Guidelines
Scott Melbourne	>3x base salary	100% compliant
Derren Newell	>1.5x base salary	100% compliant

Hedging Prohibition

The Company is of the view that its securities should be purchased by its directors, officers, and employees for investment purposes only. Pursuant to the Company's disclosure, trading and confidentiality policy, transactions that could be perceived as speculative or influenced by positive or negative perceptions of Source's prospects, including the use of puts, calls, collars, spread bets, contracts for difference and hedging transactions are not considered to be in Source's best interests and must be avoided. In particular, directors, officers and employees of Source are prohibited from engaging in hedging activities of any kind respecting Source's securities or related financial instruments including, without limitation, selling a call or buying a put on the Company's securities or purchasing the Company's securities with the intention of reselling them within six months or selling the Company's securities with the intention of buying them within six months (other than the sale of Company securities shortly after they were acquired through the exercise of securities granted under a share-based compensation arrangement). Notwithstanding the foregoing, the above-mentioned restrictions will not be applicable to any of the Company's securities held by a representative of the Company that are in excess of the required ownership thresholds under the Company's director share ownership guidelines or the Company's executive share ownership guidelines, as the case may be.

Clawback Policy

The Board adopted a clawback policy specifying the consequences with respect to incentive awards in the event of gross negligence, fraud or willful misconduct resulting in a restatement of the Company's financial statements. The clawback policy provides that where there is a restatement of the financial results of Source for any reason other than a restatement caused by a change in applicable accounting rules or interpretations, and, in connection with such restatement an executive officer engaged in gross negligence, fraud or willful misconduct, the Board or the Compensation and Corporate Governance Committee may: (a) require that the executive officer return or repay to Source, or reimburse Source for, all or part of the after-tax portion of any excess compensation; and/or (b) cause all or part of any awarded and unpaid or unexercised performance-based compensation (whether vested or unvested) that constitutes excess compensation for an executive officer to be cancelled.

In determining whether to require any cancellation, repayment or reimbursement under the clawback policy, the Board or the Compensation and Corporate Governance Committee shall have regard to, in its sole discretion and in light of the circumstances, Source's best interests. In making such determination, the Board may take into account any considerations it deems appropriate, including, without limitation: (a) the applicable governing law including the likelihood of success and the cost of pursuing recovery; (b) any prejudice to the interests of Source, including in any related proceeding or investigation; and (c) the participation of the executive officer in the circumstances relating to the financial restatement, including his or her involvement in any gross negligence, fraud or willful misconduct.

For purposes of the clawback policy, "excess compensation" means the difference between the amount or value of any performance-based compensation actually paid or awarded to an executive officer subsequent to the effective date of the policy and the amount or value that would have been paid or awarded as calculated or determined based on the financial statements of Source as restated (and shall

include an entire amount or value of an award or payment where it is determined that no award or payment would have been made based on the financial statements of Source as restated), and “performance-based compensation” includes all bonuses and other incentive compensation that is paid or awarded to any executive officer, the award, amount, payment and/or vesting of which was calculated or determined having regard to or based in whole or in part on the application of performance criteria or financial metrics measured during the three years preceding the applicable restatement and includes incentive compensation awarded or paid in any form, including cash or equity-based, whether vested or unvested.

Compensation Philosophy and Objectives

The Company’s approach to executive compensation is to “pay for performance”. Accordingly, base salary is generally positioned near market median levels, while variable compensation opportunity (short and long-term incentives) is structured to provide above-market total compensation for high levels of corporate and individual performance.

Compensation elements are designed to balance the following compensation objectives:

- total compensation realization will be aligned with the overall performance of the Company;
- compensation programs will encourage a long-term view to shareholder value creation as a significant portion of each executive’s variable pay will be equity-based and executives will be required to have a significant personal financial interest in the Company; and
- compensation programs will facilitate the attraction, retention and motivation of qualified, experienced, and talented executives who will, in turn, drive shareholder value creation.

Compensation Consultant

Source did not engage with a compensation consultant in 2024.

Compensation Benchmarking

The Compensation and Corporate Governance Committee, as part of its compensation review process, benchmarks the compensation levels and practices of companies that can be considered reasonably similar to the Company. In selecting a peer group of companies and/or sectors to benchmark, the Compensation and Corporate Governance Committee considers characteristics and variables such as:

- Canadian-based, publicly-traded organizations operating in the oilfield services sector;
- organizations of similar size and with a similar scope of operations; and
- organizations from which future executives may reasonably be expected to be recruited from or to which the Company could reasonably expect to otherwise be in competition with, for senior level talent.

The compensation benchmark information derived from such sources will not necessarily be directly acted upon by the Compensation and Corporate Governance Committee but may be one of a number of factors the Compensation and Corporate Governance Committee considers from time to time in its review of executive compensation. In order to assist the Compensation and Corporate Governance Committee with its compensation benchmarking, a peer group of the following 11 energy services companies has been developed:

PEER GROUP		
Akita Drilling Ltd.	Ensign Energy Services Inc.	Total Energy Services Inc.
Black Diamond Group Ltd.	Mullen Group Inc.	Trican Well Service Ltd.
Calfrac Well Services Ltd.	Secure Energy Services Inc.	Western Energy Services Corp.
CES Energy Solutions Corp.	STEP Energy Services Ltd.	

Compensation Components

The Company's executive compensation program consists primarily of the following elements:

BASE SALARY

Form of Compensation	Cash
Purpose	Forms a baseline level of compensation for role fulfillment commensurate with the experience, skills, and market demand for the executive role and/or incumbent.
Determination	Salaries are based on relevant marketplace information, experience, individual performance, and level of responsibility. Actual salary levels are set in relation to the Company's compensation philosophy and relative to the emphasis on other compensation program elements. The Company generally intends to pay salaries near market median levels and increase salaries commensurate with the growth and complexity of the Company and the position in question.

ANNUAL PERFORMANCE INCENTIVE

Form of Compensation	Cash
Purpose	To recognize short-term (typically annual) efforts and milestone achievement that are aligned with the long-term success of the Company.
Determination	Annual performance incentive payments will be determined by the Compensation and Corporate Governance Committee based upon a discretionary assessment of individual, corporate and safety performance. Based on this discretionary assessment of performance, incentive payments can range from 0% to 150% of base salary for the CEO, with the target at 100%, and 0% to 120% of base salary for the remaining NEOs, with the target at 50% to 80%. For 2023, the Board used its discretion in determining annual performance incentive payouts.

MTIP

Form of Compensation	Cash
Purpose	Designed to motivate the NEO's to grow cashflow generation so that excess Free Cash Flow ⁽¹⁾ can be used to reduce Source's long-term debt.
Determination	Annually for the next two years ending May 31, 2024, a determination of cumulative Free Cash Flow generated from the business including a provision to fund this program is calculated, starting from June 1, 2022. At the earlier of achieving the cumulative Free Cash Flow ⁽¹⁾ target as determined by the Board of Directors or May 31, 2024, a payout is determined. The payout can range from 0% to 150% with a maximum payout of \$1.6 million per participant. If the targeted cumulative Free Cash Flow is reached prior to May 31, 2024, an interim payout will occur, and a final payout determination will occur on May 31, 2024. This program was not renewed once it was completed in 2024.

Note:

(1) Free Cash Flow is not defined under IFRS, see "Non-IFRS Measures" below.

2024 LTIP	
Form of Compensation	Cash or Common Shares (issued from treasury or purchased on the secondary market)
Purpose	Designed to motivate executives and employees to create and grow sustainable shareholder total return over successive three-year performance cycles, through the use of RSUs and PSUs.
Determination	RSUs vest rateably over three years and may be subject to other performance restrictions, subject to the determination of the Compensation and Corporate Governance Committee. PSU awards are limited to the executive and senior-managerial levels in the Company. These units will vest subject to the achievement of various performance targets, including, but not limited to, relative “return on capital employed” targets and financial and/or operational performance targets. RSU and PSU accounts are credited with additional units in accordance with the LTIP in the event dividends on the Common Shares are paid by the Company. Previous grants of LTIP awards are reviewed when new grants are awarded, but that is only one of many factors taken into consideration when determining grants under the LTIP.
2024 OPTION PLAN	
Form of Compensation	Common Shares (issued from treasury)
Purpose	Promotes a share ownership perspective among executives, encourages executive retention, encourages executives to generate sustained share price growth over the longer term (i.e. five years) and aligns Management’s interests with shareholders’ interests through participation in share price appreciation.
Determination	Grants of Options are typically made upon the commencement of an executive’s employment with the Company based on the executive’s experience, skill set and level of responsibility within the Company. Additional grants may be made annually at the discretion of the Board based on the individual’s contribution to corporate performance, as well as the overall competitiveness of the executive compensation package. The Board determines the Exercise price of Options at the time of grant, provided that the Exercise price may not be lower than the Market Price. The Board also has the discretion to determine the term of Options, which is not to exceed five years, and vesting provisions, which are typically one-third on each of the first, second and third anniversaries of the grant date.

Pension, Benefits and Perquisites

The Compensation and Corporate Governance Committee annually reviews the benefits provided to the NEOs, which are generally the same as those provided to other employees of the Company. The Company offers only limited perquisites to the NEOs, and only where the Company believes such perquisites are market competitive and promote the retention of the NEOs or promote the efficient performance of their duties. The Company does not believe that perquisites and benefits should represent a significant portion of the compensation package for NEOs. In 2024, each NEOs’ perquisites and benefits totaled less than \$31,600, representing less than 1.3% of total compensation for the NEOs.

Compensation Methodology

The Compensation and Corporate Governance Committee annually reviews the base salary, annual performance incentives, medium-term incentives, and long-term equity incentives of executive officers and NEOs. The Compensation and Corporate Governance Committee analyzes Source’s compensation packages alongside the peer group of comparable energy services companies. Drawing on this analysis, the Compensation and Corporate Governance Committee then makes recommendations to the Board. The Board reviews and evaluates the recommendations regarding base salaries, annual bonuses, medium-term incentives, and equity incentive compensation for executive officers and NEOs and decides on the appropriate compensation package. In addition, the Board approves corporate goals and objectives for the executive officers’ and NEOs’ compensation.

Determination of Compensation

In making compensation recommendations, the Compensation and Corporate Governance Committee reviews the various elements of each executive officer and NEO's compensation in the context of the total compensation package. Based on this review, the Compensation and Corporate Governance Committee evaluates whether the intended relationship between performance and compensation is being achieved or whether changes are required in order to bring this relationship in line with Source's compensation objectives. The Compensation and Corporate Governance Committee and the Board exercise discretion based on the Company's performance and the individual contributions of each executive officer and NEO in determining actual compensation. In determining the total compensation payable to the executive officers and NEOs for 2024, the Compensation and Corporate Governance Committee and the Board considered a range of relevant factors, including but not limited to: Source's financial results, the current economic environment, the duties and responsibilities of each executive officer and NEO and their respective performance and current compensation levels, previous Share-based or option-based awards, as well as other factors discussed in this CD&A.

The primary factors that influenced compensation decisions in 2024 included the following:

2024 Summary

Key achievements for the year ended December 31, 2024 include the following:

- realized sand sales volumes of 3,527,248 MT and sand revenue of \$532.9 million, an increase of \$72.8 million or 16% from 2023;
- generated total revenue of \$674.0 million, a \$104.2 million increase from 2023;
- realized gross margin of \$127.3 million and Adjusted Gross Margin¹ of \$162.6 million, increases of 16% and 20%, respectively, when compared to last year;
- reported net income of \$9.5 million;
- realized Adjusted EBITDA¹ of \$123.9 million, a \$24.8 million improvement from 2023;
- refinanced the Company's existing credit facilities by entering into a new five-year, US\$135.0 million term loan and a new \$40.0 million credit facility, achieving targeted improved liquidity of \$68.8 million at year end;
- announced a partnership with Trican Well Service Ltd. ("Trican") to construct a unit train capable terminal facility located in Taylor, British Columbia;
- closed two acquisitions for sand trucking assets, further strengthening Source's well site solutions platform;
- completed the expansion of the Chetwynd terminal facility to a full unit train facility; and
- deployed Source's tenth and eleventh Sahara units, both operating on the North Slope in Alaska, driving utilization of 78% across the eleven unit fleet for the year.

2024 EXECUTIVE COMPENSATION DETAILS

Summary Compensation Table

The following table provides a summary of compensation information for the persons determined to be NEOs for the financial years ending December 31, 2024, December 31, 2023, and December 31, 2022. All compensation values are derived from compensation plans and programs that are described in detail in "Incentive Plan Awards", being the only compensation plans of Source in effect in which securities may be issued from treasury.

¹Adjusted Gross Margin (including on a per MT basis) and Adjusted EBITDA are not defined under IFRS, refer to 'Non-IFRS Measures' below.

NON-EQUITY INCENTIVE PLAN COMPENSATION (\$)

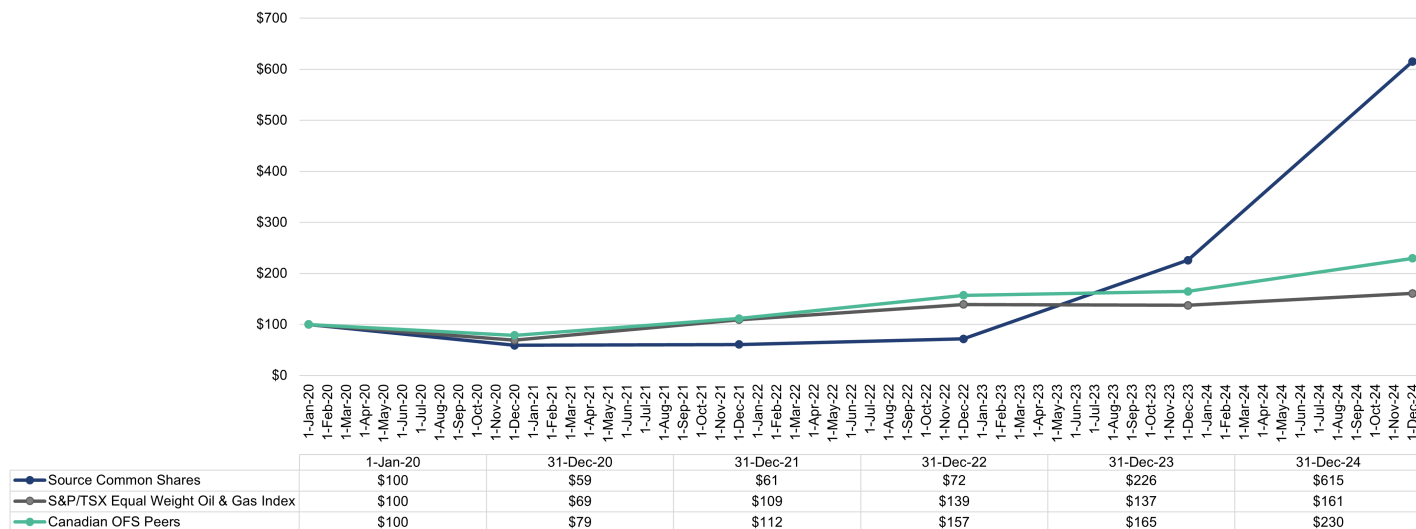
Name and Principal Position	Year	Salary (\$)	Share-based Awards (\$) ⁽¹⁾	Option-based Awards (\$)	Annual Incentive Plans	Long-term Incentive plans ⁽⁶⁾⁽¹⁾	Pension Value (\$)	All other compensation (\$) ⁽²⁾	Total compensation (\$) ⁽³⁾
Scott Melbourne President and CEO ⁽⁵⁾	2024	408,667	—	—	408,667	1,789,960	—	18,605	2,625,899
	2023	394,329	222,360	—	394,329	—	—	13,043	1,024,060
	2022	357,221	160,813	—	340,074	—	—	10,773	868,881
Derren Newell Executive VP and CFO	2024	313,293	—	—	270,635	1,559,191	—	31,561	2,174,680
	2023	302,302	104,640	—	241,841	—	—	27,760	676,543
	2022	291,654	75,667	—	222,124	—	—	25,343	614,788
Jarett Finney, President, Distribution	2024	262,830	—	—	131,415	1,559,191	—	18,786	1,972,222
	2023	248,308	75,210	—	124,154	—	—	21,043	468,714
	2022	232,692	54,393	—	118,515	—	—	18,774	424,374
Shawn Furlong President, Production ⁽⁴⁾	2024	266,650	—	—	133,325	1,559,191	—	27,957	1,987,123
	2023	243,498	75,210	—	121,749	—	—	26,894	467,351
	2022	205,638	70,947	—	94,786	—	—	18,058	389,430
Kurtis Kisio, VP, Sales	2024	245,996	—	—	122,998	1,559,191	—	27,256	1,955,441
	2023	237,365	75,210	—	108,212	—	—	21,630	442,417
	2022	227,596	54,393	—	116,028	—	—	19,285	417,302

Notes:

- (1) No Share-based awards were granted in 2024, instead a one-time cash payment was made. Grant date fair value of the Share-based awards for the NEOs for 2023 is based on the five-day weighted average trading price of Common shares on March 8, 2023, of \$3.27. Grant date fair value of the Share-based awards for the NEOs for 2022 is based on the five-day weighted average trading price of Common shares on May 5, 2022, of \$2.3649. A five-day volume weighted average was used to value these units consistent with the Company's practice of granting share-based awards, which is consistent with IFRS 2 on the grant date.
- (2) Reflects payments made by Source to each of the NEOs for health and insurance benefits, RRSP matching contributions and parking benefit and an automobile allowance. The NEOs receive minimal perquisites and other benefits. All perquisites represent less than 1.16% of the value reported.
- (3) The aggregate compensation paid to the NEOs for the year ended December 31, 2024, was \$10,715,365.
- (4) Mr. Furlong was appointed President of Production on April 18, 2023.
- (5) Mr. Melbourne was appointed President and CEO on March 30, 2022. Mr. Melbourne receives no compensation in his capacity as a director.
- (6) The MTIP which was implemented in 2022 to incent the NEO's to generate cash flow that could be used to pay down long term debt concluded in 2024 when the cumulative free cash flow target was achieved, and the participants were paid out. The program was not renewed.

PERFORMANCE GRAPH

The following graph shows the total cumulative return on a \$100 investment in Source's Common Shares compared to the cumulative total return of the S&P/TSX Equal Weight Oil & Gas Index and Source's principal Canadian oilfield services ("OFS") peers over the same period beginning on January 1, 2020, and ending on December 31, 2024. This graph offers our shareholders some perspective and is for information purposes to demonstrate the effect of the challenging operational environment in which Source currently functions. Regardless of this backdrop, Source remains focused on the long term, utilizing our significant infrastructure footprint in Western Canada and our solid base frac sand business to continue to create value for our stakeholders through growth and diversification of the business.



NEO COMPENSATION

The Company's compensation programs are focused on paying for performance and emphasizing long term shareholder value creation. The chart above shows how shareholder value has been improved due to the improved performance of the business. NEO compensation also reflects the improved business performance.

INCENTIVE PLAN AWARDS

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth information concerning all awards outstanding to the NEOs in 2024 as at December 31, 2024:

Name	OPTION-BASED AWARDS				SHARE-BASED AWARDS		
	Number of Common Shares Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised in-the-money Options (\$)	Number of shares or Units of Shares that have not Vested (#)	Market or Payout Value of Share-Based Awards that have not Vested (\$) ⁽¹⁾	Market or Payout Value of Vested Share-Based Awards not Paid out of Distributed (\$)
Scott Melbourne	-	-	-	-	83,185	1,063,936	-
Derren Newell	-	-	-	-	39,145	500,665	-
Jarett Finney	-	-	-	-	28,135	359,847	-
Shawn Furlong	-	-	-	-	29,136	372,649	-
Kurtis Kisio	-	-	-	-	28,135	359,847	-

Notes:

(1) Value is based on the five-day weighted average trading price of the common shares on February 26, 2025, which was \$12.79.

Incentive Plan Awards – Value Vested or Earned During the Year

NAME	OPTION-BASED AWARDS – VALUE VESTED DURING THE YEAR (\$)	SHARE-BASED AWARDS – VALUE VESTED DURING THE YEAR (\$) ⁽¹⁾	NON-EQUITY INCENTIVE PLAN COMPENSATION – VALUE VESTED DURING THE YEAR (\$)
Scott Melbourn	-	570,009	-
Derren Newell	-	570,018	-
Jarett Finney	-	277,208	-
Shawn Furlong	-	376,825	-
Kurtis Kisio	-	293,986	-

Notes:

(1) Share-based awards granted vest 1/3 per year on their grant date.

Equity Compensation Plan Information as at December 31, 2024

	(A)	(B)	(C)
Plan Category	Number (and percentage of Common Shares outstanding) of securities to be issued upon exercise of outstanding option, warrants and rights	Weighted-average Exercise price of outstanding options, warrants and rights	Number (and percentage of Common Shares outstanding) of securities remaining available for future issuance under equity compensation plants (excluding securities reflected in column in (a))
Equity compensation plans approved by securityholders	RSUs 114,162 (0.9%) PSUs 612,692 (4.5%)	-	627,652 (4.6%)
Equity compensation plans not approved by securityholders	-	-	-

Burn Rate

	YEAR	OPTION PLAN	SHARE AWARDS (%)	DSU PLAN (%)
Total number of units granted in a fiscal year, divided by the weighted average number of Common Shares outstanding	2024	-	-	-
	2023	-	3	-
	2022	-	3	-

COMPENSATION PLAN INFORMATION

The Company has two compensation plans, being: (i) the LTIP; and (ii) the DSU Plan of which, the LTIP (providing for the grant of RSUs and PSUs) is considered equity-based plans and the DSU Plan is a cash-settled plan.

The following is a summary of the Company's compensation plans.

Long Term Incentive Plan

The LTIP provides for grants of RSUs and PSUs (RSUs and PSUs, as applicable, referred to as a "Unit") to Eligible Persons (defined under the LTIP to be designated officers, employees, or consultants of the Company or any of its affiliates). The purpose of the LTIP is to advance the interests of the Company by: (i) providing Eligible Persons with appropriate incentives; (ii) encouraging stock ownership by such Eligible Persons; (iii) increasing the proprietary interest of Eligible Persons in the success of the Company; (iv) promoting the growth and profitability of the Company; (v) encouraging Eligible Persons to take into account long-term corporate performance; (vi) rewarding Eligible Persons for sustained contributions to the Company and/or significant performance achievements of the Company; and (vii) enhancing the Company's ability to attract, retain and motivate Eligible Persons.

The maximum number of Common Shares reserved for issuance, in the aggregate, under the LTIP and all other Share-based compensation arrangements is 10% of the aggregate number of outstanding Shares from time to time (calculated on a non-diluted basis). In addition: (a) the maximum number of Common Shares issuable to insiders and their associates at any time under all security-based compensation arrangements of the Company collectively shall not exceed 10% of the aggregate number of issued and outstanding Shares from time to time (calculated on a non-diluted basis); and (b) the maximum number of Common Shares that may be issued to insiders and their associates within any one year period under all security-based compensation arrangements of the Company collectively shall not exceed 10% of the aggregate number of issued and outstanding Shares from time to time (calculated on a non-diluted basis) (collectively, the “**Insider Participation Limit**”).

The LTIP is administered by the Board which has authority to delegate the administration and operation of the LTIP to a committee and to determine the terms and conditions of any grant of RSUs and PSUs.

Under the LTIP:

- settlement of a vested Unit will entitle the holder to receive a Common Share, either issued from treasury or purchased on the secondary market, or an amount of cash equal to the Market Value of a Common Share on the vesting date;
- all vested Units shall be settled within sixty (60) days of the vesting date, but in no event shall any Unit be settled later than December 31 of the third calendar year following the year in which the services giving rise to the award were rendered;
- the vesting of RSUs and PSUs will be prescribed by the Board at the time of grant in the applicable grant agreement;
- if a Unit settlement date falls on, or within nine business days immediately following a period in which the Company is in a black-out, then the settlement date will be automatically extended to the tenth business day following the date the relevant black-out period or other trading restriction imposed by the Company is lifted, terminated or removed;
- except as otherwise provided by the LTIP, upon the occurrence of a change of control, all unvested Units then outstanding will be substituted by or replaced with Units or similar awards of the surviving corporation or the potential successor on the same terms and conditions as the original Units (as adjusted for the change of control), and the vesting of RSUs and PSUs held by a holder who ceases to be an Eligible Person under the LTIP within 12 months of a change of control, due to termination without cause or resignation for Good Reason (as defined in the LTIP), will (in the Board's discretion) be accelerated in full using performance metrics at the time of the change of control; and
- unvested RSUs and PSUs held by a holder who: (i) retires, or in the Board's discretion held by a holder who ceases to be an Eligible Person under the LTIP due to disability, continue to vest and vested RSUs and PSUs may be settled in accordance with the LTIP and the applicable grant agreement; (ii) ceases to be an eligible person under the LTIP due to resignation or termination of employment without cause, and otherwise in the case of a holder who ceases to be an eligible person under the LTIP due to disability, immediately terminate and vested RSUs and PSUs must be settled on the earlier of the original expiry date and 180 days; (iii) ceases to be an eligible person as a result of death, vest in respect of unvested RSUs and PSUs in the year of death on a prorated basis (and all remaining unvested RSUs and PSUs immediately terminate) and vested RSUs and PSUs must be settled on the earlier of the original expiry date and 180 days; and (iv) ceases to be an eligible person due to termination of employment for cause, terminate (along with vested RSUs and PSUs) on the last date the holder was actually and actively employed with the Company.

The LTIP includes provisions regarding adjustments to the amounts payable pursuant to Units to preclude dilution or enlargement of the benefits to participants in the event of any merger, amalgamation, arrangement, rights offering, subdivision, consolidation or reclassification of the Common Shares or other

relevant change in the capitalization of the Company, or stock dividends or distributions (excluding dividends or distributions which may be paid in cash or in Common Shares at the option of the holder), or the exchange of Common Shares for other securities or property. Under the LTIP, RSUs and PSUs may not be transferred or assigned, other than by will or the laws of descent and distribution.

Subject to the applicable rules of the TSX, the Board may from time to time, in its absolute discretion and without the approval of the shareholders, make the following amendments to the LTIP or any Unit:

- any amendment to the vesting provisions of the LTIP and any grant agreement;
- any amendment to the LTIP, any grant agreement or any Unit as necessary to comply with applicable law or the requirements of the TSX or any other regulatory body having authority over the Company, the LTIP or the shareholders;
- any amendment of a “housekeeping” nature, including, without limitation, to clarify the meaning of an existing provision of the LTIP, correct or supplement any provision of the LTIP that is inconsistent with any other provision of the LTIP, correct any grammatical or typographical errors or amend the definitions in the LTIP regarding administration of the LTIP;
- any amendment respecting the administration of the LTIP; and
- any other amendment that does not require the approval of shareholders under the LTIP.

Under the LTIP shareholder approval is required for the following amendments to the LTIP:

- any increase in the maximum number of Common Shares that may be issuable pursuant to Units granted under the LTIP;
- any cancellation and reissue of Units, or substitution of Units with cash or other awards on terms that are more favourable to the holders of Units, or extension of the expiry date of a Unit (except as otherwise provided by the LTIP);
- any amendment to the Insider Participation Limit;
- an amendment to any of the amending provisions of the LTIP;
- any change that would materially modify the eligibility requirements for participation in the LTIP, including any amendment to the definition of Eligible Persons relating to the grant of Units to non-employee directors of the Company; and
- an amendment that would permit Units to be transferable or assignable.

The Board may suspend or terminate the LTIP at any time, or from time to time amend or revise the terms of the LTIP or of any Unit granted under the LTIP and any grant agreement relating thereto, provided that except as otherwise provided in the LTIP no such suspension, termination, amendment or revision will be made: (a) except in compliance with applicable law and with the prior approval, if required, of the TSX or any other regulatory body having authority over the Company, the LTIP or the shareholders; and (b) in the case of an amendment or revision to the LTIP or any grant agreement, if it would materially adversely affect the rights of any participant, without the consent of the participant.

Deferred Share Unit Plan

The DSU Plan allows for grants of DSUs to non-executive directors and other persons at the discretion of the Board of Directors. The DSU Plan shares the same purpose as the LTIP (see “*Long Term Incentive Plan*”).

Under the DSU Plan, each non-executive director may elect, once each calendar year, to receive all or a portion of his or her annual Board retainer fee compensation in DSUs, including any fees paid to such non-executive director for attendance at meetings of the Board or Committees thereof. DSUs vest on the date the non-executive director ceases to be a director and are paid out in cash only at such time. Dividend equivalents are earned at the same rate as cash dividends paid on the Common Shares.

The DSU Plan is administered by the Board, which has authority to delegate the administration and operation of the DSU Plan to a committee and to determine the terms and conditions of any grant of DSUs. Under the DSU Plan:

- the number of DSUs granted at any particular time pursuant to the DSU Plan will be calculated by: (a) in the case of an election to receive all or a portion of the director's annual Board retainer in DSUs, by dividing (i) the dollar amount of the elected amount by (ii) the Market Value of a Common Share on the applicable award date; or (b) in the case of a grant of DSUs pursuant to the DSU Plan, by dividing (i) the dollar amount of such grant by (ii) the Market Value of a Common Share on the date of grant;
- DSUs shall be redeemed within five business days following the filing of a notice of redemption or ninety days following a holder's death, as applicable;
- redemption of all full and fractional DSUs will entitle the holder to a lump sum cash payment, through the Company's regular payroll practices, equal to the number of DSUs (including fractional DSUs) to be redeemed, multiplied by the Market Value per Common Share determined as at such redemption date;
- DSUs vest on the day the holder ceases to be a participant for any reason including as a result of retirement, death, voluntary or involuntary termination, or disability unless otherwise determined by the Board in accordance with the DSU Plan; and
- except as otherwise provided by the DSU Plan, upon the occurrence of a change of control, all unvested DSUs then outstanding will be substituted by or replaced with DSUs or similar awards of the surviving corporation or the potential successor on the same terms and conditions as the original DSUs.

The DSU Plan also contains provisions which effect appropriate adjustments in the amounts payable, as the case may be, as determined as appropriate by the Board, to preclude a dilution or enlargement of the benefits under the DSU Plan, in the event of any merger, amalgamation, arrangement, rights offering, subdivision, consolidation, or reclassification of the Common Shares or other relevant change in the capitalization of the Company, or stock dividend or distribution (excluding dividends or distributions which may be paid in cash or in Common Shares at the option of the holder), or exchange of the Common Shares for other securities or property.

DSUs may not be transferred or assigned. The Board may suspend or terminate the DSU Plan at any time, or from time to time amend or revise the terms of the DSU Plan or of any DSU granted under the DSU Plan and any grant agreement relating thereto, provided that except as otherwise provided in the DSU Plan no such suspension, termination, amendment or revision will be made: (a) except in compliance with applicable law and with the prior approval, if required, of the TSX or any other regulatory body having authority over the Company, the DSU Plan or the shareholders; and (b) in the case of an amendment or revision to the DSU Plan or any grant agreement, if it would materially adversely affect the rights of any participant, without the consent of the participant.

Stock Option Plan

The option plan allows for grants of Options to officers, and employees of the Company. The Option Plan shares the same purpose as the LTIP (see "*Long Term Incentive Plan*"). Non-executive directors are not permitted to participate in the Option Plan.

The maximum number of Common Shares reserved for issuance, in the aggregate, under the Option Plan and all other security-based compensation arrangements of the Company (being the LTIP), is 10% of the aggregate number of outstanding Common Shares from time to time (calculated on a non-diluted basis) less any Units granted under the LTIP. The Option Plan also includes the Insider Participation Limit.

The Option Plan is administered by the Board, which has authority to delegate the administration and operation of the Option Plan to a committee and to determine the terms and conditions of any grant of Options. Under the Option Plan:

- an Option may be exercised at a price (the “**Exercise Price**”) established by the Board at the time that the Option is granted, but in no event can the Exercise Price be less than the Market Price of the Common Shares at the time of the grant;
- unless otherwise determined by the Board and except as otherwise provided by the Option Plan, all Options will expire on the fifth anniversary of the date of grant, subject to earlier termination in the event the holder ceases to be an officer or employee of the Company or if the Board determines, in its sole discretion, to accelerate the expiry time in connection with a “change of control” (as defined in the Option Plan);
- Options will vest as to one-third of the total grant on each of the first three anniversaries of the grant date, or as otherwise set out by the Board in the applicable grant agreement;
- if an Option expiry date falls on, or within nine business days immediately following a period in which the Company is in a black-out, then the expiry date will be automatically extended to the tenth business day following the date the relevant black-out period or other trading restriction imposed by the Company is lifted, terminated or removed;
- in the event of a change of control, all unvested Options will be replaced with stock options or similar awards of the surviving corporation on the same terms and conditions as the original Options (as adjusted for the change of control), failing which, in the discretion of the Board, the vesting of Options will be accelerated (and similarly accelerated in the discretion of the Board if within 12 months of a change of control a holder’s employment is terminated without cause or the holder resigns for Good Reason (as defined in the Option Plan); and
- unvested Options held by a holder who: (i) retires, and in the Board’s discretion held by a holder who ceases to be an eligible person under the Option Plan due to disability, continue to vest and vested Options may be exercised in accordance with the Option Plan and the applicable option agreement; (ii) ceases to be an eligible person under the Option Plan due to resignation or termination of employment without cause, and otherwise in the case of a holder who ceases to be an eligible person under the Option Plan due to disability, immediately terminate and vested Options may be exercised on the earlier of the original expiry date and 180 days following the termination date; (iii) ceases to be an eligible person as a result of death, vest in respect of unvested Options in the year of death on a prorated basis (and all remaining unvested Options immediately terminate) and vested Options may be exercised on the earlier of the original expiry date and 180 days following the termination date; and (iv) ceases to be an eligible person due to termination of employment for cause, terminate (along with vested Options) on the last date the holder was actually and actively employed with the Company.

The Option Plan also contains provisions which effect appropriate adjustments to the number and kind of shares or other securities to be received upon exercise of outstanding Options, or to the Exercise price per Common Shares of outstanding Options, in the event of a subdivision, re-division, consolidation, reclassification of shares of the Company, in the event of any special distribution to all shareholders, in the event of any consolidation, amalgamation, merger with or into another corporation and in the event of any transfer of the entirety or substantially the entirety of the undertaking or assets of the Company to another corporation.

Options may not be transferred or assigned other than by will or the laws of descent and distribution. Subject to the applicable rules of the TSX, the Board may from time to time, in its absolute discretion and without the approval of the shareholders, make the following amendments to the Option Plan or any Option:

- any amendment to the vesting provisions of the Option Plan and any option agreement;

- any amendment to the Option Plan, and option agreement or any Option as necessary to comply with applicable law or the requirements of the TSX or any other regulatory body having authority over the Company, the Option Plan or the shareholders;
- any amendment to the Option Plan and any option agreement to permit the conditional exercise of any Option;
- any amendment of a “housekeeping” nature, including, without limitation, to clarify the meaning of an existing provision of the Option Plan, correct or supplement any provision of the Option Plan that is inconsistent with any other provision of the Option Plan, correct any grammatical or typographical errors or amend the definitions in the Option Plan regarding administration of the Option Plan;
- any amendment respecting the administration of the Option Plan; and
- any other amendment that does not require the approval of shareholders under the Option Plan.

Under the Option Plan shareholder approval is required for the following amendments to the Option Plan:

- any increase in the maximum number of Common Shares that may be issuable pursuant to Options granted under the 2024 Option Plan;
- any amendment to the Insider Participation Limit set forth in the 2024 Option Plan;
- any reduction in the Exercise price of an Option, cancellation and reissue of Options or substitution of Options with cash or other awards on terms that are more favourable to the holders of Options;
- any extension of the expiry of an Option (except as otherwise provided by the 2024 Option Plan);
- an amendment that would permit Options to be transferable or assignable other than for normal estate settlement purposes;
- any amendment that would materially modify the eligibility requirements for participation in the 2024 Option Plan, including any amendment which would allow non-executive directors to participate in the 2024 Option Plan; and
- an amendment to any of the amending provisions of the Option Plan.

The Board may suspend or terminate the Option Plan at any time, or from time to time amend or revise the terms of the Option Plan or of any Option granted under the Option Plan and any option agreement relating thereto, provided that except as otherwise provided in the Option Plan no such suspension, termination, amendment or revision will be made: (a) except in compliance with applicable law and with the prior approval, if required, of the TSX or any other regulatory body having authority over the Company, the Option Plan or the shareholders; and (b) in the case of an amendment or revision to the Option Plan or any option agreement, if it would materially adversely affect the rights of any participant, without the consent of the participant.

Termination and Change of Control Benefits

The following table describes Source’s payment obligations to each NEO at, following or in connection with any termination (whether voluntary, involuntary, or constructive), resignation, retirement, a change in control of the Company or a change in an NEO’s responsibilities:

EMPLOYMENT AGREEMENTS

Name	Change of Control	Termination
Scott Melbourn & Derren Newell	More than 50% of securities or equivalent and an event of Good Reason has occurred within 12 months of the Change of Control: - An amount equal to two times the annual base salary amount in lieu of notice - An amount equal to two times the annual bonus at target for the calendar year in which the termination occurs - Accelerated vesting of RSUs and PSUs 10% of two times the annual base salary to compensate for the loss of benefits	Involuntary Termination: - An amount equal to two times the annual base salary amount in lieu of notice - An amount equal to two times the annual bonus at target for the calendar year in which the termination occurs 10% of two times the annual base salary to compensate for the loss of benefits
Jarett Finney, Shawn Furlong, & Kurtis Kisio	More than 50% of securities or equivalent and an event of Good Reason has occurred within 12 months of the Change of Control: - An amount equal to 12 months of annual base salary in lieu of notice - An amount equal to the average of annual bonus payments for the preceding 2 years - Pro rata vesting of RSUs and PSUs to the end of the notice period 10% of 12 months of annual base salary received in lieu to compensate for the loss of benefits	Involuntary Termination: - An amount equal to 4 times monthly base salary, plus 1.5 times monthly base salary for each complete year of service, to a maximum of 12 times the monthly base salary in lieu of notice - An amount equal to the average of bonus payments for the preceding 2 years 10% of 12 months of annual base salary received in lieu to compensate for the loss of benefits

All NEOs are subject to non-compete and non-solicit arrangements during the 24 months following their termination date.

Please see “*Long Term Incentive Plan*” for a summary of change of control and termination payment obligations.

CORPORATE GOVERNANCE PRACTICES

The Company’s corporate governance practices are continually reviewed for current and future industry trends, issues, and best practices to ensure that effective compliance and loss prevention controls measures are implemented.

2024 Highlights:

- 99.6 % average vote in favour of the election of our directors at the 2024 Meeting
- 80 % Board independence, 100% committee Chair independence

- Broad representation of executive experience
- 100% share ownership compliance

BOARD EFFECTIVENESS

The Board believes that given its size and structure, it is organized properly, functions effectively and is able to facilitate independent judgment in carrying out its responsibilities, including those set forth in the mandate of the Board. To enhance such independent judgement, while the Company's independent directors may not hold regularly scheduled meetings at which the non-independent directors and Management are not in attendance, at the end of, or during, each Board meeting, the members of Management who are present at such meeting, including Mr. Melbourn, will leave the meeting in order that the independent directors can discuss any necessary matters without Management and the non-independent directors being present.

BOARD MANDATE

The Board is responsible to supervise the management of the business and affairs of the Company. The stewardship of the Company involves the Board in strategic planning, risk identification, management and mitigation, senior management determination and succession planning, communication planning and internal control integrity with the objective of enhancing shareholder value.

The Mandate of the Board of Directors (reproduced in Appendix "C" of this Circular), which is reviewed at least annually, sets out the responsibilities of the Board of Directors.

Board Assessments

The Compensation and Corporate Governance Committee is responsible for assessing the Board, its committees, and the individual directors. The Compensation and Corporate Governance Committee, with the participation of the Chair of the Board, may recommend changes to enhance Board performance based upon these communications and its review and assessment of the composition of the Board and current industry and regulatory standards.

Board Diversity

Source is committed to diversity and inclusion at all levels of its workforce and the Board's approach to the identification and nomination of candidates for election to the Board is in keeping with that commitment. The Board of Directors believes that a board made up of highly qualified individuals from diverse backgrounds who possess the required expertise and enhance the Board and the overall management of the business and affairs of Source will foster better corporate governance. Accordingly, the Compensation and Corporate Governance Committee will, when identifying candidates to recommend for election or appointment to the Board:

- consider only candidates who possess character, integrity, judgment, business experience, a record of achievement and other skills and talents;
- consider whether each new nominee can devote sufficient time and resources to his or her duties as a member of the Board; and
- consider diversity criteria including gender, age, ethnicity, and geographical background.

Consideration of Gender in Director Nominations and Executive Appointments

There is presently one woman serving on the Board, representing 20% of the Board. In recent years, Source has undergone a reorganization which saw the departure of three directors, and the retirement of our previous CEO, who was also a director. It is the current intention of the Board to focus on Source's business and will maintain its Board as it is for the time being.

The Company has adopted a written Diversity Policy. The objective of the Diversity Policy is to reflect the consideration of diversity when making merit-based selections of suitable candidates for election or re-appointment to the Board and for employment with, or promotion within, the Company. Source considers diversity to encompass a wide variety of factors including age, gender, ethnicity, personal attributes, business and industry knowledge, skills and experience, educational background and life experience and therefore has not established specific targets regarding the representation of women on the Board or in senior leadership positions, including executive officer. The Compensation and Corporate Governance Committee will seek a diversity of candidates in recruiting, assessing, and selecting such candidates and believes in finding the most qualified individuals available with the skills and experience to provide strong stewardship, with gender being one of many factors taken into consideration when evaluating individuals.

The Compensation and Corporate Governance Committee reviews the Diversity Policy as part of overseeing the preparation of, and recommendation to, the Board of required disclosures of governance practices to be included in any disclosure document of the Company, as required.

Source's executive officer team consists of the CEO, and CFO, each having been with Source for at least 10 years. While Source has no plans to expand the executive management team at this time, the level of representation of women in executive officer positions when making executive officer appointments in the future would be a key consideration. At present, Source's senior management team comprises two presidents: the President of Distribution and the President of Production. Additionally, there are four vice presidents and one director, overseeing Sales & Marketing, New Ventures, HSE & Sustainability, Energy Transition, and Finance. Notably, the Vice President of Finance and our Director of HSE & Sustainability are women, with females making up 28% of the senior management team.

As of December 31, 2024, 17% of Source's workforce are women: 20% in Canada; 13% in the United States. In 2019, Source created and adopted a Diversity and Inclusion Policy to promote and encourage an inclusive and diverse workplace, to:

- improve the quality of decision-making through the consideration of diverse perspectives and ideas;
- attract and retain the best employees;
- increase innovation.

The Diversity and Inclusion Policy serves to reinforce Source's commitment to being an equal opportunity employer, respecting an employee's gender, age, colour, ethnicity, Indigenous origin or heritage, religion, disability, sexual orientation, gender identity, marital status, veteran status, physical attributes, education, language, culture and any other personal characteristics, in all aspects of employment including: selection, job assignment, compensation, discipline, termination and access to benefits and training. Source believes that diversity and inclusion contribute to a positive and efficient workforce, which benefits Source's employees, clients, and stakeholders.

Position Descriptions

The Board has approved written position descriptions or terms of reference for the Chairman of the Board and the Chair of each of the Audit Committee, the Compensation and Corporate Governance Committee, and the Health, Safety and Environment Committee. The Board has also developed a written position description for the CEO.

Orientation and Continuing Education

The Compensation and Corporate Governance Committee is responsible for the orientation and continuing education of the members of the Board. As new directors join the Board, they are provided with, among other things, corporate policies, Board and Committee mandates, historical information about Source, information about Source's operations, performance, and its strategic plan and an outline of the general duties and responsibilities entailed in carrying out their duties.

Source encourages directors to attend, enroll or participate in courses and/or seminars dealing with financial literacy, corporate governance, and related matters. Each director of Source has the responsibility for ensuring that he or she maintains the skill and knowledge necessary to meet his or her obligations as a director.

For directors joining the Source Board, Management provides an extensive orientation session that provides information on Source's assets, operations, and commercial arrangements. The orientation session involves a number of the Source management team and also provides directors with the opportunity to tour Source's facilities in Canada and the US.

RISK MANAGEMENT OVERSIGHT

Business Risks

Source employs risk management strategies and policies to ensure that any exposures to risk are in compliance with Source's business objectives and risk tolerance levels. The Board has the responsibility to identify, understand and monitor the principal risks affecting the business in which the Company is engaged, to achieve a proper balance between risks incurred and the potential return to shareholders, and to establish systems to monitor and manage those risks with a view to the long-term viability of the Company. It is the responsibility of management to ensure that the Board and its Committees are kept well informed of changing risks. The Board functions include annually evaluating the Company's risk management culture, overseeing the Company's risk-taking activities and risk management programs, and establishing mitigation strategies. The Board is responsible for ensuring that the Company's business strategies and allocations of capital are in line with the Company's risk appetite and tolerance and must ensure that the Company has effective risk management programs and practices. The principal mechanisms through which the Board reviews risks are through the execution of the duties of the Audit Committee, the Compensation and Corporate Governance Committee, and the Health, Safety and Environment Committee, to ensure that risks are being properly measured, monitored, and reported throughout the Company and through the strategic planning process.

Ethical Business Conduct

Code of Business Conduct and Ethics

The Board encourages and promotes an overall culture of ethical business conduct by promoting compliance with applicable laws, rules, and regulations, providing guidance to Management to help them recognize and deal with ethical issues, promoting a culture of open communication, honesty and accountability and ensuring awareness of disciplinary action for violations of ethical business conduct. In connection with its commitment to ensuring the ethical operation of Source, the Board has adopted a code of business conduct and ethics, a copy of which is available on our website at:

<https://www.sourceenergyservices.com/investors/governance#policies>

A copy can also be found under the Company's profile at [SEDAR+ - Landing Page \(sedarplus.ca\)](https://www.sedarplus.ca).

Any reports of variance from the code of business conduct and ethics are to be reported to the Board.

The Board monitors compliance with the code of business conduct and ethics through reports by Management to the Board and requires that all directors, officers, and designated employees provide an annual certification of compliance with the code. A director who has a material interest in a matter before the Board or any Committee on which he or she serves is required to disclose such interest as soon as the director becomes aware of it. In situations where a director has a material interest in a matter to be considered by the Board or any Committee on which he or she serves, such director may be required to absent himself or herself from the meeting while discussions and voting with respect to the matter are

taking place. Directors will also be required to comply with the relevant provisions of the ABCA regarding conflicts of interest.

Whistleblower Policy

The integrity, transparency, and accountability of the financial, administrative and management practices of Source is critical. This information guides the decisions of the Board and is relied upon by stakeholders of Source. For these reasons, it is critical for Source to maintain a workplace where concerns regarding questionable business practices can be raised without fear of any discrimination, retaliation, or harassment. Accordingly, the Board has adopted a whistleblower policy which provides employees, clients, and contractors with the ability to report, on a confidential and anonymous basis, any violation within Source including (but not limited to), criminal conduct, falsification of financial records or unethical conduct. The Board believes that providing a forum for employees, clients, contractors, officers, and directors to raise concerns about ethical conduct and treating all complaints with the appropriate level of seriousness fosters a culture of ethical conduct. A copy of our whistleblower policy is available on our website:

<https://www.sourceenergyservices.com/investors/governance#policies>.

Shareholder Engagement Policy

Source's Board believes in the importance of engaging in constructive communication with Source's shareholders. Constructive engagement with shareholders can provide valuable insight that will assist the Board in maintaining the high standards of governance to which the Board is committed. The Board has adopted a Shareholder Engagement Policy to promote open and sustained dialogue with Source's shareholders. Management is principally responsible for shareholder communications and engagement. In addition, the Board wishes to ensure there is the opportunity for direct dialogue between directors and shareholders. Shareholders are encouraged to initiate communications directly with the Board. A copy of our Shareholder Engagement Policy is available on our website:

<https://www.sourceenergyservices.com/investors/governance#policies>.

Anti-Corruption Policy

Source is committed to conducting the business of the Company ethically and legally. Source strongly believes that the Company has a responsibility to take an active stand against bribery and corruption. The Board has adopted an Anti-Corruption Policy to maintain our corporate reputation and protect the interests of our securityholders, employees, customers, suppliers, business partners, stakeholders, and the communities we serve. The purpose of the Anti-Corruption Policy is to affirm Source's compliance with applicable domestic and foreign anti-corruption legislation where it conducts business, and its commitment to such compliance, by establishing rules and providing guidance for conducting business in accordance with such legislation. A copy of our Anti-Corruption Policy is available on our website:

<https://www.sourceenergyservices.com/investors/governance#policies>.

Political Contributions and Lobbying

Source does not align itself with any political party nor does it make contributions to political parties or candidates for political office. Further, Source does not directly engage in any political lobbying. Source is, however, a member of certain industry associations that have, in the past, been sporadically active in lobbying.

ENVIRONMENT, SOCIAL, AND GOVERNANCE

A strong corporate governance framework is critical for executing on our strategy. The stewardship of Source involves the Board in strategic planning, risk identification, management and mitigation, senior

management determination and succession planning, communication planning and internal control integrity with the objective of enhancing shareholder value.

The principal mechanisms through which the Board reviews ESG performance are through the execution of the duties of the Board's sub-committees, which are to ensure that risks are being properly measured, monitored, and reported throughout the Company and through the strategic planning process:

COMPENSATION AND CORPORATE GOVERNANCE COMMITTEE	HEALTH, SAFETY AND ENVIRONMENT COMMITTEE	AUDIT COMMITTEE
Provides oversight of executive compensation, social factors, including diversity and inclusion, human rights and other legislative employment factors, and regulatory governance factors, and manages risk related to talent management, succession planning, and compensation.	Provides oversight of the health and safety of Source's employees and contractors, as well as oversees environmental factors, including climate change, air emissions, water management, operational integrity, and land management.	Provides oversight and ensures compliance for annual and quarterly financial statements, including financial disclosure practices and regulatory reporting. The Audit Committee also appoints and oversees Source's external auditors, and tracks all reports made through the Whistleblower Hotline.

The Board also oversees activities of the leadership team, who are responsible for the day-to-day management of the business:

PRESIDENT AND CHIEF EXECUTIVE OFFICER	EXECUTIVE VICE-PRESIDENT AND CHIEF FINANCIAL OFFICER
Establishes and executes on the purpose, the values and the long-term objectives and vision of Source as well as develops and implements the strategic plan and corporate objectives of the Company, establishes appropriate annual and longer-term financial objectives and robust succession planning for the executive team. The President and CEO is also a member of the Board of Directors and, with support from the leadership team, reports to the Board on Source's performance.	Executes on all aspects of Source's financial, information technology and human resources operations, including development and oversight of guidelines and practices, policies, and procedures, and implementing best practices. The EVP and CFO provides financial and business leadership and perspective to senior management and to the Board, promoting strong governance and financial control.

The Board and senior management work together to provide strong leadership, thoughtful strategic deliberations, and prudent management practices, including awareness of how environmental and social risks may impact long-term value creation. It is important that Source's Board functions as a key strategic and governing body that challenges our leadership team to be better and more innovative. It is the responsibility of the leadership team to ensure that the Board and its committees are being provided with timely and relevant information necessary to discharge their statutory duties and responsibilities.

We believe in supporting and helping shape the communities where we live, work and play. By recognizing the importance of forming strong relationships with the people within the communities near our operations, we strive to uphold our founding People First corporate value across our organization. Whether it's giving back through economic opportunities or supporting local causes and organizations, we continually look to listen, learn, and engage – addressing concerns, ensuring safe operations, and becoming active participants. We support initiatives that align with our corporate values, that support the charitable efforts of our employees, and are located near our operations.

Source believes that sound governance means taking actions to make communities safer, healthier, and happier and that health, safety and environment excellence is achieved through the commitment and dedication by everyone involved, to create and maintain a vibrant safety culture. Source's goals are simple: no harm to people, the public, Company properties, or the environment. The Company supports and promotes this through the implementation and communication of the Company's health, safety,

environmental and community engagement programs, policies, and procedures. These programs include health and safety management systems and detailed emergency response plans.

A key consideration for our operations is the impact we have on the local environment in and around the communities in which we operate. Land reclamation is an important ongoing activity we complete as part of operating our mines. To minimize water use, we include technologically advanced equipment at our processing facilities including a closed-loop water system. Source has established multiple monitoring well locations in adjacent lands to continually monitor groundwater quantity and quality.

At Source, we are focused on sustainability to meet the needs of our stakeholders, both in the near-term and over the longer-term. Our work in this area will be detailed in our 2025 ESG report, which will be published in late Spring 2025.

ADDITIONAL INFORMATION

NON-IFRS MEASURES

This Circular refers to certain financial measures that are not determined in accordance with IFRS. These financial measures do not have standardized meanings prescribed by IFRS and Source's method of calculating these measures may differ from the method used by other entities and, accordingly, they may not be comparable to similar measures presented by other companies. These financial measures should not be considered as an alternative to, or more meaningful than, net income (loss), cash flows from operating activities, gross margin and other measures of financial performance as determined in accordance with IFRS.

Source believes that the non-IFRS measure of Adjusted EBITDA is a useful measure to management and investors to provide relative performance and measure changes in respect of Source's financial performance in the context of earnings generated to fund capital investments and meet financial obligations. Adjusted Gross Margin is useful to management and investors in measuring pricing and operating cost performance relative to other publicly listed competitors throughout North America. Adjusted EBITDA per MT and Adjusted Gross Margin per MT are calculated by taking the non-IFRS measures and dividing by sand volumes for the periods stated.

Free Cash Flow is a useful measure to management and investors as it reflects the Company's ability to generate cash flows that can be used to pay down long-term debt or provide other forms of returns to investors. The movement in cash flows from operating activities is often included in the calculation of Free Cash Flow; however, changes in working capital can have significant fluctuations due to the seasonality of Source's operations. Management believes use of Adjusted EBITDA in the calculation is more representative of the funds generated to pay down debt and other returns to investors.

Adjusted EBITDA represents earnings generated to fund capital investments and meet financial obligations. It represents, for the period presented, net income (loss) plus income taxes, interest expense, cost of sales - depreciation, depreciation, amortization, impairment expense (reversal) and gain (loss) on debt extinguishment; and is adjusted to add back or deduct, as applicable, the following expense charges or benefits incurred in such period which, in management's view, are not indicative of the underlying business performance: finance expense excluding interest expense, loss (gain) on asset disposal, transaction and related professional fees, unrealized loss (gain) on derivative instruments, gain on settlement of deferred revenue, share-based compensation, loss (gain) on sublease and other expense as it relates to the incident at the Fox Creek terminal facility, one-time retirement payments and asset repairs which will be fully recovered through insurance proceeds. The reconciliation to the most comparable IFRS measure, net income (loss), can be found in the table below.

Adjusted Gross Margin represents a margin more comparable to other publicly listed competitors throughout North America. It represents, for the period presented, gross margin plus cost of sales -

depreciation. The reconciliation to the most comparable IFRS measure, gross margin, can be found in the table below.

Free Cash Flow represents, for the period presented, Adjusted EBITDA, adjusted for financing expense paid, capital expenditures (net of proceeds on disposal of property, plant and equipment and reimbursement of capital costs and excludes expenditures for the Taylor Facility which are funded by Trican through a project finance facility), payments for lease obligations, cash income taxes paid or recovered and various non-cash operating activities. Free Cash Flow is considered a key non-IFRS measure as it reflects Source's ability to generate cash flows that can be used to pay down long-term debt or provide other forms of returns to investors. The reconciliation to the most comparable IFRS measure, net income, can be found in the table below.

This Circular makes reference to these non-IFRS measures. These non-IFRS measures and other financial estimates of management are based upon variable components. There can be no assurance that these components and future calculations of non-IFRS measures will not vary. Investors are cautioned not to consider these non-IFRS measures in isolation or place undue reliance on ratios or percentages calculated using these non-IFRS measures.

Reconciliation of Adjusted EBITDA and Free Cash Flow to Net Income

(\$000's)	Year ended December 31,	
	2024	2023
Net income	9,509	167,345
Add:		
Income taxes	8,344	(17,377)
Interest expense	25,503	26,575
Cost of sales – depreciation	35,292	25,775
Depreciation	17,084	11,809
Impairment reversal	—	(128,555)
Loss (gain) on debt extinguishment	3,081	(763)
Finance expense (excluding interest expense)	9,117	9,767
Share-based compensation expense	14,737	6,759
Gain on asset disposal	(2,212)	(3,312)
Loss (gain) on sublease	638	(28)
Other expense ⁽¹⁾	2,824	1,120
Adjusted EBITDA	123,917	99,115
Financing expense paid	(35,903)	(29,150)
Capital expenditures, net of proceeds on disposal of property, plant and equipment and reimbursement of capital costs ⁽²⁾	(19,074)	(13,045)
Payment of lease obligations	(21,375)	(19,592)
Income taxes paid	(979)	—
Free Cash Flow	46,586	37,328

Notes:

- (1) Includes expenses related to the incident at the Fox Creek terminal facility, asset repairs reimbursed by insurance claims and other one-time expenses.
- (2) Excludes capital expenditures for the Taylor Facility.

Reconciliation of Gross Margin to Adjusted Gross Margin

(\$000's)	Year ended December 31,	
	2024	2023
Gross margin	127,337	109,406
Cost of sales – depreciation	35,292	25,775
Adjusted Gross Margin	162,629	135,181

Interest of Informed Persons in Material Transactions

Except as otherwise set out herein, there were no material interests, direct or indirect, of any informed person (as defined in NI 51-102) of the Company, any proposed director of the Company or any associate or affiliate of any informed person or proposed director of the Company, in any transaction since the commencement of Source's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company.

Interest of Certain Persons or Companies in Matters to be Acted Upon

Management of Source is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any director or nominee for director, senior officer, or anyone who has been a director or senior officer of Source at any time since our IPO, or of any associate or affiliate of any of the foregoing individuals, in any matter to be acted on at the Meeting, other than the election of directors or the appointment of auditors, except for as set forth in this Circular.

Other Business

Management of Source is not aware of any other business to come before the Meeting other than as set forth in the Notice of Meeting. If any other business properly comes before the Meeting, it is the intention of the persons named in the form of proxy to vote the Shares represented thereby in accordance with their discretion on such matter.

Management Contracts

No management functions of the Company are performed by a person or company other than the directors or executive officers of the Company.

Access to Documents

Any document referred to in this Circular and described as being accessible on the SEDAR website at [SEDAR+ \(sedarplus.ca\)](https://www.sedarplus.ca) may be obtained free of charge from the Company at 500, 438 – 11th Avenue SE, Calgary, Alberta T2G 0Y4.

Additional information respecting the Company is available on the Company's SEDAR profile at [SEDAR+ \(sedarplus.ca\)](https://www.sedarplus.ca). Financial information respecting the Company is provided in the Company's financial statements and MD&A for its most recently completed financial year. Shareholders can access this information on the SEDAR+ website, on Source's website at [Homepage - Source Energy Services](#) or by request to Source Energy Services Ltd., 500, 438 – 11th Avenue SE, Calgary, Alberta T2G 0Y4, attention: Chief Financial Officer.

Date and Approval

This Circular is dated February 26, 2025, and the contents and sending of this Circular has been approved by the Board.

BY ORDER OF THE BOARD OF DIRECTORS

/s/ "Scott Melbourn"

Scott Melbourn

Chief Executive Officer and Director

APPENDIX “A” – GLOSSARY

In this Circular, unless otherwise indicated or the context otherwise requires, the following terms shall have the meaning set forth below.

GLOSSARY	
ABCA	Business Corporations Act (Alberta), RSA 2000, c B-9, as amended, including the regulations promulgated thereunder
Audit Committee	Audit Committee of the Board
Board or Board of Directors	Board of Directors of the Company
Broadridge	Broadridge Investor Communication Solutions, Canada
CD&A	Compensation Discussion and Analysis
CDS	CDS Clearing and Depository Services Inc
CEO	Chief Executive Officer of the Company
CFO	Chief Financial Officer of the Company
Chair	Chair of a Committee of the Company, as applicable
Chair of the Board	Chair of the Board of Directors of the Company
Circular	This Management Information Circular
Class B Shares	Class B shares in the capital of the Company
Committee	Either the Audit Committee, the Compensation and Corporate Governance Committee, or the Health, Safety and Environment Committee, or all of them, as applicable
Common Shares	Common shares in the capital of the Company
Company	Source Energy Services Ltd, either alone or together with its subsidiaries, as applicable in the context
Compensation and Corporate Governance Committee	Compensation and Corporate Governance Committee of the Board
DSU	A deferred share unit granted under the DSU Plan
DSU Plan	Deferred share unit plan of the Company
frac sand	Naturally-occurring sand utilized as proppant in the process of fracturing oil and natural formations as part of the well completion process
Health, Safety and Environment Committee	Health, Safety, and Environment Committee of the Board
hydraulic fracturing	Process of pumping fluids, mixed with granular proppants, into a geological formation at pressures sufficient to create fractures in the hydrocarbon-bearing rock
IFRS	International Financial Reporting Standards as issued by the International Accounting Standards Board and implemented in Canada through the Accounting Recommendations in the Chartered Professional Accountants of Canada Handbook
Insider Participation Limit	Has the meaning ascribed to it under “Long Term Incentive Plan”
IPO	Company’s April 13, 2017, initial public offering
LTIP	RSU and PSU Long Term Incentive Plan of the Company

Management	Management of Source
Management Information Circular	This Management Information Circular
Market Price or Market Value	Generally, the five-day volume weighted average trading price of the Common Shares on the TSX, or such other exchange on which the Common Shares are listed and posted for trading and on which the majority of the trading volume and value of the Common Shares occurs (or as determined by the Board in its discretion if the Common Shares are not listed and posted for trading)
MD&A	Management's Discussion and Analysis
metric tonne or MT	One metric tonne or 1,000 kilograms (equivalent to approximately 1.102 short tons or approximately 2,205 pounds)
Named Executive Officers or NEOs	CEO, the CFO, and each of the Company's three other most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, who served as executive officers in the most recently completed financial year and whose total salary and bonus exceeded \$150,000
NI 51-102	National Instrument 51-102 - <i>Continuous Disclosure Obligations</i>
NI 52-110	National Instrument 52-110 - <i>Audit Committees</i>
NI 58-101	National Instrument 58-101 - <i>Disclosure of Corporate Governance Practices</i>
Northern White	Natural frac sand known for producing deep, tight shale, high pressure resources, demonstrating high crush resistance, sphericity and acid solubility
Option	An option to purchase Common Shares granted under the 2024 Option Plan
proppant	A sized particle mixed with fracturing fluid to hold fractures open after a hydraulic fracturing treatment
PSU	A performance share unit granted under the LTIP
RSU	A restricted share unit granted under the LTIP
Sahara	Source's proprietary wellsite mobile proppant storage and handling system
Share or Shares	The Common Shares in the capital of the Company
Source	Source Energy Services Ltd., either alone or together with its subsidiaries, as applicable in the context
TriWest	TriWest Capital Partners
TriWest IV	Collectively, TriWest IV Canada Fund LP, TriWest IV US Fund LP, SES Canada LP, SES Canada 2 LP and SES Canada 3 LP
TSX	Toronto Stock Exchange
WCSB	Western Canadian Sedimentary Basin
wet processing plant	An industrial site where process material is washed to remove impurities and then sorted by size Following this washing and sorting process, frac sand is stored before being transported to a dry processing facility

APPENDIX "B" – COMPENSATION AND CORPORATE GOVERNANCE COMMITTEE MANDATE

Section 1 Purpose

The Compensation and Corporate Governance Committee (the "**Committee**") is a committee of the board of directors (the "**Board**") of Source Energy Services Ltd. (the "**Company**"). The primary function of the Committee is to assist the Board by:

- (a) reviewing and approving the Company's goals and objectives relevant to the compensation of the Chief Executive Officer of the Company (the "**CEO**"), evaluating the CEO's performance in light of those goals and objectives, and determining (or making recommendations to the Board with respect to) the CEO's compensation level based on this evaluation;
- (b) making recommendations to the Board with respect to the compensation of directors and members of the senior management other than the CEO;
- (c) overseeing the administration of the Company's compensation plans for senior management and the Board, including equity-based compensation and such other compensation plans or structures as are adopted by the Company from time to time;
- (d) providing broad oversight of the Company's compensation strategy including a charge to ensure that the Company is able to secure and, maintain employment of and, train and develop the skills of persons with the talent to enable the Company to meet its business objectives and execute its business strategies;
- (e) reviewing the Company's Majority Voting Policy, Whistleblower Policy, Code of Business Conduct and Ethics (the "**Code**") and similar policies and practices as required and make recommendations to the Board with respect thereto;
- (f) assessing the effectiveness of the Board as a whole (including any committees thereof) as well as discussing the contribution of individual members;
- (g) considering questions of management succession;
- (h) assessing the performance each director and other key personnel of the Company;
- (i) periodically assessing the Company's governance. In this regard, the Committee will look to foster an environment of full open communication in which all directors are encouraged to participate in Board and Committee dialogue and in which any director or other person commonly in attendance at Board meetings is discouraged from discouraging participation or intimidating others from contributing. In performing this duty, the Chair of the Committee (the "**Chair**") will be charged with discussing the Committee's views including the conduct of directors and providing the Committee's views. The Committee is to be particularly alert to proper conduct in possible cases of conflicts of interest, and appropriate and respectful interaction with other directors and servants of the Company including employees, consultants, contractors and others;
- (j) proposing new nominees for appointment to the Board while not impairing in any way the right of any other Committee, any director or any group of directors or the Board as whole to also propose new nominees for appointment to the Board;
- (k) recommending to the Board to consider measures to seek the resignation or removal of directors where their current or past conduct is or has been improper (illegal or in violation of the Company's policies or disruptive to the effective and reputable conduct of the Board or the Company's business) or liable to adversely affect the Company or its reputation; and
- (l) orienting new directors.

Section 2 Composition and Meetings

- (a) The Committee shall be comprised of at least three directors of the Company appointed by the Board. All of the members of the Committee shall be "independent" for the purposes of National Policy 58-201 – *Corporate Governance Guidelines* and each member of the Committee shall be (or shall become within a reasonable period of time after appointment) familiar with recent compensation and corporate governance practices and with the Company's compensation and staffing policies and programs.
- (b) The Chair of the Board may be a full member of the Committee. If he or she is not a member of the Committee, he or she will nonetheless be entitled to attend and participate (except if he or she is conflicted) in the discussion of meetings of the Committee. He or she will have a vote as to Committee matters if and only if he or she is a member of the Committee.

- (c) The members of the Committee and the Chair shall be elected by the Board on an annual or more frequent basis as the Board deems appropriate. Unless the Chair is elected by the full Board, the members of the Committee may designate the Chair by majority vote of the full Committee membership.
- (d) The members of the Committee may be removed or replaced by the Board at any time. The Chair may be removed by the Board or the Committee, in consultation with the Board, at any time. Any member shall automatically cease to be a member of the Committee on ceasing to be a director. The Board may fill vacancies on the Committee or expand or contract the Committee provided that it always contains, at least, three directors. If and whenever a vacancy shall exist on the Committee, the remaining members may exercise all of the powers of the Committee, so long as the Committee members are duly notified of any meeting a quorum, being at least half, of the remaining members are in attendance.
- (e) The Committee may delegate any or all of its functions to any of its members or any sub-set thereof, or other persons, from time to time as it sees fit.
- (f) The Committee shall meet at least two times per annum or more frequently as circumstances require. The Committee may ask members of management or others to attend meetings or to provide information as necessary. The Committee shall have full access to all information, except as prohibited by law (including conflicts of interest of one or more Committee members), it deems appropriate for the purpose of fulfilling its role.
- (g) The Committee may if considered appropriate, conduct or authorize investigations into any matters within the Committee's scope of activities. The Committee is empowered to retain independent counsel, accountants, outside compensation specialists or other experts and other professionals to assist it in the conduct of any such investigation or otherwise as it determines necessary to carry out its duties. The Committee may set and pay (at the expense of the Company) the compensation for any such advisors.
- (h) At all meetings of the Committee every question shall be decided by a majority of the votes cast. In the case of an equality of votes, the Chair of the meeting shall not be entitled to a second or casting vote. Any issue not resolvable by a majority of the non-conflicted members of the Committee at a properly convened meeting of the Committee will be referred, for resolution, to the Board as a whole.
- (i) A quorum for the transaction of business at any meeting of the Committee shall be a majority of the number of members of the Committee, but in any event not less than two.
- (j) Meetings of the Committee shall be held from time to time and at such place as any member of the Committee shall determine upon 48 hours' notice to each of its members. The notice period may be waived by all members of the Committee. Each of the Chair of the Board, the CEO, the Chief Financial Officer of the Company or the Corporate Secretary of the Company shall also be entitled to call a meeting.
- (k) Agendas shall be circulated to Committee members along with background information on a timely basis prior to the Committee meetings. Minutes of each meeting will be recorded and reviewed by the Committee for errors or omissions and then filed with the Corporate Secretary and made available to any director at any time upon request to the Corporate Secretary. The Chair will report on Committee activities to the full Board at least two times per annum.
- (l) Any issues arising from these meetings that bear on the relationship between the Board and management should be communicated to the Chair of the Board by the Chair.

Section 3 Role

In addition to the matters described in Section 1, and any other duties and authorities delegated to it by the Board from time to time, the role of the Committee is to:

(1) General

- (a) Annually review this Mandate and recommend to the Board changes hereto, as considered appropriate from time to time.
- (b) Review and make recommendations to the Board on the Company's general compensation philosophy and oversee the development and administration of compensation programs.
- (c) Review and make recommendations to the Board on such other human resources and compensation matters, as are considered important from time to time.
- (d) The mandate to review is without power to demand change. The power to demand change is a broader corporate right that the Board should hold unto itself as a whole.
- (e) Oversee the preparation of and recommend to the Board any required disclosures of governance practices to be included in any disclosure document of the Company, as required.

(2) Review and Recommendation of Compensation

- (a) Review the senior management and Board compensation policies and/or practices followed by the Company and seek to ensure such policies are designed to recognize and reward performance and establish a compensation framework, which results in the effective development and execution of a Board-approved strategy. To be effective, the strategy will result in creation of value over the long term while always preserving the Company's license to conduct its business among its various stakeholders. For the purpose of this clause, "stakeholder" will mean any party, group or institution whose reasonable approval is required for the Company to execute its Board-approved strategy.
- (b) Seek to ensure that base salaries are competitive relative to the industry and that bonuses, if any, reflect industry-competitive cash compensation relative to corporate performance and considering individual performance in the context of the overall performance of the Company. Overall performance should be measured by the degree that the Company's strategy (as proposed and justified by management and modified and approved by the Board) and value growth performance (as compared to its peers including other Canadian public companies of a similar size and other Canadian mining or oilfield services companies of a similar size in general and also the Canadian mining or oilfield services companies with the most similar scope of business) differentiate. Participation in equity-based compensation should reflect the level of responsibility and level of contribution of participants within the Company.
- (c) Develop, for review and approval of the Board, a written position description for the CEO.
- (d) Annually evaluate the Company's and the senior executive's performance by the degree that the Company's strategy (as proposed and justified by management and modified and approved by the Board) and value growth performance (as compared to its peers including other Canadian public companies of a similar size and other Canadian mining or oilfield services companies of a similar size in general and also the Canadian mining or oilfield services companies with the most similar scope of business) differentiate.
- (e) Annually, review and recommend to the Board an evaluation of the performance of senior executives and provide recommendations for annual compensation based on such evaluation and other appropriate factors, including industry competitiveness relative to position descriptions and Corporate and individual performance.

(3) Compensation Programs

- (a) Administer any equity-based compensation plan and such other compensation plans or structures for non-senior executive employees as are adopted by the Company from time to time in accordance with the terms of the applicable plan or structure, including the recommendation to the Board of the grant of stock options or other compensation in accordance with the terms of the applicable plan or structure.
- (b) Regularly review all incentive compensation plans and equity-based plans and, in the Committee's discretion, make recommendations to the Board with respect thereto.
- (c) Review employee benefit plans and reports and, in the Committee's discretion, make recommendations to the Board for consideration.

(4) Compensation Risk Oversight

- (a) Provide risk oversight in respect of the Company's compensation policies and practices.
- (b) Identify any compensation policies or practices that could encourage senior executives or other individuals in a principal business unit or a division of the Company to take inappropriate or excessive risks.
- (c) Identify any other risks that may arise from the Company's compensation policies and practices that are reasonably likely to have a material adverse effect on the Company.

(5) Report on Executive Compensation

- (a) Oversee and approve a report prepared by management on senior executive compensation on an annual basis in connection with the preparation of the annual management information circular or as otherwise required pursuant to applicable laws and regulations, including the *Business Corporations Act* (Alberta), Canadian securities legislation and the standards, rules, policies and guidelines of the stock exchange(s) on which the Company's securities are listed (collectively, "**Applicable Laws**").
- (b) To the extent applicable, the report on executive compensation should describe the process undertaken by the Committee and should speak to evaluation criteria considered for each senior executive's compensation.
- (c) Review in advance all proposed executive compensation disclosure.

(6) Compensation of the Board of Directors

Review and recommend to the Board the compensation of the Board members, including annual retainer, meeting fees, equity-based compensation and other benefits conferred upon the Board members. The Committee should pay particular attention to independent review and competitiveness relative to the Company's peers with regard to this matter.

(7) Human Resources Matters

- (a) Review annually the effectiveness of the CEO, and in consultation with the CEO, other senior management and other executive officers, including their contributions, performance and qualifications.
- (b) Consider such other human resources matters as are delegated to the Committee by the Board, for review or recommendation, as considered appropriate from time to time.

(8) Governance

- (a) As a duty but not to the exclusion of other directors performing on their own or in groups this same function, review, on a periodic basis, the size and composition of the Board, make recommendations as to the size of the Board and the number of independent directors and advise the Board on filling vacancies.
- (b) Facilitate the independent functioning of the Board, including by assessing which directors are independent directors and which independent directors serve the Board as a matter of duty to a third party and identifying areas of conflict of interest between the Company and any such third parties, and seek to maintain an effective relationship between the Board and senior management of the Company.
- (c) Review, annually, the mandates of the Board and its committees and recommend to the Board such amendments to those mandates as the Committee believes are necessary or desirable.
- (d) Review, annually, the position descriptions for the Chair of the Board and the chair of each committee of the Board and recommend to the Board such amendments to those position descriptions as the Committee believes are necessary or desirable.
- (e) Assess, annually, the effectiveness of the Chair of the Board, the Board as a whole, all committees of the Board and the contribution, competency, skill and qualification and, if applicable, position distributions, of individual directors, including making recommendations where appropriate that a sitting director be removed or not re-appointed.
- (f) Reviews and evaluates the Company's Majority Voting Policy and Whistleblower Policy, and the Code at least annually and recommends any necessary or appropriate changes to the Board for consideration.
- (g) Monitors adherence to the Code and reviews potential situations related thereto brought to the attention of the Committee, in order to recommend or not, in certain circumstances, to the Board to grant or reject waivers from compliance with the Code. The Committee also ensures that violations of the Code and waivers granted in respect thereof are disclosed in accordance with Applicable Laws (or as otherwise deemed appropriate by the Board).
- (h) Establish a process for direct communications with shareholders and other stakeholders, including through the Company's Whistleblower Policy.
- (i) Develop a process to address any conflict of interest and to periodically review such process. This process should be particularly sensitive to conflicts arising from any director's obligations to any entity which may directly or through ownership, governance or contract have obligations to competitors, service providers, customers, or employers of people with the skills of the Company's staff.
- (j) Review, on a periodic basis, senior management succession plans.
- (k) Coordinate orientation for new directors and oversee continuing education programs for all directors.

(9) Reporting Process

- (a) Review and submit to the Board, as a whole, recommendations concerning executive and board compensation, compensation plan matters and corporate governance. Such reports may be oral or in writing. Unless such matters are delegated specifically to the Committee, the Committee shall only make recommendations to the Board for their consideration and approval, if appropriate. The Board will then have the authority to instruct management to implement the Board's directives.
- (b) Review with the Board the Committee's judgment as to the quality of the Company's governance and suggest changes to the Company's operating governance guidelines as determined appropriate.

(10) *Nominating Role*

- (a) As necessary or appropriate, establish qualifications for directors and procedures for identifying possible nominees who meet these criteria. In so doing, the Committee should consider desired competencies, backgrounds and skills and the appropriate size of the Board.
- (b) Consider, in recommending to the Board suitable candidates to be nominated for election as directors at the next annual meeting of shareholders of the Company:
 - (i) the competencies and skills considered necessary for the Board, as a whole, to possess;
 - (ii) the competencies and skills of the existing members of the Board;
 - (iii) the needs of the Board and the competencies and skills 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.

(11) *Share Ownership Policies*

- (a) Periodically review the policy and/or implemented guidelines on mandatory share ownership for directors and senior officers of the Company and, in the Committee's discretion, recommend any changes to the Board for consideration.

Section 4 *Complaint Procedures*

(1) *Submitting a Complaint*

Anyone may submit a whistleblower notice or complaint regarding conduct by the Company or its subsidiaries or their respective employees or agents reasonably believed to involve questionable conduct. If a whistleblower complaint is submitted regarding compensation and corporate governance matters, the Chair or in his/her absence or by his/her delegation, any other member of the Committee should oversee the treatment of such complaint.

(2) *Procedures*

- (a) The Chair is designated to receive and administer or supervise the administration of complaints with respect to compensation and corporate governance matters.
- (b) In order to preserve anonymity when submitting a complaint regarding a possible breach involving compensation and corporate governance matters, the complainant may submit a complaint in accordance with the Company's Whistleblower Policy, and such complaint shall be addressed in accordance with that policy.

(3) *Records and Report*

The Chair should maintain a log of compensation and corporate governance related complaints, tracking their receipt, investigation, findings and resolution, and should prepare a summary report for the Committee.

APPENDIX “C” – BOARD MANDATE

The members of the board of directors (respectively, the “**Directors**” and the “**Board**”) have the responsibility to oversee the conduct of the business of Source Energy Services Ltd. (the “**Company**”) and to oversee the activities of management who are responsible for the day-to-day conduct of the business.

Section 1 Composition

The number of Directors shall be fixed by the Board in accordance with the Company's constituting documents and applicable laws and regulations, including the *Business Corporations Act* (Alberta), Canadian securities legislation and the standards, rules, policies and guidelines of the stock exchange(s) on which the Company's securities are listed (collectively, “**Applicable Laws**”), upon the recommendation of the Compensation and Corporate Governance Committee. A majority of the Directors shall be “independent” for the purposes of National Policy 58-201 – *Corporate Governance Guidelines* (“**NP 58-201**”).

The Board shall appoint a chair (the “**Chair**”) from among its members. The role of the Chair is to act as the leader of the Board, to manage and coordinate the activities of the Board and to oversee execution by the Board of this Mandate. If the Chair is not independent for the purposes of NP 58-201, the Board shall appoint an independent Lead Director of the Board (the “**Lead Director**”) from among its members to be responsible for ensuring that the independent Directors have opportunities to meet without management and non-independent (or conflicted, as applicable) Directors, as required, and will assume such other responsibilities as the independent Directors may designate in accordance with any applicable position descriptions or other applicable guidelines that may be adopted by the Board from time to time.

The Board may, from time to time, engage consultants or members of the Company's management team that are not directors of the Company and these persons may attend meetings or portions of meetings as invited guests of the Board. Otherwise, the Board will consist only of Directors and only Directors and a Corporate Secretary, appointed by the Board, may attend meetings of the Board.

Section 2 Operation

The Board operates by delegating certain of its authorities to management and by reserving certain powers to itself. The Board retains the responsibility of managing its own affairs including selecting its Chair, nominating candidates for election to the Board, constituting committees of the full Board and determining Director compensation. Subject to the Company's constituting documents and Applicable Laws, the Board may constitute, seek the advice of and delegate powers, duties and responsibilities to committees of the Board.

The full Board considers all major decisions of the Company, except that certain analyses and work of the Board will be performed by standing committees empowered to act on behalf of the Board. The Company has a number of standing committees, including the Audit Committee, the Compensation and Corporate Governance Committee and the Health, Safety and Environment Committee, and has the authority to appoint other committees to steward certain other matters. Each standing committee must have a mandate that has been approved by the Board.

Each committee shall operate according to the mandate approved by the Board and outlining its duties and responsibilities and the limits of authority delegated to it by the Board. The Board shall review and reassess the adequacy of the mandate of each committee on a regular basis and, with respect to the Audit Committee, at least once a year.

The Chair shall annually propose the leadership and membership of each committee. In preparing recommendations, the Chair will take into account the preferences, skills and experience of each Director. Committee chairs and members are appointed by the Board at the first Board meeting after the annual shareholder meeting or as needed to fill vacancies during the year.

The Board will hold four regularly scheduled meetings each year. The independent members of the Board shall also meet before or after its regularly scheduled meetings without members of management or non-independent Directors present. Special meetings will be called as necessary. Directors are expected to attend all Board meetings and all Board committee meetings where such Director is a member of such committee, although it is understood that conflicts may occasionally arise that prevent a Director from attending a meeting. Attendance at Board meetings and Board committee meetings in person is preferred, but attendance by teleconference or other electronic communication established by the Board or such Board committee is permitted. In advance of each regular Board and committee meeting and, to the extent feasible each special meeting, information and presentation materials relating to matters to be addressed at the meeting will be distributed to each Director. It is expected that each Director will review presentation materials in advance of a meeting.

The Chair presides at all meetings of the Board and shareholders. Minutes of each meeting shall be prepared by the Corporate Secretary (or in his or her absence a secretary who has been appointed for the purposes of the meeting). The Chief Executive Officer of the Company (the “CEO”), if he or she is not a Director, shall be available to attend all meetings of the Board or committees of the Board upon invitation by the Board or any such committee. Members of management and such other staff as appropriate to provide information to the Board shall attend meetings at the invitation of the Board. Following each meeting, the Corporate Secretary will promptly report to the Board by way of providing draft copies of the minutes of the meetings. Supporting schedules and information reviewed by the Board at any meeting shall be available for examination by any Director upon request to the CEO or Corporate Secretary.

Section 3 Responsibilities

The Board is responsible under law to supervise the management of the business and affairs of the Company. In broad terms the stewardship of the Company involves the Board in strategic planning, risk identification, management and mitigation, senior management determination and succession planning, communication planning and internal control integrity.

Section 4 Specific Duties

Without limiting the foregoing, the Board shall have the following specific duties and responsibilities:

(1) Legal Requirements

- (a) The Board has the oversight responsibility for meeting the Company’s legal requirements and for approving and maintaining the Company’s documents and records;
- (b) The Board has the statutory responsibility to:
 - (i) manage or supervise the management of the business and affairs of the Company;
 - (ii) act honestly and in good faith with a view to the best interests of the Company;
 - (iii) exercise the care, diligence and skill that responsible, prudent people would exercise in comparable circumstances; and
 - (iv) act in accordance with its obligations contained the Company’s constating documents and Applicable Laws.
- (c) The Board has the statutory responsibility for considering the following matters as a full Board which in law may not be delegated to management or to a committee of the Board:
 - (i) any submission to the shareholders of a question or matter requiring the approval of the shareholders;
 - (ii) the filling of a vacancy among the Directors;
 - (iii) the issuance of securities;
 - (iv) the declaration of dividends;
 - (v) the purchase, redemption or any other form of acquisition of shares issued by the Company;
 - (vi) the payment of a commission to any person in consideration of his/her purchasing or agreeing to purchase shares of the Company from the Company or from any other person, or procuring or agreeing to procure purchasers for any such shares;
 - (vii) the approval of management proxy circulars;
 - (viii) the approval of any take-over bid circular or directors’ circular; and
 - (ix) the approval of financial statements of the Company.

(2) Strategy Determination

The Board has the responsibility to adopt a strategic planning process for the Company and to participate with management directly or through its committees in approving goals and the strategic plan for the Company by which the Company proposes to achieve its goals. The strategic plan shall be approved annually, and shall take into account, among other things, the opportunities and risks of the Company’s business and affairs as identified by management. The Board shall monitor the implementation and execution of the tasks constituent to the corporate strategy.

To be effective, the strategy will result in creation of value over the long term while always preserving the Company’s license to conduct its business among its various stakeholders. For the purpose of this clause, “stakeholder” will mean any party, group or institution whose reasonable approval is required for the Company to execute its Board-approved strategy.

(3) Managing Risk

The Board has the responsibility to identify and understand the principal risks of the business in which the Company is engaged, to achieve a proper balance between risks incurred and the potential return to shareholders, and to establish systems to monitor and manage those risks with a view to the long-term viability of the Company. It is the responsibility of management to ensure that the Board and its committees are kept well informed of changing risks. The principle mechanisms through which the Board reviews risks are through the execution of the duties of the Audit Committee, the Compensation and Corporate Governance Committee and the Health, Safety and Environment Committee and through the strategic planning process. It is important that the Board understands and supports the key risk decisions of management.

(4) Appointment, Training and Monitoring Senior Management

The Board has the responsibility:

- (a) to appoint the CEO and establish a description of the CEO's responsibilities and other senior management's responsibilities, to monitor and assess the CEO's performance, to determine the CEO's compensation, and to provide advice and counsel in the execution of the CEO's duties;
- (b) to approve the appointment and remuneration of the Company's senior management;
- (c) to take steps to satisfy itself as to the integrity of the executive officers and senior management, and that the executive officers and senior management foster a culture of integrity throughout the Company; and
- (d) succession planning (including appointing, training and monitoring senior management).

(5) Reporting and Communication

The Board has the responsibility:

- (a) to ensure compliance with the reporting obligations of the Company, including that the financial performance of the Company is properly reported to shareholders, other security holders and regulators on a timely and regular basis;
- (b) to recommend to shareholders of the Company a firm of certified professional accountants to be appointed as the Company's auditors;
- (c) to ensure that the financial results of the Company are reported fairly and in accordance with generally accepted accounting principles;
- (d) to ensure the timely reporting of any change in the business, operations or capital of the Company that would reasonably be expected to have a significant effect on the market price or value of the common shares of the Company;
- (e) to establish and oversee policies and processes that enable the Company to communicate effectively with its stakeholders, and stakeholders to communicate effectively with the Company; and
- (f) to report annually to shareholders on its stewardship of the affairs of the Company for the preceding year.

(6) Monitoring and Acting

The Board has the responsibility:

- (a) to establish policies and processes for the Company to operate at all times within Applicable Laws to the highest ethical and moral standards (advancing the interests of the Company, including the pursuit of differentiating performance in meeting the reasonable needs of all stakeholders of the Company);
- (b) to ensure that management has and implements procedures to comply with, and to monitor compliance with, significant policies and procedures by which the Company is operated;
- (c) to promote, and to ensure that management promotes, high environmental standards in the Company's operations in compliance with environmental laws and legislation;
- (d) to ensure that management establishes appropriate programs and policies for the health and safety of the Company's employees in the workplace;
- (e) to monitor the Company's progress towards its goals and objectives and to revise and alter its direction through management in response to changing circumstances;
- (f) to take action when performance falls short of its goals and objectives or when other special circumstances warrant or when changing circumstances in the business environment create risks or opportunities for the Company;
- (g) to approve annual (or more frequent as the Board feels to be prudent from time to time) operating and capital budgets and review and consider amendments or departures proposed by management from

- established strategy, capital and operating budgets or matters of policy which diverge from the ordinary course of business that may significantly impact the value of or opportunities available to the Company; and
- (h) to implement internal control and information systems and to monitor the effectiveness of same so as to allow the Board to conclude that management is discharging its responsibilities with a high degree of integrity and effectiveness. The confidence of the Board in the ability and integrity of management is the paramount control mechanism.

(7) Governance

The Board has the responsibility:

- (a) to develop a position description for the Chair and the chair of each committee of the Board;
- (b) to facilitate the continuity, effectiveness and independence of the Board by, among other things:
 - (i) appointing from amongst the Directors an Audit Committee, a Compensation and Corporate Governance Committee, and a Health, Safety and Environment Committee and such other committees of the Board as the Board deems appropriate;
 - (ii) defining the mandate, including both responsibilities and delegated authorities, of each committee of the Board;
 - (iii) establishing a system to enable any Director to engage an outside adviser at the expense of the Company;
 - (iv) ensuring that processes are in place and are utilized to assess the effectiveness of the Chair, the Board as a whole, each Director, each committee of the Board and each committee's chair;
 - (v) reviewing annually the composition of the Board and its committees and assess Directors' performance on an ongoing basis, and propose new members to the Board; and
 - (vi) reviewing annually the adequacy and form of the compensation of the Directors;
- (c) to periodically review and approve the Company's Code of Business Conduct and Ethics (the "**Code**") with the purpose of promoting integrity, deterring wrongdoing and building a culture of honesty and accountability throughout the Company, and review the recommendations of the Compensation and Corporate Governance Committee and make determinations regarding changes to the Code;
- (d) to review the recommendations of the Compensation and Corporate Governance Committee and to make determinations regarding violations of the Code, waivers granted in respect thereof, and disclosure required in connection therewith under Applicable Laws (or as otherwise deemed appropriate by the Board); and
- (e) to periodically review and approve the Company's Disclosure, Trading and Confidentiality Policy (the "**Disclosure Policy**") with the purpose of establishing proper disclosure, trading and confidentiality process and practices, review the recommendations of the Audit Committee and make determinations regarding changes to the Disclosure Policy, and ensure the Disclosure Policy is widely distributed to officers and employees.

Section 5 New Director Orientation

New Directors shall be provided with an orientation which will include written information about the duties and obligations of Directors and the business and operations of the Company, documents from recent Board meetings and opportunities for meetings and discussion with senior management and other Directors. Continuing Directors shall be provided with continuing education opportunities to ensure that they can maintain and enhance their abilities and ensure that their knowledge of the business of the Company remains current. In consultation with the Compensation and Corporate Governance Committee, the Board shall monitor and review, as appropriate, the Company's orientation and continuing education program for Directors.

Section 6 Conflicts of Interest

- (a) Directors have a duty to act honestly and in good faith with a view to the best interests of the Company and to exercise the care, diligence and skill a reasonably prudent person would exercise in comparable circumstances.

Each Director serves in his or her personal capacity and not as an employee, agent or representative of any other company, organization or institution, even if the Director is employed by a shareholder or any other entity which does business with the Company. In providing direction to the Company, Directors acknowledge that the wellbeing of the Company is their sole concern. Any Director must not be affected in his or her deliberations and decision making by any relationship with any outside person or party including any specific shareholder no matter which one and no matter what the relationship between the Director and that

Shareholder. Directors shall not allow personal interests to conflict with their duties to the Company and shall avoid and refrain from involvement in situations of conflict of interest.

- (b) A Director shall disclose promptly any circumstances such as an office, property, a duty or an interest, which might create a conflict or perceived conflict with that Director's duty to the Company.
- (c) A Director shall disclose promptly any interest that Director may have in an existing or proposed contract or transaction of or with the Company.
- (d) The disclosures contemplated in paragraphs (b) and (c) above shall be immediate if the perception of a possible conflict of interest arises during a meeting of the Board or any committee of the Board, or if the perception of a possible conflict arises at another time then the disclosure shall occur by e-mail to the other Directors immediately upon realization of the conflicting situation and then confirmed at the first Board and/or committee meeting after the Director becomes aware of the potential conflict of interest that is attended by the conflicted Director.
- (e) Each Director will on an annual basis disclose all entities to which it is related, affiliated or in which it holds a, direct or indirect, interest that may do business with the Company or operate in the same industry.
- (f) A Director's disclosure to the Board or a committee of the Board shall disclose the full nature and extent of that Director's interest either in writing or by having the interest entered in the minutes of the meeting of the Board or such committee of the Board.
- (g) A Director with a conflict of interest or who may be perceived as being in a conflict of interest with respect to the Company shall abstain from discussion and voting by the Board or any committee of the Board on any motion to recommend or approve the subject matter of such conflict unless the matter relates primarily to the Director's remuneration or benefits or as otherwise permitted by Applicable Laws. If the conflict of interest is obvious and direct, the Director shall withdraw while the item is being considered.
- (h) Without limiting the generality of "conflict of interest", it shall be deemed a conflict of interest if a Director, a Director's relative, a member of the Director's household in which any relative or member of the household is involved has a direct or indirect financial interest in, or obligation to, or a party to a proposed or existing contract or transaction with the Company.
- (i) Directors shall not use information obtained as a result of acting as a Director for personal benefit or for the benefit of others.
- (j) Any Director shall not use or provide to the Company any information known by the Director that through a relationship with a third party the Director is not legally able to use or provide.
- (k) Directors shall maintain the confidentiality of all information and records obtained as a result of acting as a Director.

Section 7 Mandate Review

This Mandate shall be reviewed and approved by the Board each year after the annual general shareholder meeting of the Company.

Section 8 General

The Board may perform any other activities consistent with this Mandate, the Company's constituting documents and Applicable Laws as the Board deems necessary or appropriate.